

PLEASE NOTE CHANGE OF DATE AND TIME

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 9 March 2020

at 10.15 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

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

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 10 February 2020.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Council Plan 2020-23 – *Chief Executive*

5. KEY DECISIONS

No items.

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Teesside International Airport Limited ("TIAL") – Joint Venture Consent - *Chief Executive*
- 6.2 Senior Leadership Structure – *Chief Executive* (To Follow)



- 6.3 HR Policy Review – Redeployment Policy – *Assistant Director, Corporate Services*
- 6.4 Disposal of Land at Tanfield Road – *Director of Regeneration and Neighbourhoods*
- 6.5 Housing Revenue Account and Student Accommodation – *Director of Regeneration and Neighbourhoods and Director of Finance and Policy (To Follow)*

7. ITEMS FOR INFORMATION

- 7.1 Corporate Procurement Quarterly Report on Contracts – *Director of Finance and Policy*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

10 FEBRUARY 2020

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

Present:

Councillor Shane Moore (In the Chair)

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

Also Present: Councillor Tony Richardson.

Edwin Jeffries, Hartlepool Joint Trades Union Committee

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Claire McLaren, Assistant Director, Corporate Services
Dr Pat Riordan, Director of Public Health
Tony O’Ceallaigh, Consultant to Public Health in Drugs and Alcohol
Jill Harrison, Director of Adult and Community Based Services
Denise McGuckin, Director of Regeneration and Neighbourhoods
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

97. Apologies for Absence

Councillors Leisa Smith.

98. Declarations of Interest

None at this point in the meeting.

Councillor Sue Little declared a personal interest during the discussions on Minute no. 107.

99. Minutes of the meeting held on 30 January 2020

Deferred.

100. Minutes of the meeting of the Safer Hartlepool Partnership held on 22 November 2020

Received.

101. Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 *(Director of Finance and Policy)***Type of decision**

Budget and Policy Framework.

Purpose of report

The purpose of the report was 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.

Issue(s) for consideration

The Director of Finance and Policy reported that Council on 19 December 2019 considered detailed proposals to balance the 2020/21 budget which included approval of a Council Tax increase of 3.9% for 2020/21, inclusive of a Social Care precept of 2%. These proposals reflected information available at the time as the provisional 2020/21 Local Government Finance Settlement had not been issued. The final settlement figures were received on 6th February 2020 and there had been no change over the provisional figures. The Council was now statutorily required approve the formal Council Tax calculations 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.

A Member questioned what preparation the Council could take in relation to any forthcoming government announcements on the Spending Review and increased Business Rate retention. The Director stated that there was little the Council could do until the government announced and consulted upon its plans. The concern with the Business Rate retention rise was that other specific grants, potentially including the Public Health Grant could be ended and replaced with the increased business rates income. The government needed to recognise the difference between Councils and their localities. The best preparation the Council could do, had been done, insofar as it had approved a robust balanced budget for 2020/21. The Chair supported the Director's comments stating that, as with the previous administration, there was continued lobbying of government on this issue.

Decision

1. The Committee noted the final 2020/21 Local Government Finance settlement as reported by the Director of Finance and Policy;
2. The Committee noted that as approved by this Committee on 31st January 2020 the final budget proposals to be referred to Council would seek approval to allocate the increase in recurring resources of £90,000 to fund increased Prudential Borrowing of £2m, which would increase the Capital Investment Programme budget;
3. The Committee noted 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, would be referred to Council on 20th February.

102. Housing Revenue Account – Financial Business Plan Update *(Director of Regeneration and Neighbourhoods and Director of Finance and Policy)*

Type of decision

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

Purpose of report

The report was to review the recent financial performance of the Housing Revenue Account (HRA), to approve the 2020/21 rent increase and to approve the capital investments proposals to be referred to full Council.

Issue(s) for consideration

The Director of Finance and Policy reported that the Council currently owns and manages 300 properties and is committed to acquiring a further eight empty properties in the current year. This was a capital investment of £22.681m with £12.184m (54%) funded from external funding. The total borrowing approved (£9.869m) equated to borrowing per property of £33,000.

A rent increase for 2020/21 of 2.7% was recommended in the report in line with new government guidance. This would result in average weekly rent increases of £2.22 for a 2 bedroom property and £2.45 for a three bedroom property. The Director highlighted the future housing investment programme for 2020/21 to 2024/25 set out in the report. Based on the funding capacity set out in the report and subject to availability of supply, it would be possible to deliver a further 164 additional units.

The Chair expressed his thanks to the officers that had delivered the current housing stock and the previous administration for reinstating the

HRA. The recommencement of the HRA in Hartlepool was a forward looking decision and the delivery to date reflected the hard work that had gone in to providing good quality homes for the people of Hartlepool. The potential investment in new stock also reflected the ambition Members had for the HRA particularly the delivery of new homes.

Members commended the work in developing the HRA and the Council's housing stock. The meeting discussed issues around future developments including the Garden Village at Wynyard.

A Member considered that the Council could still maintain the same level of HRA performance without the proposed increase in rent. The Chair acknowledged the concerns around the proposed increase in rents but this had to be balanced against four years of rent reductions imposed by government. While there was the potential for an increased HRA in years to come with the growth of the town, the rental proposals from government would provide the means for a sizeable growth in the HRA in the next two years.

A Member also sought clarification on the numbers of houses that the Council would gain from the Seaton Lane development and the Director of Regeneration and Neighbourhoods stated she would circulate that information following the meeting.

Decisions 2 to 7 below were agreed unanimously.

Decision

1. That the Housing Revenue Account Budget as shown in Appendix 3 to the report, including a rent increase of 2.7%, based on CPI inflation in accordance with government rent guidance be approved. This was 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, Right to Buy sales and repairs costs.
2. The Committee noted that tenants receiving either housing benefit or universal credit would receive an increase the level of rent support accordingly. This would apply to nearly two thirds of Hartlepool tenants.
3. The use of Section 106 funding instead of borrowing was approved, where possible, to minimise the borrowing cost for the HRA and approval was given to the use of this funding for current commitments as reported.
4. The Committee noted the current capital commitments and funding as reported, including the proposal to fund 18 new build units on the development of the proposed Greatham site.

5. That the proposed capital programme and capital budget of £19.168m and borrowing requirement of £11.208m to acquire an additional 164 units be referred to Council for approval as set out in confidential appendix 5 to the report which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).
6. That approval for individual property purchases be delegated to the Director of Regeneration and Neighbourhood Services in consultation with the Chair of Finance and Policy Committee.
7. That 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 limits for each type of property, as set out in confidential appendix 5 to the report which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information), and to be increased by BCIS Building Inflation index for each year.

Councillors Christopher Akers-Belcher and Ann Marshall recorded their vote against decision 1 above.

103. 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)*

Type of decision

Non-key decision.

Purpose of report

The purpose of the report was to seek approval to take a new lease of space within the One Life Centre in Park Road 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.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported 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 and the Committee

agreed a model based on an enhancement of the current service model with a relocation to a higher quality better located facility.

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 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. There would also be centralisation of the needle exchange service from the individual pharmacies that currently provided the service. Other changes in service delivery would see the recovery services currently provided at The Willows move to Gladstone House in Victoria Road with the building being operational from early March.

The Chair of the Regeneration Services Committee wished to record his thanks to all the officers that had been working on the new service model now reported and commended the selection of the new location for the services at the One Life Centre. The Chair supported the comments indicating that some of the changes already made to the services were being welcomed by the service users.

A resident from Waldon Street was present at the meeting and voiced the objections of the residents of Waldon Street to the proposal to relocate the drug and alcohol treatment services to the One Life Centre. Residents were concerned at the lack of consultation and the imposition of a service that would bring, what they saw as an undesirable element to their neighbourhood. The resident stated that he had a petition from the residents of Waldon Street against the location of the drug and alcohol services at the One Life Centre. Members objected to some of the language used by the resident to describe the service users of the new facility and considered that the One Life Centre provided the ideal location to support people who required the support the services that would be based there.

The following decision was unanimous.

Decision

1. That the relocation of the Drug and Alcohol Treatment Service to the premises at the One Life Centre be approved together with the taking of the lease of the premises on the terms set out in Confidential Appendix 2 to the report which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

2. The Committee noted the award of the 'clinical' treatment contract to Foundations; an NHS provider of primary care and specialist substance misuse based in Middlesbrough.

104. Violence and Aggression Towards HBC Staff *(Assistant Director, Corporate Services)*

Type of decision

Non Key decision.

Purpose of report

The purpose of the report was 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.

Issue(s) for consideration

The Assistant Director, Corporate Services, reported that level of physical and violence and aggression, both verbal and physical, towards public sector workers nationally was on the increase and this was a trend also evident towards HBC employees. The level of violence and aggression against HBC employees has been rising exponentially over the previous four years, and the number of reports made through the Safety Incident Reporting Form (SIRF) process in 2018/19 were four times greater than the number of reports made in 2014/15.

Members expressed their deep disappointment at the reported levels of violence and aggression towards staff simply undertaking their everyday duties. Members stated that they were supportive of sanctions against perpetrators, including prosecution where appropriate, and sought assurance that sufficient support and training was available for staff. The Assistant Director welcomed Members support and indicated that training was available that all staff could access and those that had suffered violence and abuse were encouraged to access counselling. The Assistant Director also referred to the Employee Protection Register, an online system that all staff and Members could access and record any incidents so that other employees were aware when dealing with specific clients.

Members also referred to the use of bodycams by some officers and suggested that the Council look to the potential wider use of bodycams by officers that may have to deal with problematic service users or may be in positions vulnerable to verbal and physical abuse. The Assistant Director thanked Members for their supportive comments and indicated that the issue of the wider use of bodycams would be investigated.

Decision

That the report be noted and that the Committee states its support and champions the zero tolerance approach towards violence and aggression, to ensure the protection of all staff.

105. Workers' Memorial Day *(Assistant Director, Corporate Services)***Type of decision**

Non Key decision.

Purpose of report

The purpose of the report was 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.

Issue(s) for consideration

The Assistant Director, Corporate Services, reported that the HJTUC had requested that the local authority support the Workers Memorial Day events on Tuesday 28 April 2020.

The Chair indicated his support for the event and encouraged as many Members as possible to attend.

Decision

1. That the Council promotes a minutes silence in all public buildings and to Council staff at 12.30 pm on Tuesday 28 April 2020, in remembrance of 'those workers who have lost their lives through industrial accident or disease'.
2. That the Council authorises the lowering of flags on public buildings on Tuesday 28 April 2020.
3. That the Council assists in promoting, publicising and assists with the event.
4. That the Council 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.
5. That the Council provides technical equipment and support, as required, on Tuesday 28 April 2020 for the service and wreath laying ceremony.

106. Neighbourhood Investment Programme and Highway Improvement Programme *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non-key decision.

Purpose of report

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.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in March 2017 the Finance and Policy Committee considered a programme of capital investment to deliver improvements to neighbourhoods across Hartlepool. Schemes were submitted by Ward Members for consideration and assessed against approved criteria. Alongside this scheme a programme of highway improvement works were agreed by the Neighbourhood Services Committee on 12th September 2018. The two programmes run concurrently and both benefit from funds provided from Thirteen Group.

A Member referred to the CCTV scheme for the playground in Burn Valley Gardens and was concerned at the inference that only half of the play area would be installed and officers would monitor anti-social behaviour before the installation of the rest of the play equipment. The Member stated that residents had been waiting for this play area for some time and wanted a complete play area and not half a scheme, which was supported. The Member requested a timeline for the installation of all play equipment. The Director stated that officers would work with ward councillors on the installation timeline.

Members welcomed the disabled facilities and play equipment being installed in Seaton Carew.

Decision

1. That the current progress on implementing the Neighbourhood Investment Programme and Highway Improvement Programme be noted.
2. That the additional funding for Marine Drive Play Area and the proposed new equipment in Burn Valley Gardens and Ward Jackson Park be approved.

3. That the proposed enhancement works at Rocket House Car Park, including the installation of three accessible picnic benches in Seaton be approved.
4. That the proposal to install a basketball hoop at Seaton Park and an accessible item of play equipment be approved.
5. That the proposed works to provide barriers at Borrowdale Street / Windermere Road be approved.
6. That the proposed verge works at Dunston Road or Cairnston Road and footpath works in Elwick Road be approved.
7. That the allocation of £50,000 to fund repairs in play areas be approved.
8. That the allocation of £34,000 to fund the support works required for CCTV, which can be accommodated within the existing budget for this scheme, be approved.
9. That the changes to any approved schemes and future projects be delegated to the Director of Regeneration and Neighbourhoods, in consultation with the Chair of Finance and Policy Committee.

107. Local Community Wealth Building (*Director of Finance and Policy and Director of Regeneration and Neighbourhoods*)

Type of decision

For information only.

Purpose of report

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

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that has undertaken its own Community Wealth Building drive over recent years which have included the following key elements:

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

The report set out the work that had been undertaken, particularly with local businesses, highlighting the number and value of contracts awarded to local companies which was well ahead of other NEPO authorities. The report

also included an action plan of further activities and actions that would be subject of further update reports to Members.

The Chair welcomed the report and thanked officers and Members for their support. A Member voiced some concern at some of the contracts awarded and considered that some were benefiting more than others and the Member requested that details of all the local companies issued contracts and sub contracts with values be shared with Members. It was also suggested that the seminars for businesses wishing to contact with the Council should be more regular.

The Chief Executive stated that the Council did already hold a regular and very successful annual event for local businesses keen on working with the Council and the event outlined in the report would be additional to that. With regard to some of the information requested by Members, it was highlighted that much of this may be confidential information that would be exempt under the Access to Information rules but could be shared with Members on that basis.

The meeting discussed the position of the Member Champion and it was highlighted that it would be one allocated to the position of Chair of the Finance and Policy Committee, whichever Member was in that role. A Member suggested that the role should be independent of the Council.

At this point in the meeting Councillor Little declared an interest in having held previous contracts with the Council.

Decision

1. That the report be noted and the action plan detailed in the report be approved.
2. That full Council be requested to appoint the position of Chair of Finance and Policy Committee as the Authorities Community Wealth Building Champion.

108. HRA (Housing Revenue Account) and Council Housing Capital Strategic Financial Management Report as at 31st December 2019 *(Director of Regeneration and Neighbourhoods and Director of Finance and Policy)*

Type of decision

For information.

Purpose of report

The purpose of the report was to inform Members of 2019/20 HRA forecast revenue and capital outturns.

Issue(s) for consideration

The Director of Finance and Policy submitted the quarterly report on the Housing Revenue Account which Members would note accompanied the report earlier on the agenda.

Decision

That the report be noted.

109. Strategic Financial Management Report as at 31st December 2019 *(Corporate Management Team)***Type of decision**

For information.

Purpose of report

The purpose of the report was to inform Members of the 2019/20 General Fund revenue and capital forecast outturns.

Issue(s) for consideration

The Director of Finance and Policy submitted the Quarter 3 Strategic Financial Management Report for Members information. The Director highlighted that the report updated the position in relation to the forecast outturn which now showed a potential over spend of £640,000, up from the forecast over spend of £590,000 detailed in the Quarter 2 report. This was principally due to the projected departmental over spend of £690,000 for Children's and Joint Commissioning mainly relating to looked after children. The Director also highlighted that the collection rates for Council tax and Business rates were also marginally down on last year's figures at this point but were not sufficient to cause any significant concerns.

Decision

That the report and the projected departmental over spend of £690,000 for Children's and Joint Commissioning relating to looked after children, be noted.

110. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting will be held on Monday 9 March, 2020 at 2.00 pm in the Civic Centre, Hartlepool.

The meeting concluded at 11.55 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 17 FEBRUARY 2020

FINANCE AND POLICY COMMITTEE

9th March 2020



Report of: Chief Executive

Subject: COUNCIL PLAN 2020-23

1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to ask the Committee to agree the proposed vision and strategic priorities for the Council Plan 2020/21 – 2022/23 to go forward to Council for approval.

3. BACKGROUND

- 3.1 The current Council Plan 2017/18 – 2019/20 is coming to an end this year. It was developed following the extensive Your Say, Our Future consultation with residents, staff and partners which took place in the summer of 2016 and identified a series of key priorities for Hartlepool.
- 3.2 Finance and Policy Committee agreed at their meeting on 22nd July 2019 to begin preparing a new Council Plan to cover the period 2020/21 – 2022/23 with the aim of having it agreed before the end of the current municipal year.
- 3.3 Consultation on the Council Plan priorities for 2020/21 – 2022/23 launched on 13th September 2019 and ran for 4 weeks. There were 4 key questions that were asked throughout the consultation:
- What do you think is going well in Hartlepool?
 - What do you love about Hartlepool?
 - What do you think needs to improve in Hartlepool?
 - How do you think that the Council, our residents and our partners can work together to make a difference?

In addition residents were asked whether the priorities identified in the 2016 consultation were still important.

- 3.4 In order to raise public awareness of the consultation a wraparound was published in the Hartlepool Life and the Hartlepool Mail highlighting the achievements from the current Council Plan and promoting the ways in which people could get involved in shaping the new Council Plan. The opportunities that were made available for people to get involved included:

- Survey – online and paper copies made available in Community Hubs and other Council venues;
- 3 public drop in events held at the Community Hubs;
- A roundtable discussion with partners;
- Roundtable discussions with our employees at the Autumn Corporate Management Team (CMT) Roadshows;
- A roundtable discussion with the Youth Council;
- A roundtable discussion with the Senior Leadership Team;
- A Members Seminar.

- 3.5 A draft Council Plan 2020/21 – 2022/23 was developed building on what had already been achieved over the last 3 years and responding to what residents, employees and partners told us through the first stage of consultation. Finance and Policy Committee agreed for the draft Council Plan to go out to consultation at their meeting on 13th January 2020.

- 3.6 Consultation on the draft Council Plan ran for 5 weeks from 17th January to 21st February 2020 and included:

- Online copies of the consultation documents with email and written comments/responses requested;
- Paper copies of the consultation documents available in the 3 Community Hubs;
- A Members Seminar on 29th January 2020;
- Discussion at Policy Committees – Finance and Policy Committee (13th January 2020), Children's Services (28th January 2020), Adult and Community Based Services (30th January 2020), Regeneration Services (5th February 2020) and Neighbourhood Services (21st February 2020);
- Sharing the draft with the Health and Wellbeing Board and Safer Hartlepool Partnership by email for their comments;
- Presentation and email to the Economic Regeneration and Tourism Forum for their comments;
- Promotion of the consultation through social media and press releases and by email/letter to the Hartlepool Online Panel and the Voluntary and Community Sector database.

- 3.7 Appendix 1 provides a summary of the comments received during the recent consultation on the draft Council Plan 2020/21 – 2022/23.

4. COUNCIL PLAN 2020/21 – 2022/23

- 4.1 Through the recent consultation we have received really constructive feedback on the draft Plan. The feedback we have received demonstrates how important the plan is becoming to our community, staff and elected members. In order to fully respond to what we've been told we will need to take some time to finalise the detail of the activity within the Plan and to develop the associated performance management framework that will be used to assess our progress in delivering the Plan. Therefore it is proposed that Finance and Policy Committee agree the overarching framework for the new Council Plan as established by the vision and strategic priorities and that this is forwarded to Council for agreement. Work will then continue on preparing the detail of the Council Plan and this will be brought to Finance and Policy Committee for approval early in the new municipal year. This will include detail of the main development projects as already agreed in the Capital Plan.
- 4.2 The main gaps identified through this stage of consultation relate to the need for a greater emphasis on sustainability and diversity. It is therefore proposed to add two strategic priorities to the existing eight and amend the Vision Statement to address these concerns.
- 4.3 The vision and strategic priorities which will provide the framework for the Council Plan 2020/21 – 2022/23 have been updated following the feedback received during the recent consultation and the following is proposed:

Vision

Hartlepool will be a place where people work together to create a sustainable, thriving and welcoming community for people to live, visit, invest, work and grow.

Strategic Priorities

- 1 Growing a diverse economy by supporting local businesses, increasing jobs, attracting inward investment and improving skills and aspirations.
- 2 Creating a clean, green, and safe Hartlepool by protecting our environment and improving our neighbourhoods.
- 3 Creating an attractive and connected Hartlepool by attracting investment to improve key buildings, derelict land and our transport network.
- 4 Developing a healthy Hartlepool by working with our communities to improve the health and wellbeing of our people.
- 5 Building better beginnings and better futures for our children and young people.

- 6 Improving outcomes for adults with health and social care needs and their carers.
 - 7 Building and improving homes and providing effective support to those with additional needs to ensure that all our residents can live independent lives in quality homes.
 - 8 Shaping a well-led, safe, high performing and efficient council that is fit for the 21st Century.
 - 9 Ensuring our services and staff can meet the increasingly diverse needs of our population.
 - 10 Providing strong leadership to tackle climate change by developing a sustainable borough and working to reduce the Council's carbon footprint.
- 4.4 The feedback received on the draft Plan also highlighted the need to ensure that the Council Plan works to break down silo working within the Council and with partners. Each of the strategic priorities are intended to be cross-cutting in nature and this will be clearly demonstrated in the detail that will be prepared and presented to Finance and Policy Committee in the new municipal year.
- 4.5 The Committee is requested to agree the proposed vision and strategic priorities for the Council Plan 2020/21 – 2022/23 and forward them to Council for approval.

5. NEXT STEPS

- 5.1 If agreed by the Committee the vision and strategic priorities for the Council Plan 2020/21 – 2022/23 will be considered for agreement at Council on 19th March 2020. Work will then continue on the detail of the Council Plan and will be brought to Finance and Policy Committee for approval early in the new municipal year.

6. RISK IMPLICATIONS

- 6.1 The Council needs appropriate planning and performance management arrangements in place in order to manage its key strategic risks. The Council's Strategic Risk Register captures the strategic risks facing the Council in the delivery of the Council Plan and its key responsibilities and forms the third strand of the Council's performance management framework. The Register will be reviewed and updated to reflect the priorities identified in the new Council Plan.

7. FINANCIAL CONSIDERATIONS

- 7.1 The new Council Plan will be prepared alongside the Medium Term Financial Strategy and the 5 year Capital Plan as three parts of a single plan to ensure the links between the three are strengthened.

8. LEGAL CONSIDERATIONS

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

9. CONSULTATION

- 9.1 The consultation undertaken in the preparation of the Council Plan is set out in sections 3.4 and 3.6 of the report and has included consultation with Elected Members through Members Seminars on 27th November 2019 and again on 29th January 2020 and through reports to individual Policy Committees in January and February 2020.

10. CHILD AND FAMILY POVERTY

- 10.1 The new Council Plan will continue to work to reduce child and family poverty within Hartlepool and a Child and Family Poverty Impact Assessment has been developed for the Plan. This has been reviewed and an updated version is included as Appendix 2.

11. EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 The new Council Plan will aim to have a positive impact on the whole population of Hartlepool and will include the Council's Equality Objectives as required through the Public Sector Equality Duty. An Equality Impact Assessment has been developed for the Plan and this has been reviewed and an updated version is included as Appendix 3.

12. STAFF CONSIDERATIONS

- 12.1 No implications.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 No implications.

14. RECOMMENDATIONS

14.1 Finance and Policy Committee is recommended to:

- Agree the vision and strategic priorities that will form the structure of the Council Plan 2020/21 – 2022/23 as set out in section 4.3 and forward to Council for agreement;
- Note the intention to develop the detail underpinning the plan which will come to Finance and Policy Committee for approval in the new municipal year.

15. REASONS FOR RECOMMENDATIONS

15.1 Finance & Policy Committee have overall responsibility for Performance Management and are the responsible Committee the Council Plan in the Council's budget and policy framework.

16. BACKGROUND PAPERS

16.1 Developing a new Council Plan 2020/21 – 2022/23 report to Finance and Policy Committee 22nd July 2019.

Council plan 2020-23 report to Finance and Policy Committee 13th January 2020.

17. CONTACT OFFICER

17.1 Gill Alexander
Chief Executive
01429 523001
Gill.alexander@hartlepool.gov.uk

Sign Off:-

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

Draft Council Plan 2020-2023 – Stage 2 Consultation Summary

Feedback on the draft Council Plan 2020-2023 was received from:

- All five Hartlepool Borough Council Policy Committees
- Elected Members through a Members Seminar
- Economic Regeneration and Tourism Forum
- Hartlepool Borough Council Staff Sounding Board
- Hartlepool Borough Council Strategic Housing Group
- Hartlepool Borough Council Planning and Development
- Hartlepool Rural Neighbourhood Plan Group
- Stagecoach North East
- North Tees and Hartlepool NHS Trust
- Thirteen Group
- Members of the public by email to yoursay@hartlepool.gov.uk

Details of the consultation were emailed/posted out to members of the Health and Wellbeing Board, Safer Hartlepool Partnership, Hartlepool Online Panel, Hartlepool Borough Council employees and the Council's Voluntary and Community Sector database.

Detailed feedback from Hartlepool Borough Council Policy Committees:

Committee	Summary of comments	Response
Finance and Policy Committee 13 th January 2020	<ul style="list-style-type: none"> Highlighted the importance of Community Wealth Building and supporting local businesses. Identified that tourism needs to be strengthened in the Plan. Noted that the Plan should include specific targets/comparative figures in relation to the number of jobs created in the town. Query raised about how the new model to support school transitions to improve pupil readiness for learning would operate in practice. Recognised the need to review the support to lone parents, those from minority ethnic backgrounds and those groups who find difficulty managing their finances as identified in the Impact Assessments. Need to consider bungalows / housing options. 	<p>Strategic priority reworded to reflect importance of supporting local businesses: Growing a diverse economy by supporting local businesses, increasing jobs, attracting inward investment and improving skills and aspirations.</p> <p>Strategic priority reworded to reflect importance of housing options: Building and improving homes and providing effective support to those with additional needs to ensure that all our residents can live independent lives in quality homes.</p> <p>Other comments to be reflected in the preparation of detailed activity within the Council Plan and in the development of the associated performance management framework.</p>
Children's Services Committee 28 th January 2020	<ul style="list-style-type: none"> Need to understand the barriers faced by schools in accessing the Centre for Excellence in Creative Arts (CECA). The quality and breadth of the curriculum on offer at CECA needs exploring to ensure that courses are available to all young people and that the curriculum meets the needs and aspirations of young people in Hartlepool. 	<p>Comments to be reflected in the preparation of detailed activity within the Council Plan.</p>

Committee	Summary of comments	Response
<p>Adult and Community Based Services Committee 30th January 2020</p>	<ul style="list-style-type: none"> • Need to reflect the effects of austerity in the town particularly on the elderly population. • Limited reference to the housing needs of older people and people with disabilities. • Little acknowledgement of the digital agenda, and the potential to make better use of technology to support people to live independently in their own homes. • Format of plan reflects the silos that the Council works in and should be a more cross-cutting cradle to grave approach taken highlighting how each service interacted at the different stages of life. • Little on how the local authority will build the right workforce to tackle the needs of the vulnerable in the town. • Question raised about how the Council would be able to measure its success and report this back to the public. • Concern that consultation was not getting to the elements of the public whose feedback was really needed – suggestions included targeting parents/grandparents/carers at free swim sessions and through Hartbeat and annual Council Tax letters. 	<p>Strategic priority reworded to reflect importance of housing options:</p> <ul style="list-style-type: none"> • Building and improving homes and providing effective support to those with additional needs to ensure that all our residents can live independent lives in quality homes. <p>Additional strategic priority added:</p> <ul style="list-style-type: none"> • Ensuring our services and staff can meet the increasingly diverse needs of our population. <p>Other comments to be reflected in the preparation of detailed activity within the Council Plan and in the development of the associated performance management framework.</p>

Committee	Summary of comments	Response
Neighbourhood Services Committee 21 st February 2020	<ul style="list-style-type: none"> • Concern that current community safety issues could affect plans to encourage people to live, work and invest in the town. Query raised about whether the Council is investigating the use of stronger public protection orders such as the ones used in Middlesbrough. Suggestion to look at having youth clubs which has worked well in Seaton. Concern also raised about the level of police presence in the town. • The Chair of Regeneration Services Committee asked for detailed information on the plans for a fast track system for planning consents and other regulatory permissions. • Discussion about litter, fly tipping and dog fouling, the wide-ranging role of the enforcement service and recent performance. The Committee confirmed that the clean and green agenda remained important to them. • The importance of homes that could be adapted for disabled people and their families was highlighted. 	Comments to be reflected in the preparation of detailed activity within the Council Plan.
Regeneration Services Committee 5 th February 2020	<ul style="list-style-type: none"> • The plan should include the Council's ambition to provide high quality student accommodation in the town rather than poor student accommodation in the private sector. 	Comments to be reflected in the preparation of detailed activity within the Council Plan.

Summary of emerging themes from the feedback received:

Education

- Need for Secondary schools improvement and better working together.
- School transitions remains important.
- Wish to see something around 'raising aspirations amongst our young people'.
- 'Filling the holiday gap' – concern about transport access to these schemes from the rural area.

Health

- Fully support aim of improving the health and wellbeing of all residents and support actions proposed.
- Importance of obesity.
- Council needs to stop growth of 'unhealthy' fast food outlets across the town.
- The desire to reduce obesity and alcohol consumption is agreed by all. On reviewing the plan, the methods to achieve these goals are not clearly defined. The need to curb access to "fast food outlets", promote healthy eating and reduce alcohol retailers should be part of the plan.
- Concern about impact of poor mental health in rural communities – make explicit plans to address the issue of loneliness and rural isolation. Expect support for the 'Tees Flex' three-year pilot.
- No mention of the links between health and housing and the important role that housing plays.
- A clear strategy to reduce smoking in Hartlepool, with a multi-faceted approach to nicotine addiction. This will require a co-ordinated service promoting nicotine replacement therapy, promotion of vaping and continued reduction in smoking in pregnancy with the work already underway with the Yale group.
- The link between training, education, opportunities and poor health outcomes is not clearly defined as a "golden thread" in the Plan. There is clear evidence in the literature and locally demonstrating these links. The provision of opportunities etc. will, over a period of time, improve the overall health and wellbeing of our population, reduce the ever increasing disease burden locally.

Social care

- Would welcome recognition of the role played by family carers.
- Wish to see Council support a proper career path for professional care workers.
- Investigate potential for working with current and potential care providers in both the private and third sector to reduce travel time incurred by caring professionals visiting clients in multiple locations in one shift. Could we aspire to small teams based in every neighbourhood? Reduce travel time and more time to spend with clients.

- Supporting adults to live independently in their own homes - is there appropriate social / community care in place to that residents don't become social isolated?

Business / economy

- Need to consider the impact of the Council's capital programme on local businesses
- Concern around Marina and car parking charges.
- Town centre half empty – parking is a problem. Disabled customers at Middleton Grange limited by number of 'blue badge' spaces but spaces allocated to shopmobility often chained up and rarely used.
- Support needed for local businesses who employ people from the town but whose clients are from outside.
- Need for high quality business accommodation - grade A lacking.
- Access to high-speed internet connections – businesses of rural residents are dependent on this.
- Concern that many small, locally-based businesses are often overlooked when the Council is looking for providers of services.
- Need to work more closely with parish councils and the voluntary/charity sector – they often have access to funds not available to the Council and may be able to add value in areas of common interest e.g. creating employment opportunities and/or improving the environment.
- Fast track system for consent needs detailed thought and consideration – one respondent raised a number of concerns raised including the range of actors/processes not wholly within the control of officers within the planning department that could impact on speed of decision making.
- North Tees and Hartlepool NHS Trust - recognise our place as the largest employer in Hartlepool and Stockton. The ability to train and develop our staff is core to our values. We would welcome the opportunity, in partnership with the Council, to develop an education academy to serve the needs of our population.

Transport

- Good road infrastructure is lacking, A179 and A689 often congested and rural interconnecting roads are badly dilapidated and not designed for heavy traffic using them.
- Strongly support building of Elwick by-pass and would encourage improvement of rural road network.
- Welcome the reference to improving the perception of public transport as we feel it is a key to delivering on a lot of your objectives within the plan. As the main provider of local bus services in the area we look forward to working closely with you to meet the objectives of providing a sustainable and environmentally friendly public transport network to avoid the need for people to use their own private vehicles.

- Hope the Council will look to ensure bus is at the forefront of people's minds when looking at their choices to travel. A comprehensive strategy that encourages people to choose bus, looking at parking levies, bus priorities and other measures to match the investment already put in by operators to introduce a simplified ticket range, contactless payments, modern fuel efficient buses and travel planning aids.

Looked after children

- Talk about domestic abuse and substance misuse in relation to increasing looked after children but don't talk about how they aim to tackle it.

Tourism

- No mention of anything other than activities and events near the Waterfront. Lots to offer in rural areas.
- Council needs to develop its understanding of what attracts or deters visitors and need to have sufficient interest to keep people longer, at least one or two nights so they require food, accommodation etc.
- Need multiple linked attractions.

Carbon Footprint / Climate Change

- Needs to be a stronger priority. Suggestions that it is a stand-alone strategic priority or an overarching priority for the Plan.
- Look at multifunctional buildings with joint working.
- Council need to be proactive e.g. planting trees and hedges to effect carbon capture. Suggest clearing polluted brown land in town and plant as green space.
- Nothing about fixing broken ev charges or fitting more. Lots of terraced houses in town – only way to encourage switch to electric is to fit lamppost ev chargers or fit a few rapid chargers in the town so people who don't have a drive can still recharge.
- Need more detail about what will be done to reduce landfill and increase recycling and reduced carbon footprint.

Community safety

- Rural areas suffer from anti-social behaviour too e.g. damage to/theft of property, fences/gates being smashed/stolen, quad bikes churning up farmers' fields or fly-tipping.
- Helpful if Council were to support development of new initiatives equivalent to Neighbourhood Watch.

Derelict buildings and land

- Use derelict land for green space where it's not deemed possible to develop for housing or industry. Encourage developers to use this rather than green land.
- Derelict buildings should be converted for appropriate use – if no other use found then could be made into housing.
- Concerns around enforcement - manpower and budget for direct intervention should other avenues prove unsuccessful. Need commitment to increased resources to be able to achieve this.

Environment

- Concerns around levels of litter, fly-tipping and dog dirt.
- Pleased to see environment listed as priority but no specific actions listed of how this is to be achieved. Nor is there any mention of protecting biodiversity. Need to be protecting and celebrating the great wildlife in the area.
- Wildflower schemes are lovely but spreading weedkiller before sowing new seed isn't good for wildlife and the flowers are not native so of limited use for wildlife.
- Current mowing regime is excessive and unnecessary. Allowing wildflowers to grow would help biodiversity, make the environment more attractive and would allow the costs associated with mowing and weed killing to be diverted to more pressing concerns, like litter picking. Allowing flower heads to stand over winter can provide food for birds and hibernation sites for bees and other insects. Appreciate some residents might complain about not having "bowling green" grass; some public education may be necessary, but the benefits outweigh the negatives.
- Increasing evidence of the way nature can improve mental and physical wellbeing; so environmental improvements could be incorporated into this are of the plan.
- Environmental benefits should be considered when assessing planning proposals; "waste" land can actually be more valuable habitat than greenfield sites. New housing developments could be made more sustainable with the addition of hedging, rather than fencing, and the incorporation of special bricks for swifts and solitary bees.

Increasing community diversity

- Training to promote cultural awareness so employees can better understand the needs of the community.
- Social activities for elderly with interpreter services and wider range of activities for gentlemen rather than the traditional ones.

Housing

- Need to refer to building new and improving existing homes.
- Need to include regeneration / empty homes.
- Concern about specific reference to Oxford Road when there are other areas of decline. No evidence of the condition of older housing stock in these areas. As aspirations change in terms of desired accommodation, unless there is real demand for the likes of the older dated terraced areas, the risk of empty homes numbers may increase. Need a study on demand for problematic terraced areas.
- Concern that problems in Oxford Road area were created by previous regeneration schemes and that there's been no progress since consultation event in November last year. Question how the Council can solve the problem with no money or staff for additional services to be deployed or CCTV to be put in. Concern police don't have additional manpower for patrols.
- Detail success in relation to poor housing standards and anti-social behaviour in private sector housing. Add a 'well-managed private rented sector' to success list. More joined-up work between relevant departments to enforce legislation around private landlords and their management and housing standards.
- Concern raised that the development of student accommodation in the town centre is contrary to a recent consultant report. Students form a very small minority of residents in the private rented sector (PRS). Better accommodation should be available for all. Now have limited knowledge of conditions in the PRS; our stock condition information is now 10 years old and we have no evidence to support suggestion that student accommodation is no already a good standard. Don't have a baseline to measure this success from.
- Success should align with new Housing Strategy.
- Should include something about improved energy efficiency of homes in all sectors. Links with carbon agenda. Number of things we can do including: retrofitting of energy efficiency measures working in partnership with providers who are able to access funding such as through Energy Company Obligation; setting objectives to make new builds as low carbon as possible; and enforcement of legislation around minimum energy efficiency.
- Need to include housing and homelessness support. Increasing numbers of vulnerable people living in the town – visible street begging. People with chaotic lives with drug and alcohol misuse and a lack of any temporary accommodation.
- Success should be delivering the right mix of housing in the right locations including the delivery of executive homes – not just about more high value. Would challenge the need for yet more 'high value' homes.
- Urgently need, especially in the villages, smaller, one-level dwellings such as bungalows for older home-owners to downsize. Will release family and starter homes for those trying to get on the property ladder.
- Addition of more green spaces in developments to make neighbourhoods more attractive and healthy places to live,
- Purpose built homes for vulnerable adults – need specific requirements.
- More affordable homes by registered providers.
- More social housing for rent rather than 'more Council housing'.
- No mention of empty homes in the housing priority.

- Follow West Midlands Combined Authority example and redefine affordable housing by linking rents and mortgages to salaries rather than local house prices and rent rate as many young professionals, such as teachers, cannot afford to buy a house currently defined as affordable.
- Support for residents on the Headland who live in properties facing the promenade – grants for repairs to maintain architecture, help with heating bills if not allowed more modern fittings, grants to maintain fencing exterior walls etc.

Other comments

- Disappointment that Council seems to have forgotten that there is more to the town than its urban centre. Constantly refers to town, rural communities and parish councils omitted.
- Would wish for Parish Councils to work with the council. Would welcome consultation, at a much earlier stage, on all the Council's plans/proposal, and would provide "rural-proofing" of these in return.
- Maximising income – add a caveat that this should always take into account the opportunity costs of any actions.
- New Council Plan should include timeline showing what's been achieved over the last 3 years.
- Full migration of universal credit will be rolled out during the lifetime of the plan, is it business as usual or are we looking to support residents with this transition?
- Better reward people (members of the public) who make significant contributions with awards, certificates, medals or something.
- Support the general direction of the plan but get the feeling that seen it all before. Also, need to drop some of the public sector / civil service speak.

Summary of response to comments received:

Vision updated to reflect sustainability:

- Hartlepool will be a place where people work together to create a sustainable, thriving and welcoming community for people to live, visit, invest, work and grow.

Strategic priority's reworded to reflect comments received:

- Growing a diverse economy by supporting local businesses, increasing jobs, attracting inward investment and improving skills and aspirations.
- Building and improving homes and providing effective support to those with additional needs to ensure that all our residents can live independent lives in quality homes.

Additional strategic priority's added:

- Ensuring our services and staff can meet the increasingly diverse needs of our population.
- Providing strong leadership to tackle climate change by developing a sustainable borough and working to reduce the Council's carbon footprint.

Other comments will be reflected in the preparation of detailed activity within the Council Plan, including changing references from town to borough as required, and in the development of the associated performance management framework.

DRAFT

DRAFT

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	X			The Council Plan will focus on increasing jobs and improving skills and aspirations and this will include young people aged 18-21.
Those who are disabled or suffer from illness / mental illness	X			The Council Plan will focus on improving outcomes for adults with health and social care needs and their carers – many of which will have a disability. The Council Plan will also focus on ensuring our services and staff can meet the increasingly diverse needs of our population.
Those with low educational attainment	X			The Council Plan will focus on building better beginnings and better futures for our children and young people and increasing jobs and improving skills and aspirations and this will include those with low educational attainment.
Those who are unemployed	X			The Council Plan will focus on increasing jobs and improving skills and aspirations and this will include those who are unemployed.
Those who are underemployed	X			The Council Plan will focus on increasing jobs and improving skills and aspirations and this will include those who are underemployed.
Children born into families in poverty	X			The Council Plan will focus on building better beginnings and better futures for our children and young people and increasing jobs and improving skills and aspirations both of which should have a positive impact on children born into families in poverty.
Those who find difficulty in managing their finances			X	There will be no direct impact on this group.
Lone parents			X	There will be no direct impact on this group.
Those from minority ethnic backgrounds			X	The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.

POVERTY IMPACT ASSESSMENT

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
Children in Low Income Families (%)	X			The strategic priorities in the Council Plan aim to have a positive impact on all of the listed measures of poverty through: <ul style="list-style-type: none">• building better beginnings and better futures for our children and young people;• increasing jobs and improving skills and aspirations;• developing a healthy Hartlepool;• improving outcomes for adults with health and social care needs and their carers;• building and improving homes and providing effective support to those with additional needs to ensure that all our residents can live independent lives in quality homes; and• ensuring our services and staff can meet the increasingly diverse needs of our population.
Children in Working Households (%)	X			
Overall employment rate (%)	X			
Proportion of young people who are NEET	X			
Adults with Learning difficulties in employment	X			
Free School meals attainment gap (key stage 2 and key stage 4)	X			
Gap in progression to higher education FSM / Non FSM	X			
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)	X			
Number of affordable homes built	X			
Prevalence of obese children in reception year	X			
Prevalence of obese children in reception year 6	X			
Overall impact of Policy / Decision				
POSITIVE IMPACT		X	ADJUST / CHANGE POLICY / SERVICE	
NO IMPACT / NO CHANGE			STOP / REMOVE POLICY / SERVICE	
ADVERSE IMPACT BUT CONTINUE				

Impact Assessment Form

Department	Division	Section	Owner/Officer
All – CED Lead	CS	CS&P Team	Claire McLaren / Catherine Grimwood
Service, policy, practice being reviewed/changed or planned	Council Plan 2020/21 – 2022/23		
Why are you making the change?	A new 3-year Council Plan being prepared as the previous plan is coming to an end.		
How might this impact (positively/negatively) on people who share protected characteristics?			
		<i>Please tick</i>	
		POSITIVELY	NEGATIVELY
Age		X	
<p>The Council Plan will focus on improving outcomes for adults with health and social care needs and their carers.</p> <p>The Plan will also focus on building better beginning and better futures for children and young people.</p> <p>The Plan will also focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Disability		X	
<p>The Council Plan will focus on improving outcomes for adults with health and social care needs and their carers – many of which will have a disability.</p> <p>The Plan will also focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Gender Re-assignment		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Race		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Religion		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Gender		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Sexual Orientation		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Marriage & Civil Partnership		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			
Pregnancy & Maternity		X	
<p>The Council Plan will focus on ensuring our services and staff can meet the increasingly diverse needs of our population.</p>			

Impact Assessment Form

<p>Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?</p>	<p>Initial consultation on the priorities for the Council Plan took place between 13th September and 11th October (4 weeks). The findings from that exercise informed the draft Council Plan which went out to consultation for 5 weeks between 17th January and 21st February 2020. Feedback from that has been used to inform the proposed vision and strategic priorities which provide the framework for the Council Plan. This will be presented to Council in March 2020 for approval with further detail on the activity within the Plan being prepared for agreement by Finance and Policy Committee in the new municipal year.</p>		
<p>As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?</p>	<p>Following feedback on the draft Council Plan an additional strategic priority has been added which reflects the Council's commitment to respond to the needs of our increasingly diverse population.</p> <p>It is not anticipated that the proposals included in the Council Plan will have any negative outcomes. By providing a range of opportunities to feed into the development of the Council Plan it is anticipated that it will maximise positive outcomes and foster good relations.</p>		
<p>Describe how you will address and monitor the impact</p>	<p>1. No Impact - No Major Change</p>		
Initial Assessment	13/12/2019	Reviewed	13/02/2020
Completed	00/00/00	Published	00/00/00

FINANCE AND POLICY COMMITTEE

9th March 2020



Report of: Chief Executive

Subject: **TEESSIDE INTERNATIONAL AIRPORT LIMITED
("TIAL") – JOINT VENTURE CONSENT**

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision.

2. PURPOSE OF REPORT

- 2.1 This report provides updates on progress in relation to the delivery of the Tees Valley Combined Authority (TVCA) business case for the airport and requests the Authority's consent (as a shareholder) to enable Teesside International Airport Limited (TIAL) to progress a joint venture for the development of the Southside in line with that business case.

3. BACKGROUND

3.1 The Southside Land

- 3.1.1 "Southside" comprises a significant area of land lying, as its name suggests, to the southern side of the main airport complex and the operational areas including the main runways and airport taxiing routes. It lies partly within Darlington Borough but predominantly within Stockton Borough and extends to approximately 109 hectares.

As far back as 1999 the "Southside" land was granted outline planning permission by the Secretary of State for freight handling, distribution and packaging, freight forwarding and light industrial / commercial assembly. Then in 2007 a further application made is possible for the land to be made available for general industrial use as employment land. Southside remains allocated within Stockton and Darlington's respective Local Plans to provide sufficient specialist land to support the expansion of airport related uses, but supported by a proportion of general employment land.

- 3.1.2 The local authority shareholders have long recognised the importance of a successful Southside development to underpin a viable airport and the issue has been a consistent theme and was always envisaged as part of the development of the airport business.
- 3.1.3 The development by Peel of a Masterplan and supporting investment plan produced in 2012/13 showed that for Peel the proposals at that time were unviable, with an investment appraisal included in the Investment Plan showing a shortfall of approximately £5million needed to make the development commercially feasible. It was therefore suggested in Peels Investment Plan that the public sector contribute by investing in infrastructure (through grant or equivalent in-kind) that would make the development financially viable by effectively bridging the £5million gap.
- 3.1.4 In 2015 it was identified that Tees Valley Local Enterprise Partnership had secured £90.3m from the Government's Local Growth Fund, which included £5m provision for a new access road linking the Northside with the Southside at the airport, around the eastern end of the runway. This new link road would open up the Southside, to provide an employment park, and logistics and processing areas with a variety of employment uses. However the Master Plan also described that investment for re-positioning and growing the Airport would not be possible without capital raised from enabling housing development on airport owned land.
- 3.2 Current Development Proposal
- 3.2.1 On 24 January 2019 the Tees Valley Combined Authority agreed to acquire the 89% shareholding of Peel Holdings Limited in Durham Tees Valley Airport Limited (now TIAL) with the intention of bringing in an experienced private sector partner to assist in running the airport business.
- 3.2.2 In order to do this TVCA established a new holding company Goosepool 2019 Limited to buy the shares from Peel. TVCA's airport operator Stobart Holdings Limited then acquired shares in Goosepool 2019. Goosepool is jointly owned by the Tees Valley Combined Authority (75%) and Stobart Holdings Limited (25%).
- 3.2.3 On 24 January 2019 the Tees Valley Combined Authority approved investment proposals for the acquisition and development of TIAL. TVCA had engaged with Turner and Townsend to provide advice on the purchase, valuation and development potential of land as well as outline options assessment. The final recommendations to the TVCA cabinet was supported by the Full Business Case: "Securing the Future of Our Airport". The business case included reference to the airport's land development opportunities, noting that the Southside presented the most significant opportunity and that maximising the wider property assets was key to improving the financial viability of the airport.

- 3.2.4 The TVCA cabinet and the airport board of directors have now taken decisions that will provide for the Southside land to be unlocked which takes the development of the Southside into a new stage. The upfront infrastructure has been costed at £23.6 million, this to provide road access, utilities and flood mitigation works and is based on a re-working and updating of the tender cost for the scheme put forward by Peel. The report provided to the Airport Board is included as a **CONFIDENTIAL appendix (Appendix A) NOT FOR PUBLICATION by virtue of the Local Government Act 1972, Schedule 12A, Part I, Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 3.2.5 The specifics of the investment by TVCA is that TIAL will draw down a loan of £23.6m from the TVCA to fund the upfront infrastructure requirement. This is to be repaid throughout the period of development. The business case describes that with the predicated returns TIAL will be in a position to repay the loan. Ultimately through the period of development TIAL will still continue to be underwritten as a going concern by TVCA.

4. PROPOSALS

4.1 The Joint Venture Approach

- 4.1.1 Recognising that TIAL are not themselves a developer, in order to progress the development of Southside and to provide confidence that the scheme can be delivered a joint venture partner with significant relevant experience has been sought. The intention being that TIAL will enter into a joint venture partnership with the private sector to deliver construction of the infrastructure and development of the business park.
- 4.1.2 It was recognised that TIAL (through TVCA) would need to conduct a robust process for the selection of the Southside developer to ensure that any prospective partner would work in the way that met the investment objectives of ensuring that a return came back to support the airports' viability.
- 4.1.3 Legal advice identified that an OJEU procurement was not necessary, as whilst TIAL would potentially follow the Utilities Contract Regulations 2016 in respect of its airport activities, the commercial activities relating to the development of the Southside are outside the scope of the regulations. This enabled a more commercially focused but nevertheless robust process to be followed that has examined a range of possible options.
- 4.1.4 Since the acquisition of the airport shares in early 2019, mindful of the approach set out in the business plan, various developers had contacted TVCA and the Mayor to find out about potential development opportunities. Those market orientated discussions helped frame what would and crucially what would not be commercially possible in terms of development with the intention of avoiding the pitfalls which had seen the Southside development not progress significantly for over 10 years.
- 4.1.5 In parallel to the discussions with possible developers, a number of discussion also took place with investment funds to establish whether there was an appetite to support a joint venture arrangement. It became clear that the general inflexibility of investment fund rules and, in particular the requirement to make return in priority of

any return to TIAL would sit outside the desired outcomes and these were excluded from further consideration.

4.1.6 Following the market orientated discussions, the main principles adopted for the selection of a developer were:-

- A recognition that the public sector would invest for a long term return rather being asked to provide infrastructure grant funding.
- Ensuring the developer had a sufficient local focus and connection with the Tees Valley to have an interest in the actual outcome for our region. One that whilst recognising the speculative risk in the development would be prepared to forgo the market anticipated 20% upfront return.
- Making sure that the developer would accept the long term commitment and be prepared to make their commercial return through dividends alongside TIAL.
- Ensuring that the developer would be motivated by driving the project to produce more rapid development as opposed to land banking; and (b) longer term returns through a focus on a strong programme of development that would produce the economic growth.
- Protecting public assets and money through a long term return to TIAL which could be reinvested in the airport, and the repayment to TVCA of its interest bearing loan.

4.1.7 Bringing together the market orientated discussion and following consultation with LEP Board members and other private sector soundings, two separate developer consortia were invited to present final proposals. This process identified that the consortia comprised of Theakston Land and Wynyard Business Park were the best commercial and outcome orientated fit. In particular they stood out as they were prepared to contract with TIAL on the basis that-

- The public funding for the infrastructure could go into the project by way of a loan with interest at a commercial rate, rather than through any public sector grant;
- They would not take any developer profit out early in the development, and would not in fact be paid for their management of the infrastructure works on our behalf; and
- They were prepared to earn their returns in the long term via dividends which would depend on effective partnership working with DTVAL and TVCA, and which will be driven by the success of their efforts.

4.1.8 The decision of the TIAL board is that they will enter into a joint venture partnership with the Theakston Land and Wynyard Business Park to deliver construction of the infrastructure and development of the business park through the establishment of a joint venture subsidiary.

5. Local Authority, Minority Shareholders

5.1 Approximately 11% of TIAL is still owned by the local authorities in the following proportions

	%
Darlington Borough Council	3%
Durham County Council	1%
Hartlepool Borough Council	1%
Middlesbrough Borough Council	2%
Redcar & Cleveland Borough Council	2%
Stockton-on-Tees Borough Council	2%

- 5.2 At the point of acquisition of the Peel shares by TVCA it was agreed that the existing minority shareholder protections under the shareholders agreement would be maintained with some minor modifications and clarifications.
- 5.3 One of the protections is that whilst the local authorities hold an aggregate shareholding of more than 10% that they have to consent to enable TIAL to enter into any partnership, joint venture or profit sharing arrangement if this is outside the normal business of the airport as a commercial airport. Consent is therefore requested to enable the decision taken by the TVCA cabinet and TIAL board to progress.

6. RISK IMPLICATIONS AND FINANCIAL CONSIDERATIONS

6.1 Shareholder Considerations

- 6.1.1 Whilst directors must act in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, shareholders are not so constrained and can legitimately decide matters in their own self-interest.
- 6.1.2 The purpose in continuing to hold the shares has certainly since 2003 been more about insuring a degree of control in the public interest over the airport. For some considerable time the local authorities have supported the development of Southside for the benefit of the airport and to help secure its longer term viability. The decisions taken by the TVCA Cabinet and the TIAL board are consistent with that long standing approach, but with the loan commitment from TVCA have now materialised into a viable and crucially funded proposal.

7. LEGAL CONSIDERATIONS

- 7.1 Legal considerations have been set out within the report.

8. CONSULTATION

- 8.1 Consultation has taken place between the shareholding authorities and with the relevant Elected Members.

9. OTHER CONSIDERATIONS

CHILD AND FAMILY POVERTY (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)	N/A
EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)	N/A
STAFF CONSIDERATIONS	N/A
ASSET MANAGEMENT CONSIDERATIONS	N/A

10. RECOMMENDATIONS

10.1 It is recommended that this Committee:-

- i) Note the decision of the TVCA cabinet to support the development of the Southside through a loan of £23.6m to TIAL for enabling infrastructure.
- ii) Note the decision of the TIAL board to enter into a joint venture and establish a subsidiary company with their selected developers Theakston Land and Wynyard Business Park to undertake the development of the Southside
- iii) Provide consent to TIAL to pursue the Southside development including consent to the establishment of the subsidiary and the grant of a 125 year lease
- iv) Delegate responsibility to the Chief Executive in consultation with the Chair of Finance and Policy Committee where future matters require shareholder consent and do not have any financial impact on the Council.

11. REASONS FOR RECOMMENDATIONS

11.1 To enable the TVCA cabinet and the airport board of directors to proceed with the Southside land development opportunity to support the financial viability of the airport.

12. BACKGROUND PAPERS

None

13. CONTACT OFFICERS

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 Chief Solicitor
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Sign Off:-

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

Finance and Policy Committee

9th March 2020



Report of: Chief Executive

Subject: SENIOR LEADERSHIP RESTRUCTURE

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 None Key Decision.

2. PURPOSE OF REPORT

2.1 This report is to make recommendations to Finance and Policy Committee in respect of the Chief Officer structure of the Council.

3. BACKGROUND

3.1 As Members are aware the Council has managed significant financial challenges over the last nine years and set the budget for 2020/21 with a small dependency on the use of reserves. The financial position beyond 2020/21 remains uncertain and based on current forecasts the Council faces a 2021/22 deficit of £1.3m. The actual deficit may increase depending on the impact of proposed reforms of the national funding system, future pay increases for staff and the impact of the National Living Wage.

3.2 The Council is currently performing well across all service areas, including areas subject to external assessment. The Council is also planning significant capital investment over the next few years and seeking to secure further funding from initiatives such as the Towns Fund. These issue will require careful management.

3.3 I formally took up my post in June 2015 and since then the Corporate Structure has been developed to address the challenges the Council faced. The current structure was also developed to provide the appropriate managerial capacity and resilience to deliver the breadth and complexity of services provided by a unitary authority – recognising that these are the same issues faced by much larger unitary councils, many of which don't face the same socio-economic challenges as Hartlepool and haven't faced the same level of cuts in Government funding over the last 9 years.

- 3.4 Previous changes have been implemented successfully and the Council has had a period of stability at Director and Assistant Director level.
- 3.5 My intention in making any changes is to only make them where they will add value or where they are necessary to ensure the overall robustness of the senior leadership team of the Council. I am proposing a range of changes in respect of the senior leadership structure of the Council to address the next phase of challenges facing the Council which are outlined in this report and the attached confidential appendix.

4. PROPOSALS

- 4.1 I have reviewed the current structure in the light of a number of key considerations. It is important that the Council has a structure which best meets the challenges it faces in both the short and medium to long terms.
- 4.2 My aim in doing this is to ensure that the Council has a senior leadership team clearly focused on the challenges faced, that makes best use of the expertise currently in the authority and delivers for the Council excellent and consistent services. The proposals to achieve this aim are included in **Appendix 1** in the exempt section of the report. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).**

5. IMPLEMENTATION PROCESS

- 5.1 The proposals in relation to the implementation of the recommended structure are attached as Appendix 1 in the exempt section of the report. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).**

6. TIMETABLE

- 6.1 Implementation of the proposed structure is scheduled to take place following consideration by Finance and Policy Committee of this report from 1st July 2020, with appropriate consultation undertaken in line with agreed policies, and decisions to be made by the Appointments Panel. This lead time will provide a period of stability and ensure a smooth transition.

7. RISKS

- 7.1 It should be noted that with any change in structure there is a potential risk to service delivery and in respect of organisational knowledge. The proposal I have recommended to Committee is my best advice for the overall structure of the Council.

8. CHILD AND FAMILY POVERTY IMPACT

- 8.1 The arrangements will maintain our strategic focus on tackling child and family poverty. This is particularly important at the current time as partner organisations are currently implementing improvement plans to address concerns raised by their respective external inspection bodies.

9. LEGAL IMPLICATIONS

- 9.1 The proposed structure will discharge the Council's statutory duties in relation functions of the Head of Paid Service, Director of Resources and Development (section 151 officer), Director of Children's and Joint Commissioning Services, the Director of Adult and Community Based Services, the Director of Public Health and Chief Solicitor (Monitoring Officer).

10. FINANCIAL IMPLICATIONS

- 10.1 The proposed structure will provide a recurring savings towards addressing the 2021/22 forecast budget deficit. This saving needs to be considered in the context of previous recurring savings in senior management costs, which resulted in a 38% reduction in chief officer posts (i.e. Director and Assistant Director posts) and a 50% reduction in the next senior management tier.
- 10.2 Further information is provided in **Appendix 1** in the exempt section of the report. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).**

11. CONSULTATION

- 11.1 The Hartlepool Joint Trade Unions Committee (HJTUC) have been provided with a copy of this report and asked for written comments in advance of your meeting which will be circulated as soon as possible after they are received. Consultation has also been undertaken with Directors.
- 11.2 All Officers affected by these proposals have been provided with a copy of this report. Comments and any revised recommendations

arising from those comments will be presented at the Finance and Policy Committee meeting.

12 EQUALITY AND DIVERSITY CONSIDERATIONS

12.1 The Council's recruitment and selection arrangements comply with all relevant equality and diversity legislation.

13. ASSET MANAGEMENT CONSIDERATIONS

13.1 There are no asset management considerations.

14. RECOMMENDATIONS

14.1 That Finance and Policy Committee:

- (a) Approves the deletion and addition of the posts, including noting the grading of the additional posts, identified in the Not For Publication element of this report at section 4.1;
- (b) Approves the appointment arrangements identified in the Not For Publication element of this report at section 4.2;
- (c) Note the proposals as set out in the Not For Publication element of this report will form the basis of appropriate communications and consultations with those staff affected;
- (d) Note the proposed structure provides a recurring saving, identified in the Not For Publication element of this report at section 5.1;
- (e) Note that on the basis of Members approving the proposals detailed in this report a review of the Heads of Service i.e. managers reporting to Assistant Directors will be undertaken. Any minor changes arising from these reviews will be cost neutral and will be undertaken in consultation with the relevant Policy Chairs, in accordance with the Council's constitution.

15. REASONS FOR RECOMMENDATIONS

15.1 To enable Members to consider proposed changes to the senior management structure to ensure the Council retains the appropriate managerial capacity and resilience to deliver the next phase of challenges facing the Council.

16. BACKGROUND PAPERS

16.1. Senior Leadership Restructure Report 9th August 2017

17. CONTACT OFFICER

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Sign Off:-

Director of Policy and Finance ☒

Chief Solicitor ☒

FINANCE AND POLICY COMMITTEE

9 March 2020



Report of: Assistant Director, Corporate Services

Subject: HR POLICY REVIEW – REDEPLOYMENT POLICY

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

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

3. BACKGROUND

- 3.1 In December 2019, Finance and Policy Committee agreed to the review of the Reorganisation, Redundancy and Redeployment Policy. At that meeting, the revised Reorganisation and Redundancy Policy was approved and the Committee agreed to receive a report on the new Redeployment policy at a future date.

4. SUMMARY OF KEY CHANGES

- 4.1 There are no fundamental changes to the policy. The key change to highlight is that several documents in relation to redeployment have been brought into a single document for greater clarity and referencing for managers. There has also been a general update in terminology and easier formatting / language for a more user-friendly document.

5. TRADE UNION CONSULTATION

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

6. IMPLICATIONS

RISK	The current policy does not give the clarity managers need when managing redeployment which means the Council is at greater risk of challenges from employees through appeals and employment claims.
FINANCIAL	None.
LEGAL	None.
CONSULTATION	Trade Unions have been fully involved in the review of this policy.
CHILD AND FAMILY POVERTY	None.
EQUALITY AND DIVERSITY	The policy takes into account equality and diversity considerations and protected characteristics.
STAFF	The amalgamation into one redeployment policy is a positive step and will not be of detriment to staff.
ASSET MANAGEMENT	None.

7. CONCLUSION

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

8. RECOMMENDATIONS

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

9. REASONS FOR RECOMMENDATIONS

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

10. BACKGROUND PAPERS

- 10.1 None

11. CONTACT OFFICER

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Sign Off:-

Chief Executive



Director of Finance and Policy



Chief Solicitor





Redeployment Policy and Procedure

HR Service

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Scope and Purpose

This policy and procedure applies to all Hartlepool Borough Council employees. It does not apply in schools where the Local Authority is the employer as they have their own arrangements.

The Council is committed to supporting employees where they can no longer continue in their current post. The aim of this policy is, wherever possible, to enable employees who are no longer able to continue in their current role, due to redundancy, medical reasons or pressing need, to be redeployed to another post within the Council, therefore retaining valuable/valued skills and experience.

This policy supports the following processes:

- Sickness Absence Management
- Early Retirement
- Managing Restructures and Redundancy

1. Eligibility

The Redeployment Procedure will apply as soon as it is known that one of the following criteria is met:

- 1.1 Medical: The Council's Occupational Health Advisor specifically recommends that redeployment on medical grounds should be investigated and the employee makes a formal commitment to being redeployed.
- 1.2 Compulsory Redundancy: Formally identified as at risk of redundancy where employees who have been unsuccessful in obtaining a post in a reorganisation or have been selected for redundancy following the application of redundancy selection criteria.
- 1.3 Pressing Need: Conflict of interest developing with the duties or requirements of the current post which the Assistant Director Corporate Services agrees is unavoidable and involuntary and should be remedied by re-deployment or any other situation which the Assistant Director Corporate Services agrees should be remedied by redeployment because of exceptional circumstances.
- 1.4 Other reasons: All employees with two years continuous employment with the Council who need to obtain an alternative job such as the ending of fixed term contracts (for example covering a substantive post holder for sickness, maternity etc.) or agreed disciplinary or capability measures where there is the prospect of the employee being employed for a further one year.
- 1.5 Medical redeployment cases will be conducted with respect for confidentiality and sensitivity and in accordance with the Equality (disability discrimination), Data Protection and Access to Medical Report Act requirements.
- 1.6 Priority consideration, in the following order, will be given to employees as

follows:

- (i) who are pregnant (protections under Regulation 10 of the Maternity and Parental Leave Regulations 1999);
- (ii) who are suffering from a disability and are engaged with the medical redeployment process;
- (iii) who are at risk of compulsory redundancy.

2. Redeployment Register

2.1 A central Redeployment Register will be maintained by Human Resources, with restricted access controls to maintain confidentiality. The register will hold the following information on each individual:

- date registered
- name
- details of current job
- contact details
- details of employment history with the Council
- qualifications, skills, training record and work experience
- evidence of performance
- medical and/or Equality Act information including any reasonable adjustments that may be required (if appropriate)
- supporting statement
- all other information relevant to the redeployment process.

2.2 After an employee is formally entered on the Redeployment Register then they will normally be provided with the name of a specific link person in HR, who will act as the formal contact during the redeployment process. This link person may change depending on resources and commitments at the time. The employee should also maintain regular contact with their line manager during the process.

2.3 The HR Link Officer will send the employee a Redeployment Form (HRPP-11/F1) to complete. If the employee does not return the form, within the agreed timeline, then this may result in them missing potential redeployment opportunities.

2.4 Once the Redeployment Form is received by the Human Resources, the HR Link Officer will arrange a meeting between themselves and the employee, their work colleague or trade union representative and the line manager. Depending on resources/capacity at any given time, then this information may be co-ordinated via online/verbal exchanges between HR, the manager and employee.

The purpose of the meeting will be to explain to the employee and answer questions regarding:

- why the redeployment is necessary
- how the Council's redeployment process works / signpost to policy and

- procedure on the intranet
 - what support mechanisms and training opportunities may be available during the redeployment period
 - entitlements to, and arrangements for, taking paid time off to look for work or to make arrangements for training for another job
 - the period during which redeployment may be pursued
 - whether a further review meeting(s) is required
 - a fuller assessment of the employee's knowledge, skills and experience and the types of jobs they are interested in / willing to consider as a redeployment opportunity, and
 - the implications of redeployment being unsuccessful.
- 2.5 The employee will be asked to confirm their willingness to engage in the process. Employees can opt out of the process if they do not want to find alternative work in the Council. This excludes offers of suitable alternative employment in a redundancy situation.
- 2.6 Redeployees are only eligible for posts at their current substantive pay band, one pay band higher, or any pay band lower. If an employee is interested in any opportunity greater than one pay band higher then they can apply for the post outside of this redeployment policy and procedure.
- 2.7 It is the responsibility of the employee to monitor the Council vacancies on a regular basis and notify the HR Link Officer if they believe there is a suitable redeployment opportunity. Where necessary, methods of access to vacancy information will be discussed. In addition, all vacancies prior to advertising will be monitored by Human Resources to identify potential opportunities for employees who are pursuing redeployment under the Redeployment Procedure. Where an opportunity is identified, the HR Link Officer will notify the relevant employee(s) who are pursuing redeployment and send details of the vacancy and instructions on how and when to apply.
- 2.8 It should be noted that nothing in this procedure prevents an employee from applying for another job with the Council, through the Council's usual recruitment and selection process.

3. Medical Redeployment

- 3.1 It is important that any concerns regarding the employee's ability to undertake the job role are explored with the employee, and if necessary, advice sought from the Occupational Health Advisor.
- 3.2 Reasonable adjustments should be considered for all employees when considering alternative employment under this policy. A statutory duty to make reasonable adjustments is required for all those employees who have a disability as defined by the Equality Act 2010.
- 3.3 There are various external agencies that an employee may be able to access to assist and support them to remain at work, such as Access to Work. These should be explored by all parties where relevant.

4. Redeployment Opportunity

- 4.1 If suitable alternative employment (as opposed to alternative employment) is identified during redeployment then an employee at risk of redundancy should be offered the post in line with the Managing Restructure and Redundancy Policy (HRPP-12). This follows a statutory 4-week trial period with the potential for the employee to forfeit their redundancy payment if they unreasonably refuse the offer. The assessment of suitable alternative employment will be made by Human Resources following discussion with the relevant department Chief Officer.
- 4.2 The appointing officer will consider, with a HR Advisor, if the employee's details in relation to how the employee meets the job requirements and whether the job would be an appropriate alternative. When considering appropriateness, the appointing officer will also identify whether any additional training or support could reasonably be offered, and/or any reasonable adjustments could be made to enable the employee to meet the requirements of the job within a reasonable timescale.
- 4.3 Where there is more than one eligible redeployee for a post then consideration will first be given to those at the same or one pay band higher, or one pay band below as the redeployment opportunity. The appointing officer will undertake a recruitment selection process to determine who is most suitable. A HR Advisor/Officer must form part of any selection panel.
- 4.4 The appointing officer will contact the employee and the HR Link Officer to inform them of the decision. If the employee is unsuccessful, the appointing officer should explain the reasons for the decision. A written record of the decision and reasons for this will also be kept by Human Resources.

5. Job Offer

- 5.1 The HR Link Officer will ensure that full details and implications of the terms and conditions of employment of the new post (including the terms and conditions, and duration of, any trial period) are provided to the employee in advance of any acceptance of the post and take up of duties. This will include details of decisions made in respect of pay, pay protection and any pension implications associated with the new post including signposting the employee to seek advice from the Pension Fund. All job offers and acceptances will be confirmed in writing.
- 5.2 Where an employee is offered a post on the basis that they have the realistic potential to fulfil the requirements of the job with further training and development, they will be required, as a condition of employment, to successfully achieve the necessary qualification and/or skills and/or experience within an agreed timescale.
- 5.3 The employee should agree a starting date with the appointing officer and the current line manager. Where appropriate, a meeting involving the employee,

their representative, the new line manager, the previous manager (if required) and the Redeployment Link Person will be arranged to discuss the transfer arrangements.

- 5.4 Where appropriate the employee can undertake a short trial in the new job of no longer than 4 weeks duration, with the agreement of all parties. If unsuccessful the employee can return to their substantive post, unless their notice period has expired in which case their employment will be terminated.
- 5.5 If suitable alternative employment is identified for an employee at risk of redundancy during redeployment then this post must be considered first for that individual in line with the Managing Restructure and Redundancy Policy (HRPP-?). In such circumstances a statutory 4-week trial period is offered with the potential for the employee to forfeit their redundancy payment if they unreasonably refuse the offer. The assessment of suitable alternative employment will be made by Human Resources following discussion with the relevant department Chief Officer.
- 5.6 If any concerns are raised it is recommended that the line manager/employee review progress and contact the HR Link Officer or HR Advisor for further advice.
- 5.7 Where appropriate the Council will consider work experience or training opportunities to help develop specific skills. These opportunities may be temporary placements only and there will be no guarantee that they will become a permanent redeployment opportunity. Examples include an opportunity to assist in; undertaking a review; the development of a new initiative; or to provide cover for maternity leave or sickness absence.
- 5.8 The pursuit of redeployment opportunities will normally continue until an alternative job is identified and accepted by the employee, or the date on which the employee's contract of employment is due to come to an end, whichever is earlier. Consideration will be given by the relevant Chief Officer to extend the redundancy notice period where there is a realistic opportunity for the employee to be redeployed.
- 5.9 If an employee does not engage with the redeployment process or refuses jobs without reasonable explanation, then the Council reserves the right to remove them from the redeployment register.
- 5.10 Chief Officers will be responsible for ensuring that all vacant posts in the relevant department/divisions that have not been marked for deletion or for restructure within 4 months are identified with Human Resources Services as temporary redeployment opportunities for at risk employees on the redeployment register.

6. Pay & Local Government Pension Scheme

- 6.1 All employees during the redeployment period will continue to be paid in accordance with their contract of employment.

- 6.2 Decisions about whether, or not, to protect an employee's salary following redeployment will be made in accordance with the Single Status Agreement pay protection provisions.
- 6.3 For those employees with pre-1st April 2014 pensionable service with the LGPS who have a final salary scheme pension entitlement, then from 1 April 2008, where the pay of an employee is reduced or restricted (taking any pay protection element into account), a member of HR, will determine whether it resulted from circumstances beyond the employees control and meets the Teesside Pension Fund criteria for Notification of Protection of Pension Benefits. The HR Advisor will be responsible for completing a Notification of Protection of Pension Benefit to Teesside Pension Fund.
- 6.4 Unless notified otherwise the new contract will trigger a preserve of the accrued benefits at the time the reduction takes place (deferred pension) and the accrual of a new set of benefits in respect of the new contract (start new pension).
- 6.5 The employee will need to decide whether they wish to aggregate their pensionable service which they must do within 12 months of the change and notify Teesside Pension Fund direct. It is advisable that employees seek advice from Teesside Pension Fund and/or an independent financial advisor prior to making such a decision. If the employee decides to aggregate their pension then Teesside Pension Fund will not invoke the protection of pension benefits as it will be obsolete.

7. Funding Arrangements

- 7.1 All redeployment costs arising from restructures which provide recurring budget savings will be funded from the corporate redundancy reserve, unless specified otherwise by the Director of Finance and Policy. In any case where corporate funding is not available, the Director of Finance and Policy and the relevant Director will discuss and agree appropriate funding arrangements.

8. Grievances

- 8.1 If an employee believes they have been unfairly treated at any stage in the redeployment process then they can consider a complaint under the Council's Grievance Policy.

9. Equality Impact Assessment

An Equality Impact Assessment has been undertaken in respect of this policy and no issues have been identified.

Documentation

HRPP-11 / F1	Employee Redeployment Form
HRPP- 12	Managing Restructures and Redundancy Policy and Procedure
HRPP- 1	Sickness Absence Management Policy and Procedure
HRPP- 5	Disciplinary Policy and Procedure
HRPP- 6	Capability Policy and Procedure
HRPP-9	Grievance Policy and Procedure

Redeployment Form

In line with the Council's Redeployment Policy and Procedure you are eligible to apply for redeployment opportunities at your current pay band or one pay band higher. You can apply for all other vacancies in accordance with the Council's normal recruitment process.

You are only required to complete this form once and it will be used for all redeployment opportunities that you express an interest in and are eligible to apply.

Your original Hartlepool Borough Council application form will be forwarded to the relevant recruiting manager for background information. If this is not available on your personal record you may be required to provide additional information.

Please return this form to HR@hartlepool.gov.uk by (date).

Job(s) Expression of Interest

This section only needs to be completed where one or more expression of interest is being made. In all other circumstances please leave this section blank.

Job Title	Post Reference Number	Order of Preference (1 = preferred choice)

Personal Details

Surname	Forename(s)
Home Address	
Home Telephone No. Work Telephone No. Mobile No. Email Address Work Email Address Home	
National Insurance Number	Payroll No

Current Employment Details

Current Job Title	Current Band
Department	Current Salary/wage Is protection currently applied to your salary?
Date Commenced	Other pay, e.g. flexi allowance, contractual overtime:
Do you work Term Time only	Contracted Hours/Days/Shifts

Main Duties and Responsibilities of current post

This section enables you to highlight your current employment details with the Council or you can attached a current job description.

Hartlepool Borough Council Previous Employment Details

This information is required if you have held more than one post in the Council which will not be identified on your original employment application form. Please list most recent first.

Job Title	Summary of Role	Date From	Date To

Qualifications obtained/ongoing since joining the Council (please add lines as required)

School/College/University	Qualifications & Grade achieved	Date obtained

Training/Professional Development since joining the Council

(This information can be obtained via your departmental workforce development representative upon request)

--

SECTION B

Where you are expressing an interest in more than one job you may want to complete additional Section B's to adapt information to each job.

Skills, abilities and other relevant experience

Other relevant matters

Do you have any arrangements in your current role that would need consideration?

For example, flexible working arrangements, current learning and development commitments, reasonable adjustments.

Yes / No **please delete*

If yes, please detail and this will be explored with you at any future interview.

Additional Information in support of your application:

I certify that the above information is true and accurate.

Signed _____ Dated _____

FINANCE AND POLICY COMMITTEE

9th March 2020



Report of: Director of Regeneration and Neighbourhoods

Subject: DISPOSAL OF LAND AT TANFIELD ROAD

1 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i) or (ii)) Forward Plan Reference No. RN32/18.

2 PURPOSE OF REPORT

2.1 To seek approval to the disposal of land at Tanfield Road.

2.2 This report has been brought forward in advance of the Forward Plan as time is of the essence in making the decision due to the circumstances of the matter.

3 BACKGROUND

3.1 The site marked A the plan attached as **APPENDIX 2**, which amounts to 1.23 acres, comprises of a former retail garden centre and part of the car park operated by the Borough Council. The garden centre closed in 2018 and is presently being used as welfare facilities for the nearby Stranton Cemetery grave diggers. The adjoining site B on the plan, which amounts to 0.99 acres, comprises of the cemetery lodge which is used as offices for Cemeteries and Crematoria Team, former café, storage buildings, yard area and car park.

3.2 The sites are within a popular residential area and clearly have the potential for residential redevelopment. The development of the site in its entirety is however not without its challenges as it requires the conversion or demolition of the lodge, a locally listed building, and, the costs of relocating Council staff based there.

3.3 Due to these challenges, it was decided to invite tenders for either site A or Site A and B. This was to give the Council the option of deciding whether to dispose of the whole site, effectively dependent on the increment for site B

needing to be greater than the cost of relocation/re-provision of staff services elsewhere.

- 3.4 The Council however is still not in a position to formalise costs for the above-mentioned relocation as this is part of the wider plans for Stranton Cemetery and Crematorium. Bids for sites A and B together cannot therefore presently be considered.
- 3.5 Due to a need for bungalow accommodation in the area as identified in the Councils Housing Strategy, it was decided to advertise the site for sale as a bungalow development.
- 3.6 Following an extensive marketing period various informal tender offers were received and are evaluated in **CONFIDENTIAL APPENDIX 3 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).**
- 3.7 As is normal for disposals of this nature, the successful purchaser will carry out site investigations before exchange of contracts. If the results of those inspections necessitate abnormal costs of development which could not have been foreseen then there may be a re-negotiation of their offer.

4 PROPOSALS

- 4.1 To sell the site in line with the terms of sale as set out in in **CONFIDENTIAL APPENDIX 3 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).**

5 FINANCIAL CONSIDERATIONS

- 5.1 The Council previously set a capital receipts target to provide funding to offset the removal of Housing Market Renewal funding in 2011 by the Government. Owing to challenging economic and housing market conditions over the last four years these capital receipts have taken longer to achieve than initially anticipated. The remaining target is £2.411m. The sale of the land will result in a substantial capital receipt which will contribute to the capital receipts target.

- 5.2 Two options for the delivery of the site are set out in **CONFIDENTIAL APPENDIX 3 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.** It has been demonstrated that although the Council could undertake a similar development it would carry a higher level of financial risk than potential developments on other Council owned sites, where the land cost would be significantly lower. It is therefore recommended that in this instance the Council pursues a mixed economy of affordable housing and sell the land.

6 LEGAL CONSIDERATIONS

- 6.1 The Chief Solicitor will be instructed to act for the Council in the sale.

7 ASSET MANAGEMENT CONSIDERATIONS

- 7.1 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.

8 OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Consultation	No relevant issues
Equality and Diversity Considerations	No relevant issues
Child and Family Poverty	No relevant issues – See Appendix 1
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues

9 RECOMMENDATIONS

- 9.1 Committee is recommended to approve Option 1, the sale in line with the terms of sale as set out in **CONFIDENTIAL APPENDIX 3 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.**

- 9.2 It is recommended that Committee delegate authority to the Director of Regeneration and Neighbourhoods in consultation with the Chief Solicitor and Chair of Finance and Policy Committee to agree detailed terms of the contract.

10 REASONS FOR RECOMMENDATIONS

- 10.1 The site has been included in the Council's Capital Receipts programme and the completion of the sale will result in a significant capital receipt as well as additional Council Tax.
- 10.2 Having fully marketed the site, the Council is in an informed position to compare the bids received with the potential scenario of the Council carrying out a similar development through its HRA. Such Council HRA development does not however compare favourably with the recommended bid.
- 10.3 The proposed development will provide an increase in bungalow provision in the area. There is a good level of demand in the area and Borough-wide for this kind of development and therefore this development will meet some of this demand.

11 BACKGROUND PAPERS

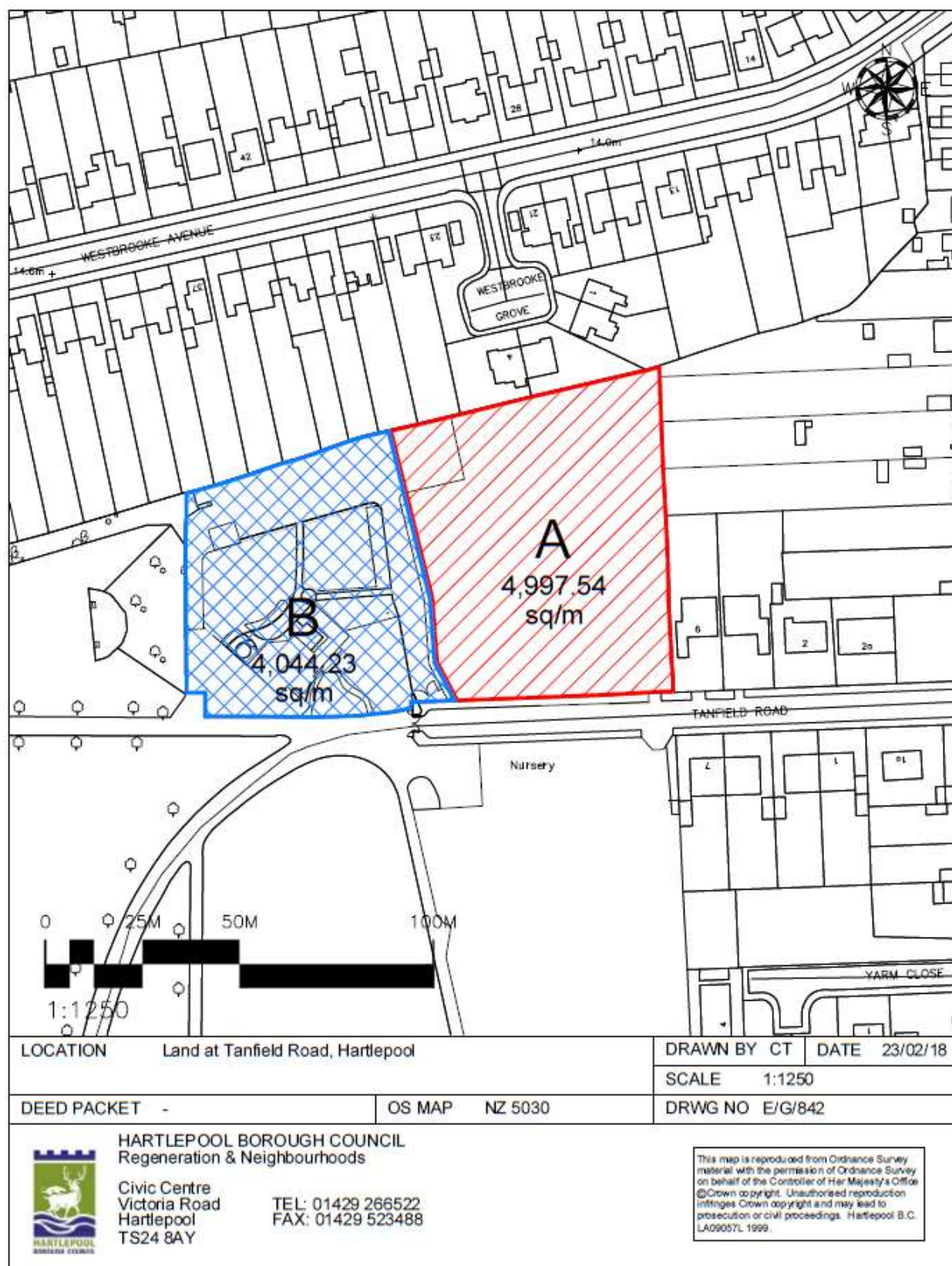
- 11.1 There are no Background Papers in this instance.

12 CONTACT OFFICERS

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1. Is this decision a Budget & Policy Framework or Key Decision? YES				
If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? NO				
If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21				
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

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



FINANCE AND POLICY COMMITTEE

9th March 2020



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

**Subject: HOUSING REVENUE ACCOUNT AND
STUDENT ACCOMMODATION**

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 purposes of the report are to provide additional information as requested at Council on 20th February 2020 in relation to:

- Potential rent levels and the impact on the level of Housing Revenue Account (HRA) capital investment;
- Future potential section 106 contributions and the impact on future HRA capital investment;
- The provision of bungalows for families within the HRA;
- Student accommodation options; and
- To determine proposals to be referred to Council for consideration and approval.

3. BACKGROUND

3.1 A comprehensive report on the HRA was considered by Finance and Policy Committee on 10th February 2010 and is attached at **Appendix A**. Details of HRA capital investment outlined in Appendix A were then considered by Council on 20th February 2020. These proposals were not approved and Council resolved to refer the issues identified in paragraph 2.1 back to this Committee.

- 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 The Council has been extremely successful in securing external grant and section 106 contributions 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%
Per Unit:		
Grant	34	
S106	8	
Borrowing	33	
RCCO	2	
Total Capital Investment	77	

4. **POTENTIAL RENT LEVELS AND THE IMPACT ON THE LEVEL OF HRA CAPITAL INVESTMENT**

- 4.1 The previous report advised Members, that despite the prudent approach taken to investment appraisal, the HRA has faced some major financial challenges and was expected to carry a deficit for the eight year period to March 2024, funded from the HRA reserve. The three main reasons for the forecast deficits were:
- The introduction of the 1% rent cut over four years (2015/16 to 2019/20). 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.
 - Higher than forecast voids, which reflected the Council's decision to buy properties in areas with low demand to help support the housing market and local communities. These issues have been successfully addressed, although they will require careful ongoing management.
- 4.2 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 into the HRA budget.
- 4.3 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.
- 4.4 Central Government has responded to concerns from social housing providers that the national rent policy operating for 2015/16 to 2019/20 had adversely impacted 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%.
- 4.5 The revised national rent policy means that rental income will be able to keep pace with inflationary expenditure pressures and provide some

capacity for new borrowing. Without this change in policy social housing would continue to face ongoing financial pressure and would have significantly less financial flexibility to support additional capital investment.

- 4.6 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.
- 4.7 The previous report had 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 2020/21 weekly rent increases of:
- £2.22 for a 2 bedroom property;
 - £2.45 for a 3 bedroom property.
- 4.8 The housing investment programme detailed in Appendix A was based on proposed annual rent increases of 2.7%. This would provide capacity for additional Prudential Borrowing to match fund external grant funding and this would provide 18 additional properties in 2020/21 and 164 by 2024/25. This level on investment is based on the following forecast funding:

Forecast resources (164 Units)	£000	% of Total
Grant	6,425	34%
S106	1,535	8%
Total External Funding	7,960	42%
Borrowing	11,208	58%
Total Capital investment	19,168	100%
<u>Per Unit:</u>		
Grant	39	
S106	9	
Borrowing	68	
Total Capital Investment (including land and infrastructure costs)	116	

4.9 **Alternative Rent Increases for 2020/21**

- 4.10 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

4.11 The proposed capital investment programme, covering 2020/21 to 2024/24, 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;

4.12 Provision of bungalows for families and other priorities groups (excluding older people)

4.13 The existing HRA has delivered 27 bungalows – which is 9% of the total number of properties. These bungalows mostly meet the need of older people. The Strategic Housing Market Assessment (SHMA) undertaken in 2016 identifies that 12% of the overall housing stock in the borough is bungalows; and that is already a healthy proportion. The table below (page 83 in the SHMA) identifies what the affordable housing need is in the Borough, and any housing delivered by the HRA will be by definition an affordable house:

Table 5.18 Net annual affordable housing imbalance by ward, property size and designation 2014/15 to 2018/19				
Ward	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Burn Valley	48	12	8	67
De Bruce	-35	-12	8	-38
Fens and Rossmere	20	7	8	35
Foggy Furze	17	0	5	23
Hart	5	32	-6	31
Headland and Harbour	-30	-13	5	-38
Jesmond	66	-9	1	58
Manor House	-77	-5	5	-77
Rural West	1	-1	27	27
Seaton	-2	31	3	32
Victoria	21	2	2	25
Total	34	44	66	144

4.14 The table refers to the older person, which includes the bungalow house type. The above table demonstrates that there is a need for affordable bungalows in Rural West, but no need Hart, with a varying need across all other wards. As the SHMA states in the table above the greatest affordable housing need is not for bungalows; it's for 1-3 bedroom general needs housing.

- 4.15 For general needs housing the cost of bungalows is typically 15% higher than of the cost of a house and this additional cost reflects the lower density of bungalows per site owing to the higher foot print for bungalows compared to houses. The cost of building new adapted bungalows for special needs is 50% higher than general needs housing.
- 4.16 The financial modelling to deliver 164 units includes provision for 50 empty homes, 40 new build from developers and 74 on Council owned land, therefore the only influence we have is on the 74. The council sites are classed as marginal in terms of economic viability and if we restrict them to be bungalows only sites, it is unlikely they will be viable in terms of the cost envelope. It is therefore proposed that each site is considered on its own merit and if bungalows are deemed to be economically viable then we should seek to develop those sites for bungalows only or for the provision of an agreed number, which is what has happened for the Tanfield Road site, the sale of land of which will be considered at this meeting. Members should be mindful of the recent planning approval obtained for 89 bungalows at the Brierton site, therefore if the sale of land at Tanfield is approved, the town will benefit from an additional 106 bungalows over the course of the next few years.
- 4.17 If Members wished for a prescribed proportion of properties to be bungalows this would reduce the total number of properties which could be delivered. As the investment plans detailed in this report cover a 5 year period, with 18 units planned for 2020/21, it is recommended that this issue is given further consideration as part of the planned developments for 2021/22 onwards.

5. FUTURE POTENTIAL SECTION 106 CONTRIBUTIONS AND IMPACT ON FUTURE HRA CAPITAL INVESTMENT

- 5.1 The investment detailed in the previous paragraph could be increased if additional section 106 contributions are received from future new private sector housing developments. This funding would enable additional properties to be added to the 164 forecast properties.
- 5.2 If rents are frozen for 2020/21 and the following 4 financial years the HRA would not be able to support Prudential Borrowing totalling £11.208m, which is required to enable the Council to secure Home England grant of £6.425m. A cash freeze would result in a £5.420m reduction to borrowing capacity. This amount that would need to be replaced by additional section 106 contributions to secure the Homes England grant funding and there achieved the overall funding need to achieve the 164 units planned with annual rent increases. Depending on the value and timing of additional potential section 106 contributions the Council may not be able to deliver 164 units, or achievement of this target will take significantly longer than five years to achieve.

5.3 The following table summarises potential alternative options for securing additional HRA capital investment as follows:

- **Option 1** - Existing HRA plan based on 2.7% annual rent increase.

This is a realistic base line and the additional rent income will maximise the opportunity to secure Home England grant and therefore enable the Council to deliver 164 units.

- **Option 2** - Worst case – impact of five year rent freeze and no additional section 106 contributions

This option shows the reduction in investment and would mean that only 74 units could be delivered, compared to 164 units under option 1.

- **Option 3** - Replacement case – five year rent freeze and replacement section 106 contributions achieved.

This options shows the level of additional section 106 contributions which would need to be achieved to replace the reduced borrowing capacity. The additional section 106 contribution of £5.420m is in addition to the forecast section 106 contributions already built into all three options of £1.5m.

The additional level of section 106 contribution is extremely unlikely to be achieved within the next five years as it would require a significant increase in private sector house building. As reported in the Medium Term Financial Strategy report Hartlepool's Council Tax base increased by 13.6% between 2014/15 and 2020/21, compared to a Teesside average of 11.7% - which highlights the challenges of increasing private sector development further, as Hartlepool has consistently exceeded the Teesside average.

	Option 1	Option 2	Option 3
	Existing HRA plan based on 2.7% annual rent increase	Worst case – impact of five year rent freeze and no additional section 106 contributions	Replacement case – five year rent freeze and replacement section 106 contributions achieved
Prudential borrowing supported from rent increase	£11.208m	£5.788m	£5.788m
Additional section 106 contributions required to offset lost borrowing capacity	n/a	Nil	£5.420m
Forecast Homes England grant	£6.425m	£3.095ml	£6.425m
Number of additional properties	164	74	164

6. STUDENT ACCOMMODATION

- 6.1 The potential need for Student Accommodation relates to students attending the Northern School of Art. Current demand is met from a combination of provision by private sector rental, halls of residence managed by Thirteen Group (Crown House and Titan House locations) and the Council (Avondene).
- 6.2 The Council developed Avondene to provide 12 units of student accommodation. This development was undertaken to support the redevelopment of Church Street and to help improve the student accommodation offer. This development put the Council in a unique position in the North East as when developing our business case it was determined that no other North East councils directly provide student accommodation despite some councils (Durham, Newcastle, Sunderland and Middlesbrough) having major universities.
- 6.3 The Council has received a planning application for student accommodation in Church Street, and has also received interest for another potential development in the same area. These proposals will be funded by the private sector and are likely to increase available capacity over the next 18 to 24 months. If completed these developments will help enhance the sustainability of Church Street.
- 6.4 Student Accommodation is not part of the HRA and is managed as a General Fund Trading Account whereby the financial objective is to break-even. The financial risks, or potential benefits of developing student accommodation, belong to the General Fund budget. Therefore, there is no benefit to the HRA of developing student accommodation.
- 6.5 The main reasons why Student Accommodation is managed in this way are;
- The HRA uses a 'secure' tenancy which has to be consistent with the council's allocation scheme and tenancy strategy;
 - Student tenancy is more temporary and does not include RTB rights;
 - Student Rent includes a premium for extras such as furniture, wifi, white goods etc. to ensure the overall 'offer' is competitive with other providers. Therefore student rents are not set in accordance with social/affordable rent policies of the Council.
- 6.6 In terms of future potential expansion of student accommodation this will only be viable if there is an increase in the number of students attending the Northern School of Art. At this stage there is no evidence of a shortfall in student accommodation. This position may change in the future if the North School of Art significantly increases student numbers. To manage this position it is recommended that a strategic alliance is established with the college to monitor the situation

and include student accommodation as part of our town centre master planning within the context of the Town Deal.

- 6.7 In the event that there is a future increase in demand for student accommodation there are a range of potential options to address an increase need:

- **Potential development by the Private Sector without Council support**

The provision of Student Accommodation by the private sector is well established in the major university towns / cities and does not involve the local council, as development are either solely undertaken by the private sector or in partnership with the relevant university/college.

- **Potential development by the Private Sector with Council support**

A local developer has contacted the Council regarding the potential development of student accommodation. Their proposals would require the Council to enter into a head lease, which would guarantee their income and enable them to secure finance for the project. The Council cannot enter a multi-year head lease without a detailed business case which option appraises this against a council-financed option. In the event that the private sector option provided the more viable solution a full procurement process would be needed.

- **Potential development by the Council**

This option would involve the Council developing and operating additional student accommodation and would require a robust and deliverable business case.

- 6.8 In summary the potential development of student accommodation would not be part of the HRA as this would be a General Fund budget issue. Therefore any potential future financial surplus arising from the development of student accommodation could not be used to support the HRA.

- 6.9 There currently isn't a shortfall in accommodation and it is therefore recommended that a strategic planning alliance is established between the colleges to monitor the situation and we include student accommodation as part of our town centre master planning within the context of the Town Deal. If there is a future demand for additional student accommodation a full option appraisal will need to be completed.

7. RISK IMPLICATIONS

7.1 As details in the previous report 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 have 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.

7.2 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.

7.3 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.

8. LEGAL CONSIDERATIONS

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

9. 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 included in APPENDIX A.
Equality and Diversity Considerations	A copy of the equality and diversity impact form is included in APPENDIX A.

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

- 10.1 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.

11. ASSET MANAGEMENT CONSIDERATIONS

- 11.1 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.
- 11.2 In implementing the proposed HRA Business Plan it is anticipated that the HRA housing stock will increase the overall stock to 490 affordable houses.

12. CONCLUSIONS

- 12.1 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.
- 12.2 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 changes, economic downturn, voids and Right to Buy activity.

- 12.3 In response to concerns from the social housing sector Central Government has revised their rent policy for the next five years. This will enable rents to increase by CPI plus 1%, which enable social houses providers to cover inflationary expenditure pressures and support investment in new social homes.
- 12.4 The Government will also increase housing benefit and universal credit payments to reflect higher rent levels. This will apply to nearly two thirds of Hartlepool tenants, although remaining tenants will have to pay these increases from their own income.
- 12.5 As detailed in the report the level of rent increase for 2020/21 and future years (which will be subject to annual approval by Members) will determine the level of capital investment which can be support from Prudential Borrowing. This is a key issue for the HRA as the level of borrowing will determine the match funding grants that can be secured from Homes England.
- 12.6 The report shows that if rents are increased by 2.7% for five years the HRA will be able to deliver 164 additional properties – which is a 55% increase in the number of HRA properties. This investment will be based on the following funding being secured:

	£'m
Prudential Borrowing	11.208
Grant ##	6.425
Section 106 contributions	1.535
Total Forecast capital investment	19.168

The grant forecast is based on an average per property grant of £39,000, which equates to 34% of the capital cost. The existing HRA development were based on an average grant of £34,000, a grant rate of 44%.

- 12.7 If the Council can increase the level of section 106 contributions over the next five years the Council will be able to use these resources to either match fund additional Homes England grant bids, or additional Prudential borrowing. These properties would be in addition to the 164 forecast with the planned annual rent increases.
- 12.8 Lower rent increases over the next five years would reduce capacity to increase the properties added to the HRA. For example:
- 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;

12.9 The recommendations in this report specifically cover the 2002/21 rent increase, the resulting forecast level of capital expenditure and number of properties which can be delivered next year. Decisions in future years will determine the scale of ongoing capital investment.

13. RECOMMENDATIONS

13.1 It is recommended that Members determine the recommendations to be referred to Council in relation to the following issues:

- i) Determine which of the following rent levels is applied for 2020/21 and note the resulting capital investment and additional properties which can be delivered for each option:

Rent Option	Prudential borrowing	Forecast Homes England grant	Number of properties
Rent freeze	£nil	£nil	nil
1.7% increase	£682,000	£420,000	11
2.7% increase	£1,084,000	£666,000	18

- ii) Note that implementation of any proposed 2020/21 rent increase will be effective from 1st May 2020 as a months' notice will need to be provided after Council makes a final decision on 19th March 2020;
- iii) Note that if additional section 106 contributions are achieved and rents are increased by 2.7% per year this will maximise the increase in the number of properties added to the HRA;
- iv) Note that if additional section 106 contributions are achieved this may offset the number of properties foregone from having lower rent increases than 2.7%, although the total number of houses would be less than could be achieved under recommendation (iii);
- v) Note that approval of a 2.7% recent increase for 2020/21 will deliver 18 properties and the viability of bungalows for families within this figure will be assessed as the detailed developments are progress. To also note that the potential to increase bungalow provision for families in future years will depend on future rent increases and this issues will be considered on a site by site basis to determine financial viability.
- vi) Note that Student Accommodation operates outside the HRA as a General Funding self-funded trading account;
- vii) Note there currently isn't a shortfall in student accommodation and it is recommended, therefore, that a strategic planning

alliance is established between the colleges to monitor the situation and we include student accommodation as part of our town centre master planning within the context of the Town Deal. If there is a future demand for additional student accommodation a full option appraisal will need to be completed.

14. REASONS FOR RECOMMENDATIONS

- 14.1 To enable the detailed recommendations to be referred to full Council to be determined.

15. BACKGROUND PAPERS

- 15.1 HRA Business and Asset management Plan, Finance and Policy Committee, February 2019.

16. CONTACT OFFICERS

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Sign Off:-

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

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%
Per Unit:		
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	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'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 and Policy Committee only

POVERTY IMPACT ASSESSMENT

6.5 APPENDIX 1

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.			

6.5 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

6.5 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

9 March 2020



Report of: Director of Finance and Policy

Subject: CORPORATE PROCUREMENT QUARTERLY
REPORT ON CONTRACTS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information only.

2. PURPOSE OF REPORT

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

3. BACKGROUND

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

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

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

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

4. INFORMATION FOR REVIEW

4.1 Tender information

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

4.2 Exemption information

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

4.3 Commercial / Confidential information

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

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

5. RISK IMPLICATIONS

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

6. FINANCIAL CONSIDERATIONS

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

7. LEGAL CONSIDERATIONS

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

8. CONSULTATION

- 8.1 No consultation required. Report for information only.

9. CHILD AND FAMILY POVERTY

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

10. EQUALITY AND DIVERSITY CONSIDERATIONS

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

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

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

12. STAFF CONSIDERATIONS

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

13. ASSET MANAGEMENT CONSIDERATIONS

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

14. RECOMMENDATIONS

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

15. REASONS FOR RECOMMENDATIONS

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

16. BACKGROUND PAPERS

- 16.1 There are no background papers.

17. CONTACT OFFICER

- 17.1 Chris Little
Director of Finance and Policy
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Hartlepool
TS24 8AY
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"/>

Tender Information

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable	Outcome of contract letting procedures	Previous Provider / Location
22 11 19	Catcote Academy Outdoor Learning & Fitness Zone DN441663	5 companies invited to price for the provision of a fitness zone, play equipment and forest school planting	12 weeks	R&N	Brambledown Landscape Services Ltd, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes. Hartlepool Deerness Fencing & Landscaping Ltd, Bowburn, Durham Trevor Atkinson & Co Ltd, Barnard Castle	Brambledown Landscape Services Ltd, Brandon, Durham Dawson Landscapes. Hartlepool Deerness Fencing & Landscaping Ltd, Bowburn, Durham	100% Price and passing Selection Questionnaire	Dawson Landscapes. Hartlepool	N/A
10 12 19	Marine Crescent - Play Area Refurbishment DN445239	4 companies invited to price for site clearance, retaining selected equipment, installation of new fencing, tarmac wearing course , new play equipment and new Nottsport safety surface	16 weeks	R & N	Brambledown Landscape Services Ltd, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes. Hartlepool	Brambledown Landscape Services Ltd, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes. Hartlepool	100% Price and passing Selection Questionnaire	Deerness Fencing & Landscaping Ltd, Bowburn, Durham	N/A

					Deerness Fencing & Landscaping Ltd, Bowburn, Durham	Deerness Fencing & Landscaping Ltd, Bowburn, Durham			
10 12 19	Summerhill Paths – Term Contract DN438688	4 companies invited to appoint a preferred Contractor and a reserve list to repair the footpaths and associated work at Summerhill Country Park DN438688	4 years	R&N	Brambledown Landscape Services Ltd, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes, Hartlepool Seymour Civil Engineering Contractors Ltd, Hartlepool	Brambledown Landscape Services Ltd, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes, Hartlepool Seymour Civil Engineering Contractors Ltd, Hartlepool	60% Quality 40% Price & Passing Selection Questionnaire	Seymour Civil Engineering Contractors Ltd, Hartlepool	N/A
13 12 19	Vehicle Under Chassis Wash Pit DN449652	3 companies invited to price for the supply & install a 15metre galvanised under chassis wash pit at Council's Toft's Farm depot.	To be operational by 31 3 20	R&N	ACP Services, Staffordshire Calibration & Consultancy Services, Lancashire Premier Pits Ltd, (MBE Fabrications) Lincolnshire	ACP Services, Staffordshire Premier Pits Ltd, (MBE Fabrications) Lincolnshire	100% Price & Passing Selection Questionnaire	Premier Pits Ltd, (MBE Fabrications) Lincolnshire	N/A
27 1 20	The Provision of Financial Services DN451734	Open Invitation. The aim of the service is to provide free, confidential, independent, impartial, high quality advice	5 Years	C&A	Open Invitation.	West View Advice and Resource Centre, Hartlepool	20% Price 80% Quality	West View Advice and Resource Centre, Hartlepool	West View Advice and Resource Centre, Hartlepool

12 2 20	Ward Jackson Park & Burn Valley Play Areas DN459310	4 companies invited to price for the refurbishment of the existing play areas, including new equipment and surfacing	6 weeks	R&N	Brambledown Landscapes, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes Ltd, Hartlepool Deerness Fencing & Landscaping Ltd, Bowburn, Durham	Brambledown Landscapes, Brandon, Durham Cleveland Land Services, Guisborough Dawson Landscapes Ltd, Hartlepool Deerness Fencing & Landscaping Ltd, Bowburn, Durham	100% Price & Passing Selection Questionnaire	Dawson Landscapes Ltd, Hartlepool	N/A
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Procurements Exempted from Council Contract Procedure Rules

Exemption Information

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
R&N	Building Design and Construction	Stone Technical Services Ltd	Darlington	13.01.2020 - 31.03.2020	Additional works to previously tendered contract to provide repair works to Victory Square Cenotaph.	Request approved by Tony Hanson & Hayley Martin, Denise McGuckin and Chris Little on 19.12.2019
R&N	Cultural and Information Services Department	<u>Payzone</u>	Stockport	15/12/2019 - Ongoing	Contactless payment terminals in the Borough Hall and Town Hall Theatre	Request Approved by Andrew Carter, Hayley Martin, Chris Little and Denise McGuckin on 18.12.2019
C&A	Children's and Joint Commissioning	Cornerstone Supported Housing & Counselling	Crook, Co Durham	19/12/2019 – 31/03/2020	Assistance for Homeless people sleeping rough in Hartlepool	Request approved by Danielle Swainston, Hayley Martin, Chris Little and Sally Robinson on 18.12.2019
R&N	Cultural & Information Services	Gamer Ltd	London	One off Procurement	Digital Interpretation at the Hartlepool Museum	Request approved by Andrew Carter, Chris Little, Hayley Martin and Denise McGuckin on 20.12.2019
R&N	Community Safety & Engagement	<u>Flowbird</u>	Pool, Dorset	One off Procurement	Extension of Sea View Car Park - 3 Car Parking Machines	Request approved by Tony Hanson, Hayley Martin, Chris Little and Denise McGuckin on 02.01.2020
R&N	Building Design and Construction	<u>Dawson Landscapes</u>	Hartlepool	20.01.2020 - 28.02.2020	Landscape works at Rift House Primary School	Request approved by Tony Hanson, Hayley Martin, Chris Little and Denise McGuckin on 09.01.2020
R&N	Building Design and Construction	<u>Graitec Autodesk</u>	Totton, Southampton	05/02/2019 - 04/02/2020	Autocad Subscription for HBC	Request approved by Tony Hanson, Hayley Martin, Chris Little and Denise McGuckin on 20.01.2020
C&A	Children's and Commissioning Services	<u>Evidence Based Education</u>	Sunderland	10.02.2020 - 10.02.2021	Bespoke training packages to teachers and school leaders specialising in assessment	Request Approved by Amanda Whitehead, Hayley Martin, Chris Little and Sally Robinson on 21.01.2020

7.1 APPENDIX B

PHD	Preventative & Community Based Services	<u>North Yorkshire County Council</u>	Northallerton	01/04/2020 - 31/03/2024	Catering Services at Carlton Outdoor for a 4 year period	Request approved by Gemma Ptak, Chris Little, Hayley Martin and Jill Harrison on 04.02.2020
C&A	Children's and Joint Commissioning	<u>Buddi</u>	London	10/02/2020 - 26/02/2021	The provision of personal emergency response services.	Request approved by Danielle Swainston, Chris Little, Hayley Martin and Sally Robinson Harrison on 12.02.2020
C&A	Children's and Joint Commissioning	<u>Just Checking Ltd</u>	Lapworth, Warwickshire	01/05/2020 - 30/04/2021	The provision of equipment and activity monitoring services	Request approved by Danielle Swainston, Chris Little, Hayley Martin and Sally Robinson Harrison on 12.02.2020
PHD	COMM SVCS - RECREATION	<u>Max Associates</u>	Isleworth	Feb 2020 - June 2020	Provision of Consultation Services to underpin a £2-3m capital funding bid to Sport England, associated with the replacement of Mill House Leisure Centre.	Request Approved by Jill Harrison, Hayley Martin and Chris Little on 17.02.2020
R&N	Building Design and Construction	<u>Extol Academy Trust</u>	Hartlepool	March 2020 - July 2020	Secondment of a Principal Architectural Technician	Request approved by Tony Hanson, Denise McGuckin, Hayley Martin and Chris Little on 13.02.2020
R&N	Building Design and Construction	<u>Seymour Civil Engineering Ltd</u>	Hartlepool	19.02.2020 - 26.02.2020.	Emergency Repair works on the Dome of the National Museum of the Royal Navy Buildings	Approved by Chris Little, Denise McGuckin and Hayley Martin on 17.02.2020

Extension Information

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
PHD	Preventative & Community Based Services	<u>North Yorkshire County Council</u>	Northallerton	01/04/2020	Cleaning Services at Carlton Outdoor for a 1 year period	Approved by Gemma Ptak, Chris Little, Hayley Martin and Jill Harrison on 30.01.2020