

REPLACEMENT AGENDA

FINANCE AND POLICY COMMITTEE AGENDA



Monday 10 February 2020

at 10.00 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Brewer, Brown, Hunter, Lindridge, Little, Marshall, Moore, Smith, Tennant and Young.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 30 January 2020 (to follow).
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 22 November 2019.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 – *Director of Finance and Policy*

5. KEY DECISIONS

- 5.1 Housing Revenue Account – Financial Business Plan Update - *Director of Regeneration and Neighbourhoods and Director of Finance and Policy*



REPLACEMENT AGENDA

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Accommodation Strategy for Drug and Alcohol Treatment and Recovery Services – *Director of Regeneration and Neighbourhoods, Director for Children and Joint Commissioning Services and Director of Public Health*
- 6.2 Violence and Aggression Towards HBC Staff – *Assistant Director, Corporate Services*
- 6.3 Workers' Memorial Day – *Assistant Director, Corporate Services*
- 6.4 Neighbourhood Investment Programme and Highway Improvement Programme - *Director of Regeneration and Neighbourhoods*

7. ITEMS FOR INFORMATION

- 7.1 Local Community Wealth Building – *Director of Finance and Policy and Director of Regeneration and Neighbourhoods*
- 7.2 HRA and Council Housing Capital Strategic Financial Management Report as at 31st December 2019 – *Director of Regeneration and Neighbourhoods and Director of Finance and Policy*
- 7.3 Strategic Financial Management Report as at 31st December 2019 – *Corporate Management Team*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Future meeting dates –

Monday 9 March, 2020 at 2.00 pm – PLEASE NOTE CHANGE OF DATE AND TIME
from Monday 16 March, 2020.



SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

22 November 2019

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

Present:

Responsible Authority Members:

Councillor: Shane Moore (In the Chair)
Denise McGuckin, Director of Regeneration and Neighbourhoods
Chief Inspector Nigel Burnell, Chair of Youth Offending Board
Kevin Harrison, Cleveland Fire Authority
Michael Houghton, NHS Hartlepool and Stockton on Tees and
Darlington CCG

Other Members:

Sally Robinson, Director of Children's and Joint Commissioning
Services

Also Present:

Councillor Ged Hall, Hartlepool Borough Council
John Lovatt was in attendance as substitute for Jill Harrison, Angela
Corner as substitute for Chris Joynes, Sylvia Pinkney as substitute for
Tony Hanson and Sarah Wilson as substitute for Barry Coppinger.

Officers: Rachel Parker, Community Safety Team Leader
Roni Checksfield, Youth Offending Service Team Manager
Denise Wimpenny, Principal Democratic Services Officer

29. Apologies for Absence

Apologies for absence were submitted on behalf of Barry Coppinger, Police and Crime Commissioner for Cleveland, Councillor John Tennant, Hartlepool Borough Council, Tony Hanson, Assistant Director, Environment and Neighbourhood Services, Hartlepool Borough Council, Jill Harrison, Director of Adult and Community Based Services, Hartlepool Borough Council, Joanne Hodgkinson, Safe in Tees Valley and Chris Joynes, Thirteen Group.

30. Declarations of Interest

None.

31. Minutes of the meeting held on 11 October 2019

Confirmed.

32. Cleveland Fire Arson Strategy - Presentation
*(Representative from Cleveland Fire Authority)***Issue(s) for consideration**

The Representative from Cleveland Fire Authority, who was in attendance at the meeting, provided the Partnership with a detailed and comprehensive presentation in relation to the Cleveland Fire Brigade Arson Reduction Strategy which was to reduce the incidence of deliberate fires and their consequential impacts. The presentation included an overview of the impact of arson on local communities, the powers available to deal with deliberate fire setting as well as the national perspective in terms of arson statistics which showed that Cleveland had the worst rate of arson in the UK per 10,000 population. The main arson issues affecting Hartlepool were refuse, grassland and vehicles with hotspot areas being Manor House and De Bruce. A year on year analysis of Hartlepool's crime related incidents was provided as well as details of targeted engagement activities to reduce fires in homes and deliberate fires.

In the discussion that followed the presentation the representative responded to queries raised arising from the presentation. In response to clarification sought as to how the Council could assist in reducing refuse fires, the Partnership was advised that a number of deliberate fires were as a result of fly tipping in back streets or wheelie bin related, details of which were provided.

Clarification was provided in relation to the challenges facing the service, hot spot areas, community engagement activities as well as education in schools. The difficulties identifying who was responsible for deliberate fire setting in back streets and the potential reasons for such fires was discussed. It was noted that activities such as burning materials from metals was taking place and the potential links of activities of this type in terms of substance and drug misuse were highlighted. The benefits of joined up working between the Fire Authority and Council Refuse staff around education campaigns was emphasised and it was agreed that discussions in this regard be held following the meeting.

Decision

- (i) That the contents of the presentation and comments of Partnership Members be noted.
- (ii) That discussions be held following the meeting between the Council and the Fire Authority around joined up working in terms of education campaigns.

33. Youth Justice Plan 2019-2020 *(Director of Children's and Joint Commissioning Services)***Purpose of report**

To consult with members of Safer Hartlepool Partnership on the Youth Justice Strategic Plan for 2019-2021 (**Appendix A**)

Full Council will be asked to adopt the plan on 20 February 2020. Recommendations made by Safer Hartlepool Partnership, Children's Services Committee and Audit and Governance will be considered in the final plan presented to Council.

The final version of the Strategic Plan will also be sent to the National Youth Justice Board.

Issue(s) for consideration

The report provided background information regarding the purpose of the Youth Justice System together with details of the role and functions and primary objectives of the Youth Offending Services.

Members were advised of the following key strategic objectives that the Youth Offending Service and broader Youth Justice Partnership would focus on during 2019-20:-

- Early Intervention and Prevention
- Re-offending
- Remand and Custody
- Voice of the Young Person
- Effective Governance
- Risk and Safety and Wellbeing (Asset Plus)
- Child First

Decision

That the draft Youth Justice Strategic Plan 2019-21, attached at Appendix A, be agreed for submission to Children's Services Committee and Council in February 2020.

34. Understanding Reoffending in Hartlepool *(Cleveland Reducing Reoffending Group)***Purpose of report**

To update the Partnership on research and analysis being undertaken in relation to reoffending in Hartlepool.

Issue(s) for consideration

The report provided the background to the Cleveland Reducing Reoffending Group (RRG) which had been established to provide strategic level co-ordination of the reducing reoffending agenda for adults and young people across the Cleveland Police Force area.

Reoffending rates for adult offending in the Cleveland area remained stubbornly high with all four local authorities featuring within the "Top 20" areas with the highest reoffending rates in the country, details of which were set out in the report. An analysis of reoffending rates in Hartlepool were provided, as outlined in the report. Initial findings of the research and analysis conducted by the Cleveland Reducing Reoffending Group had identified that there were more than 30 individuals who had committed 10 or more criminal offences in a 12 month period, with less than half of these offenders engaged with the Integrated Offender Management Scheme.

Partnership Members debated issues arising from the report at length and commented on aspects of the data presented. It was reported that the data outlined in percentage terms could be misleading and present a more negative picture of the position. It was clarified that whilst reoffending rates were generally high, first time entrants had reduced and reoffending rates of young people in Hartlepool was lower than other areas with fewer prolific young offenders.

Decision

- (i) That the contents of the report and comments of Partnership Members be noted.
- (ii) That full findings of the research and analysis of reoffending in Hartlepool once completed be presented to a future meeting of the Partnership.

- (iii) That a representative from the Cleveland Integrated Offender Management Scheme be invited to a future meeting to provide an overview of the scheme to include the selection criteria.

35. Domestic Violence and Abuse Strategic Group Update *(Director of Children's and Joint Commissioning Services)*

Purpose of report

To provide an overview of work undertaken by the Hartlepool Domestic Abuse Strategy Group over the last year.

Issue(s) for consideration

The report provided background information to the purpose of the Domestic Abuse Strategic Group. Over the past year the Group had focussed on gathering data and intelligence to inform the strategic needs analysis that would underpin the Domestic Abuse Strategy 2020/2023. Progress on the development of the needs analysis had been slow as all partners had been requested to provide data in relation to domestic abuse over a three year period and the response to this request was poor with limited information provided.

Following discussions of the Strategic Group it was agreed that a public survey be undertaken to understand the perceptions of Hartlepool people in relation to domestic abuse as well as workshops, where multi-agency professionals were asked to provide input, feedback from which was set out in the report. The Office of the Police and Crime Commissioner also delivered a strategic event entitled "Domestic Abuse is Everybody's Business", details of which were provided. The Partnership was provided with an overview of other work undertaken which included delivery of 16 Days of Activism events. An update on progress in relation to implementation of the Domestic Abuse Bill was also provided.

Partnership Members welcomed the proposals to develop a domestic abuse needs assessment and strategy across the OPCC footprint which would then be delivered through local partnership delivery plans. The representative from the Police and Crime Commissioner's Office referred to a Task and Finish Group that had been scheduled for 12 December 2019 to discuss the proposals to which the Director of Children's and Joint Commissioning Services and representative from the CCG expressed an interest in participating. The representative from the PCC's Office agreed to circulate information in this regard.

Decision

- (i) The contents of the report and progress made to date on the work of the Domestic Abuse Strategic Group be noted.
- (ii) The Partnership agreed the request of the Strategic Group to engage with Community Safety Partnerships and the OPCC across Tees to develop a domestic abuse needs assessment and strategy across the OPCC footprint which would then then delivered through local partnership delivery plans.
- (iii) That the intention to deliver the 16 Days of Activism during November and December be noted.
- (iv) That information in relation to the Task and Finish Group scheduled for 12 December be circulated to the Director of Children's and Joint Commissioning Services and CCG representative following the meeting.

36. Safer Hartlepool Partnership Performance *(Director of Regeneration and Neighbourhoods)***Purpose of report**

To provide an overview of the Safer Hartlepool Partnership performance for Quarter 2 – July to September 2019 (inclusive).

Issue(s) for consideration

The report provided an overview of the Partnership's performance during Quarter 2, as set out in an appendix to the report. Information as a comparator with performance in the previous year was also provided. In presenting the report, the Community Safety Team Leader highlighted salient positive and negative data and responded to queries in relation to crime figures by type.

With regard to deliberate fires, whilst the challenges outlined by the Fire Representative were acknowledged, as referred to in Minute 32 above, Partnership Members were pleased to note that deliberate fires had reduced by 14% and anti-social behaviour had also reduced as a comparator with the previous year.

The Chair of the Youth Offending Board commented on the benefits of intelligence gathering and the importance of the community reporting any issues of concern to the Community Safety Team. Reference was made to the current Audit and Governance scrutiny investigation in relation to anti-social behaviour where there had been a positive level of response from the public, details of which were shared with the Partnership.

Decision

That the Quarter 2 performance figures and comments of Partnership Members be noted.

37. Date and Time of Next Meeting

The Chair reported that the next meeting would be held on Friday 10 January 2020 at 2.00 pm.

38. Chair's Concluding Remarks

Prior to concluding the meeting, the Chair took the opportunity to wish everyone a Merry Christmas and best wishes for the New Year.

The meeting concluded at 11.10 am.

CHAIR

FINANCE AND POLICY COMMITTEE

10 February 2020



Report of: Director of Finance and Policy

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

1. TYPE OF DECISION / APPLICABLE CATEGORY

Budget and Policy Framework.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to provide details of the 2020/21 Local Government Finance settlement announcement and to advise Members of the arrangements to finalise the 2020/21 technical budget calculations to be referred to Council on 20 February 2019.

3. BACKGROUND

- 3.1 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. Detailed proposals to balance the 2020/21 budget were considered and approved by Council on 19 December 2019. This included approval of a Council Tax increase of 3.9% for 2020/21, including a Social Care precept of 2%.
- 3.2 These proposals reflected information available at the time as the provisional 2020/21 Local Government Finance Settlement had not been issued.
- 3.3 In line with the procedures adopted in previous years this final technical report deals with the statutory Budget and Council Tax calculations arising from the decisions made by Council in December 2019 and the final 2020/21 Local Government Finance Settlement. The proposals in this report will then be referred to Council on 20 February 2020.
- 3.4 The report to Council will also include the statutory 2020/21 Council Tax calculations which the Council is required to undertake to incorporate the Council Tax levels approved by 'precepting bodies', i.e. the Police and Crime Commissioner, Cleveland Fire Authority and Parish Councils. Individual 'precepting bodies' are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum principles applying. Further information is provided in section 6.

4. PROVISIONAL 2020/21 LOCAL GOVERNMENT FINANCE SETTLEMENT AND IMPACT ON THE COUNCIL

4.1 The provisional 2020/21 Local Government Finance Settlement announcement was delayed owing to the General Election and was issued on the afternoon of 20 December 2019. These proposals were subject to a four week consultation which ended on 17 January 2020. The final settlement for 2020/21 will be issued late January/early February. This section is written on basis that there will be no changes to the provisional settlement issued in December 2019. This is a realistic planning assumption as these proposals confirmed earlier information provided in the October 2019 technical consultation. It is expected that the final settlement will be issued before the meeting and a verbal update will be provided.

4.2 National impact of provisional 2020/21 settlement

4.3 The Local Government Finance Settlement determines the level of “Core Spending Power”, which the Government’s defines consists of three funding streams:

- **Settlement Funding Assessment** – this is Revenue Support Grant, Top-up grant and retained Business Rates income;
- **Other Government Grants** – this consists of the following grants – Section 31 grants to compensate for historic caps on business rates multiplier increases, Improved Better Care Fund, New Homes Bonus, Rural Services Delivery Grant, Winter Pressures Grant and Social Care Support Grant;
- **Council Tax** – the Government’s forecast increase in “Core Spending Power” for 2020/21 assumes that all authorities will increase Council Tax in line with national Council Tax Referendum limits, including the Adult Social Care precept. For authorities with social care responsibilities the national Council Tax Referendum limit is 4%.

4.4 At a national level the Government has stated that the provisional 2020/21 Local Government Finance will provide Core Spending Power of £49.1 billion, an increase on 2019/20 of **£2.929 billion** – which equates to an increase of **6.3%**. This increase reflects the following changes:

Changes in National Core Spending Power 2019/20 to 2020/21

	2019/20	2020/21	Increase in funding	
	£'billion	£'billion	£'billion	Increase as percentage of £2.929 billion
Settlement Funding Assessment	14.560	14.797	0.237	8%
Other Government Grants	3.885	4.975	1.090	37%
Sub Total	18.445	19.772	1.327	45%
Council Tax	27.768	29.370	1.602	55%
Total Core Spending Power	46.213	49.142	2.929	100%

4.5 As highlighted in the above table the national increase in Core Spending Power includes two key elements:

- **55%** of the national Core Spending Power increase will come from forecast **Council Tax increases**.

The Government's forecasts assume that all authorities will increase Council Tax in line with the national Council Tax referendum limits. As reported previously the 2020/21 national Council Tax Referendum limits continue to shift the funding of local services from national taxation on to Council Tax.

- **45%** of the national Core Spending Power increase will come from an increase in **Government Grants increase**.

This increase mainly reflects the additional Social Care funding of £1 billion provided for 2020/21.

4.6 The Local Government Association has stated that:

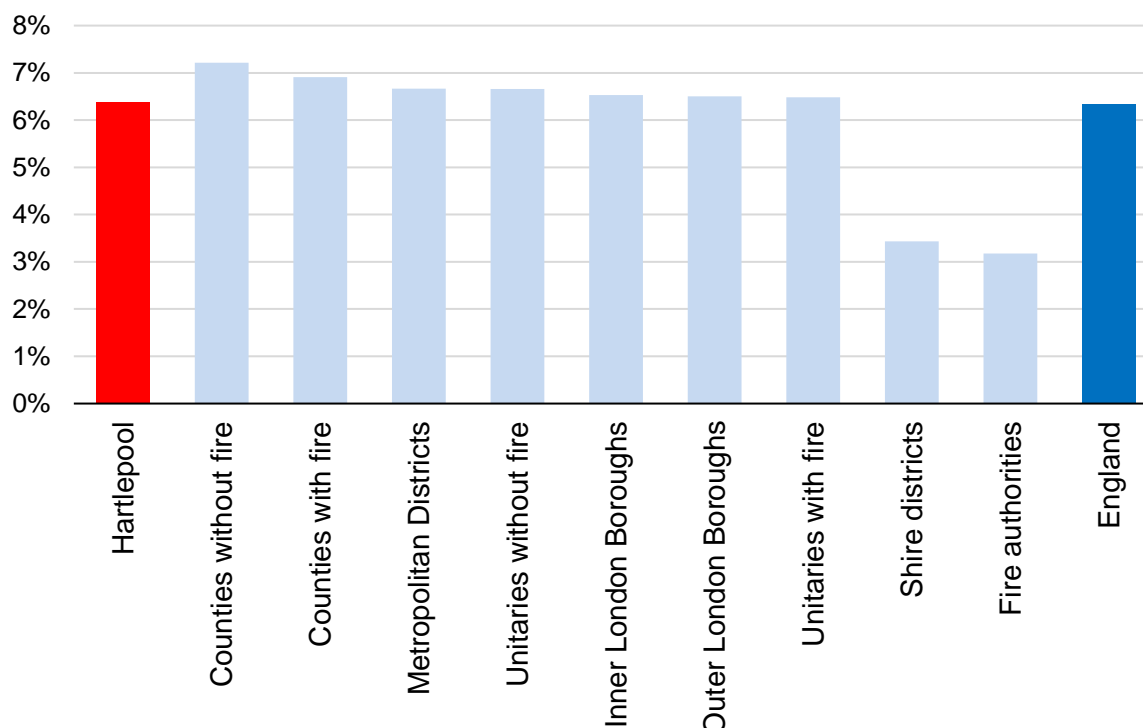
- “the Settlement indicates that core spending on local services has the potential to increase by £2.9 billion next year, which is good news for councils and shows that the Government has responded to the financial pressures local authorities face in meeting rising costs and demand for services, such as adult and children's social care;
- The ability of councils to increase council tax and levy an adult social care precept next year gives them the potential to raise £1.6 billion. This will help councils continue to deliver vital services, but it is not a sustainable solution because increasing council tax raises different amounts of money in different parts of the country, unrelated to need, and adds an extra financial burden on households. The Government needs to deliver on its pledge to bring forward proposals for the long term reform of adult social care and how it is funded”.

4.7 The Settlement provided no update on the progress to increase Business Rates retention from 50% to 75%, or the Fair Funding Review. As reported previously if the Government intends implementing these changes for 2021/22, which is just over a year away, this leaves very little time for consultation on these proposals. There will then be even less time for individual authorities to respond to any funding changes once final proposals are provided by the Government. Approval of the MTFS in December 2019 has provided the best possible financial foundations for the Council to manage this uncertainty and further updates will be provided when more information is available.

4.8 Local impact of provisional 2020/21 settlement

- 4.9 An analysis of national figures shows that Hartlepool's Core Spending Power increase for 2020/21 is 6.4%, compared to a national increase of 6.3%. As highlighted below the provisional settlement has focused Core Spending Power increases on authorities with Social Care responsibilities.

2020/21 Core Spending Power increases
(Forecasts assume Council Tax increased in line with Government referendum limits)



- 4.10 The provisional settlement confirms the Council will receive total Government funding for 2020/21 of £28.133m, which is £14,000 more than forecast in December 2019. For planning purposes it is anticipated that this funding will be sustainable and this position will be confirmed when the final 2020/21 Settlement is issued in late January/early February.

4.11 Other local changes

- 4.12 The provisional settlement enabled calculations in relation to retained Business Rate income and Business Rates Section 31 grants to be completed. These factors provide an increase in recurring resources of £76,000.

4.13 Council Tax base 2020/21

- 4.14 This was approved on 13th February and includes forecast housing growth for 2020/21. In 2020/21 this growth provides recurring Council Tax income of **£826,000**, which was reflected in the MTFs forecast approved in December.

- 4.15 As summarised in the following table the growth in Hartlepool's Council Tax base has been higher than the average for the Tees Valley.

Growth in Council Tax Base

	2014/15 to 2019/20	2014/15 to 2020/21
Hartlepool	11.5%	13.6%
Tees Valley Average (3 authorities)	9.7%	11.7%

5. STRATEGY FOR USING INCREASED RESOURCES

- 5.1 The additional resources of £90,000 detailed in section 4 are anticipated to be sustainable. At the Finance and Policy Committee on 30th January 2020 the recommendation to earmark this amount to increase the use of Prudential borrowing by £2m to increase the approved Capital Investment Programme was approved.

6.0 LEGAL CONSIDERATIONS AND STATUTORY BUDGET CALCULATIONS

- 6.1 The following issues are relevant to the 2020/21 budget and were addressed in previous reports to Finance and Policy Committee (9th December 2019) and Council (19th December 2019):-

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget;
- 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;
- The requirements of the Prudential Code in relation to the use of Prudential Borrowing.

- 6.2 The Local Government Act 1992 and relevant regulations also require the Council to approve the statutory Council Tax calculation incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and parish councils. This issue will be addressed in a report to Council on 20th February 2020 as these calculations cannot be completed until the Government provide the final 2020/21 Local Government Finance Settlement.

- 6.3 Individual 'precepting bodies' are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax

referendum principles applying and which meet their own budgetary requirements. The Government has set the following Council Tax referendum limits for 2020/21:

Type of Authority	Government Council Tax Referendum Limits 2020/21
Police and Crime Commissioners	Had not been issued when this report was prepared.
Fire and Rescue Authorities	Increases of up to 2% in Band D Council Tax in 2020/21
Town and Parish councils	No referendum limits have been set and the Government intends to keep this matter under active review for future years.

- 6.4 The statutory Council Tax calculations are an administrative responsibility that the Council as the statutory 'billing authority' is required to undertake once the Council has set its own Council Tax level (which was approved on 19th December 2019) and the individual precepting authorities have set their own Council Tax levels.

7. CHILD AND FAMILY POVERTY

- 7.1 As detailed in the December 2019 MTFS report there are no specific child and family poverty considerations as part of this report.

8. STAFF CONSIDERATIONS

- 8.1 None.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 None.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 As reported in the December 2019 MTFS report the majority of budget proposals put forward will not impact on the delivery of frontline services or service users. Equality Impact Assessments (EIA) were undertaken where required and 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.
- 10.2 An overall central assessment was also undertaken to determine the cumulative impact of the savings proposals on each individual "protected characteristic". This assessment demonstrated that the savings proposals approved in December 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.

11. RECOMMENDATIONS

11.1 It recommended that Members:

- i) Note the final 2020/21 Local Government Finance settlement had not been issued at the time this report was prepared and a verbal update will be provided at the meeting if the settlement has been issued;
- ii) Note that as approved by this Committee on 31st January 2020 the final budget proposals to be referred to Council will seek approval to allocate the increase in recurring resources of £90,000 (detailed in paragraph 5) to fund increased Prudential Borrowing of £2m, which will increase the Capital Investment Programme budget;
- iii) Note that the detailed 2020/21 statutory Council Tax calculations, incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual parish councils, will be referred to Council on 20th February.

12. REASON FOR RECOMMENDATIONS

- 12.1 To enable the Finance and Policy Committee to approve the 2020/21 technical budget proposal to be referred to Council.

13. CONTACT OFFICER

Chris Little
Director of Finance and Policy
Email: chris.little@hartlepool.gov.uk
Tel: 01429 523003

Sign Off:-

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

FINANCE AND POLICY COMMITTEE

10th February 2020



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

Subject: **HOUSING REVENUE ACCOUNT – FINANCIAL
BUSINESS PLAN UPDATE**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision test (i) and (ii) Forward Plan Reference RN/320

2. PURPOSE OF REPORT

2.1 The aims of this report are to:

- Review the recent financial performance of the Housing Revenue Account (HRA) and consider the future financial outlook.
- Recommend the rent increase for 2020/21 and seek referral to Council on 20th February, 2020 for approval.
- Identify the extent of housing need and consider proposals for future investment and refer the recommended capital budgets and borrowing approvals to Council.

3. BACKGROUND

3.1 The Council began investing in social housing in 2010 and reopened its Housing Revenue Account (HRA) on the 1st April 2016 when the housing stock exceeded the Government's limit of 200 properties. The HRA is a separate ring fenced account and all costs have to be met from rental income. There can be no cross subsidy between the HRA and General Fund Revenue Budget, and vice versa. The HRA is subject to specific Government regulations.

3.2 The Council currently owns and manages 300 properties and is committed to acquiring a further eight empty properties in the current year. The following table provides a breakdown of housing stock held and additional numbers resulting from current investment commitments.

Table 1 - Housing Stock Summary

	Units
1 Bed Flats	5
2 Bed Flats	4
Bungalow 2 Bed	26
Bungalow 3 Bed	1
House 1 Bed	10
House 2 Bed	160
House 3 Bed	84
House 4 Bed	9
House 6 Bed	1
Total Current Stock	300
Current Commitments	
Empty Properties	3
Total Stock for Business Plan	303

- 3.3 In addition to the above, discussions are taking place to secure grant funding to enable 18 new build houses to be built on land owned by the Council in Greatham. The sale of land at Station Lane to Port Homes will result in the Council receiving five units during the development.
- 3.4 As summarised below the Council has been extremely successful in securing external grant and section 106 to fund capital investment in the HRA. The majority of this funding has been secured from Homes England, formerly the Homes and Communities Agency (HCA). The total amount of capital investment to date and amount externally funded is summarised in the following table:

Table 2: Total Capital Investment to Date

As at September 2019 (295 Units)	£000	% of Total
Grant secured	9,711	43%
S106 allocated to Date	2,473	11%
Total External Funding	12,184	54%
Borrowing	9,869	43%
Revenue Contribution to Capital Outlay (RCCO)	628	3%
Total Capital investment	22,681	100%
<u>Per Unit:</u>		
Grant and S106 funding	41	
Borrowing	33	
RCCO	2	
Total Capital Investment	77	

- 3.5 In summary the table shows that **54% (£12.184m)** of the investment has been funded from external funding and 43% (£9.869m) from borrowing, which will be repaid from rents. The borrowing per property equates to £33,000. The Council has been very successful in attracting grant funding and matching funding with borrowing funded from future rental streams. All schemes have been completed within or below budget which is a significant achievement considering the sums involved.
- 3.6 Hartlepool was the first council to reopen its HRA and has been approached for advice by numerous other council's looking to follow in our footsteps.

4. STRATEGIC HOUSING VISION & PRIORITIES

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

GROW	Maximising housing growth and delivering sustainable new homes <ul style="list-style-type: none"> • Increase the delivery of new homes • Deliver housing that meets identified needs
IMPROVE	Making the best use of existing homes, regenerating and improving communities <ul style="list-style-type: none"> • Improve housing standards, quality and choice • Manage the impact of long-term empty homes • Support regeneration activity in areas identified as in need of intervention
SUPPORT	Supporting people with specific housing needs to access and maintain appropriate housing <ul style="list-style-type: none"> • 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

4.3 Good quality, appropriate and affordable housing makes an important contribution towards health and wellbeing, the economy, education and the environment. The delivery of affordable housing will continue to be delivered through the Shared Ownership and Affordable Housing Programme.

4.4 The current Homes England funding programme 2018-2021 awarded funding for a number of schemes in Hartlepool. The Council's Housing Investment Strategy was developed 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. On 30th October 2018 the borrowing cap was lifted for Local Authorities providing the Council the increased opportunity for direct delivery of new affordable accommodation.

4.5 Planning Context

4.6 In order to help understand and inform the housing requirements for the Borough a Strategic Housing Market Assessment (SHMA) was produced and endorsed in March 2015. It identifies the size, type and tenure of market housing required in sub-areas by considering current market demand relative to supply. It also addresses affordable housing requirements across the Borough which is particularly relevant for the HRA.

4.7 The housing need in Hartlepool is primarily driven by:

- An increasing population, with Office of National Statistics (ONS) 2012 based population projections indicating an increase of 5.5% 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.

4.8 The SHMA has been used to help establish the need for new housing to be provided in the Borough over the next 15 years. The SHMA addendum states that an appropriate housing target would be approximately 290 net additional dwellings per annum going forward over the next 15 years. Taking the SHMA housing target as a starting point, it is also important to consider:

- **Demolitions** likely to take place over the plan period (this has been assessed by the Council's Housing Services Team) and reflects the ongoing aspiration to continue successful housing market renewal initiatives within the central area.
- **Affordable Housing Delivery:** There will be an imbalance between the number of affordable homes delivered in the Borough and the need for affordable homes identified in the SHMA. To reduce this imbalance a 20% buffer has been included in the housing requirement. The buffer will deliver both affordable and market housing but its primary purpose is to increase affordable housing delivery.

4.9 **Hartlepool Strategic Housing Market Assessment 2015 (SHMA)**

4.10 The previous 2012 Tees Valley SHMA identified an affordable housing need in the Borough of 27.5%. The 2015 SHMA continues to identify areas of affordable housing need in the Borough and advocates an annual affordable housing delivery target of approximately 144 dwellings, the net affordable housing delivery target is therefore approximately 35%.

4.12 As well as the allocation of a range of housing sites across the Borough, with a focus on westward expansion at the South West Extension and High Tunstall and Quarry Farm areas, the Local Plan also includes policies on:

4.13 Affordable Housing (HSG9) – this policy seeks to secure affordable housing on developments of 15 dwellings or more. The policy sets a requirement of 18% affordable provision which is considered to be viable on most sites across the borough. On site affordable is sought on all sites other than executive developments where an offsite payment is required. The policy links to the SHMA in terms of the required tenure split on a site by site basis to determine the split between social and intermediate tenure products.

- 4.14 Housing Market Renewal (Hsg10) – This policy identifies that the Council will seek to tackle the problem of the imbalance of supply and demand in the existing stock through co-ordinated programmes including Housing Market Renewal with priority given to housing regeneration areas in central Hartlepool as identified in the Housing Strategy.
- 4.15 As the planning context demonstrates the need for affordable housing in the borough is at 35% but the policy allows for 18% to be delivered through planning permissions due to viability. Through the HRA business plan the Council can increase the provision of affordable housing and help to achieve the overall affordable housing targets for the Borough. In addition to the evidence base above information from the Choice Based Lettings System (Compass) suggests that there is high demand for good quality affordable accommodation in Hartlepool. Bidding demand is strong for all properties brought forward through the recent empty homes programmes and new build properties. Demand for properties will be assessed on an individual scheme basis taking into account the location and existing stock in that locality and the property type.

5. FINANCIAL CONSIDERATIONS

5.1 Background

- 5.2 The Council has funded its current housing stock using a combination of grants from Homes England (formerly the Homes and Communities Agency HCA), the Department of Communities and Local Government (DCLG) and prudential borrowing funded from rent income. The original business model for each scheme to acquire houses was subject to rigorous evaluation and investment appraisal to ensure the business case/financial model was robust and able to withstand a range of financial scenarios.
- 5.3 The 2017/18 HRA Business Plan highlighted that despite the prudent approach taken to investment appraisal, the HRA faced some major challenges and was expected to carry a deficit for the eight year period to March 2024, funded from the HRA reserve. The two main reasons for the deficit were as follows:
- The introduction of the 1% rent cut over four years (2015/16 to 2019/20) and the removal of the ability to increase rents in line with inflation which resulted in a real terms cut of 14.7% in income. By 2019/20 this equated to a reduction in rent income of £170,000 per annum compared to the intended level under the governments previous HRA rent setting regime.
 - Changes to the Housing Benefit regime (commonly referred to as the Bedroom tax) and constraints on benefit levels put pressure on market rents and made it difficult to let some properties. The introduction of Universal Credit has had an adverse impact on rent collection, resulting in increased rent arrears.

5.4 The financial outlook for the HRA was expected to improve as a result of the Government removing rent cuts from April 2020 and allowing rents to be linked to inflation. The HRA was also expected to benefit from acquiring high quality empty homes and new build houses that would contribute a net rent surplus per unit and help build in future resilience in the HRA budget.

5.5 The outturn deficit for 2018/19 was £190,000 which was higher than expected in the HRA Business Plan and reduced the HRA Reserve to £347,000. This was primarily due to high level of long term voids for Empty Properties Phase one houses, which are the most challenging stock to let. This resulted in lower rent income, higher repairs expenditure and increased council tax costs. Since then various actions have been implemented to reduce the deficit and the HRA is now expected to be in surplus by 2020/21. Actions taken included the following:

- i) The rental of 23 long term void properties to 'Mears' for a period of seven years. This has secured rental income for previously void properties and has a significant impact on reducing the level of long term voids from 9% to 3%.
- ii) Replacing the use of approved borrowing with £810,000 of Section 106 funding which was received after the original funding was approved. This has helped to reduce borrowing costs.
- iii) Increasing the number of high quality empty properties and new builds in response to the new funding opportunities arising from additional Section 106 contributions and increased Homes England grant funding per dwelling to £37,000 from £18,500. This has helped to build in additional resilience into the business model.
- iv) Use of the discretionary housing payments scheme funded from the HRA to help fund the shortfall faced by single tenants as a result of the bedroom tax.

5.6 There have been major changes to the regulatory environment since the last HRA Business Plan report. Central Government has adopted a more favourable stance towards local authorities increasing affordable and social housing provision. This has been reflected in some key policy changes such as:

- An end to the period of rent cuts was announced in October 2018. The Government will allow registered providers to increase their rents from April 2020 by the rate of increase in the Consumer Prices Index (as at September) plus 1% each year, for a period of at least five years.
- Removal of the borrowing cap, for the Council this was set at £10.880m. It is now possible to fund capital expenditure with borrowing without requiring consent by the government', subject to there being a robust business case.
- Government have announced that they will not be progressing the High Value Void levy and

- Increasing the amount of capital grant funding available through the Homes England ‘affordable housing’ programme.

5.7 HRA Outlook and Forecast

5.8 The Council maintains a 40 year HRA Business Plan which models the impact of changes to budget planning assumptions and risk factors. The model has been updated for the following changes to planning assumptions:

- Increased numbers of housing stock (29 dwellings since 1 April, 2019).
- Expectation that rents will be increased in line with government’s recommendation as detailed in paragraph 5.12. .

5.9 The following Table shows the forecast for the next five years based on the current commitment to increase units to 303 (as detailed in paragraph 3.2), which provides the existing baseline for the HRA

Table 3 – Medium Term Financial Forecast

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Income	(1,213)	(1,356)	(1,387)	(1,420)	(1,453)
Expenditure	1,238	1,338	1,358	1,378	1,389
HRA (Surplus) / Deficit	25	(18)	(29)	(42)	(64)
HRA Reserve - Opening Balance	347	322	340	369	411
HRA Reserve - Closing Balance	322	340	369	411	475

5.10 The above forecast does not yet include future units in relation to the proposed development at Greatham and Seaton Lane due to uncertainty regarding the timing of when these will be completed and ready to let.

5.11 From the above table it can be seen that the HRA is now predicted to return to a surplus in 2020/21. This is owing to the actions taken detailed in paragraph 5.5. The achievement of the above forecasts will need to be carefully managed as small negative changes in forecast void levels and repairs and maintenance expenditure could result in the HRA moving back into deficit. On the basis of the above forecasts the HRA should be able to reinstate the HRA reserve to a prudent level by 31st March 2024. Further detail in respect of the above forecast is shown at **APPENDIX 3** and reflects the proposed rent increase detailed in the following paragraph. It is recommended that the Committee approve the 2020/21 Budget as shown in APPENDIX 3.

5.12 Proposed Rent Increase

5.13 Over a number of years Government Policy aimed to equalise rents across the social rented sector. The Council’s current weekly rent for a 2 bedroom property is £82.20 and for a 3 bedroom property is £90.86. Comparative rents for other social housing providers in Hartlepool are £82.67 and £93.07

respectively, based on current advertised properties on the 'choice based lettings' system.

- 5.14 Over the last four years government rental policy required annual rent cuts of 1%, resulting in a 14.7% reduction to the base budget for rent income and the HRA moving into deficit. Central Governments has responded to concerns from social housing providers that this policy adversely impacts on future capital investment and the viability of revenue budgets. In response the Government has announced a rent policy for the next 5 years to allow rents to increase by 1% plus CPI inflation, which for 2020/21 equates to 2.7%.
- 5.15 The Government will provide additional funding for housing benefit and Universal Credit tenants to meet the rent increase. Approximately two thirds of HRA tenants will therefore have all or part of the rent increase funded by the Government.
- 5.16 It is recommended that rents for 2020/21 are increased by 2.7% as this will help make the HRA more sustainable and support additional capital investment in additional housing units. This will result in average weekly rent increases of:
- £2.22 for a 2 bedroom property;
 - £2.45 for a 3 bedroom property.
- 5.17 At the time of preparing this report, the six other North East Councils with a HRA were contacted to ascertain what rent increases they were proposing and all responded with a confirmation that they were also proposing a 2.7% rent increase. The Council's HRA advisors have also been contacted and they confirmed that all 60 of their clients were also seeking a 2.7% rent increase.
- 5.18 **Alternative Rent Increases for 2020/21**
- 5.19 The housing investment programme detailed in section 7 is based on a proposed 2.7% rent increase and will provide 18 additional properties in 2020/21 and 164 by 2024/25.
- 5.20 Alternative 2020/21 rent levels (i.e. rent freeze or 1.7% increase) would reduce the amount of borrowing which could be funded and used as match funding to secure external capital grants. As summarised in the following table the reduction in available capital funding would reduce the number of additional HRA properties which could be provided in 2020/21:

Rent Increase Scenarios 2020/21	Recurring Rent Income Foregone £000	Recurring Reduction in Borrowing Capacity £000	Recurring Reduction in Grant £000	Recurring Total Capital Funding Foregone £000	Housing Units Foregone*
Baseline Forecast 2.7%	0	0	0	0	0
CPI Inflation 1.7%	13	403	247	650	7
Cash Freeze	35	1,084	666	1,750	18

* Relates to empty properties and new builds

5.21 This report only seeks approval of the 2020/21 rent increase. However, future proposed capital investment to deliver 164 additional HRA properties is based on annual rent increase of 2.7% up to 2024/25. If rent increases are set at a lower level this will reduce the number of additional HRA properties as follows:

- Rent freeze – 90 unit reduction in number of additional HRA properties from planned level of 164;
- 1.7% annual rent increase – 34 unit reduction in number of additional HRA properties from planned level of 164;

5.22 Risks and Sensitivity Analysis

5.23 The following table below demonstrates the impact of potential variations to the planning assumptions used in the HRA Business Plan as detailed in Appendix A.

Key Budget Risks	Scenario 1		Scenario 2	
	% Change	£000	% Change	£000
Voids as a % of Rent	1%	13	2%	27
Additional Bad Debt Provision as a % of Rent	1%	13	2%	27
Reactive Repairs	5%	11	10%	22
Total		37		76

5.24 Each risk factor above has the potential to reduce the forecast surplus and a combination could potentially put the HRA back into deficit. These issues will continue to be monitored closely.

5.25 Other risks include an above inflation pay award and loss of net rent from higher levels of 'Right to Buy' sales as discussed below.

5.26 Increasing rents in line with the government limit will help mitigate these risks.

5.27 HRA Reserve

5.28 The ringfenced nature of the HRA Account means that the HRA reserve can only be used for the purposes of the HRA. It is also the only source of funding available to fund deficits and therefore must be kept at a level which ensures the HRA remains viable. The Local Government and Housing Act 1989 section 76 requires that Council's must ensure that the HRA budget does not allow for the HRA Reserve to become 'overdrawn'. Given the significant £190,000 depletion of the reserve in 2018/19, which was a 35% reduction in a single financial year, this reserve needs careful management. Benchmarking of HRA Reserves shows that the average level held by 26 councils was **39%** of rent income. The amount forecast for Hartlepool as at 31st March 2020 is **25%**, increasing to **31%** by 31st March, 2023. Therefore Hartlepool is still below the average benchmark and will need to continue to manage this position carefully. It is recommended that the HRA Reserve is increased as detailed in paragraph 5.9. This will help to rebuild resilience to

withstand future potential shocks, especially given the current level of uncertainty in the economy, housing market continuing risk in relation to voids already in the HRA housing stock and Right to Buy impacts going forward.

5.29 Right to Buy (RTB)

- 5.30 The Council's housing is subject to 'RTB legislation which in recent years has made it easier for tenants to qualify and increased the amount of discount available. The Council is in the fairly unique position of having two significantly different types of housing stock, with 43% being new build, which are expected to be very attractive to potential tenants exercising their RTB when discounts are applied. The remaining 57% are refurbished properties, which are less attractive to potential purchase under RTB.
- 5.31 The discounted price for new build is limited by a 'cost floor' for a period of 15 years for properties built after 1st April, 2012 and 10 years for properties built before this date. The cost floor ensures that the purchase price cannot be lower than costs incurred by the Council during this period. This has the effect of reducing the discount available during this period, making it less attractive for RTB. The effect of this is that when the cost floor runs out the HRA may be subject to a significant discount 'cliff'. The Business Plan has assumed that there will be no RTB sales during the cost floor period and after this the forecast level will be a maximum of two new build houses per year which is a typical percentage for local authorities. This position will need to be closely monitored.
- 5.32 The impact of each RTB sale will be detrimental to the HRA, with a typical loss of £3,100 net rent per property after repairs and maintenance costs. This net rent is used to fund debt repayments as well as contribute to management and administration overhead costs. The discounted sales receipt can range between £26,000 and £56,000 and therefore may not always be sufficient to repay the outstanding debt per dwelling of £33,000 (average) which results in overhanging debt. Replacing properties lost through RTB is therefore a key part of the strategy for addressing the long term resilience of the HRA and is covered in Section 7.

6. CURRENT COMMITMENTS

- 6.1 In addition to the number of dwellings already included in the Business Plan the Council has an opportunity to use the remaining funding for a scheme to develop 18 new build units on land owned by the Council at Greatham. Homes England have now confirmed that they will provide the grant funding for the scheme. The other funding is uncommitted rephased funding approved as part of the Empty Homes and Council Housing Phase 2 scheme (Council, August 2014) and Phase 3 scheme (Council, MTFS February 2018). The table below sets out indicative costs and funding.

Table 4 : Proposed Greatham Development

	£000
Expenditure	
Land value	80
Build costs	2,080
	2,160
Funded by:	
Homes England	720
Borrowing	930
Section 106 Contributions	510
	2,160

- 6.2 Opportunities for obtaining new builds are limited by the amount of funding available and purchase price which can be afforded. Therefore this development is an excellent way for the Council to meet the need for new affordable housing while also reducing the HRA deficit. The business case anticipates that the scheme will contribute an annual net additional rental stream of £5,000 to the HRA on an ongoing basis and a £80,000 transfer receipt to the General Fund capital receipts target. By being on a single site, the scheme will have advantages in terms of lower management and maintenance costs.
- 6.3 A further five dwellings are expected as part of a land sale agreement and development at Seaton Lane. The timing of when these dwellings will be delivered is dependent on the progress of the development on site; where planning permission has been granted.
- 6.4 In summary the current commitments from ongoing schemes will result in an additional 23 units, increasing the total number of dwellings to 326 units.

7. FUTURE HOUSING INVESTMENT PROGRAMME 2020/21 to 2024/25

- 7.1 The assessment of Housing Need identified in Section 4 demonstrates that there is a demand for affordable social housing in former 'Right to Buy' properties and new builds in desirable areas. Based on the funding capacity detailed above and subject to availability of supply it is possible to deliver a further 164 additional units, which is an increase in the current stock of 56%, consisting of:
- 50 high quality empty property acquisitions
 - 40 new build acquisitions from private developers subject to market availability. The intention is to obtain the necessary funding approval so that the Council can respond to opportunities which may arise.
 - 74 new builds built on Council owned land. Officers have also identified a number of council owned sites which could be used for HRA housing

development. Each site transferred to the HRA will contribute a capital receipt to the General Fund. A detailed business case will be produced in relation to each individual proposal.

- 7.2 The table in **CONFIDENTIAL APPENDIX 5 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information** sets out the potential number of units and funding requirement based on the typical business case applied to past schemes.
- 7.3 The proposed capital programme aims to deliver an additional 164 units in the period 2020/21 to 2024/25, investing up to £19.2m as is set out in **CONFIDENTIAL APPENDIX 5 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 7.4 It is recommended that approval for individual property purchases is delegated to the Director of Regeneration and Neighbourhood Services in consultation with the Chair of Finance and Policy Committee. Property purchases referred for approval will be subject to the following criteria:
- i) Each unit must contribute a net rent income of £500 and
 - ii) That average cost of each house must not exceed the Unit Cost limits for each type of property as set out in **CONFIDENTIAL APPENDIX 5 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information,** to be increased by BCIS (Building Cost Information Service) price inflation index for each year.

8. RISK IMPLICATIONS

- 8.1 There are a number of risks that will impact on deliverability of the proposed investment programme and profile of units by year; the main factors are:
- The availability of supply for houses to purchase within the unit cost limits for empty properties and new builds;
 - The cost of building units on Council owned land. The unit cost used been informed by recent experience in developing the proposed Greatham scheme but there is a risk that costs may vary for other sites.
 - Securing Homes England grant funding of £6.4m;

- The level of grant income per unit may not increase in line with the inflation for building and purchase costs. In the event of this occurring, it will be necessary reduce the unit cost limit for properties accordingly. There will be greater certainty over future grant levels when Homes England introduce their new funding round in 2021;
- Securing interest rates for the next five years at the current level. Existing Public Works Loan Board (PWLB) interest rates were increased by the Government by 1% in October 2019 – as the previous interest was so low this was effectively a 50% increase interest costs. These higher recurring costs have been reflected in the HRA Business Plan. The HRA has limited financial flexibility to pre-fund the proposed borrowing for the next five years. Therefore, there is a potential risk that if interest rates increase over this period the value of borrowing may need to reduce. This would then either need to be replaced with other funding or the number of units reduced. This risk will continue to be managed carefully.

8.2 The additional proposed prudential borrowing will increase the ratio of total capital expenditure funded from borrowing from the current level of 44% to 50% by 2024/25. This increase is affordable and the HRA revenue forecasts make provision for the resulting interest costs.

8.3 The position will be closely monitored and progress reported as part of the quarterly HRA monitoring report to Finance and Policy Committee and any significant proposed changes to the capital programme will be referred to Council for approval.

9. LEGAL CONSIDERATIONS

9.1 The Council is required to comply with HRA regulations. There are no other legal considerations relating to this report at this time.

10. OTHER CONSIDERATIONS

Staff Considerations	No relevant issues
Consultation	No relevant issues
Child/Family Poverty Considerations	Buying and providing affordable homes will go towards addressing family poverty. A copy of the impact assessment form is attached at APPENDIX 1 .
Equality and Diversity Considerations	A copy of the equality and diversity impact form relating to this report is attached at APPENDIX 2 .

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

- 11.1 Empty homes can become blight areas and become a target for arson and dumping of rubbish as well as various types of anti-social behavior including graffiti and drug activity. Therefore the ongoing regeneration and refurbishment of empty properties to bring these empty properties back into use is likely to contribute to reductions in crime and anti-social behavior.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 Ministry of Housing, Communities and Local Government (MHCLG) guidance in 'Implementing Self-financing for Council Housing' requires the Council to have a business plan for the HRA.
- 12.2 In implementing the proposed HRA Business Plan it is anticipated that the HRA housing stock will increase the overall stock to 490 affordable houses.

13. CONCLUSIONS

- 13.1 The HRA has undergone a period of significant financial challenge, which it was able to withstand as a result of the robust business case underpinning each scheme of investment, and the available HRA reserve. The 2018/19 outturn deficit of £190,000 was funded from the HRA reserve while corrective action was being taken to address the issue of long term voids. The HRA was also strengthened as a result of acquiring additional quality housing stock using grant funding and section 106 developer contributions. These generate a reliable net rent revenue stream and as a consequence the HRA is now expected to return to a small surplus in 2020/21, which is four years earlier than forecast in the previous Business Plan.
- 13.2 The forecast level of the HRA balance should be retained to ensure sufficient funding is available to fund potential deficits which may arise in the future from unexpected events such as higher than forecast inflation and interest rates, housing market charges, economic downturn, voids and Right to Buy activity.
- 13.3 Central Government has increased the level of grant funding available and removed the debt cap which has improved opportunities for expanding the HRA and meeting the objective of increasing affordable and social housing provision in Hartlepool. This report recommends that Council approves additional borrowing in order to provide the match funding necessary to secure additional Homes England Grant on the condition that the business case for each house purchase results in a rental surplus. Any additional Section 106 funding received will be used where possible to substitute the borrowing to minimise borrowing costs in the HRA.
- 13.4 Central Government has revised their rent guidance to make social housing more viable and for tenants receiving either housing benefit or universal credit will increase the level of rent support accordingly. This will apply to nearly two

thirds of Hartlepool tenants. Part of the rent increase will be offset by higher interest costs on PWLB loans for new capital investment following the Government's decision to increase interest rates by 1% in October 2019.

- 13.5 The recommended rent increase, in line with the Government limit, will enable the Council to invest in additional properties by using Prudential Borrowing to match fund external capital grant fund. As detailed in section 5 lower rent increases will reduce the level of Prudential Borrowing available to match fund external capital grant fund, which will therefore reduce the number of additional HRA properties which can be provided.

14. RECOMMENDATIONS

- 14.1 It is recommended that Committee approve the following
- 14.2 The HRA Budget as shown in Appendix 3, including a rent increase of 2.7%, based on CPI inflation in accordance with government rent guidance as set out in paragraph 5.12. This is the amount required to put the HRA on a sustainable footing and restore the HRA balance to a level which can help manage future risks such as higher voids, RTB sales and repairs costs.
- 14.3 To note that tenants receiving either housing benefit or universal credit will increase the level of rent support accordingly. This will apply to nearly two thirds of Hartlepool tenants.
- 14.4 Approve the use of Section 106 funding instead of borrowing where possible to minimise the borrowing cost for the HRA and approve the use of this funding for current commitments as set out Section 7.
- 14.5 Note the current capital commitments and funding as set out in Section 6, including the proposal to fund 18 new build units on the development of the proposed Greatham site.
- 14.6 The Committee is recommended to refer the proposed capital programme and capital budget of £19.168m and borrowing requirement of £11.208m to acquire an additional 164 units to Council for approval as set out in **CONFIDENTIAL APPENDIX 5 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 14.7 It is recommended that approval for individual property purchases is delegated to the Director of Regeneration and Neighbourhood Services in consultation with the Chair of Finance and Policy Committee.
- 14.8 Property purchases referred for approval must contribute a net rent surplus of £500 per unit and the average cost of each unit should not exceed the following limits for each type of property as set out in **CONFIDENTIAL**

APPENDIX 5 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information, to be increased by BCIS building Inflation index for each year:

15. REASONS FOR RECOMMENDATIONS

- 15.1 To ensure that the HRA Business Plan and budget is and sustainable and to enable Members to approve further investment in the HRA.

16. BACKGROUND PAPERS

- 16.1 HRA Business and Asset management Plan, Finance and Policy Committee, October 2017.
Housing Revenue Account Voids, Regeneration Committee 18th June 2018
Hartlepool Housing Strategy 2019-2024, Regeneration Committee 18th March 2019
HRA Strategic Financial Management Report, Finance and Policy Committee 30th September 2019
Hartlepool Housing Strategy 2019-2024, Regeneration Committee, 13th November 2019

17. CONTACT OFFICERS

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Sign Off:-

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

5.1 APPENDIX 1

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 YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21	/			No differential impact - the HRA proposals will provide an increased number of homes for social rent which will have a positive impact on a range of individuals in poverty.
Those who are disabled or suffer from illness / mental illness	/			
Those with low educational attainment	/			
Those who are unemployed	/			
Those who are underemployed	/			
Children born into families in poverty	/			
Those who find difficulty in managing their finances	/			
Lone parents	/			
Those from minority ethnic backgrounds	/			
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Number of affordable homes built	/			The capital scheme proposed will involve the building of affordable homes for social rent.
Overall impact of Policy / Decision				
POSITIVE IMPACT		/	ADJUST / CHANGE POLICY / SERVICE	
NO IMPACT / NO CHANGE			STOP / REMOVE POLICY / SERVICE	
ADVERSE IMPACT BUT CONTINUE				

Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods and Chief Executives Departments	N/A	N/A	Denise McGuckin / Chris Little
Service, policy, practice being reviewed/changed or planned	Housing Revenue Account – Financial Business Plan The main proposals in the HRA Financial Business Plan are: <ul style="list-style-type: none"> - rent increase of 2.7%; - use of Section 106 funding instead of borrowing where possible; - capital programme of £19.168m. 		
Why are you making the change?	Rent increase - This is the amount required to put the HRA on a sustainable footing and restore the HRA balance to a level which can help manage future risks such as higher voids, RTB sales and repairs costs. Section 106 use – this will minimise the borrowing cost for the HRA. Capital programme – this will provide an additional 164 units for social rent.		
How might this impact (positively/negatively) on people who share protected characteristics?			
<i>Please tick</i>		POSITIVELY	NEGATIVELY
Age			
No differential impact.			
Disability			
No differential impact.			
Gender Re-assignment			
No differential impact.			
Race			
No differential impact.			
Religion			
No differential impact.			
Gender			
No differential impact.			
Sexual Orientation			
No differential impact.			
Marriage & Civil Partnership			
No differential impact.			
Pregnancy & Maternity			
No differential impact.			

5.1 APPENDIX 2

Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?			
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	9/1/2020	Reviewed	00/00/00
Completed	00/00/00	Published	00/00/00

5.1 APPENDIX 3

HOUSING REVENUE ACCOUNT

Medium Term Financial Forecast - Rent Increase is CPI 1.7% + 1%

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Income					
Net Rent	(1,188)	(1,341)	(1,371)	(1,404)	(1,436)
Other Income	(25)	(15)	(16)	(16)	(17)
Income sub total	(1,213)	(1,356)	(1,387)	(1,420)	(1,453)
Expenditure					
Repairs and maintenance	226	201	205	210	214
Supervision and management	314	357	357	363	368
Council Tax	22	20	21	21	22
Additional bad debt provision	30	63	71	73	67
Major Repairs Allowance	293	332	339	346	353
Net Interest Payable	353	365	365	365	365
Expenditure sub total	1,238	1,338	1,358	1,378	1,389
HRA (Surplus) / Deficit for the year	25	(18)	(29)	(42)	(64)
Movement on the HRA Reserve					
HRA Reserve Opening Balance	347	322	340	369	411
HRA Reserve Closing Balance	322	340	369	411	475

Section 106 Contributions

	£000
Balance as at 1st April, 2018	538
Add: Amount received in 2018/19	2,046
Less: Amount applied to schemes in 2018/19	
- Empty Homes & Social Housing Phase 2	510
- Empty Homes & Social Housing Phase 3	299
- ISQ Property Purchase and Renovation	109
	918
Add: Amount received to date in 2019/20	367
Balance Available to Fund Schemes	2,033
Proposed use of funding	
Match funding for Committed Schemes (25 units)*	1,305
Seaton Lane - Port Homes Scheme (5 units)	219
Proposed Greatham Development (18 Units)	509
	2,033

FINANCE AND POLICY COMMITTEE

10th February 2020



Report of: Director of Regeneration and Neighbourhoods,
Director, Children and Joint Commissioning Services
and Director of Public Health

Subject: ACCOMMODATION STRATEGY FOR DRUG AND
ALCOHOL TREATMENT AND RECOVERY
SERVICES

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key

2. PURPOSE OF REPORT

2.1 The purpose of this report is to seek approval to take a new lease of space within the One Life Centre in Park Road (plan at **APPENDIX 1**) to re-locate the Council's Drug and Alcohol Treatment Service to the property; and to advise of the contract award for the provision of specialist substance misuse services in Hartlepool.

3. BACKGROUND

3.1 The Council's Drug and Alcohol Treatment Service is currently mainly located in Council owned premises in Whitby Street. The premises in Whitby Street comprise a temporary building erected in 2002 and extended in 2005 which, whilst not requiring extensive repair, is no longer considered fit for purpose due to a number of factors including its layout, internal fit out and condition. Buildings of this type only have a relatively limited life. The most recent condition report completed on the building (2015) identified costs of £7,470, with the largest element of cost being electrical work.

3.2 The location of the Whitby Street premises is also not ideal for service reasons as it is slightly remote from the town centre and related facilities such as pharmacies and General Practitioners. It is also doubtful that the current physical integrity of the building would satisfy basic levels of infection control going forward as required for registration with the Care Quality Commission (CQC). Furthermore, it impacts adversely on other Council

objectives as it is located adjoining Council owned housing (Empire Square) and within the Innovation and Skills Quarter regeneration area which is now enjoying some success in attracting new businesses and renovation and re-use of older properties. Relocation of the service would allow re-use of the site, most probably for residential development. There are therefore a range of benefits to relocation of the service to more suitable accommodation.

- 3.3 In March 2019 Finance and Policy Committee considered a report of Director, Children and Joint Commissioning Services and Director of Public Health entitled Reshaping Drug and Alcohol Treatment Services which outlined the scale of the substance misuse problems in Hartlepool and put forward 4 options for the future operation of the service. Committee approved Option 4 – Enhanced Current Service as the preferred option as it provided the most effective and integrated model for the delivery of substance misuse treatment and support services. The relocation of the service to a higher quality, better located facility would support the aspiration that there should be a transformative approach to the delivery of drug and alcohol treatment services in Hartlepool which would bring about significant change in behaviours, reduce levels of dependency and increase the preventative offer.

4.0 PROPOSAL

Treatment Services

- 4.1 Following a comprehensive competitive tendering and procurement process, the 'clinical' treatment contract was awarded to Foundations; an NHS provider of primary care and specialist substance misuse based in Middlesbrough. The Management Team at Foundations is a legal partnership consisting of three experienced and qualified partner members. The Partnership Board members' portfolios of work and leadership responsibilities reflect their professional experience and background. Their portfolio of prescribing services is delivered by highly trained and qualified staff using evidence based solutions and best practice. Foundations have a reputation for delivering innovative and responsive primary and specialist care to socially excluded patients and clients.
- 4.2 The availability of potentially suitable alternative premises having been considered, the former Minor Injuries Unit at the One Life Centre in Park Road was identified some time ago as a very good option as it is high quality clinical standard accommodation in a highly accessible location. It has been vacant for some time and is immediately available from the head leaseholder of the One Life Building, Community Health Partnerships. The available accommodation is large enough to allow for relocation of all the services currently provided from Whitby Street, and also to centralise the needle exchange service from the individual pharmacies that currently provide the service. This latter service change is proposed in order to ensure that suitable and consistent advice is given to clients.

- 4.3 The accommodation at One Life would require only limited alterations as it has a reception office, waiting area with fixed seating, consulting rooms, a larger room which can be adapted for office purposes and ancillary accommodation including staff and client toilets. The location is considered to be very good for the service as it is in the town centre close to good public transport links and near related facilities such as pharmacies, GP practices and specialist health services. The clinical space is of the highest clinical quality and will allow the service to develop from one that ostensibly provides opiate medication to one which delivers a wide range of primary care orientated clinical interventions that require a clean and modern clinical environment that would meet the requirements of the Care Quality Commission.

Recovery Services

- 4.4 Over the past few years, recovery services have been delivered from the Willows. This accommodation, whilst providing adequate floor space for group and leisure orientated activities is not suitable for the provision of wider clinically focused recovery activities such as prescribing (as it does not have the necessary planning consent). A dedicated building or buildings with the primary focus on recovery is of vital importance, when clients are at stage of engaging with therapeutic one to one support or groups. Gladstone House was purchased and extensively refurbished via a Public Health Grant in 2016 for the purposes of providing substance misuse recovery orientated interventions and treatment. Gladstone House has the added advantage of having 'D1' consent for the purposes of delivering medical services; Gladstone House will be a pacesetter in delivering prescribing and associated nursing and medical interventions to those clients who are well advanced on their recovery journey and require a 'safe haven' environment with a visible and vibrant recovery community.
- 4.5 Gladstone House in Victoria Road (shown hatched on Plan 2 in **APPENDIX 1**) was acquired in October 2016 with Public Health England grant funds. Alterations and refurbishment was then carried out and in 2019 the property let to Addaction who had been commissioned to provide recovery services. However, the building was not used for the intended purpose by Addaction and following expiry of the contract the property was vacated and the lease terminated. The current service name 'Stepping Stones', will no longer be used and a service user consultation will determine the future branding of the building with overarching HBC signage.
- 4.6 A Project plan has been developed to facilitate the physical move from the Willows to Gladstone House. Property & Programme Management, Transport and Infrastructure and Corporate ICT Support & Development have been engaged to provide costings to expedite the use of Gladstone House. The building requires remedial building work, redecoration and the installation of Council IT infrastructure. The necessary surveys have all been completed and we are awaiting quotations to enable the work to

commence. It is envisaged that Gladstone House will be fully operational by 2nd March 2020.

- 4.7 The Willows (shown hatched on Plan 3 in **APPENDIX 1**) was formerly used as the Registry office but in more recent years has been used to provide addiction recovery and related services. It adjoins the rear of the grounds of Sir William Gray House and the car park to the former Engineers' Club in Raby Road. The property does not require any major repair at present although the 2018 condition survey identifies the need to renew the boiler within 3 to 5 years and it is suitable for general office use. However, consideration is currently being given to town centre regeneration proposals for which the site may be required and it is therefore currently considered most advantageous to keep the property vacant and available for redevelopment at present.

5. FINANCIAL CONSIDERATIONS

- 5.1 Whilst the existing accommodation is owned by the Council, the new premises will be leased in and thus a rent will be payable together with service charge costs as outlined in **CONFIDENTIAL APPENDIX 2. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.** However, the Council are currently paying rates, utilities etc. for Whitby Street so the budget for this will be used to contribute towards costs attached to the rent and running costs of the proposed site at the One Life Centre. The additional costs can be met from the existing budget allocated for substance misuse services within the public health grant.

Normally commissioned services source their own premises. The Hartlepool model of a fully integrated Council and commissioned service model provides the Council with the opportunity to share the costs from the existing budgets from both the 'in-house' and commissioned services.

- 5.2 Some costs will be incurred in carrying out alterations, installing IT and moving from the existing premises. However, these costs will be met from Public Health England capital grant funds and there will therefore be no additional cost to the Council

6. LEGAL CONSIDERATIONS

- 6.1 The proposed lease will be a sub-lease granted by the head leaseholder of the building Community Health Partnerships. The Chief Solicitor will be instructed to act on behalf of the Council in the completion of the lease.

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

- 7.1 The relocation of the drug and alcohol service to a more suitable building in an area of predominantly other health related and commercial uses should contribute to a reduction in related crime and anti-social behaviour in the area of the existing premises which adjoins housing.

8. STAFF CONSIDERATIONS

- 8.1 Staff currently based in Whitby Street will be relocated to the new premises.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 The relocation of the service from Whitby Street will enable the site to be re-used or redeveloped directly or sold. Successful redevelopment of the site should have a positive impact on other Council owned assets in the area, particularly The BIS in Whitby Street which has been successful in its first year of operation in attracting new and established businesses.
- 9.2 Once vacated, the present Drug and Alcohol Service's site car park on Whitby Street to be used for temporary overspill car parking for The BIS pending the demolition of the site's buildings and future residential development of the subject and surrounding sites.

10. OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Consultation	No relevant issues
Child/Family Poverty Considerations	No relevant issues
Equality and Diversity Considerations	No relevant issues

11. RECOMMENDATIONS

- 11.1 Committee is recommended to

- (l) approve the relocation of the Drug and Alcohol Treatment Service to the premises at the One Life Centre and the taking of the lease of the premises on the terms set out in **CONFIDENTIAL APPENDIX 2. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information. And**

- (II) note the award of the 'clinical' treatment contract to Foundations; an NHS provider of primary care and specialist substance misuse based in Middlesbrough.

12. REASONS FOR RECOMMENDATIONS

- 12.1 As described above the existing Whitby Street premises used by the Drug and Alcohol Treatment Service are no longer fit for purpose due both to the standard and layout of the building and its location.
- 12.2 The premises at the One Life Centre comprise very modern clinical standard accommodation and are in a much more accessible and suitable location that should enable the delivery of a higher quality fit for purpose service and thus make a major contribution to tackling the borough's substance abuse and addiction issues.
- 12.3 Whilst a lease rental cost will be incurred at the One Life premises, it is considered to be good value for money for the type and quality of accommodation.
- 12.4 The relocation from Whitby Street will allow redevelopment of the site for more suitable purposes supporting the regeneration of the Innovation and Skills Quarter.

13. BACKGROUND PAPERS

- 13.1 Report to Finance and Policy Committee dated 11th March 2019 "Reshaping Drug and Alcohol Treatment Services" together with Minute 113 of that Committee.

14. CONTACT OFFICERS

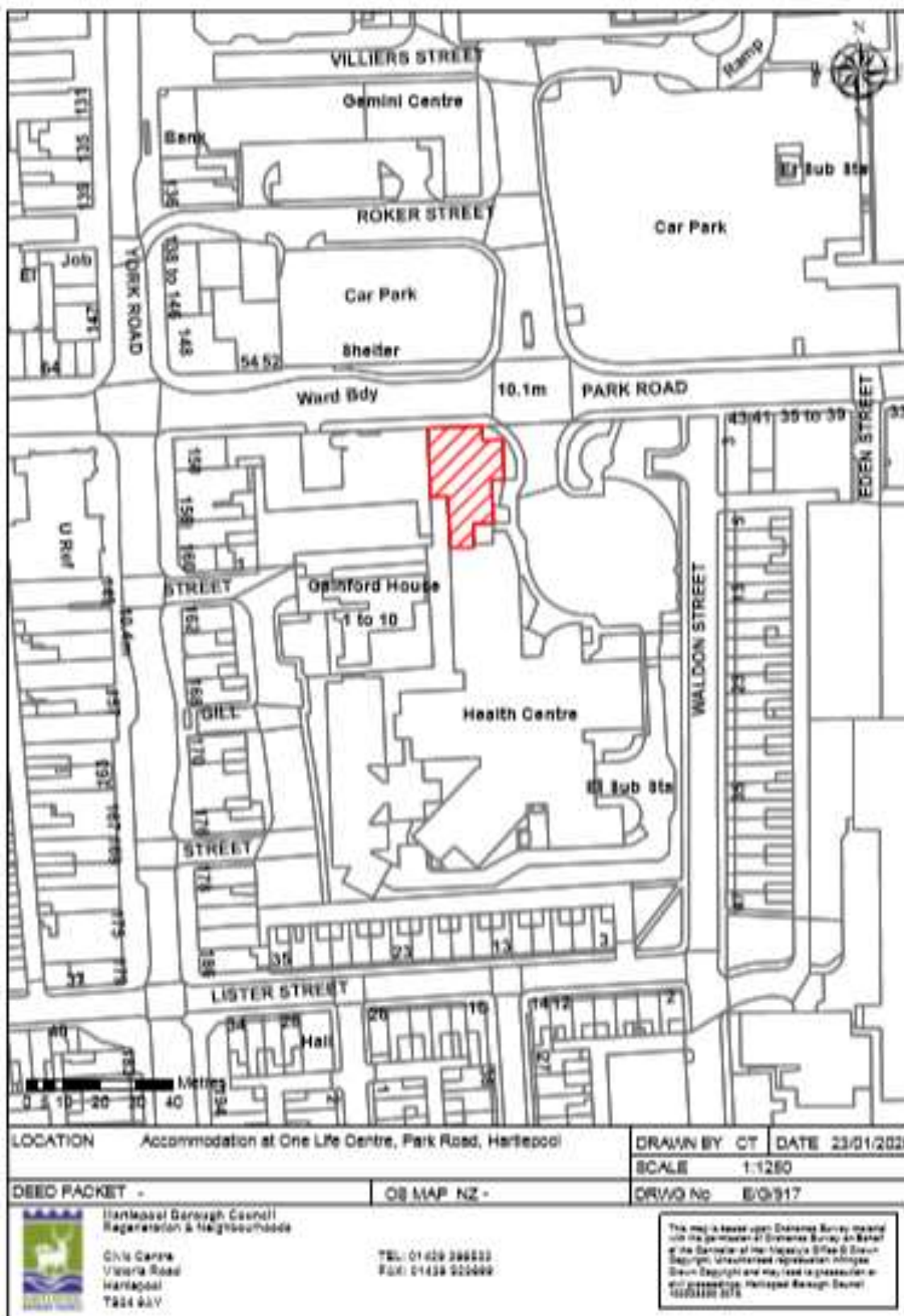
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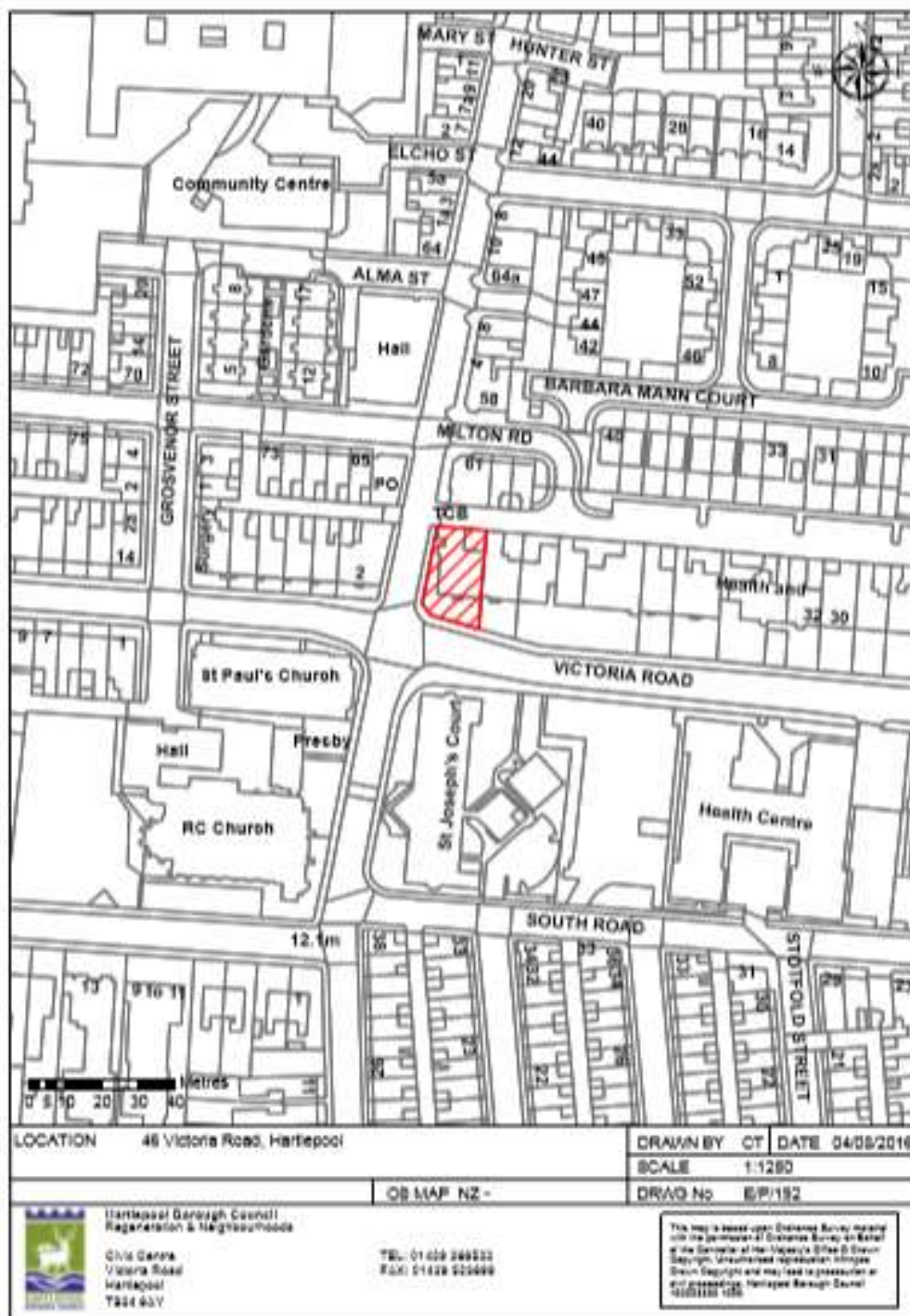
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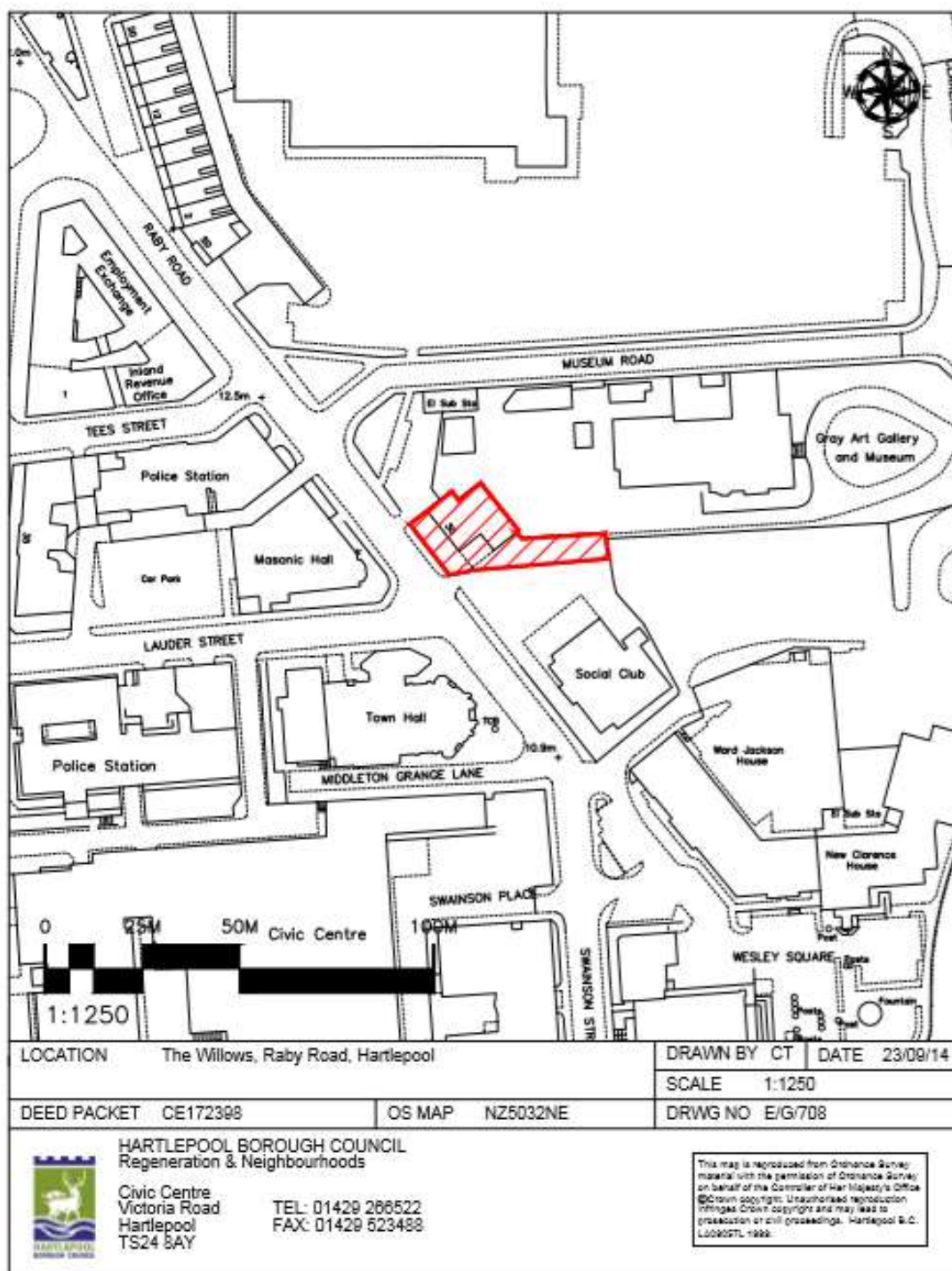
Plan 1 Location of One Life Centre Premises



Plan 2 Location of Gladstone House



Plan 3 Location of The Willows



FINANCE AND POLICY COMMITTEE

10 February 2020



Report of: Assistant Director, Corporate Services

Subject: VIOLENCE AND AGGRESSION TOWARDS HBC STAFF

1. TYPE OF DECISION/APPLICABLE CATEGORY

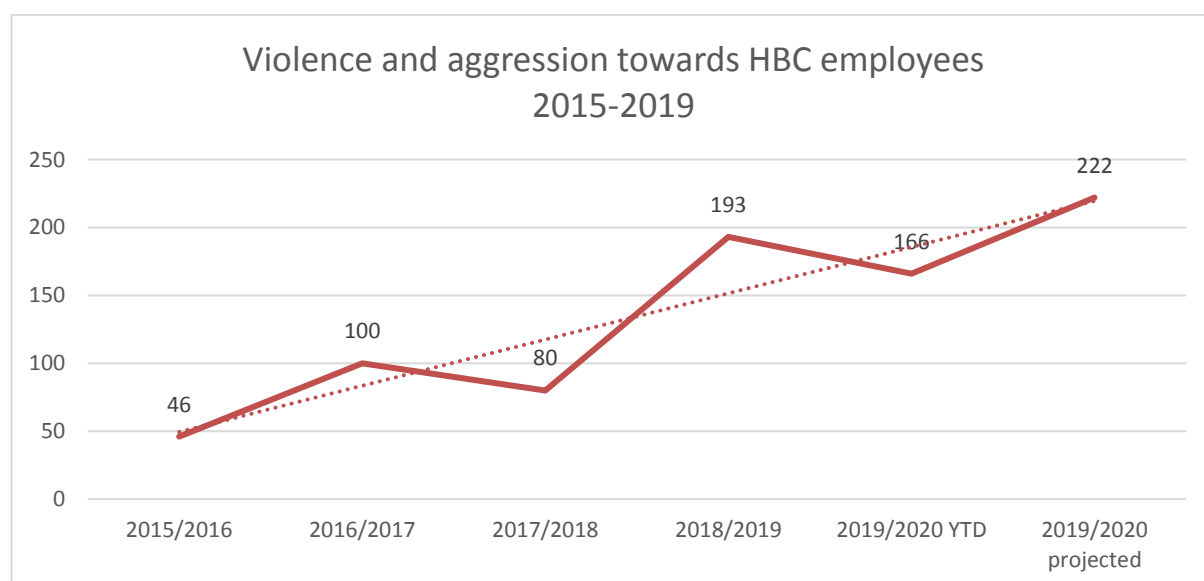
Non Key decision.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to present Finance and Policy Committee with information relating to the unprecedented rise in violence and aggression towards HBC staff, to outline proposals to address and to seek elected member support to implement these proposals and protect staff.

3. LEVELS OF VIOLENCE OF AGGRESSION

- 3.1 The level of physical and violence and aggression, both verbal and physical, towards public sector workers nationally is on the increase and is a trend that is also evident towards HBC employees, as shown in the graph below.



The level of violence and aggression against HBC employees has been rising exponentially over the previous 4 years, and the number of reports¹ made through the Safety Incident Reporting Form (SIRF) process in 2018/19 are 4 times greater than the number of reports made in 2014/15. The Year to Date (YTD) figure for 2019/20 is just as concerning; if the Quarter 4 figure follows the same trend as the first 3 quarters of the year, HBC will see another rise in the levels of violence and aggression towards staff to 222 reports.

- 3.2 The Workforce Health Survey conducted in November 2019 demonstrated that of the 421 staff members that responded to the question:

'In the last 12 months how often have you personally experienced any of the following from service users / customers?'

30% had experienced aggression on a daily, weekly or monthly basis and 27% had experienced conflict on a daily, weekly or monthly basis.

- 3.3 The reports of violence and aggression are towards staff of every department of the Council: refuse crews, enforcement officers, contact centre officers, social workers, to name a few. The types of violence and aggression are also varied including shouting, swearing, screaming, spitting, threatening violence, punching, pushing and intimidating behavior. The level of violence and aggression towards staff cannot be tolerated any longer. It is important that the council is proactive in reducing the level of violence and aggression towards staff and proposals are set out in the next section.

4.0 RESPONSE

- 4.1 In August 2019, the Chief Executive issued a clear communication to staff demonstrating CMT's commitment to improving staff safety within HBC. This very clearly set out that HBC were adopting a 'zero tolerance' approach towards dealing with violence and aggression towards employees. Since this date, a Staff Safety Forum, led by staff and with the full support of Trade Unions, has been in operation and has developed a series of proposals to improve staff safety. A series of Task and Finish Groups were established to guide the work and this report presents the culmination of this work for Committee information. The work has been benchmarked against best practice, regionally, nationally and internationally and is significantly ahead in respect of the Local Government sector.

- 4.2 Proposals include:

- i) Development of a 'Respect: Everyone Deserves it' communication/media campaign which will include posters, press releases and adverts. This will carry the message that violence and aggression towards HBC staff will not be tolerated under any circumstance. Messages will be prominently displayed at key HBC

- buildings and locations across the town. A media campaign will be undertaken on social media and in the printed press.
- ii) A very clear policy and policy statement on what is acceptable and what is unacceptable behaviour towards HBC staff and what sanctions the Council can and **will** take when behaviour is unacceptable.
 - iii) Media releases on sanctions that have been applied and the outcome for individuals (in line with GDPR legislation).
 - iv) Training on de-escalation and diffusion techniques for staff.
 - v) Providing staff with physical devices to improve their safety and security. For example, lone working devices.
 - vi) Target hardening buildings, where appropriate. For example, installation of CCTV and use of security guards.
 - vii) Improved reporting tools and techniques. For example, making the incident reporting system easier with less duplication.
 - viii) Creation of a Chief Officer group that is mobilised as and when required to agree a response strategy for threats to staff from high risk individuals.
 - ix) Continuation of the Forum where staff can share experiences and raise front line concerns so that this work continues to be a priority.

The campaign will be launched on 2 March 2020.

5. TRADE UNION CONSULTATION

- 5.1 Trade Unions recognise the pressure that Public Sector staff are under and fully support the reduction in violence and aggression towards HBC employees. The Forum has membership of and has the full support of the Trade Unions. HBC have been asked to present at the forthcoming Workers Memorial Day in April 2020 on the work that has been undertaken in respect of improving staff safety.

6. IMPLICATIONS

RISK	The personal safety and security of staff is at increased risk from the unprecedented rise in violence and aggression towards public sector staff.
FINANCIAL	There may be a very small financial requirement for physical devices, a media campaign and training costs, which will be met from existing budgets.
LEGAL	GDPR legislation in naming individuals that have received a sanction and following appropriate legal procedures for applying sanctions.
CONSULTATION	Trade Unions and staff have been fully involved in this work.
CHILD AND FAMILY POVERTY	None.

EQUALITY AND DIVERSITY	This work takes into account equality and diversity considerations and protected characteristics.
STAFF	Positive implications for staff arising from this work.
ASSET MANAGEMENT	The physical target hardening of buildings may be required, as and when appropriate.

7. RECOMMENDATIONS

- 7.1 Finance and Policy Committee are recommended to note the contents of this report, and to support and champion the zero tolerance approach towards violence and aggression, to ensure the protection of HBC staff.

8. CONTACT OFFICER

Claire McLaren
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FINANCE AND POLICY COMMITTEE

10 February 2020



Report of: Assistant Director, Corporate Services

Subject: WORKERS' MEMORIAL DAY

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key decision.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to present a request from the Hartlepool Joint Trades Union Committee (HJTUC) for the Council to continue to recognise and support Workers Memorial Day on Tuesday 28 April 2020.

3. BACKGROUND

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

4. RECOMMENDATIONS

- 4.1 To consider the request from the HJTUC that:
- a) The Authority considers promoting a minutes silence in all public buildings and to Council staff at 12.30pm on Tuesday 28 April 2020, in remembrance of 'those workers who have lost their lives through industrial accident or disease'.
 - b) The Authority gives consideration to authorising the lowering of flags on public buildings on Tuesday 28 April 2020.
 - c) The Authority gives consideration to assisting in promoting, publicising and assisting with the event.

- d) The Authority authorises the use of Council Premises on Tuesday 28 April 2020 for the service and for guests before / after the Workers Memorial Day Service and Wreath Laying Ceremony.
- e) The Authority provide technical equipment and support, as required, on Tuesday 28 April 2020 for the service and wreath laying ceremony.

5. CONTACT OFFICER

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HARTLEPOOL JOINT TRADES UNION COMMITTEE

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Gill Alexander
Chief Executive
Hartlepool Borough Council

Report to Chief Executive and Chair of Finance & Policy Committee

April 28th - Workers Memorial Day

Please see attached a report from Hartlepool Trades Union Council on arrangements for the Workers Memorial Day Service, Tuesday 28th April 2020, 12.30pm, Christ Church, Church Square, Hartlepool, TS24 7EQ with guest speakers including Alan Mardghum, Secretary of the Durham Miners Association; Hilda Palmer, Hazards Campaign; Rolf Gehring, Secretary, EFBWW and Vincent Borg, National Health & Safety Officer, ASLEF.

- HJTUC recognize the importance of these events and request that Hartlepool Borough Council give consideration to the following:-
 - a) The Authority considers promoting a minutes silence in all public buildings and to staff/public at 12.30pm on Tuesday 28th April 2020, in remembrance of 'those workers who have lost their lives through industrial accident or disease'.
 - b) The Authority gives consideration to authorising the lowering of flags on public buildings on Tuesday 28th April 2020
 - c) The Authority gives consideration to promoting / publicising and assisting with the event.
 - d) The Authority authorizes the use of Council Premises on Tuesday 28th April 2020 for the service and for guests before / after the Workers Memorial Day Service & Wreath Laying Ceremony.
 - e) The provision of technical equipment and support, as required, on Tuesday 28th April 2020 for the service and wreath laying ceremony.

The Theme for this year's Workers Memorial Day has been determined by the ETUC as '*Tackling psychosocial hazards at work – taking the stress out of the job*'.

This is a public event and everybody is welcome to attend.

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

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

Edwin Jeffries

Secretary.

Hartlepool Trades Union Council

President:- Edwin Jeffries

Treasurer:- P Shields

Secretary:- Alan Walker

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WORKERS MEMORIAL DAY (28TH APRIL 2020)

Report by Hartlepool Trades Union Council (HTUC)

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Hartlepool Borough Council Chief Executive and the Chair of the Finance & Policy Committee on the arrangements for the Workers Memorial Day Remembrance Service & Wreath Laying Ceremony and other events to be held around Workers Memorial Day, April 28th 2020. To highlight the ongoing requirement for partnership working to aid the improvement of Health & Safety to reduce the number of workplace accidents, injuries, diseases and deaths, that in the majority of cases are avoidable, across the employment sector as a whole and to request that the Finance & Policy Committee agrees to a) to e) as outlined in item 4 as recommended.

2.0 BACKGROUND

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

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

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

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

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

It is only with enforceable and enforced legislation and the Employers working together with the Trade Unions to improve Health & Safety in all workplaces that we can ever hope to reduce the

number of workplace accidents, injuries, diseases and deaths that, in the majority of cases, are avoidable.

2.2 Health and Safety Statistics 2019

Published online on 30th October 2019 the latest statistics on work-related health and safety in Great Britain, including the following key annual figures (2018/19):

-
- **1.4** million working people suffering from work-related ill health
- **2,526** mesothelioma deaths due to past asbestos exposures (2017)
- **147 (144 in 2017/18)** workers killed at work**
- **581,000** injuries occurred at work according to the Labour Force Survey
- **69,208** injuries to employees reported under RIDDOR
- **28.2** million working days lost due to work-related ill health and workplace injury
- **£15** billion estimated cost of injuries and ill health from current working conditions (2017/18)

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

Fatalities

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

Mesothelioma: - The latest information shows: - There were 2,526 Mesothelioma deaths in Great Britain in 2017, (2595 in 2016) a similar number to the 2542 in 2015, 2515 in 2014, 2,556 deaths in 2013, and 2,549 deaths in 2012 - The latest projections suggest that there will continue to be around 2,500 deaths per year for the rest of this current decade before annual numbers begin to decline - The continuing increase in annual Mesothelioma deaths in recent years has been driven mainly by deaths among those aged 75 and above - In 2014 there were 2,101 male deaths and 414 female deaths - There were 2,130 new cases of Mesothelioma assessed for Industrial Injuries Disablement Benefit (IIDB) in 2015 compared with 2,215 in 2014 - Men who worked in the building industry when asbestos was used extensively are now among those most at risk of Mesothelioma.

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

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

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

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

3.0 Workers Memorial Day 2020 – Event arrangements.

3.1 Remembrance Service & Wreath Laying Ceremony (28/04/2020)

The service will take place on Tuesday 28th April 2020, 12.30pm, Christ Church TIC & Art Gallery, Church Square, Hartlepool and the laying of the wreaths will follow at the Workers Memorial in Church Square, Hartlepool.

Officiates:-

- a) Revd. Roz Hall
- b) Revd. Chris Hall

Guest speakers:-

- Alan Mardghum, Secretary of Durham Miners Association.
- Hilda Palmer, Hazards Campaign.
- Vincent Borg, National Health & Safety Officer, ASLEF.
- Rolf Gehring, Secretary at EFBWW (International).

Special guests:- Mike Hill MP will be attending, laying a wreath and giving a reading at this service.

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

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

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

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

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

The Theme for this year’s Workers Memorial Day has been determined by the ETUC ‘*Tackling psychosocial hazards at work – taking the stress out of the job*’.

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

Everybody Welcome

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

3.3 Eve of WMD ‘Gig’ (27/04/2020)

An event with a speaker, supported by the Commoners Choir, Joe Solo & Rebekah Findlay is in the process of being organized by HTUC for Monday 27th April 2020 (**Further details to follow**)

3.4 Memorial Service for Students – Hartlepool College of Further Education (28/04/2020)

The memorial service for students in 2020 will be held on Tuesday 28th April 2020, 11.00am, in Hartlepool College of Further Education.

Speakers include:-

- Hilda Palmer, Hazards Campaign.
- Roger Maddocks, Partner, Irwin Mitchell Solicitors
- Rolf Gehring, Secretary at EFBWW (International)

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

3.5 NTUC / HTUC Health & Safety Seminar (28/04/2020)

This year’s event will take place at the Hartlepool College of Further Education on Tuesday 28th April 2020 at 9.00am to 12noon and will be followed at 12.30pm by the main Workers Memorial Day Service & Wreath Laying Ceremony at Christ Church, Church Square, Hartlepool, TS24 7EQ.

Presentations from:-

- Claire McLaren, Assistant Director, Corporate Services, Hartlepool Borough Council.
- Hilda Palmer, Hazards Campaign
- Rolf Gehring, Secretary, EFBWW (International)
- Vincent Borg, National Health & Safety Officer, ASLEF
- Ian McFall, Head of Asbestos Litigation, Thompsons Solicitors

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

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

4 **Recommendations:-**

Hartlepool Borough Council agrees that:-

- a) The Authority considers promoting a minutes silence in all public buildings and to staff/public at 12.30pm on Tuesday 28th April 2020, in remembrance of ‘those workers who have lost their lives through industrial accident or disease’.
- b) The Authority gives consideration to authorising the lowering of flags on public buildings on Tuesday 28th April 2020
- c) The Authority gives consideration to promoting / publicising and assisting with the event.

6.3 APPENDIX A

- d) The Authority authorizes the use of Council Premises on Tuesday 28th April 2020 for the service and for guests before / after the Workers Memorial Day Service & Wreath Laying Ceremony.
- e) The Authority authorizes the provision of technical equipment and support, as required, on Tuesday 28th April 2020 for the service and wreath laying ceremony

The Theme for this year's International Workers Memorial Day has been determined by the ETUC:-
'Tackling psychosocial hazards at work – taking the stress out of the job'.

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

Remember the Dead & Fight for the Living

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FINANCE AND POLICY COMMITTEE

10th February 2020



Report of: Director of Regeneration and Neighbourhoods

Subject: NEIGHBOURHOOD INVESTMENT PROGRAMME
AND HIGHWAY IMPROVEMENT PROGRAMME

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key decision.

2. PURPOSE OF REPORT

2.1 To provide an update on the capital investment programme that will deliver improvements to neighbourhoods across Hartlepool through the Neighbourhood Investment Programme and Highway Improvement Programme.

3. BACKGROUND

3.1 In March 2017 the Finance and Policy Committee considered a programme of capital investment to deliver improvements to neighbourhoods across Hartlepool.

3.2 Schemes were submitted by Ward Members for consideration and assessed on the following criteria,

- A scheme falls within an area in need of physical and social regeneration.
- The scheme contributes towards community wellbeing.
- The scheme has a positive impact on community safety.

3.3 Alongside this scheme a programme of highway improvement works were agreed by the Neighbourhood Services Committee on 12th September 2018.

3.4 The two programmes will run concurrently and both benefit from funds provided from Thirteen Group.

4. PROPOSALS

Neighbourhood Investment Programme (NIP)

- 4.1 Since the programme was presented to committee a number of changes have been made which are outlined below along with progress on current schemes.
- 4.2 In addition to this and as part of the budget setting process, Council have agreed further investment in a new Neighbourhood Improvement Plan for 2020-2023 and any uncommitted fund from this phase of investment will be carried forward to add to that programme. It is proposed that this new programme will be considered by Finance and Policy Committee in the new municipal year, which could look to bring forward new play sites linked to a proposed new Play Strategy.
- 4.3 At the last meeting it was agreed that the funding allocated for roundabout works would be realigned to provide enhancements to Marine Crescent play area, along with two other sites. Further work has been carried out to identify these sites taking into account the recent CCTV investment and the need for further play facilities in these locations, therefore the proposed play areas selected are:
- i. Burn Valley Gardens where it is proposed that a few items of equipment will be installed once the CCTV is completed, allowing the site to be monitored. A separate sum will be set aside for this site and should it be demonstrated that there has been a reduction in anti-social behaviour, further consideration will be given to increasing the equipment.
 - ii. A new climbing frame will be installed at Ward Jackson Park where recently it has been necessary to remove time expired equipment and other items that have been vandalised beyond repair. Alongside this a wheelchair accessible roundabout will be fitted.
- 4.4 A request has been made to enhance a paved area at Rocket House Car Park. It is proposed that a raised bed will be removed, the existing wall will be enhanced and an accessible picnic bench installed, with two further accessible picnic benches also located in Seaton. Furthermore we are also looking at the costs to undertake a refurbishment of the toilet facilities at the Bus Station, and this work remains ongoing, with a further report to be brought back to Committee once this information has been collated.
- 4.5 Elsewhere in Seaton Carew there has been a request to install a basketball hoop on the recently completed tennis courts in Seaton Park. The new courts do not provide sufficient space to mark out a playing area, but it is considered that this will be an appropriate addition, given the loss of the previous formal playing space. In addition it is proposed that a new accessible piece of play equipment will be installed in the park, in the form of a swing, in order to broaden the range of facilities in this area.

- 4.6 There has been concern regarding anti-social behaviour impacting on residents in Borrowdale Street / Windermere Road, in particular in relation to bikes travelling through the area. A proposal has been brought forward to provide barriers to prevent such access.
- 4.7 Further investigation has been carried out into delivering improvements through this programme using Section 106 developer contributions from planning applications. There are funds available to enhance Central Park therefore investigations are currently on going to develop this scheme further.
- 4.8 Thirteen Group continue to support the programme. They have recently agreed to provide £147,080 towards improvement schemes within the Borough. The sum will be allocated towards the various projects including,
- i. £75,000 towards play area improvements at Marine Crescent and King George V.
 - ii. £30,000 to fully fund landscaping schemes at the Brus and Owton Lodge roundabouts.
 - iii. Four verge hardening schemes, two within Endrick Road one within Erskine Road and another in Kinbrace Road. These will be fully funded by Thirteen Group and are estimated to cost £37,080.
 - iv. Thirteen also requested a scheme in Henrietta Street to alleviate parking issues which will be fully funded by them and is expected to cost £5,000.
- 4.9 Investigations will continue to look for opportunities to draw down external funding which could deliver schemes through the programme. For example the feasibility of accessing Mondegreen funding, which has successfully enhanced Rossmere Park, will be considered for other parks and open spaces across the Borough.
- 4.10 Many of the committed projects continue to progress and these include:
- Programming work with contractors to begin sculpture/statue cleaning in spring.
 - Completing works to the pond in Rossmere Park.
 - Installing new tennis courts in Seaton Carew.
 - Providing planting at Spenser Grove.
 - To establish a Memorial Wood at Summerhill.
 - Installing CCTV in our main parks and other key sites such as the Waterfront and Church Street.
- 4.11 A table is provided in **Appendix 1** summarising the completed projects, those currently on site and future proposals.

Highway Improvement Programme (HIP)

- 4.12 Since the last committee two new Highway Improvement Programme schemes have been proposed to create a footpath nearby the Hartlepool Cricket Club in Elwick Road and another for the creation of parking bays at Dunston Road. An alternative option is being considered in Cairnston Road

due to the presence of utility apparatus in the Dunston Road verges, and this location will also provide additional parking facilities near to High Tunstall College. The preferred option will be identified in consultation with Ward Members, with the same budget allocation being available whichever location is selected. Dependent on feasibility, it is proposed to use underspend from the Highways Improvement Programme to fund the schemes.

- 4.13 Many of the highway schemes continue to be delivered, such as:
- Parking layby works recently completed in West View Road.
 - Kilmarnock Road verge hardening to improve parking and traffic flows.
 - Provision of a parking area at Islay Grove.
 - Provision of a footpath and extension to existing parking layby in Fulthorpe Avenue.
 - Finalising the design to reconstruct sections of Elwick Road (Four Wynds).
 - Planning of works to resurface Catcote Road (Browning Avenue to Elwick Road) during July-August 2020 following English Martyrs school demolition works.

5. RISK IMPLICATIONS

- 5.1 The risk associated with this programme relates to ongoing maintenance and future revenue liabilities, particularly in relation to play facilities and replacement equipment.
- 5.2 It is proposed that to mitigate the risk to the Council a sinking fund of £50,000 is created from the budget available in order to address this.

6. FINANCIAL CONSIDERATIONS

Neighbourhood Investment Programme

- 6.1 The proposed amendments to the scheme and associated costs are outlined in the table below.

	£'000
Unallocated Budget B/F	294
Additional Funding :	
Thirteen Group - see para 4.7	147
S.106 Funding see para 4.6	60
	207
Additional Expenditure :	
Central Park play scheme	(60)

	£'000
Marine Crescent & King George V - Play area	(75)
Brus & Owton Lodge roundabouts	(30)
Verge hardening schemes, Endrick, Erskine & Kinbrace Rd	(37)
Henrietta St - parking	(5)
	(207)
Rocket House Car Park, picnic benches	(15)
Seaton Carew Tennis Courts and play area	(14)
Borrowdale Street / Windermere Road	(5)
	(34)
Unallocated Budget C/F	260

Highway Improvement Programme

- 6.2 The proposed amendments to the Programme and associated costs are outlined in the table below.

	£'000
Unallocated Budget B/F	384
Additions/Updates	
Dunston Road layby (estimated cost - subject to feasibility study and design)	
Or	60
Cairnston Road layby (estimated cost - subject to feasibility study and design)	
Elwick Road footpath (estimated cost - subject to feasibility study and design)	25
	85
Unallocated Budget C/F	299

7. LEGAL CONSIDERATIONS

- 7.1 The programme of investment supports the priorities set out within the Council Plan and is supported by the general power of competence provided for in Section 1 to 8 of the Localism Act 2011.

8. CONSULTATION

- 8.1 Consultation was carried out with Members in November 2016 in order to inform Councillors of the intention to develop this programme and to obtain initial views.
- 8.2 Further consultation has taken place in those areas where works are proposed prior to schemes being implemented. Where appropriate consultation has been carried out with Ward Members, residents and Parish Councils.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 The capital investment programme will renew and improve the authority's assets and should therefore have a positive effect on maintenance budgets. Where new assets are introduced, for example CCTV, there will be ongoing maintenance and monitoring requirements which will generate associated revenue costs. It is proposed that a sinking fund is formed in order to address these initial costs which will be £34,000, and there is sufficient funding in the budget allocated to the CCTV scheme to cover this.

10. OTHER CONSIDERATIONS

- 10.1 Other considerations are outlined below:

Child/Family Poverty Considerations	No relevant issues
Section 17 of The Crime And Disorder Act 1998	No relevant issues
Considerations	
Equality and Diversity Considerations	No relevant issues

11. RECOMMENDATIONS

- 11.1 That Committee notes the current progress on implementing the Neighbourhood Investment Programme and Highway Improvement Programme.
- 11.2 That Committee approves the additional funding for Marine Drive Play Area and the proposed new equipment in Burn Valley Gardens and Ward Jackson Park
- 11.3 That Committee approves the proposed enhancement works at Rocket House Car Park, including the installation of three accessible picnic benches in Seaton.
- 11.4 That Committee approves the proposal to install a basketball hoop at Seaton Park and an accessible item of play equipment.

- 11.5 That Committee approves the proposed works to provide barriers at Borrowdale Street / Windermere Road.
- 11.6 That Committee approves the proposed verge works at Dunston Road or Cairnston Road and footpath works in Elwick Road.
- 11.7 That Committee approves the allocation of £50,000 to fund repairs in play areas.
- 11.8 That Committee approves the allocation of £34,000 to fund the support works required for CCTV, which can be accommodated within the existing budget for this scheme.
- 11.9 That Committee approves the changes to any approved schemes and future projects to the Director of Regeneration and Neighbourhoods, in consultation with the Chair of Finance and Policy Committee.

12. REASONS FOR RECOMMENDATIONS

- 12.1 The report provide an update on the current position of both investment programmes.
- 12.2 The report provides details of proposed new schemes to be included in the Neighbourhood Investment Programme and Highway Improvement Programme.

13. BACKGROUND PAPERS

- 13.1 Finance and Policy Committee Report, 22nd July 2019, Neighbourhood Investment Programme.
- 13.2 Finance and Policy Committee Report, 17th December 2018, Neighbourhood Investment Programme.
- 13.3 Finance and Policy Committee Report, 12th March 2018, Neighbourhood Investment Programme.
- 13.4 Finance and Policy Committee Report, 27th March 2017, Neighbourhood Investment Programme.
- 13.5 Neighbourhood Services Committee Report, 12th September 2018, Highway Improvement Programme.
- 13.6 Neighbourhood Services Committee Report, 13th June 2018, Neighbourhood Investment Programme.

14. CONTACT OFFICERS

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Sign Off:-

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

6.4 APPENDIX 1

Project	Scheme	Position
Balmoral Road	Installation of parking bays.	Completed
Belly Bins	Bins installed around the Owton Manor Area.	Completed
Cleaning machine	Machine to maintain public realm projects.	Completed
Headland Play Improvements	New slide and resurfacing of paddling pool.	Completed
King Oswy Drive Shops	New paving, planters, belly bins and seating.	Completed
Redheugh Gardens	Path to memorial.	Completed
Seaton (Coronation Dr)	New play equipment.	Completed
Town Square refurbishment	Enhancements to Town Square including improving pathways, and new planting.	Completed
Union Street	Refurbishment of railing.	Completed
Whitby Street Paving	New paving to the area around the BIS.	Completed
CCTV	Installation of CCTV throughout the Parks and key locations in the town.	Ongoing
Hindpool Close Play Area	Extension to the play area including the installation of additional equipment.	Ongoing
Memorial Wood	Investigation works to assess the potential to establish a Memorial Wood area at Summerhill.	Ongoing
Marine Crescent Play Area	Enhancement of the area including new play equipment and boundary treatment.	Ongoing
Seaton Tennis Courts	Refurbishment of the existing tennis courts.	Ongoing
Spenser Grove	Trees have been planted as agreed. Consultation is proposed on the installation of boulders to restrict vehicle access.	Ongoing
Stranton Cemetery	Installation of barrier to restrict vehicle access to the cemetery and create an additional car park.	Ongoing
Rossmere Park	Installation of new play equipment, access points, an events area and enhancement of the pond.	Ongoing
Roundabouts	Enhancements to roundabouts at Brus and Owton Lodge.	Funding agreed
Statues	Arrangements have been made to clean the statues and art work on Church Street/Square and Powlett Road/Marina Way Roundabout.	Funding agreed
Verge hardening schemes	Endrick Road, Erskine Road and Kinbrace Road	Funding agreed

6.4 APPENDIX 1

Project	Scheme	Position
Henrietta Street	Parking Scheme	Funding agreed
King George V	Play area improvements	Funding agreed
Borrowdale Street/Windermere Road	Restrict access to pedestrians only	Awaiting approval
Burn Valley Gardens Play Area	Installation of play equipment.	Awaiting approval
Rocket House Car Park and Seaton Park	Enhancements to area adjacent to Rocket House car park, installation of three accessible picnic benches in Seaton Carew and an accessible piece of play equipment in the park along with a basketball hoop.	Awaiting approval
Ward Jackson Park	Installation of play equipment.	Awaiting approval
Seaton Carew Bus Station	Enhancement of toilet facilities.	Future project
Central Park	Enhancement works	Future project

FINANCE AND POLICY COMMITTEE

10th February 2020



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

Subject: LOCAL COMMUNITY WEALTH BUILDING

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Report for information only.

2. PURPOSE OF REPORT

2.1 To update Elected Members on the Council's consideration of Local Community Wealth Building.

3. BACKGROUND

3.1 Community Wealth Building is an approach, developed initially by the Democracy Collaborative in the United States of America which aims to ensure the economic system builds wealth and prosperity for everyone. The concept in the UK has four main elements:

- (1) Existing Wealth. Harnessing the power of the money that anchor institutions (such as the Council, Universities, Emergency Services etc.) are spending on procuring goods and services. Aiming to localise as much of that spend as possible, securing investment in local supply chains and improving local economic competitiveness.
- (2) Workforce. Maximising the benefits of investment in staff by building a skilled and committed workforce and providing an exemplar to local businesses. Paying at least the Living Wage to all employees and encouraging staff to spend local and save local, including through Credit Unions.
- (3) Land, Property and Investments. Using anchor institution assets to lever in additional investment, to encourage the development of new businesses and support new methods of financial intermediation. To consider asset transfer to community or private sector interests where this best serves the interests of the wider community.

- (4) Economic democracy. Supporting the growth of alternative models of economic governance which give citizens greater investment in and control over their economic future. This can mean the development of new co-operatives as well as other ways of helping people feel ownership of assets and decision-making processes.

4. THE HARTLEPOOL POSITION

- 4.1 The Council has undertaken its own Community Wealth Building drive, covering the elements as set out in section 3, over recent years which have included the following key elements:

- National Living Wage
- Local Procurement
- Regeneration and Assets
- Economic Democracy

National Living Wage

- 4.2 The Council has been committed to addressing low pay for a number of years. In December 2015 the Council introduced the 'Hartlepool Living Wage' for its own staff to address low pay and committed to future increases in this level of pay. In April 2018 the nationally negotiated pay deal agreed for NJC Local Government Green Book employees introduced fundamental changes to the national pay spine. These changes provided higher pay increases for lower paid staff. From April 2018 the increased national minimum pay level was adopted by the Council as this then exceeded the Hartlepool Living Wage.

Local Procurement

- 4.3 The Council has introduced substantial changes to the Council's contract procedure rules to allow local businesses greater opportunities to access Council spend on goods and services. These changes came into effect in January 2018.
- 4.4 The Council removed the requirement to 'Tender' (advertise) opportunities with a value below the prevailing Public Contracts Regulations threshold, allowing Quick Quotes (QQ's) to be undertaken instead. The revised procedure requires Council Officers to select which suppliers to invite to tender/quote and enables the Council to target the local supply base through its selection of companies being asked to submit a quotation. There is a requirement that there is a mix of local and non-local organisations so it does not limit non-local participation; it further encourages local participation.
- 4.5 Furthermore QQ's are now required for contracts with a value over £1,000, rather than the previous £5,000 level. The current procurement process that is followed by Council Officers is highlighted in table below and shows the requirement for officers to consider local businesses at all levels of procurement.

Contract Value	Procurement processes for Goods, Services and Works
£0-£1,000	Informal Process Reasonable Enquiries Required Minimum of One Quotation Officers should attempt to procure services from Local Organisations where possible, although consideration must be given to the cost to the council
£1,001 - £5,000	At least 2 quotations using quick quotes on the ProContract Portal Officers should invite a minimum of 1 local company to quote (where available)
£5,001- £25,000	At least 3 quotations using quick quotes on the ProContract Portal Officers should invite a minimum of 2 local companies to quote (where available)
£25,000+ up to EU thresholds	The Council's Corporate Procurement Team procure Under EU thresholds still encourage local companies to quote (where available)

- 4.6 HBC's Contract Procedure Rules states that all quotations are to be secured using the Council's prescribed system and process of quotation gathering, the default position being a requirement to use the Council's e-procurement system, which is currently ProContract via the NEPO (North East Purchasing Organisation) Portal. The graphs in the Appendix A, B and C depict HBC's results compared to the other 11 NEPO authorities in terms of suppliers receiving Opportunities, supplier Responses and supplier Awards made to their respective local companies, via Procontract.

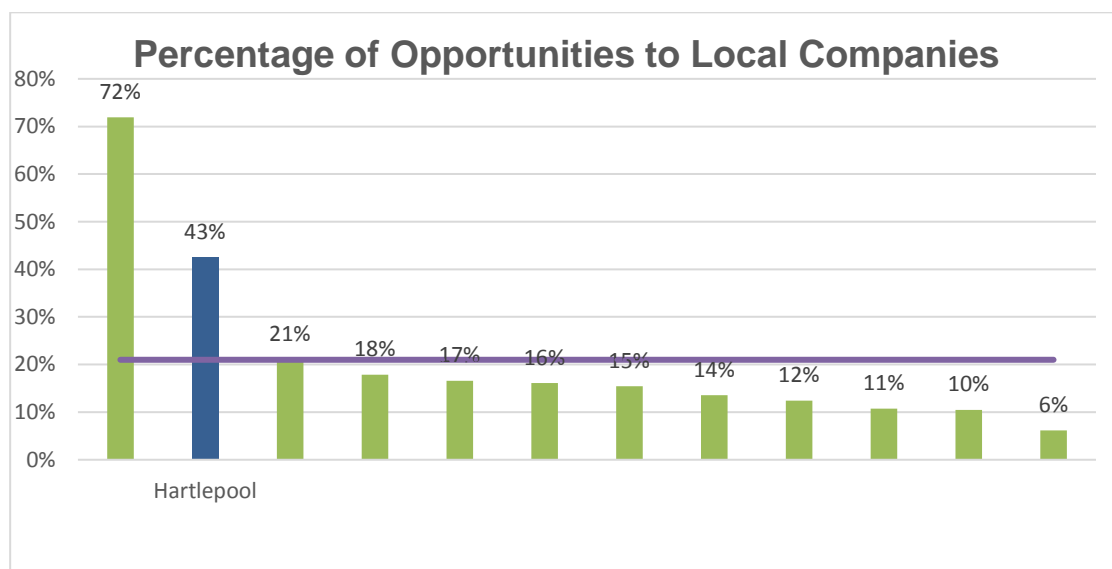
The 12 NEPO Authorities comprise:

Darlington Borough Council
Durham County Council
Gateshead Council
Hartlepool Borough Council
Middlesbrough Borough Council
Newcastle City Council
North Tyneside Council
Northumberland County Council
Redcar and Cleveland Borough Council
South Tyneside Council
Stockton-on-Tees Borough Council
Sunderland City Council

4.6.1 Opportunities to Local Companies

In 2018/19 a total of 3697 suppliers received opportunities to quote from HBC via the NEPO Portal. Of which 1574 were local Hartlepool companies. Local = within the borough of Hartlepool i.e. with postcodes commencing TS24, 25, 26 or 27.

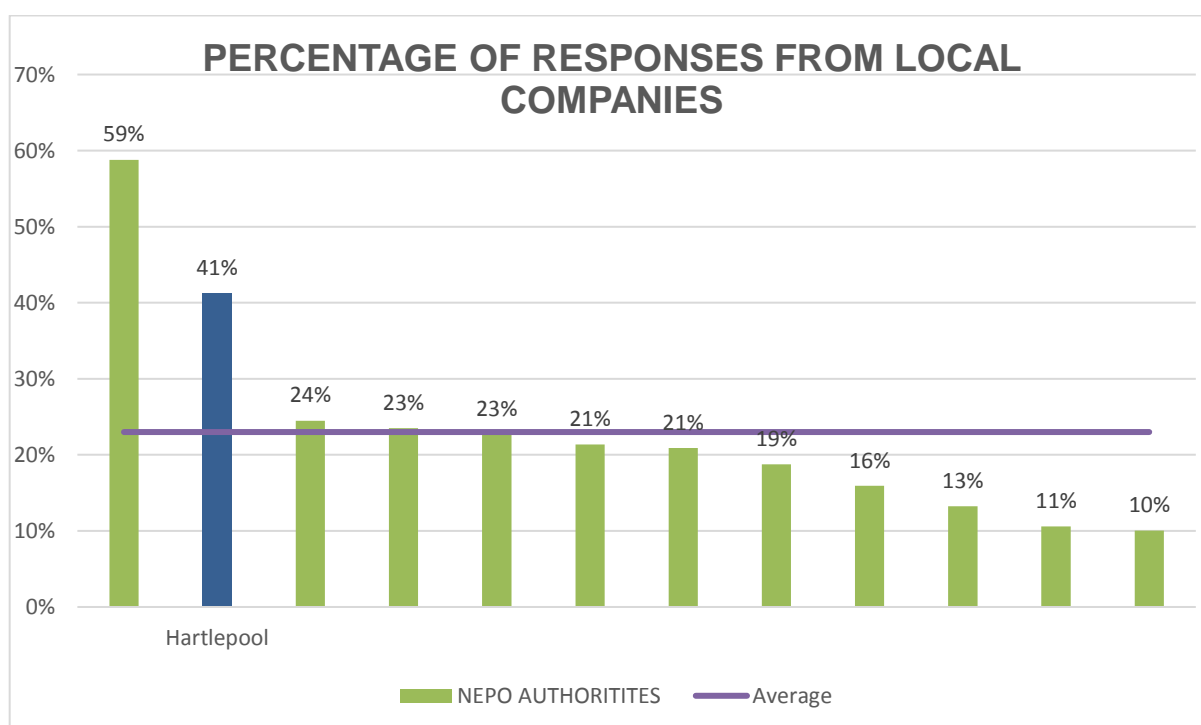
Of all the suppliers receiving an Opportunity to quote from HBC, 43% were Hartlepool Local Companies. This is twice the regional average and the second highest in the region, as summarised below:



4.6.2 Responses from Local Companies

In 2018/19 a total of 1017 supplier responses were received by HBC via the NEPO Portal. Of which 419 were from local Hartlepool companies. Local = within the borough of Hartlepool i.e. with postcodes commencing TS24, 25, 26 or 27

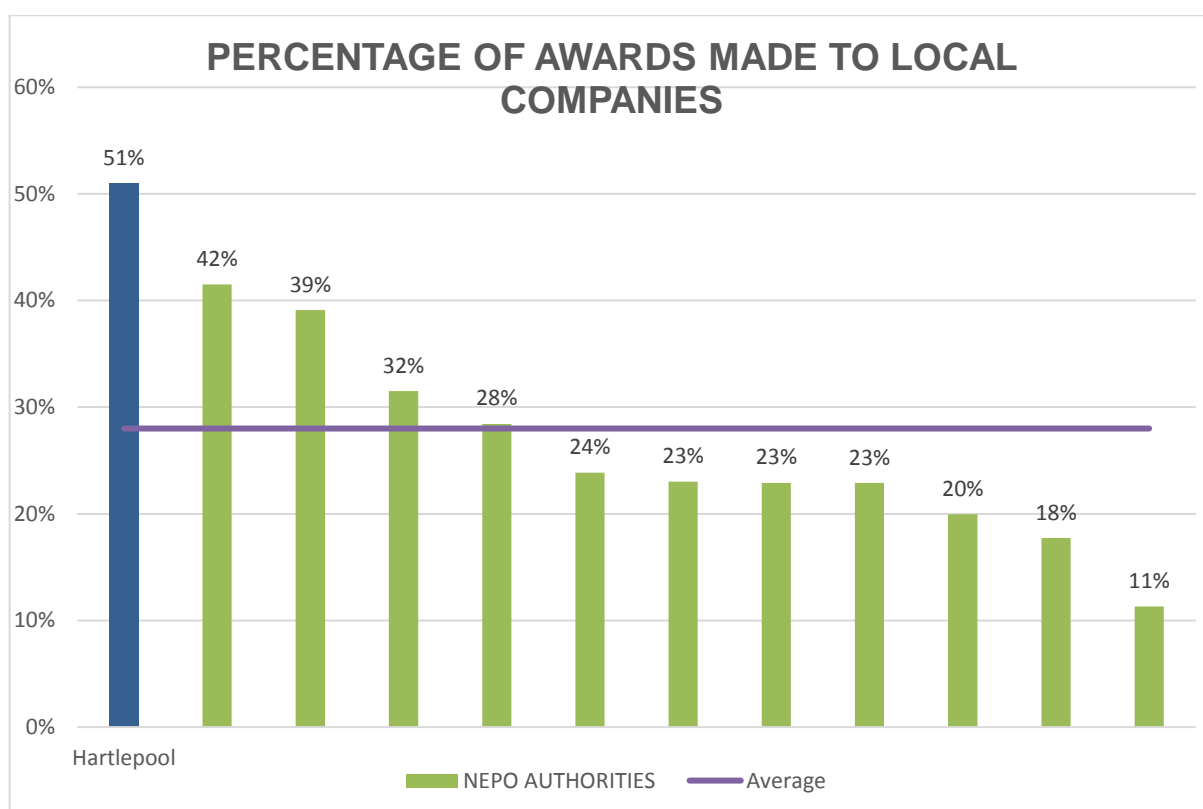
Of all the Responses received by HBC, 41% were from Hartlepool Local Companies. This compare to a regional average of 24% and is the second highest in the region as summarised below:



4.6.3 Awards Made to Local Companies

In 2018/19 a total of 373 supplier awards were made by HBC via the NEPO Portal. Of which 190 were made to local Hartlepool companies. Local = within the borough of Hartlepool i.e. with [postcodes commencing TS24, 25, 26 or 27.

Of all the Awards made by HBC, 51% were made to Hartlepool Local Companies. This compare to a regional average of 28% and is the second highest in the region as summarised below



4.7 To give an example of where this has worked in the past 2 years the major regeneration works contracts are as follows and all were secured by local companies on a competitive basis:

- £4.5M – The BIS, workspace for 28 units for the creative industries
- £3.7M – Church St/Square investment in public realm improving the local environment for business to thrive
- £1.2M – Stockton Street improving connectivity between the town centre and Hartlepool railway station
- £1.4M – Waterfront Public Realm, investing in the leisure and tourism quarter enhancing the development of the National Museum of the Royal Navy.

4.8 The Council compares well against other Local Authorities with regard to local procurement and capturing that spend in the Borough of Hartlepool as a priority and then within the sub region and region. The table sets out the recent performance.

Local of Spend	Hartlepool Borough Council 2017/18	Hartlepool Borough Council 2018/19	Preston Council and Anchor Institutions 2017/18
Borough (i.e. . Hartlepool post code or service delivered locally)	33.6%	36.5%	18%
Sub Regional (e.g. Tees Valley excluding Hartlepool)	23.1%	21.7%	N/A
Regional (e.g. North East excluding Tees Valley and Hartlepool)	17.1%	16.6%	61%
Total	73.8%	74.8%	79%

In addition to the above figures:

- Council Trading activities – have an annual turnover of approximately £15.5m and provide employment for local people;
- 76% of Council employees live in the town;
- The award criteria for the ICT contract rewarded companies for having base in Hartlepool for the delivery of the Council contract and growing other jobs. Northgate, the current provider employee a total of 284 staff Hartlepool and deliver a range of other contracts from Hartlepool.

- 4.9 The Council appreciates that delays in payments to local suppliers is a significant problem, especially if they are SMEs. As a result the Council is committed to paying local suppliers within 10 working days and during 2018/19, 93% of those invoices were paid within 10 working days.
- 4.10 Furthermore an annual 'Doing business with Council' event is held with local businesses to encourage them get more involved in bidding for Council contracts with relevant Elected Members and Council Officers on hand to meet with businesses and answer questions.
- 4.11 The Council is part of the Tees Valley Combined Authority (TVCA) and are investing £588M in various projects over next 10 years and a specific group has been set up to look at maximising the local impact of this investment which will include opportunities for local businesses.

Regeneration and Assets

- 4.12 Over recent years the Council has used its assets as a basis for facilitating and encouraging bigger regeneration programmes and even gone further by purchasing assets/land in private ownership to assist with wider regeneration objectives, including the following:
- Council Depot. The Council vacated and provided land and buildings to Northern School of Art (NSOA) for their new £11M campus which 'kick started' Innovation and Skills Quarter (ISQ).

- Leadbitter Buildings. The Council owned buildings which were vacated for NSOA use as an extension to their campus.
- The BIS. The Council purchased the empty former GPO for conversion into new 28 unit managed workspace for creative businesses in the ISQ.
- Crown House. The Council acquired former DSS offices, demolished and provided land for student accommodation development in the ISQ.
- Focus DIY Depot. The Council acquired former focus commercial building on Lynn Street for Council use in the ISQ.
- Shades. The Council acquired the empty derelict, Grade II Listed former public house from private sector landlord to bring back into economic use in the ISQ.
- Avondene. The Council purchased social housing flats to convert into student accommodation for use by NSOA students in the ISQ.
- Market Hotel. The Council acquired the Listed former public House on Lynn Street for future economic use and/or affordable housing in the ISQ.
- Waterfront. The Council acquired the former Jackson's Landing site from the private sector and is redeveloping the site for public realm and culture/leisure regeneration.
- National Museum of Royal Navy. The Council agreed with NMRN to take over and run Council owned Historic Quay visitor attraction giving greater national and international recognition.
- Construction Academy. The Council worked with Hartlepool based civil engineering contractor Seymour's to develop plans for building a new construction academy on vacant disused Council land at Brenda Road.

- 4.13 In July 2017 the Council's Finance and Policy Committee approved a policy whereby rent reductions of up to 75% of their market value would be considered on sales and leases where the proposed use is to have a positive impact on the community. Sales and Lettings at less than market value are subject to an applicant's eligibility, which is decided based upon the information provided by the applicant on a case by case basis.

Economic Democracy

- 4.14 In terms of economic assistance and democracy the Council is committed to supporting the growth of alternative models of economic governance.
- 4.15 With regard to community groups the Council delivers support through the Council's Voluntary and Community Sector (VCS) Team in terms of capacity building, fundraising assistance, training and workforce development, commissioning and networking advice. Further to this the Council leads on the ESF Community Grant Programme and is working with other organisations including the Hartlepool and Redcar Local Access Programme and Voluntary Organisations' Network North East to bring additional funding into the sector to build capacity and enterprise skills.

The Council supports start-up businesses and SMEs through delivering its own support and working in partnership with the Tees Valley Combined Authority to offer business advice and grants on an ongoing basis. Further to this the Council provides affordable start-up business workspace at the Hartlepool Enterprise Centre and also the BIS to assist local businesses.

Action Plan

- 4.16 The following table details further actions to be undertaken over the next few months and further reports will be submitted to future meetings to expand on the action plan.

What	By who	By when
Agree an Elected Member Champion for Local Wealth Building	HBC	February 2020
Local Community Wealth Building update presentation delivered to the Health and Wellbeing Board and the Safer Hartlepool Partnership.	CLES	March 2020
Procurement Working Group (PWG) to be established with representatives from local Anchor Institutions. - Objective of PWG will be to be establish baseline of existing local spend and agree action plan to increase local spend	HBC & CLES	April 2020
Undertaken a mapping exercise of our workforce to identify where employees live and develop a strategy to support future job application from areas under represented	HBC	June 2020
Further review Contract Procedure rules - including potential measures to encourage suppliers to increase use of sub-contractor and local residents	HBC	July 2020
Event hosted for Elected Members to demonstrate the Wharton Trust's work on Local Community Wealth Building.	Wharton Trust	TBC

Identify gaps in local provider market.	HBC and Anchor Partners	Sept 2020
Provide 6 monthly seminar for local businesses on local public sector procurement and commissioning priorities and requirements.	HBC	Oct 2020

5. OTHER CONSIDERATIONS

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

6. RECOMMENDATIONS

6.1 It is recommended that

- i) Members note the report and approve the action detailed in paragraph 4.16
- ii) Seek Council approval to appoint the Chair of Finance and Policy Committee as Community Wealth Building Champion.

7. REASONS FOR RECOMMENDATIONS

7.1 To inform Members of the progress the Council has made relating to local community wealth building.

8. CONTACT OFFICERS

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Sign Off:-

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

FINANCE AND POLICY COMMITTEE

10th February 2020



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

Subject: HRA AND COUNCIL HOUSING CAPITAL
STRATEGIC FINANCIAL MANAGEMENT REPORT -
AS AT 31st DECEMBER 2019

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information.

2. PURPOSE OF REPORT

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

- i) 2019/20 Forecast HRA Outturn; and
- ii) 2019/20 HRA performance
- iii) 2019/20 HRA Capital Programme Monitoring

3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 The original HRA Business Plan presented to members in October 2017 highlighted that HRA would be in deficit for a number of years as a result of government rent cuts and benefit changes. The 2018/19 outturn deficit was higher than forecast in the Business Plan owing to a higher level of voids than anticipated. Action has been taken to address void levels and to secure new capital investment from Section 106 Contributions and higher levels of Homes England grant funding. This investment has provided opportunities to acquire additional high demand houses that can contribute to reducing the deficit and build financial resilience into the HRA.
- 3.2 An updated HRA Business Plan report has been prepared and will be presented separately. The main focus of the Business Plan is on 5 year proposals for future investment, whilst this quarterly HRA report provides a summary of the latest in year HRA forecast position.

4. REPORTING ARRANGEMENTS 2019/20

- 4.1 The HRA is a ring-fenced account, separate from the General Fund with its own financial and performance issues. As the HRA is becoming more mature a separate quarterly report for the HRA and Council Housing capital schemes is now being submitted to provide a comprehensive analysis of the forecast outturn and explanation of the significant budget variances. This report will enable the Committee to approve a strategy for addressing any financial issues and challenges facing the HRA and associated capital schemes.

5. 2019/20 HRA FORECAST OUTTURN_AS AT 31st DECEMBER

- 5.1 A summary of the latest HRA forecast is shown in the table below. Details of the HRA budget and forecast outturn are included in Appendix A.

2018/19 Outturn £'000		2019/20 Budget £'000	Forecast Outturn £'000	Variance £'000
(1,056)	Income	(1,229)	(1,213)	16
1,246	Expenditure	1,282	1,238	(44)
190	HRA (Surplus) / Deficit	53	25	(28)
537	HRA Opening Balance	347		
347	HRA Closing Balance		322	

- 5.2 The HRA is forecast to report a deficit of £25,000, which has reduced from the budgeted deficit of £53,000. This is a significant improvement compared to the 2018/19 outturn deficit of £190,000 and reflects the actions taken to address the deficit by acquiring additional high quality homes and reducing voids.
- 5.3 Expenditure is lower than budget owing to the amount required to be set aside for bad debt being lower than budget following a review of the aged debt profile of current and former tenant arrears. Also the amount required to be set aside for major repairs is less than budget as result of the timing of capital expenditure. The reduction in void properties also impacts on the turnover of stock and therefore reduces reactive repairs.

6. 2019/20 COUNCIL HOUSING CAPITAL FORECAST OUTTURN AS AT 31st DECEMBER

- 6.1 A summary of the latest Council Housing Capital expenditure is shown in the table below. Details of the individual housing schemes are included in Appendix B.

2019/20 Budget £'000	2019/20 Actual £'000	2019/20 Remaining £'000	2019/20 Rephased £'000	2019/20 Total Expenditure £'000
3,811	1,336	375	2,100	3,811

- 6.2 Actual expenditure to 31st December 2019 was £1.336m, compared to a 2019/20 budget of £3.811m; £2.100m has been rephased to 2020/21 leaving £0.375m to be spent during the final quarter of 2019/20. The rephased amount reflects the expected profile of expenditure to be incurred and resources will be rephased accordingly. The £0.375m is forecast to be spent on completing properties in empty homes phase 2, purchasing the remaining units from phase 3 and some further refurbishment work. The new build element is complete for 2019/20.

7. HRA RESERVE

- 7.1 The HRA Account is ring-fenced and can only be used for the purposes of the HRA. It is also the only source of funding available to fund the HRA annual deficit and therefore must be kept at a level which meets the needs of the HRA budget to ensure the account remains viable. Based on the projected outturn position shown above, the 2019/20 opening balance of £347,000 will reduce by the £25,000 deficit to £322,000. The Business Plan update contains further information in relation to the HRA Reserve.

8. HRA PERFORMANCE INDICATORS

- 8.1 This section details the key performance indicators for the HRA.

8.2 Council Housing Stock

The table below shows the current housing stock held.

	Units
Opening Balance as at 1st April, 2019	274
Includes:	
Under Renovation - Empty Homes	2
Add:	
Under Renovation - Church Street Flats (ISQ)	2
	276
Additions as at 31st December, 2019	
New Build	8
Empty Homes	13
Lealholm conversion	1
Transfers from Thirteen	2
	24
Current Stock	300

- 8.3 The council has existing funding to deliver three empty homes which are expected to go ahead by the end of the financial year. These properties will be renovated and available to let in 2020/21; timetable to be confirmed.

8.4 Void Properties

- 8.5 The long term letting of void properties to 'Mears' for a period of seven years has a significant impact on the level of long term voids, which have reduced from 9% to 2%.

8.6 Percentage of Rent collected

The cumulative percentage of rent collected to date is 95%. This rate is due to payment of rent over the Christmas period being lower than at other times of the year (this is historical) and the monthly direct debits for December were collected later (in quarter 4) due to Christmas closure. The Council has a detailed rent recovery policy with tenants in arrears signing up to payment plans to reduce these arrears over time.

- 8.7 The level of rent arrears is predominantly due to the increase in Universal Credit (UC) claimants and the difficulties associated with managing a UC claim and payments being made direct to tenants.

9 CONCLUSION

- 9.1 The HRA has undergone a period of challenge which resulted in a deficit of £190,000 in 2018/19. Corrective action has now been taken to reduce the

level of long term voids and additional housing stock has been acquired using grant funding and section 106 developer contributions. This action has established the HRA and reduced the forecast outturn deficit to £25,000, compared to the budgeted deficit of £53,000.

- 9.2 The new HRA Business Plan will be reported separately to present the medium and long-term forecast and proposals for the continued expansion of the HRA stock.

10. RECOMMENDATIONS

- 10.1 It is recommended that Members note the report.

11. REASONS FOR RECOMMENDATIONS

- 11.1 To update the Finance and Policy Committee on the HRAs and Council Housing's Capital financial position.

12. BACKGROUND PAPERS

- 12.1 HRA Business and Asset Management Plan - Finance and Policy Committee, October 2017
- 12.2 Housing Revenue Account – Financial Business Plan Update - Finance and Policy Committee, February 2020

13. CONTACT OFFICERS

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Table 1: Housing Revenue Account for 2019/20 as at 31st December, 2019

2018/19 Outturn £'000		2019/20 Budget £'000	Projected Outturn £'000	Variance £'000
	Income			
(1,028)	Dwelling Rents	(1,202)	(1,188)	14
(23)	Non-dwelling Rents - Other Income	(21)	(22)	(1)
(5)	Charges for services and facilities	(6)	(3)	3
(1,056)	Income sub total	(1,229)	(1,213)	16
	Expenditure			
235	Repairs and maintenance	226	226	(0)
296	Supervision and management	313	310	(3)
46	Rents, rates, taxes and other charges	31	22	(9)
31	Provision for bad or doubtful debts	45	30	(15)
293	Depreciation (Major Repairs Allowance)	308	293	(15)
2	Discretionary Housing Payments	10	4	(6)
10	Debt Management costs	16	13	(3)
333	Net Interest payable	333	340	7
1,246	Expenditure sub total	1,282	1,238	(44)
190	HRA (Surplus) / Deficit for the year	53	25	(28)
	Movement on the HRA Reserve			
(537)	HRA Reserve Opening Balance	(374)	(347)	27
190	(Surplus)/Deficit for the year	53	25	(28)
(347)	HRA Reserve Closing Balance	(321)	(322)	(1)

7.3 APPENDIX B

Table 2 : COUNCIL HOUSING CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title		BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing
			A	B	C	C	D	E	
			2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000	
8106	Social Housing - New Build		668	668	0	0	668	0	MIX
8795	Empty Homes - Phase 2 (Homes England)		200	172	28	0	200	0	MIX
7182	Empty Homes - Phase 3 (Homes England)		2,943	496	347	2,100	2,943	0	MIX
CH	Council Housing		3,811	1,336	375	2,100	3,811	0	MIX

FINANCE AND POLICY COMMITTEE

10th February 2020



Report of: Corporate Management Team

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

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information.

2. PURPOSE OF REPORT

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

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

3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 As Members will be aware from previous reports there were significant over spends within Departmental budgets in each of the last 3 financial years reflecting continuing service pressures, particularly in relation to Looked after Children. These pressures commenced in 2016/17 and have been recognised within the MTFS, with one-off resources allocated to support the recurring budget.
- 3.2 The pressures in relation to Looked after Children are continuing in 2019/20 and it is anticipated they will continue in 2020/21. The Medium Term Financial Strategy report approved by Council on 19th December 2019 detailed a strategy for funding these additional costs.

4. REPORTING ARRANGEMENTS 2019/20

- 4.1 The availability and reporting of accurate and up to date financial information is increasingly important as the financial position beyond 202/21 remains uncertain and service demands continue to increase.
- 4.2 This Committee will continue to receive regular reports which will provide a comprehensive analysis of departmental and corporate forecast outturns,

including an explanation of the significant budget variances. This will enable the Committee to approve a strategy for addressing the financial issues and challenges facing the Council.

5. GENERAL FUND BUDGET 2019/20 FORECAST OUTTURN

- 5.1 An updated assessment of the forecast 2019/20 outturn has been completed and a departmental over spend of £640,000 is anticipated compared to the previous outturn forecast of £590,000. A strategy for addressing the previous forecast outturn has been approved as part of the 2020/21 MTFS report approved by Council on 19th December 2019, which was based on releasing one off reserves to fund the 2019/20 overspend and provide one-off funding towards continuing Looked After Children (LAC) costs in 2020/21. The £50,000 increase in the forecast outturn will reduce the one-off funding carried forward to 2020/21 for continuing LAC costs.
- 5.2 **Appendix A** provides a summary of the overall position. The 2019/20 outturn has been prepared to reflect expenditure incurred to date and forecast to be incurred in the rest of the financial year. As Members will be aware from previous years significant elements of the Council's budget are demand led and affected by expenditure over the winter months, including care costs in relation to older people and winter maintenance. The outturn forecasts will be closely monitored and regular updates will be reported to this Committee.

Chief Executives

- 5.3 As identified in **Appendix B** a net underspend of £0.450m is forecast at the end of the year within the Chief Executive's Department. This mainly consists of one-off funding from various grant regimes and staff turnover.

Children's and Joint Commissioning Services

- 5.4 As identified in **Appendix C** a net overspend of £1m is forecast at the end of the year within Children's and Joint Commissioning. This is higher than that reported for the period ending 30th September 2019 reflecting an increase in the underlying budget pressure within Looked After Children.
- 5.5 A strategy for dealing with these pressures in both the current year and 2020/21 was agreed as part of the 'Medium Term Financial Strategy 2020/21 to 2021/22', approved in December 2019.

Public Health Grant

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

Adult and Community Based Services

- 5.7 A £50,000 favourable variance is currently forecast which represents 0.15% of the net Adult and Community Based Services budget. However, demand within Adult Social Care can increase over the winter period and the nature of some of the placements could result in a significant increase in costs if there is a change in individuals' circumstances or an increase in demand.
- 5.8 **Appendix D** also identifies some underlying budget pressures within Community Hubs, Leisure Centres, packages of care for Older People and Adults with a Learning Disability and costs relating to Deprivation of Liberty Safeguards (DoLS). These pressures are funded in the current year from one-off underspends mainly arising from staff vacancies and incremental drift. Work is on-going to reduce these budget pressures and these areas will be closely monitored as the year progresses.

Regeneration and Neighbourhoods Department

- 5.9 The forecast overspend of £0.140m is lower than previously reported predominantly as a result of a reduction in the income shortfall in relation to planning fees. The main reason for the overspend relates to Passenger Transport and reflects the increased pupil numbers accessing 'Special Educational Needs' transport, including transport outside of the borough.
- 5.10 Detailed financial information on the projected outturn for individual Departments by Committee is provided in **Appendices B to E**.

6. Corporate Income Collection Performance

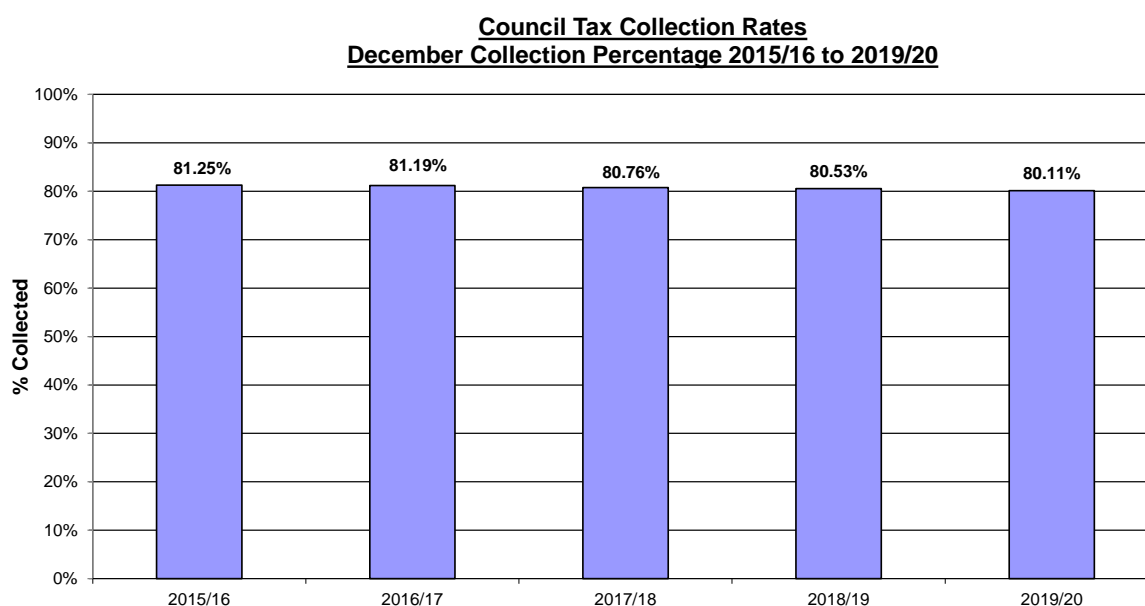
- 6.1 Previous reports advised Members that significant changes were implemented with effect from 1st April 2013 to re-localise Business Rates and implement Local Council Tax Support schemes. As a result of these changes approximately 58% (i.e. £56m) of the net General Fund budget is funded from a combination of Business Rates and Council Tax collected locally. The following paragraphs provide more information on the impact of these changes and also progress in collecting Sundry Debts.
- 6.2 **Business Rates Income**
- 6.3 The re-localisation of Business Rates is a significant additional financial risk for Local Authorities to manage as 50% of any shortfall arising from either nonpayment by businesses, or reductions arising from the Valuation Office re-assessing rateable values, falls on individual authorities. A 'safety net' system is in operation, although this only compensates authorities for any shortfalls above the 7.5% of the safety net figure. Prior to 2013/14 any shortfall in Business Rates collected was funded at a national level from the overall Business Rates pool.
- 6.4 Collecting Business Rates has always been an important responsibility, and the Council collected 99.5% in 2018/19 (national average 97.9% for unitary and

metropolitan councils). The changes associated with localisation of business rates make this an even more important issue for the Council.

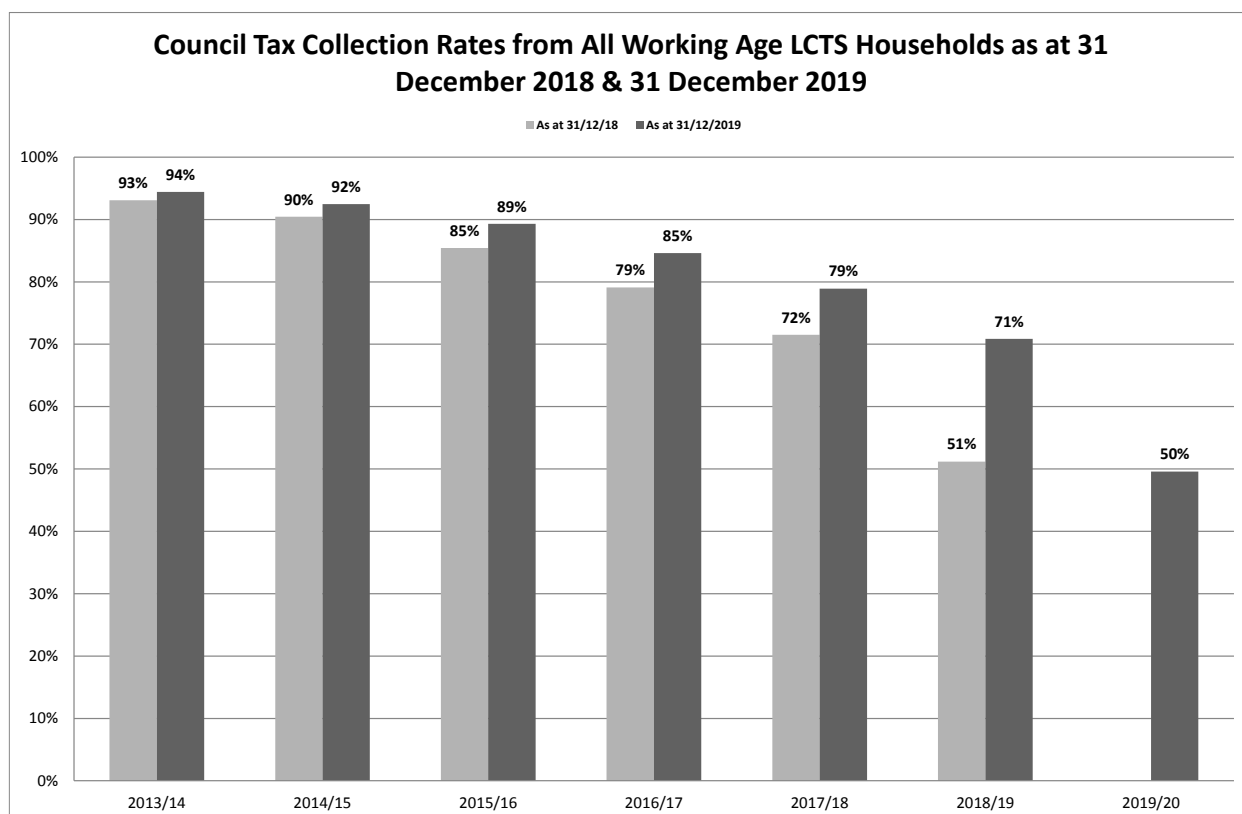
- 6.5 At the 31st December 2019 the Council had collected 81.07% of the 2019/20 liability, down by 0.96% compared to the same period last year. This indicator is sensitive to the timing of payments from companies. It is forecast that by the end of the financial year in excess of 99% of Business Rates will have been collected.

6.6 Council Tax

- 6.7 The overall Council Tax collection rate at 31st December 2019 was 80.11% compared to 80.53% for the same period last year, down slightly by 0.42%, as summarised in the graph below. This reflects the challenges being faced by low income households in their ability to pay higher levels of Council Tax.



- 6.8 Collection performance is impacted by the time lag in recovering Council Tax by Attachment of Benefit, where the rate of deduction is capped at £3.70 per week and only one deduction can be active at any one time. This particularly affects working age households in receipt of Local Council Tax Support (LCTS).
- 6.9 There are approximately 8,100 working age households who receive LCTS. The Council monitors closely levels of collection from these households which have been impacted by a range of national welfare reforms. The following graph shows that collection from these households is positive, albeit there are the forecast time lags in securing collection.

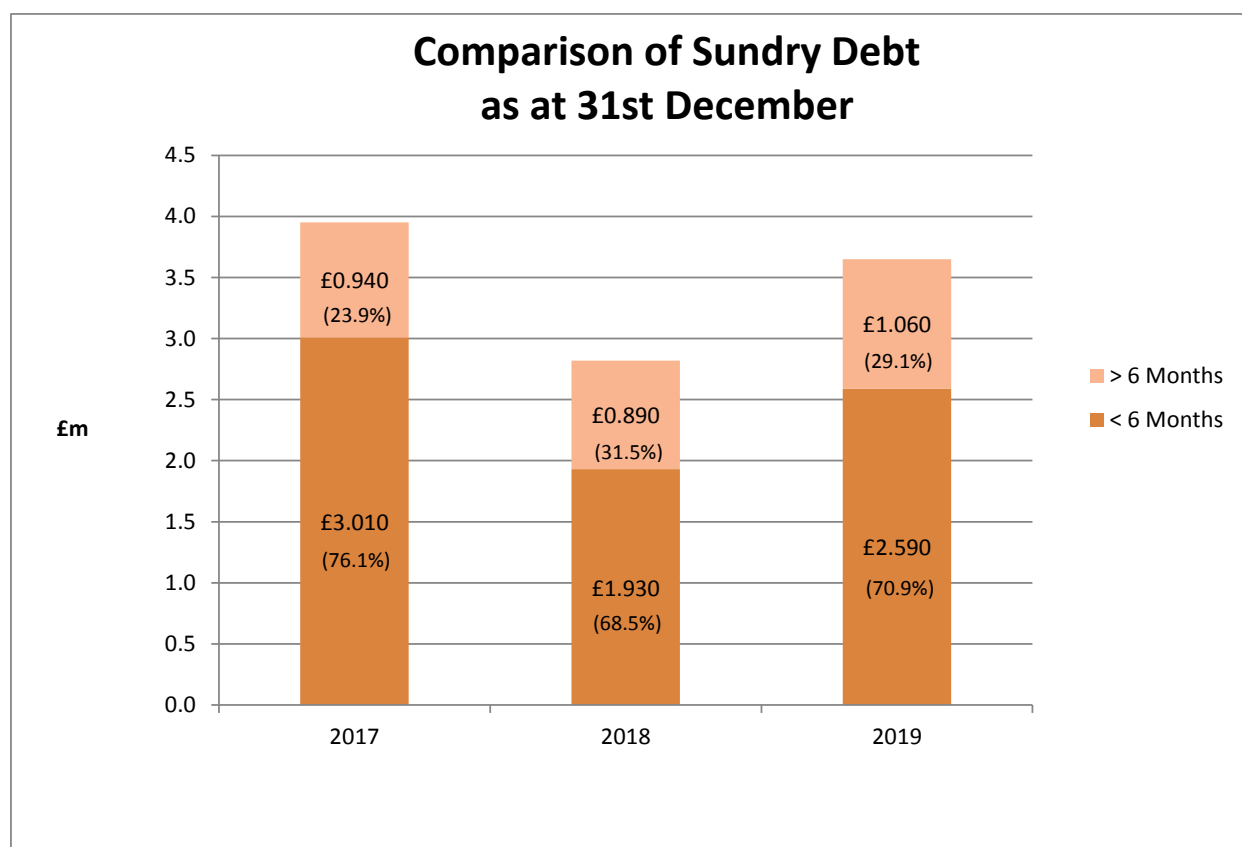


6.10 Collection of Council Tax from LCTS households continues to be within the financial planning parameters that underpin the Council's LCTS scheme.

6.11 Sundry Debts

6.12 The Council also collects significant Sundry Debts income for the payment of services provided by the Council. In total £26.28m of sundry debts were raised in the first nine months of 2019/20. As at 31st December 2019, £23.4m (89.0%) of this amount had been collected.

6.13 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 31st December for the last three years for long term debt and current debt which has been outstanding for less than six months.



- 6.14 Outstanding debts total £3.65m as at 31st December 2019, of which £2.59m (70.9%) relates to current debts (less than 6 months old).
- 6.15 Included within the current debts (less than 6 months old) is debt where the customer has been invoiced for the whole of 2019/20 but payment is to be received in instalments throughout the year.
- 6.16 Debts greater than 6 months old total £1.06m, of this amount 97.6% is under recovery action and 2.4% (£25,844) is now considered unrecoverable and will be reported to Members for write off.
- 6.17 The graph shows an increasing trend in both the amount of total debt and debt over 6 months old. The main reason for this is an increase in debt collected in instalments and an increase in the value of the debt raised in the area of residential and social care. Regular monitoring with the responsible departments is in place to manage the debt in these areas.

7. Capital Receipts Target

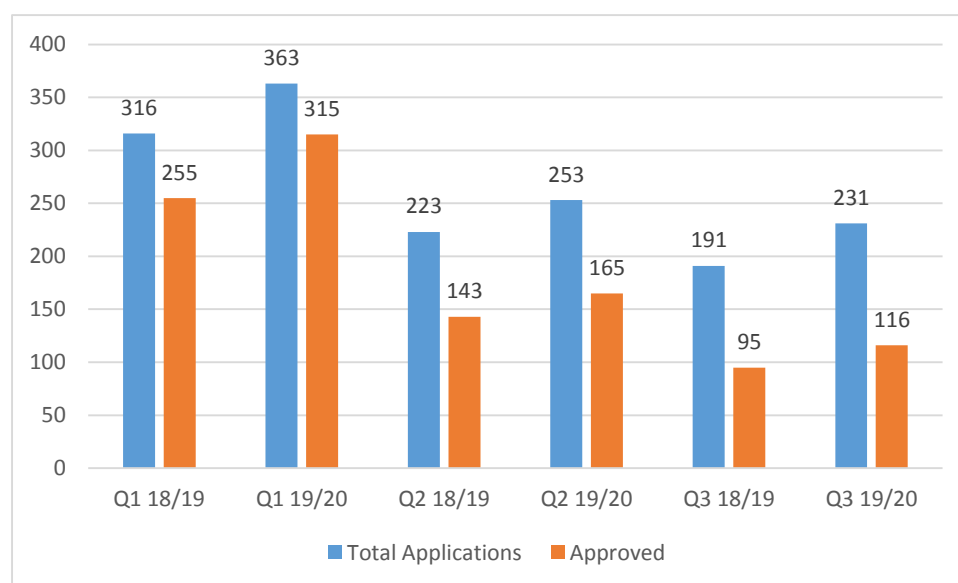
- 7.1 The Council previously set a capital receipt target to provide funding to offset the removal of HMR (Housing Market Renewal) funding in 2011. Owing to the challenging economic conditions over the last few years these capital receipts have taken longer to achieve than initially anticipated. The remaining capital receipts target is £2.369m.
- 7.2 The sale of land at Brierton and the sale of land at Hart were approved at Finance and Policy Committee on 22nd July 2019 and 11th November 2019

respectively. In addition, land at Seaton Lane is being transferred to the HRA at market value of £0.217m as part of a housing development agreement which will deliver additional homes for the HRA in the future. It is anticipated that these receipts should cover the majority of the remaining capital receipts target.

8. Discretionary Housing Payments (DHP)

- 8.1 Discretionary Housing Payments are additional short term emergency payments to help with rent or housing costs. In order to be eligible for payments the claimant must be in receipt of Housing Benefit or the housing element of Universal Credit and be able to clearly demonstrate that further financial assistance towards housing costs is required. In most cases 'further financial assistance' means they are unable to meet their housing costs as they have no available income.
- 8.2 The 2019/20 Discretionary Housing Payments budget is £0.361m (£0.456m in 2018/19) and spend as at 31st December 2019 is £0.246m (£0.295m in 2018/19). The budget is expected to be fully committed by the end of the financial year.
- 8.3 The Table below shows the total number of applications received and the number of those where a DHP has been approved.

DHP – Total number of applications compared to those approved in 2018/19 and 2019/20

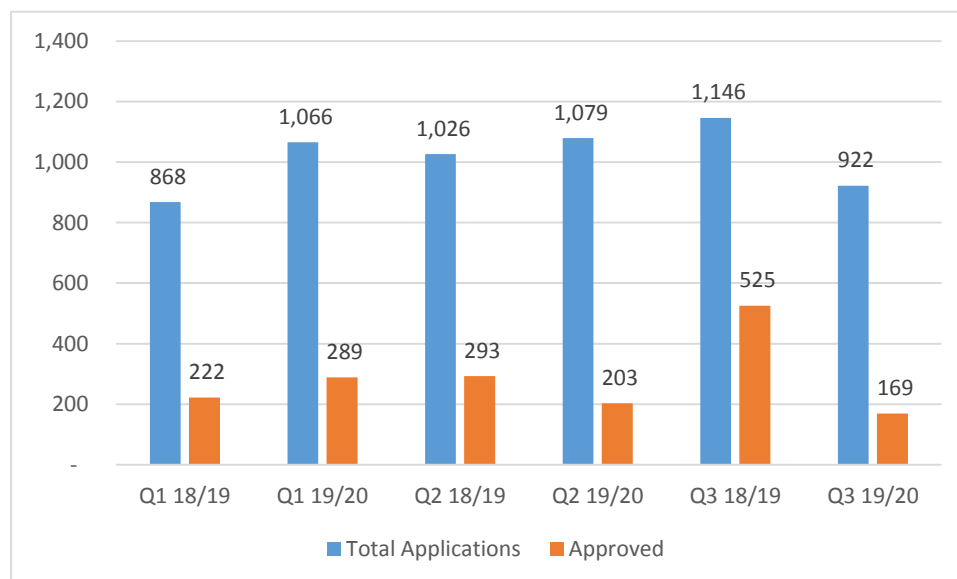


9. Local Welfare Support (LWS)

- 9.1 Local Welfare Support is a short term emergency fund to help those who find themselves in a financial crisis. It includes:-
- 'In Crisis' Awards - for those who present to the Council in immediate need
 - 'Non-Crisis' Awards - for those not in immediate need but require help with purchasing household goods
- 9.2 The 2019/20 Local Welfare Support budget is £0.198m (£0.194m in 2018/19) and spend as at 31st December 2019 is £0.114m (£0.115m in 2018/19). The budget is expected to be fully committed by the end of the financial year.

- 9.3 The Table below shows the total number of applications received and the number of those where a LWS payment has been approved.

LWS – Total number of applications compared to those approved in 2018/19 and 2019/20



- 9.4 There are a number of reasons why a LWS payment may not be approved including an increase in the number of voluntary and community sector organisations offering and providing services where the Council can ‘signpost’ claimants to receive the necessary support. This allows the limited budget to be used to target those who cannot receive support elsewhere.

10. 2019/20 Capital Programme Monitoring

- 10.1 In the current financial year the Council is currently managing over 150 individual capital schemes with a total budget of £47.945m. These capital schemes are funded from a range of sources:-

- Grant - this is funding the Council has secured from external sources and can only be used in accordance with specific grant conditions. This funding also included schemes funded from Section 106 agreements linked to planning applications
- Capital Receipts – funding received by the Council following sale of an asset (e.g. Land or Buildings)
- Contribution from Revenue budget (RCCO) – funding transferred from the Council’s revenue budgets to fund capital expenditure
- Borrowing – this is where the Council has taken out a loan to be repaid over the life of the asset it is funding. The loan repayment costs are included in the base budget, or the specific business case for the project.

- 10.2 In a number of cases the capital schemes are funded by more than one of these funding sources as it will have been necessary to match fund or combine funding sources in order to arrive at the required budget.
- 10.3 Funding for all capital budgets reported to Members has been secured and officers are managing these schemes against the available budget. Any changes to these budgets are made in line with the capital virement rules included within the Council's Constitution.
- 10.4 Capital Expenditure for all departments to the 31st December 2019 is summarised in the table below.

Department	BUDGET	EXPENDITURE IN CURRENT YEAR				
	A	B	C	D	E	F
	2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C+D) 2019/20 Total Expenditure £'000	(E-A) 2019/20 Variance from Budget £'000
Adult & Community Based Services	2,351	1,136	838	377	2,351	0
Children's & Joint Commissioning Services	6,791	1,705	849	4,237	6,791	0
Regeneration & Neighbourhood Services	35,687	7,731	5,084	22,872	35,687	0
Chief Executives	130	0	0	130	130	0
Corporate	2,986	865	1,029	1,092	2,986	0
Total Capital Expenditure	47,945	11,437	7,800	28,708	47,945	0

- 10.5 Actual expenditure to 31st December 2019 was £11.437m, compared to a 2019/20 budget of £47.945m; £28.708m has been rephased to 2020/21 leaving £7.800m to be spent during the remainder of 2019/20. The rephased amount reflects the expected profile of expenditure to be incurred and resources will be rephased accordingly. The main items included within this are:
- A19, Grade Separated Junction, Elwick Bypass and Hartlepool Western Link - £17.5m
 - Section 106 contributions to be allocated to future schemes - £2m
 - Children & Joint Commissioning unallocated grant funding - £3.1m
- 10.6 There is a longer lead in time for capital schemes and further large expenditure is forecasted to be completed by the end of the financial year.
- 10.7 Detailed financial information on the capital programme for individual Departments by Committee is provided in **Appendices F to J**.
- 10.8 Section 106 Developers Contributions**
- 10.9 The level of contributions for housing and non - housing service areas as at 31st December 2019 is summarised in the following table. A detailed breakdown is included in **Appendix K**.

Section 106 Funding	Affordable Housing Contributions £000	Other Service Areas £000	Total £000
Amount brought forward as at 1st April, 2019	1,666	996	2,662
Amounts Received as at 31 st December, 2019	367	401	768
Expenditure Incurred in 2019/20	(907)	(339)	(1,246)
Balance Remaining as at 31st December, 2019	1,126	1,058	2,184

11 CONCLUSION

- 11.1 The Council over spent against the Departmental budgets in each of the last three financial years and used one-off resources to balance overall expenditure. This position reflected pressures in Children's Services which are continuing in 2019/20. These pressures are affecting the majority of councils with responsibility for these services.
- 11.2 As detailed in Section 5 a 2019/20 departmental revenue budget over spend of £640,000 is forecast. This mainly reflects continuing Looked after Children pressures. This amount is £50,000 more than previously forecast and if this overspend cannot be avoided there will be a corresponding reduction in one off resources available at the end of 2019/20 to manage future Looked after Children pressures.

12. RECOMMENDATIONS

- 12.1 It is recommended that Members:
- i) Note the report;
 - ii) Note the forecast 2019/20 departmental revenue budget over spend of £690,000 which mainly relates to the costs of Looked After Children.

13. REASONS FOR RECOMMENDATIONS

To update the Finance and Policy Committee on the Council's financial position and to enable Members to make decisions as part of the overall budget process for 2019/20.

14. BACKGROUND PAPERS

Medium Term Financial Strategy 2020/21 to 2022/23 and Financial Outlook from 2021/22 report to Finance and Policy Committee 30.09.19.

Quarter 2 Strategic Financial Management Report to Finance and Policy Committee 11.11.19.

15. CONTACT OFFICER

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01429 523002

Sign Off:-

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

Summary of 2019/20 Forecast General Fund Outturn

	Forecast - Overspend/ (Underspend)
	£'000
Departmental Budgets	
Adult & Community Based Services	(50)
Children's & Joint Commissioning	1,000
Chief Executive	(450)
Regeneration & Neighbourhoods	140
Total Departmental Forecast Budget Overspend	640

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

Approved 2019/2020 Budget £'000	Description of Service Area	Forecast Outturn as at 31st December 2019 Adverse / (favourable) £'000	Director's Explanation of Variance
Finance and Policy Committee			
(145)	Benefits	(136)	Favourable variance owing to vacant posts, and a further £90k in additional one-off grant from DWP for Housing Benefit and Universal Credit New Burdens and Verify Earnings and Pension Alerts.
(949)	Central Administration Recharges	0	
36	Civic Attendants	0	
132	Communications and Marketing	58	The adverse variance is owing to a reduction in income generation, which is partly offset by vacant posts for part of the year and staff not being at the top of the grade.
1,000	Corporate Finance	(83)	The favourable variance is owing to vacant posts and posts not being at the top of the grade.
618	Corporate Strategy & Public Consultation	(94)	The favourable variance is owing to vacant posts for part of the year, posts not being at the top of the grade and some supplies and services savings.
(143)	Housing Benefits Subsidy	(150)	The grant generates £28m in subsidy, but the grant is reducing along with the current transfer rate of claimants across to Universal Credit. The favourable variance is as estimated as part of the Mid Year Review, and will continue to be reviewed up to the year end.
163	Democratic	0	
921	Customer and Support Services	(20)	The favourable variance is owing to posts not being at the top of the grade and additional one-off grant to fund staff support.
463	Human Resources & Health and Safety	(9)	A favourable variance owing to vacant posts for part of the year and posts not being at the top of the grade, which is offset by a reduction in income.
237	Internal Audit	0	
491	Legal Services	15	The adverse variance is owing to a reduction in income generation.
163	Municipal Elections and Registration of Electors	10	The adverse variance is owing to an additional by-election.
(6)	Other Office Services	30	The adverse variance is owing to a reduction in income generation received from Local Land Searches.
47	Procurement	0	
(118)	Registration Services	30	The adverse variance is owing to a reduction in income generation on both birth and death registration resulting from services being transferred to North Tees Hospital.
(48)	Reprographics	(20)	The favourable variance is owing to a saving on leasing expenditure.
933	Revenues	5	The adverse variance is owing to a reduction in the Bailiff section income generation and additional credit card commission charges.
(541)	Revenue & Benefits Central	0	An adverse variance owing to a reduction in the grant for Non Domestic Rates of £24k is offset by an estimated favourable variance on Court Costs collected, this will be reviewed up to the year end.
98	Scrutiny	0	
523	Shared Services	(32)	The favourable variance is owing to savings on software maintenance and additional income.
131	Support to Members	0	
10	Training & Equality	0	
426	Corporate Management Running Expenses	(54)	The favourable variance is owing to a post not being at the top of the grade and savings on the Corporate subscriptions budget.
4,442	Finance and Policy Committee Total	(450)	

**CHIEF EXECUTIVES
PLANNED USE OF RESERVES**

7.3 Appendix B

The above figures include the 2019/2020 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Approved 2019/2020 Budget £'000	Description of Service Area	Actual Usage 2019/2020 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Finance and Policy Committee				
5	Corporate Strategy - Performance Management	5	0	To support the costs of the performance management system.
2	Public Relations	2	0	Allocated to fund Council signage and branding.
2	Civic Responsibilities	0	(2)	Reserve committed for civic items which is anticipated to slip into 2020-21.
25	Municipal Elections and Registration of Electors	25	0	To fund Municipal Elections depending on election cycle.
26	Corporate Training Programme	26	0	Corporate Training and Equality & Diversity Programme.
70	Human Resources & Health and Safety Loss of Income	0	(70)	Reserve created to ensure sustainability of services in future years as schools convert to Academy status. Retained funding to manage the on going delivery of Services to Schools.
24	Human Resources & Health and Safety Extension of Fixed Term Contract	12	(12)	Fixed term contract for admin support within the HR section.
34	Human Resources & Health and Safety - Resourcelink post.	34	0	Project work on Resourcelink for introduction of workstream recruitment.
27	Finance - IT Investment Shared Services	27	0	Reserve to fund ICT developments in Integra.
18	Digital Development of Firmstep	12	(6)	Reserve to assist with the implementation of the Council's new digital solution - Firmstep, with slippage for ongoing costs for maintenance, communication, training and hardware costs.
5	Registrars	5	0	To be used for Registrars software maintenance costs over three years.
9	PSN Compliance & Contingency	9	0	To support the cost for PSN compliance.
15	Corporate Apprenticeship Reserve	15	0	To support the Corporate Apprenticeship programme.
183	Chief Executive's Department Ring Fenced Grants	183	0	
445	Total	355	(90)	

CHILDREN'S & JOINT COMMISSIONING SERVICES

7.3 Appendix C

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

Approved 2019/2020 Budget £'000	Description of Service Area	Forecast Outturn as at 31st December 2019 Adverse / (favourable) £'000	Director's Explanation of Variance
Children's Services Committee			
16,420	Children & Families	1,555	LAC numbers have continued to increase since the budget was set across all placement types - in-house, IFA and residential. In addition, the number of children subject to Child Arrangement and Special Guardianship Orders have also increased. These increased placements also impact on staffing requirements and legal costs relating to care proceedings.
1,711	Early Intervention Services	(365)	This mainly relates to slippage in commencement of a housing contract and staff vacancies and incremental drift within the Early Help service area.
5	Play & Care	30	This relates to a historic shortfall of income against the target budget.
275	Standards, Engagement & Development	(20)	
1,228	Strategic Commissioning	(110)	The favourable variance mainly relates to income received from the CCG and staff vacancies.
274	Youth Justice Service	(40)	The favourable variance mainly relates to staff vacancies (which have now been filled) and incremental drift.
134	Access to Education	(10)	
167	Central Support Services	0	
512	Other School Related Expenditure	(10)	Reduced liability for historic pension costs.
489	Raising Educational Achievement	60	Income shortfall for School Improvement Service. This service is under review.
251	Special Educational Needs	(40)	Savings from vacancies.
269	Strategic Management	(50)	Salary savings resulting from late appointment and staff not being at the top of the grade.
346	Youth Service	0	
22,081	Children's and Joint Commissioning Services	1,000	
Public Health			
2,875	Public Health - Commissioning	0	Public Health reserves being used to balance the budget by funding budget pressures within this area.
2,302	Public Health - Substance Misuse	0	Reserve funding being used to support this budget area
1,901	Public Health - Children's	0	
913	Public Health - Statutory & Support Services	0	Public Health reserves being used to balance the budget by funding budget pressures within this area.
335	Public Health - Adults	0	
278	Public Health - Physical Activity	0	
(8,533)	Public Health Main Grant	0	
71	Public Health Grant	0	
22,152	Children's and Joint Commissioning Services Total (inc Public Health Grant) Before Creation of Reserves	1,000	

CHILDREN'S & JOINT COMMISSIONING SERVICES
PLANNED USE OF RESERVES

7.3 Appendix C

The above figures include the 2019/2020 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Approved 2019/2020 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Children's Services Committee				
52	Early Help / 0-19 Service	55	3	Use of Public Health Reserve to support initiatives within the Early Help and 0-19 Service in 19/20
50	5-19 Youth Contract	50	0	Funded from Child & Family Poverty Reserve as agreed by F&P 21/03/19
6	Development Team	6	0	
125	UASC Specific Grant Reserve	57	(68)	Use of reserve to fund posts to support unaccompanied asylum seeking children and care leavers for whom the Council have responsibility; Balance to be used in 2020/21 to fund the posts
14	Children's Hub IT Reserve	14	0	Contribution to IT upgrades within the Hub
45	Selective Licensing Scheme	12	(33)	Funding required to support the Housing Licensing budgets in 2019/20 and future years
53	EYES	53	0	Funding for implementation of EYES system.
345		247	(98)	
Public Health				
35	Contribution to Holiday Gap Initiatives	35	0	Funded from Child & Family Poverty Reserve as agreed by F&P 9/07/18
30	Safe Families Project	30	0	Funded from Child & Family Poverty Reserve as agreed by F&P 22/07/19
78	Various Public Health Initiatives	78	0	Public Health Reserve being used to support the 2019/20 Public Health budget across a range of schemes.
300	Specialist Drug Services / Residential Rehabilitation	300	0	Funding additional staffing capacity within the Substance Misuse Team and residential rehabilitation costs for adults requiring treatment for drug and alcohol abuse.
443		443	0	
788	Children's and Joint Commissioning Services Total (inc Public Health Grant)	690	(98)	

MEMO:-	Dedicated Schools Grant	Actual Outturn Adverse/ (Favourable)	Director's Explanation of Variance
6,005	Early Years	100	Underspending against 3-4 year old entitlement and Disabled Access Funding (DAF). Offset by funding shortfall against 2 year old entitlement. Overspend to be funded from existing Early Years reserve.
9,745	High Needs	470	Latest outturn projection reflecting increase in demand. Overspend to be managed and funded from existing reserves.
56	Schools and Central Services	30	
15,806	TOTAL Dedicated Schools Grant	600	

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

Approved 2019/2020 Budget £'000	Description of Service Area	Forecast Outturn as at 31st December 2019 Adverse / (favourable) £'000	Director's Explanation of Variance
Adult & Community Based Services Committee			
0	Carers	0	
2,364	Commissioning & Adults General	10	
1,253	Community Hubs	45	The adverse variance reflects a budget pressure linked to proposed closure of branch libraries in 2018/19 that has not been implemented.
234	Departmental Running Costs	0	
668	Direct Care & Support Team	(155)	The favourable variance mainly relates to staff vacancies and incremental drift.
638	LD & Transition Social Work	(5)	
1,868	Locality & Safeguarding Teams	35	The adverse variance mainly relates to the unfunded costs of Deprivation of Liberty Safeguards which introduced new statutory responsibilities on Council's following a Supreme Court Judgement in 2014. These costs were funded from temporary IBCF grant in 2017/18 and 2018/19 and have been partly offset in the current year by staff vacancies.
930	Mental Health Services	0	
1,309	Occupational Therapy Services	50	There has been an increase in spend on OT related equipment.
1,643	Packages of Care - Mental Health	(75)	The favourable variance reflects the current position following a review of packages of care, including clients becoming fully health funded.
10,934	Packages of Care - Older People	50	There are underlying pressures within this budget area which are partly offset in the current year by use of the Winter Pressures Grant.
8,867	Packages of Care - Working Age Adult	45	There are underlying pressures within packages of care for adults with a learning disability however these are being offset in the current year by increased recovery of Direct Payment contingency payments.
524	Sport, Leisure and Recreation	70	The adverse variance is the result of a shortfall in income for the leisure centres and Carlton Adventure. The projection is after accounting for the £50k contribution from Public Health reserves.
1,155	Working Age Adult Day Services	(120)	The favourable variance mainly relates to timing differences in implementing the changes to the current service delivery model.
32,387	Adult & Community Based Services Committee Total	(50)	

PLANNED USE OF RESERVES

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

The details below provide a breakdown of these reserves

Approved £'000	Description of Service Area	Actual Usage £'000	Variance Over/ £'000	Director's Explanation of Variance
Adult & Community Based Services Committee				
50	Public Health Reserve - Sport, Leisure & Recreation Facilities	50	0	This reserve will contribute towards income shortfalls across Sport, Leisure & Recreation
99	Adult Social Care Reserve - Community Led Support	99	0	This reserve is contributing towards the costs of the Community Led Support Programme
0	Community Hubs	40	40	This reserve is contributing towards specific initiatives within the Community Hubs
0	Sport, Leisure & Recreation	35	35	This reserve is contributing towards specific posts within the Sport, Leisure & Recreation service
77	Public Health Reserve - GP Referral & EDAN	77	0	This reserve will contribute towards the GP Referral and Diabetes programmes.
44	Public Health Reserve - Wellbeing Strategy	44	0	This reserve is part-funding the Life Intervention Officers within the Community Hubs
13	Wellbeing Strategy	13	0	This reserve is contributing towards the Life Intervention Officers within the Community Hubs
283	Adult & Community Based Services Committee Total	358	75	

REGENERATION AND NEIGHBOURHOODS

7.3 Appendix E

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

Approved 2019/2020 Budget £'000	Description of Service Area	Forecast Outturn as at 31st December 2019 Adverse / (favourable) £'000	Director's Explanation of Variance
Finance & Policy Committee			
1,120	Facilities Management	0	
621	Strategic Management, Admin & Service Development	(130)	The favourable variance relates to forecast underspend on salary costs as a result of vacant posts across the department.
1,741	Finance & Policy Committee Sub Total	(130)	
Regeneration Committee			
22	Adult Education	0	
754	Cultural Services	65	Adverse variance relates to forecast shortfall in income at the Town Hall Theatre and Borough Hall . There are also additional employee costs at the Art Gallery owing to the external works.
429	Economic Regeneration	(80)	Relates mainly to savings on non staffing budgets as part of managing the department's overall budget position and an increase in forecast income for the BIS.
(8)	Employment & Skills	0	
317	Planning & Development	75	The adverse variance relates to a potential shortfall in income from planning fees. It is difficult to predict the outturn in this area as approximately 80% of the fee income comes from large scale projects and the timing of these applications are difficult to predict.
0	Planning & Development - Contribution from Reserves	(75)	Income equalisation reserve used to fund the income shortfall in 2019/20.
(76)	Strategic Asset Management	60	Adverse variance relates to a shortfall in income.
1,438	Regeneration Committee Sub Total	45	

REGENERATION AND NEIGHBOURHOODS

7.3 Appendix E

Approved 2019/2020 Budget	Description of Service Area	Actual Adverse/ (Favourable)	Director's Explanation of Variance
£'000		£'000	
Neighbourhood Committee			
148	Archaeology	5	Shortfall in fee income. The team is working to secure additional funding streams in year.
(305)	Building Team Design	110	The adverse variance relates to a forecast shortfall in fee income from capital schemes.
(785)	Car Parking & Enforcement	85	There has been a reduction in income achieved from parking charges as a result of a decrease in the number of vehicles parking in our facilities. There has also been a reduction in enforcement income as a result to staff shortages.
(111)	Coast, Countryside & Heritage	0	
1,017	Community Safety & Engagement	(10)	Relates mainly to temporary borrowing savings in relation to CCTV.
(133)	Construction Support Services	0	
112	Construction Team	20	The adverse variance relates to back pay as a result of posts being re-evaluated under Job Evaluation.
315	Engineering Services (incl Coastal Protection and Contaminated Land)	0	
2,938	Environmental Services	0	
(324)	Highways Trading	0	
2,641	Highways Maintenance & Transportation	10	The adverse variance relates to the initial costs of implementing the new Highways Permit Scheme which will be self funded in future years.
24	General Allotments	0	
1,403	Passenger Transport	220	The adverse variance reflects the level of SEND home to school transport provision. There has been an increase of £20k since Q2 due to the cost of complying with the Public Service Vehicle Accessibility Regulations (PSVAR).
838	Public Protection	0	
133	Road Safety	0	
890	Street Lighting	60	Adverse variance reflects efficiency savings not being fully realised in 2019/20.
2,368	Sustainable Transport	(75)	The favourable variance is based on the negotiated position with Bus Operators which has resulted in the current contract being below the base budget provision.
(119)	Vehicle Fleet	(200)	Temporary prudential borrowing savings from extending the life of assets and maintenance savings in relation to new vehicles.
5,276	Waste & Environmental Services	0	
16,326	Neighbourhood Committee Sub Total	225	
19,505	Regeneration & Neighbourhoods Total	140	

REGENERATION AND NEIGHBOURHOODS PLANNED USE OF RESERVES

7.3 Appendix E

The above figures include the 2019/2020 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Approved 2019/2020 Budget £'000	Description of Service Area	Actual Usage 2019/2020 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Regeneration Committee				
81	Church St Property Intervention and Grants (Corp. Reserve)	81	0	As per the 2019/20 MTFS this will fund urgent repairs to 16 Church Street and a grants scheme to complement the existing Townscape Heritage grants scheme.
41	External Funding for Environmental Projects	41	0	Grants received in 18/19 to be used for park improvements and street cleaning
65	BIS ISQ	65	0	Amount set aside to meet the expected rent shortfall in the first year of operation.
103	National Museum of the Royal Navy Hartlepool	103	0	Reflects agreed contribution to NMRN.
Neighbourhood Committee				
50	Allotments (Public Health Reserve)	50	0	Funded from Public Health Reserve
14	Community Safety Specific Grants	14	0	Use of PCC funding contribution towards 'Outreach' scheme.
35	Passenger Transport Reserve	35	0	The remaining balance on this reserve will be used to mitigate the impact of the cost pressures from home to school transport for SEND pupils.
34	Ward Member Budgets (incl Civic Lottery)	34	0	Relates to timing of expenditure
423	Total	423	0	

ADULT & COMMUNITY BASED SERVICES

7.3 APPENDIX F

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2020/21 COMMENTS
		A	B	C	D	E	F		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000		
Adult & Community Based Services									
7212	Capital Grants to Residential/Nursing Care Homes (iBCF)	257	101	156	0	257	0	RCCO	Schemes on-going
7234	Chronically Sick and Disabled Persons Adaptations	284	6	4	274	284	0	MIX	
8108	Centre for Independent Living (CIL)	228	0	228	0	228	0	MIX	
7218	Disabled Facilities Grant	1,254	987	267	0	1,254	0	GRANT	Schemes on-going
7831	Community Hub South - Internal Alterations	89	16	73	0	89	0	RCCO	
8710	Drug & Alcohol Recovery Centre	18	0	18	0	18	0	GRANT	Scheme on-going
8946	Stepping Stones Grant	26	0	26	0	26	0	GRANT	Scheme on-going
8088	Community Hub - Central	48	7	41	0	48	0	RCCO	Scheme on-going
8103	Swimming Scheme	35	0	0	35	35	0	RCCO	Amounts set aside for equipment purchase
8172	Brierton Dance Studio Equipment	2	2	0	0	2	0	RCCO	
7992	Junior Football Pitches	26	0	0	26	26	0	RCCO	
8408	Mill House - Equipment Purchase	28	15	13	0	28	0	RCCO	Used to fund replacement equipment
8689	Brierton Sports Fields	1	0	1	0	1	0	MIX	
8016	Summerhill Multi User Route	5	0	5	0	5	0	GRANT	
8409	Sport & Youth Improvements	12	0	0	12	12	0	MIX	To be used as match funding in potential future grant bid for work required at Carlton Adventure.
8964	Brierton Sports Hall Techno Gym	2	2	0	0	2	0	GRANT	
8896	Brierton Tennis Courts	30	0	0	30	30	0	CAP REC	
8634	Brierton 3G Pitch - Football Foundation	6	0	6	0	6	0	MIX	
Total Adult & Community Based Services		2,351	1,136	838	377	2,351	0		

Key

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

CHILDREN'S AND JOINT COMMISSIONING SERVICES

7.3 APPENDIX G

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITUR					Type of Financing	2019/20 COMMENTS
		A	B	C	C	D	E		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000		
Children's and Joint Commissioning Services									
8906	Brierton Campus Windows	67	0	67	0	67	0	RCCO	
8139	BSF - ICT Infrastructure (General)	10	0	10	0	10	0	MIX	
	ICT Infrastructure	34		34	0	34	0	MIX	
8221	Chancellors 'Little Extras'	222	78	51	85	214	(8)	GRANT	Funding is allocated to schools, the underspend reflects contribution to Rift House Classroom extension scheme.
7387	Clavering KS2 Remodelling and Hall Expansion	161	140	21	0	161	0	GRANT	Scheme complete.
8072 & 8218	Children's Centres General	42	0	0	42	42	0	MIX	
7384	Devolved Schools Capital	213	36	77	100	213	0	GRANT	Funding is allocated to schools.
9027	English Martyrs - New Build	155	0	0	155	155	0	GRANT	Scheme complete.
8005	Golden Flatts Primary School - Boundary Wall	44	4	40	0	44	0	GRANT	
8018	Golden Flatts Primary School - Heating Pipework (Phase 1 of 3)	47	5	42	0	47	0	GRANT	Scheme complete.
9031	Grange Primary School - Roof Replacement	23	19	4	0	23	0	GRANT	Scheme complete.
7335	Hart - Emergency Wall	112	13	0	99	112	0	GRANT	Extra fencing work is subject to approval by Historic England.
7332	Healthy Pupils Capital Fund	6	4	2	0	6	0	GRANT	Funding is allocated to schools, expect to spend full budget amount by year end.
7412	High Tunstall - FF&E	90	77	13	0	90	0	GRANT	
7396	High Tunstall - Roofing D Block	6	6	0	0	6	0	GRANT	Scheme Complete
7435	High Tunstall 'D' Block - Boiler Plant Renewal	88	17	71	0	88	0	GRANT	Scheme Complete
7411	High Tunstall Eco Centre	22	19	3	0	22	0	GRANT	
9028	High Tunstall New Build	461	0	0	461	461	0	GRANT	
7356	High Tunstall New Build (School Led)	399	363	36	0	399	0	RCCO	School Led Scheme
7449	High Tunstall SEMH ARP	17	5	12	0	17	0	RCCO	
7984	Lynnfield Primary School - Roof Replacement	77	75	2	0	77	0	GRANT	Scheme complete.
8006	Lynnfield Primary School - Window Replacement	16	13	3	0	16	0	GRANT	
8017	Pupil Referral Unit - Electrical Rewire (Phase 1 of 2)	62	22	40	0	62	0	GRANT	Scheme complete.
9031	Pupil Referral Unit - Roof Replacement (Phase 1 of 3)	55	41	14	0	55	0	MIX	Scheme complete.
8906	Pupil Referral Unit - Window Replacement (Phase 2 of 3)	20	18	2	0	20	0	GRANT	Scheme complete.
8906	Rift House - Childrens Centre Windows Replacement	33	31	2	0	33	0	GRANT	Scheme complete.
8891	Rift House - Classroom Extension	118	23	50	0	73	(45)	RCCO	Scheme underspend to be returned to Suitability unallocated SEMH.
8360&7177	Rift House - Language Lab & Fire Damage	534	394	98	42	534	0	RCCO/INSURA NCE	
8985	Rift House School - Heating Pipework (Phase 2 of 2)	27	25	2	0	27	0	GRANT	Scheme complete.
7177	Rift House Nursery Play Area	78	78	0		78	0	INSURANCE	
7402	Rossmere - Purchase of Minibus	30	30	0	0	30	0	RCCO	This is a school led capital scheme.
8984	Rossmere School - Electrical Rewire (Phase 1 of 5)	4	4	0	0	4	0	GRANT	Scheme complete.
7980	Rossmere Primary School - Electrical Rewire (Phase 2 of 5)	85	17	68	0	85	0	GRANT	

8906	Rossmere- Window Replacement	7	7	0	0	7	0	GRANT	Scheme complete.
7142	Schools General - Fire Safety Modifications (Conditions)	92	5	0	87	92	0	GRANT	
7397	Springwell - Mechanical Air Handling Units	4	4	0	0	4	0	GRANT	Scheme complete.
7432	Springwell - SEMH and ASD Provision	7	7	0	0	7	0	GRANT	Scheme complete.
7974	Springwell School - Roof Replacement (Phase 1 of 2)	41	5	0	36	41	0	GRANT	Scheme re-phased to 2020/21 as contractor was unable to carry out work during summer holidays.
9032	St Helen's Primary School - Boiler Plant Renewal	72	39	33	0	72	0	GRANT	Scheme complete.
7975	Throston Primary School - Roof Replacement (Phase 3 of 3)	52	50	2	0	52	0	GRANT	Scheme complete.
8971	Throston School - Fan Convactor Renewal (Phase 2 of 3)	14	14	0	0	14	0	MIX	Scheme complete.
8653	West View - Early Years Foundation Stage Improvements	3	3	0	0	3	0	RCCO	Scheme complete.
7358	CECA Additional Toilet	12	5	7	0	12	0	GRANT	
7355	CECA IT Infrastructure and Technology	71	8	43	20	71	0	GRANT	
9039	CECA External Signage	1	1	0	0	1	0	GRANT	
7521	Two Year Old FNE Capacity Funding	23	0	0	23	23	0	GRANT	
8788	Universal Free School Meals	20	0	0	20	20	0	GRANT	
9004	Schools General - Basic Need	1,732	0	0	1,732	1,732	0	GRANT	
9004	Schools General - Conditions unallocated	149	0	0	149	149	0	MIX	
9004	Schools General - Contingency	70	0	0	70	70	0	GRANT	
9004	Schools General - Special Provision unallocated	282	0	0	282	282	0	GRANT	Feasibility study being carried out.
9004	Schools General - Suitability Unallocated (SEMH)	781	0	0	834	834	53	RCCO	Variance relates to Rift House Classroom extension underspend.
Total Children's and Joint Commissioning Services		6,791	1,705	849	4,237	6,791	0		

Key

RCCO Revenue Contribution towards Capital
MIX Combination of Funding Types
UCPB Unsupported Corporate Prudential Borrowing
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded
CAP REC Capital Receipt
UDPB Unsupported Departmental Prudential Borrowing
CORP Corporate Resources

REGENERATION & NEIGHBOURHOOD SERVICES
7.3 APPENDIX H
CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2019/20 COMMENTS
		A	B	C	C	D	E		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000		
Finance & Policy Committee									
8306	School Catering Equipment	469	44	106	319	469	0	RCCO	Amounts set aside for replacement of major items.
Finance & Policy Committee Sub Total		469	44	106	319	469	0		
Regeneration Committee									
7220	Housing - Private Sector Grants	53	8	10	35	53	0	GRANT	New grants awarded and income recycled from charges on properties in relation to old loan schemes.
7066	Avondene Accommodation, Church Street	67	61	6	0	67	0	GRANT	Purchase and renovation of a block of 12 apartments known as 'Avondene' at 59-64 Church Street, approved using the delegated powers in relation to self funded business cases on 26th July 2018.
7530	Developers Contributions (Section 106)	1,074	0	20	1,054	1,074	0	GRANT	Earmarked expenditure as specified in developer agreements. Budget has reduced since Q2 - Where Play & Green Infrastructure schemes have been identified the budget has been allocated - See below PLAY budget which includes £311k of S106. Likewise the affordable housing contributions have been allocated to the housing capital schemes £2.032m and an additional £24k has also been received. Details are set out in Appendix L
7348	Art Gallery	9	0	0	9	9	0	MIX	Grant funding from 'Tees Valley Museums' - match element no longer required.
7353	Museums NPO	8	0	8	0	8	0	GRANT	NPO National Portfolio Organisations, Arts Council Funding for Royal Navy Learning Space – SBC lead LA through TV Museums Grant.
8956	ISQ - Church Square	9	9	0	0	9	0	MIX	Final account.
8901	ISQ - Workspace	535	528	7	0	535	0	MIX	Budget includes an additional £237,000 approved per Decision Record of 27th September, 2019 owing to issues/delays from working on the listed building.
7048	ISQ Stockton Street Connectivity	863	844	19	0	863	0	MIX	Remaining cost for Traffic signals.
8534	Church Street Heritage Scheme (HLF)	868	29	0	839	868	0	MIX	The amount of rephased budget will depend on progress in determining grant applications with property owners.
ISQ2	ISQ2 - Church Street Property Intervention	97	5	92	0	97	0	MIX	Relates to the renovation of 15 Church Street as per report to Council on 21st March, 2019.
7504	Seaton - Costal Communities Fund (CCF)	51	34	17	0	51	0	MIX	
7049	Waterfront Public Realm	1,309	929	380	0	1,309	0	RCCO	Scheme near completion.
Regeneration Committee Sub Total		4,943	2,447	559	1,937	4,943	0		
7272	Wheelie Bin Purchases	100	72	28	0	100	0	UDPB	Annual budget for purchase of new and replacement bins. Expect spend to budget.
7333	Seaton - Additional Car Parking	571	8	563	0	571	0	UDPB	Scheme to create 350 new parking spaces approved by Council 25th October, 2018. Scheme completion anticipated 31st March 2020 in preparation for the new financial
7466	DSO Vehicle Purchases	2,425	838	1,225	362	2,425	0	UDPB	At this stage it expected that all of the outstanding 2018/19 vehicle purchases and most of the current years replacement programme will be delivered and can be met from the existing budget.
8993	Garage Wash-off Facility	101	0	101	0	101	0	MIX	Expected to be completed in year.
7878	Community Safety CCTV Upgrade/Relocation	46	7	17	22	46	0	MIX	Scheme expected to continue into 2020/21.
CR	Crematorium Chapel refurbishment	489	0	0	489	489	0	MIX	Neighbourhood Services Committee report October 2019 and additional £85k Prudential Borrowing approved via MTFS 2020/21 Report
Allot	Allotments Improvements	209	5	41	163	209	0	UDPB	A new programme of works for 2018/19 was approved by the Neighbourhoods Committee in June 2018.
LTP	Local Transport Plan (LTP) Schemes	2,863	1,408	954	501	2,863	0	GRANT	Consists of various Highways & Traffic schemes. The rephased may vary owing to the timing of expenditure which can be subject to unforeseen delays/design/consultation and weather conditions.
9026	TVCA - Eastern Crossing Feasibility	116	99	17	0	116	0	GRANT	Scheme study nearing completion.

REGENERATION & NEIGHBOURHOOD SERVICES

7.3 APPENDIX H

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2019/20 COMMENTS
		A	B	C	C	D	E		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000		
7900	Hartlepool Marina - North Pier Study	30	0	30	0	30	0	GRANT	Anticipated study completion in 2019/20.
7902	Hartlepool Drainage Schemes	36	0	0	36	36	0	GRANT	On site Flood defence works.
8958	A19, Grade Separated Junction, Elwick Bypass and Hartlepool Western Link	18,506	640	366	17,500	18,506	0	UDPB	Design work is progressing and tender for gap closures has been awarded. The rephased budget reflects the profile of the scheme which will span multiple years.
8444	Coast Protection - Town Wall Strengthening	42	1	41	0	42	0	GRANT	Legal dispute now resolved. Further work to be carried out anticipate full spend to
8578	Coast Protection - South Management Unit Study	28	0	28	0	28	0	GRANT	Ongoing study that will lead to an options appraisal and committee report. Anticipated completion in 2019/20.
8997	Neighbourhood Investment Fund Unallocated	144	0	0	144	144	0	UDPB	This is the remaining balance on the Neighbourhood Investment Fund to be allocated to schemes following future approval by Members.
7339	Seaton Park Tennis Courts	173	160	13	0	173	0	MIX	Original work complete.
HIFP	Additional Highway Schemes HIFP	1,831	1,070	146	615	1,831	0	MIX	A report providing an update on the details of this budget was presented to Finance and Policy Committee on 22nd July. Expected underspend is owing to a number of reasons. Some schemes were in collaboration with LTP SHM 5 year programme. As with all Highway schemes the estimate was based on current knowledge and in many cases have come in under budget and contingencies were not fully utilised. Until outstanding schemes are completed it is estimated £250K remains unallocated.
7246	NIP - Rossmere Park	281	103	178	0	281	0	GRANT	Scheme complete, but retentions held into 2020/21.
7343	NIP - Memorial Wood	13	2	11	0	13	0	UDPB	Work committed - Phase 1.
7344	NIP - Hindpool Close Play Area	40	1	0	39	40	0	UDPB	
7347	NIP - CCTV in Parks	399	41	259	99	399	0	GRANT	
8977	NIP - King Oswy Drive	33	13	20	0	33	0	UDPB	Scheme complete, final cost to be confirmed.
8994	NIP - BIS Paving	5	5	0	0	5	0	UDPB	
8292	NIP - Headland	112	112	0	0	112	0	UDPB	
8996	NIP - Improvements to Parks	203	3	100	100	203	0	UDPB	Individual schemes to be agreed.
7438	NIP - Spencer Grove	6	0	6	0	6	0	UDPB	
7436	NIP - Stranton Cemetery Car Park	50	0	0	50	50	0	UDPB	Business case to be taken, thus scheme not expected to commence until 2020/21.
7439	NIP - Off street Car Parking Balmoral Rd	21	16	0	5	21	0	GRANT	Funding provided by Thirteen, work to be agreed.
7448	NIP - Davison Drive Belly Bin	6	0	6	0	6	0	GRANT	Remaining Thirteen funds
7444	NIP - Cleaning Equipment	34	0	34	0	34	0	UDPB	
7437	NIP - Play Equipment Replacement	50	0	5	45	50	0	UDPB	Amounts set aside for the replacement of playground equipment.
PLAY	Parks & Playgrounds	388	22	66	300	388	0	GRANT	Amounts set aside for the replacement of playground equipment includes S106 funding for Play & Green Infrastructure..
TVCA	TVCA Cycleways and Footpath Upgrades	723	607	116	0	723	0	GRANT	Anticipate full spend to budget. Any balances will be returned to TVCA in line with the terms of the funding agreement.
7447	Cap-Headland Band Stand	50	2	48	0	50	0		
8957	Stranton Allotments Clearance	150	4	0	146	150	0	MIX	Temporary budget allocation from NIP, will be reinstated as per MTFs report.
7043	ISQ Church Street Public Realm	1	1	0	0	1	0	MIX	
	Neighbourhoods Committee Sub Total	30,275	5,240	4,419	20,616	30,275	0		
	Regeneration & Neighbourhoods Total	35,687	7,731	5,084	22,872	35,687	0		

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

CHIEF EXECUTIVES

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITUR				Type of Financing	2019/20 COMMENTS
		A	B	C	C	D		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C) 2019/20 Total Expenditure £'000		
7260	City Challenge Clawback	9	0	0	9	9	RCCO	
7623	Corporate IT Projects	12	0	0	12	12	MIX	
	Point to Point Encryption	20	0	0	20	20	MIX	
	Corporate Projects	89	0	0	89	89	MIX	
	Chief Executives Total	130	0	0	130	130		

Key

RCCO
MIX

Revenue Contribution towards Capital
Combination of Funding Types

GRANT
CAP REC

Grant Funded
Capital Receipt

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2019

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2019/20 COMMENTS
		A	B	C	D	E	F		
		2019/20 Budget £'000	2019/20 Actual as at 31/12/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2020/21 £'000	(B+C+D) 2019/20 Total Expenditure £'000	(E-A) 2019/20 Variance from Budget £'000		
7033	Borough Hall Ext masonry/window mullions	52	40	12	0	52	0	MIX	Scheme ongoing.
7035	Town Hall - Renew Boilers	83	8	75	0	83	0	MIX	Scheme ongoing.
7036	CCF Unallocated	29	0	29	0	29	0	GRANT	
7041	CPM Unallocated	272	0	272	0	272	0	MIX	
7053	BEMS System	2	2	0	0	2	0	CAP REC	Scheme complete.
7055	Town Hall - Fire Alarm Upgrade	44	44	0	0	44	0	GRANT	Scheme ongoing.
7058	Town Hall - Power Cabling Upgrade	28	11	17	0	28	0	MIX	Scheme ongoing.
7065	Fire Risk Assessments	100	0	0	100	100	0	MIX	Currently undertaking a review of existing FRA's.
7072	Seaton DDA toilet	37	0	0	37	37	0	MIX	Scheme on hold.
7075	Mill House Replace Dosing System, Pool Pump	19	0	19	0	19	0	MIX	Preliminary works ongoing.
7200	Civic Centre Capital Maintenance Project	75	0	0	75	75	0	MIX	Scheme ongoing.
7233	Civic Centre Replace Main Lifts	174	10	164	0	174	0	UDPB	Scheme ongoing.
7336	Borough Hall Upgrade furniture, fixtures	56	0	56	0	56	0	UDPB	Scheme ongoing.
7410	Bevan House-Lighting Upgrade	22	0	22	0	22	0	UDPB	Currently out for pricing. Complete this financial year subject to access.
7415	Bevan House Replace Boiler Plant	77	0	0	77	77	0	MIX	June 2020 for works unless something goes wrong in the meantime- saves spending on temporary heating.
7416	Seaton Remediation Works	205	0	0	205	205	0	MIX	Scheme ongoing.
7417	Seaton Carew Library - Fire Alarm Upgrade	9	0	9	0	9	0	RCCO	Design ongoing, complete this financial year.
7472	Victory Square Improvement	7	0	7	0	7	0	UDPB	Scheme ongoing.
7473	Victory Square Conservation Work	55	7	48	0	55	0	GRANT	Scheme ongoing.
7503	Carnegie - Boiler Replacement	14	10	4	0	14	0	GRANT	Scheme ongoing.
7503	CETL - Boiler Replacement	7	7	0	0	7	0	GRANT	Scheme complete. Final Account to be agreed.
7505	Carnegie - Roof & Internal Works	11	0	11	0	11	0	GRANT	Scheme ongoing.
7506	Christ Church - Stonemasonry Works	245	245	0	0	245	0	MIX	Scheme ongoing.
7589	CETL - Replace Heating Control	11	8	3	0	11	0	UDPB	Scheme ongoing.
7617	Borough Hall - Lighting & Wiring	40	0	0	40	40	0	MIX	Awaiting client feedback- likely start May 2020
7845	Owton Manor Community Centre Replace Roof Block A	214	0	0	214	214	0	GRANT	Scheme ongoing.
7889	Borough Hall - Roof Repair	319	311	8	0	319	0	MIX	Scheme ongoing.
8061	CETL Roof Replacement	10	1	9	0	10	0	UDPB	Scheme complete. Final account to be agreed.
8064	Exmoor Grove Electrical Distribution Upgrade	11	0	0	11	11	0	UDPB	Regulation change, awaiting new stock. To target school holidays
8386	Tofts Farm Depot - Lighting Upgrade	3	0	3	0	3	0	UDPB	Scheme complete. Final Account to be agreed.
8685	Grayfields - Boiler Plant Renewal	15	0	0	15	15	0	RCCO	Design to be undertaken.
8776	Town Hall - Replace Stage Lighting	0	0	0	0	0	0	UDPB	Scheme complete. Final account to be agreed. Underspend to be returned to CCF unallocated.
8866	Rossmere Youth Centre - Roof Replacement	3	3	0	0	3	0	GRANT	Scheme complete. Final account to be agreed. Underspend to be returned to CCF unallocated.
8867	Borough Hall Structural Works-External Wall	63	52	11	0	63	0	MIX	Scheme ongoing.
8893	Town Hall - Lighting & Distribution Board Replacement	15	14	1	0	15	0	CORP	Scheme ongoing.
8959	Council Chamber Refurbishment	10	0	10	0	10	0	RCCO	Scheme complete. Final account to be agreed.
8970	Historic Quay - Delapidation Work	174	27	147	0	174	0	CORP	Scheme ongoing.
9029	Tofts Farm Depot Security Upgrade	63	29	34	0	63	0	RCCO	Scheme ongoing.
9030	Tofts Farm Depot Replace Fire Alarm	33	32	1	0	33	0	RCCO	Scheme complete.
9034	Carlton - Construct Fire Escape	42	0	0	42	42	0	RCCO	Scheme ongoing.
9035	Civic Centre Shunt/Primary Pumps	20	3	17	0	20	0	RCCO	Scheme ongoing.
9036	Civic Centre Lifts Over Speed Governor	10	0	10	0	10	0	RCCO	Scheme on site.
9037	Carlton - Boiler House Floor	3		3	0	3	0	RCCO	Scheme complete.
9038	Carlton - Emergency Lighting	3	1	2	0	3	0	RCCO	Scheme ongoing.
NEW	Borough Hall Major Refurbishment Works	126	0	0	126	126	0	MIX	Specification to be agreed.
NEW	Mill House Feasibility Study	175	0	25	150	175	0	MIX	Scheme ongoing. Agreed 22.07.2019
Finance & Policy Committee Total		2,986	865	1,029	1,092	2,986	0		

Key

RCCO

Revenue Contribution towards Capital

MIX

Combination of Funding Types

UCPB

Unsupported Corporate Prudential Borrowing

SCE

Supported Capital Expenditure (Revenue)

GRANT

Grant Funded

CAP REC

Capital Receipt

UDPB

Unsupported Prudential Borrowing

CORP

Corporate Resources

SECTION 106 DEVELOPERS CONTRIBUTIONS as at Q3 December, 2019

7.3 Appendix K

	Affordable Housing ****	Cycleway	Bus Stop	Green Infrastructure	Maintenance	Play	Off Site Recreational **	Public Art	Security Monitoring	Sports	Ecological Mitigation *****	Traffic Calming	Education	Restoration - Security Bond ***	Interest	Other Service Areas Total	TOTAL CONTRIBUTIONS
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance Remaining (A+B-C) 1st April, 2019 *	1666	90	15	143	35	99	61	5	0	106	71	15	254	100	2	996	2,662
<u>Amounts Received in Year 19/20 (B)</u>																	
Persimmon - Mayfair				5		5				5			63			78	
Dere Street - Wynyard Woods										20						20	
Wynyard Park - Meadow Cottage	10															0	
Wynyard Park - Manorside	65												21			21	
Taylor Wimpey - Tunstall Farm	292									9			64			73	
Mr Parry - Hutton Avenue				3						3						6	
Mr Borthwick - Four Winds				6		3				4						13	
Dalton Heights -						67										67	
Wynyard - Site B, Wellington		30		8						2			59			99	
Land at Merlin Way - P&R Construction				24												24	
Total income :	367	30	0	46	0	75	0	0	0	43	0	0	207	0	0	401	768
Sub Total - revised Balance	2,033	120	15	189	35	174	61	5	0	149	71	15	461	100	2	1397	3,430
<u>Actual & Forecasted Expenditure in 2019/20 (C)</u>																	
Council Housing	907															0	
Sports facilities										41						41	
Play Facilities / equipment						46										46	
Cycle Link - Teesbay		80														80	
Green Infrastructure				19												19	
Off-site - NIP schemes							61									61	
Education - Quarry Farm													92			92	
Total Expenditure *****	907	80	0	19	0	46	61	0	0	41	0	0	92	0	0	339	1,246
Balance Remaining (A+B-C) 31st March, 2020	1,126	40	15	170	35	128	0	5	0	108	71	15	369	100	2	1058	2,184

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

** To be used in vicinity of the Britmag site including but not limited to Central Park.

*** Held as security in case of any remedial action required during the operational life of the Wind Turbine.

**** All affordable housing contributions are earmarked for additional HRA houses. A report with proposals for using this funding will be taken to F&P Committee in February 2020.

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

***** Based on actual costs and contributions allocated to schemes that are forecasted to be spent in year, however they may slip into 2020/21.