



Civic Centre
HARTLEPOOL

18 JANUARY, 2021

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

Madam or Sir,

You are hereby summoned to attend the COUNCIL meeting to be held on THURSDAY, 28 JANUARY 2021 at 6.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

PLEASE NOTE: this will be a 'remote meeting', a public link to which will be available on the Hartlepool Borough Council website at least 24hrs before the meeting.

Yours faithfully

D McGuckin
Managing Director

Enc

COUNCIL AGENDA



Thursday 28 January 2021

at 6.00 pm

PLEASE NOTE: this will be a 'remote meeting', a public link to which will be available on the Hartlepool Borough Council website at least 24 hours before the meeting.

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To approve the minutes of the last meeting of the Council held on 17 December 2020 as the correct record;
- (5) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (6) To deal with any business required by statute to be done;
- (7) To receive any announcements from the Chair, or the Head of Paid Service;
- (8) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
- (9) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
- (10) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items

(11) To consider reports from the Policy Committees:

(a) proposals in relation to the Council's approved budget and policy framework;

1. Medium Term Financial Strategy (MTFS) 2021/22 and 2022/23 – Report of Finance and Policy Committee

(b) proposals for departures from the approved budget and policy framework;

1. Funding Agreement - Brownfield Housing Fund Lynn and Whitby Street – Report of Finance and Policy Committee

(12) To consider motions in the order in which notice has been received;

1. "Aim: To maintain the income of low and middle income families. This council notes:

- Next April the Government plan to cut the benefit level for millions of claimants by ending of the time limited increase to the basic rate of Universal Credit (and the tax credit equivalent) announced by the Chancellor on 20th March as part of his pandemic response package.
- The £20 a week boost reflected the reality that the level of benefits were not adequate to protect the swiftly increasing number of households relying on them as the crisis hit. Exactly because that increase was a very significant and welcome move to bolster low- and middle-income families living standards, its removal will be a huge loss.
- Pressing ahead would see the level of unemployment support fall to its lowest real-terms level since 1990-91, and it's lowest ever relative to average earnings. Indeed, the basic level of out-of-work support prior to the March boost was – at £73 a week (£3,800 a year) – less than half the absolute poverty line.
- The increase in benefits have had a positive effect on the lives of thousands of local claimants who are better able to pay for life's essentials such as food, clothing and utilities.
- The local economy has also benefited from the increase in benefit levels as claimants spend their money locally thereby supporting local businesses and jobs.

This council resolves to:

- Write to the Chancellor, Rushi Sunak and to the Prime Minister, Boris Johnson demanding that the £20 increase to Universal Credit is made permanent and extended to claimants on legacy benefits.



- Work with other local government organisations to form a coalition to pressure the government to make the £20 increase to Universal Credit permanent.”

Signed: Councillors Prince, Harrison, Howson, Thomas, C Richardson and Hamilton.

2. “Anti-Social Behaviour through noise nuisances cause stress and anxiety for many of our residents right across the town.

As technology moves on and new products become available to the market we believe that this council should consider the potential use of apps for residents to log noise complaints so that it makes the process as easy as possible for them and for our officers who are investigating complaints.

We therefore request that the Neighbourhood Services Committee consider a number of new options to assist in this process and look to trial one of them for a period of at least one year before evaluating the impact.”

Signed: Councillors Tony Richardson, Moore, Cartwright, C Akers-Belcher, Cassidy and Little.

- (13) To receive the Managing Director’s report and to pass such resolutions thereon as may be deemed necessary;
- (14) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 9;
- (15) To answer questions of Members of the Council under Rule 10;
 - a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 10.1
 - b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 10.2
 - c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority
 - d) Minutes of the meetings held by the Cleveland Fire Authority and the Police and Crime Panel



COUNCIL

MINUTES OF PROCEEDINGS

17 December 2020

The meeting commenced at 6.00 pm and was an online remote meeting in compliance with the Council Procedure Rules Relating to the holding of Remote Meetings and the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

The Ceremonial Mayor (Councillor Loynes) presiding:

COUNCILLORS:

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

Officers: Denise McGuckin, Managing Director
 Tony Hanson, Director Neighbourhood & Regulatory Services
 Chris Little, Director of Resources and Development
 Hayley Martin, Chief Solicitor
 Sally Robinson, Director, Children's and Joint Commissioning Services
 Amanda Whitaker, Democratic Services Team.

Prior to the commencement of the meeting, the Ceremonial Mayor referred in terms of regret to the recent death of former Councillor, Elizabeth Young. Elected Members observed a minute silence as a mark of respect.

69. APOLOGIES FOR ABSENT MEMBERS

None

70. DECLARATIONS OF INTEREST FROM MEMBERS

None

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

None

72. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 20 October 2020, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

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

With reference to minute 66, the Managing Director responded to clarification sought from an Elected Member and advised that the appointment to the Tees Valley Clinical Commissioning Group Primary Care Commissioning Committee was included in her Business Report to be considered later in the meeting.

74. BUSINESS REQUIRED BY STATUTE

None

75. ANNOUNCEMENTS

None

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

None

77. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

1. Licensing Act - Licensing Policy – Report of Licensing Committee

The Chair of the Licensing Committee presented the report which provided Elected Members with an opportunity to consider the adoption of a revised Licensing Policy as required by the Licensing Act 2003.

Elected Members were advised that the Licensing Act 2003 required Local Authorities to publish a Licensing Policy every five years and as Hartlepool's last policy was published in 2016, a new one was required. The Chairman of the Licensing Committee referred to the significant detrimental impact that COVID-19 had had on the licensed trade in the town and recognised that the thoughts of all Elected Members would be with them during these unprecedented times.

The proposed Licensing Policy, which had been considered and agreed by the Licensing Committee, was similar to those of previous years with the exception that it no longer contained a Cumulative Impact Policy known as a 'Special Policy'. The Council retained its powers to consider every new application when it is made and to refuse or revoke a licence when it was considered necessary. The removal of the Special Policy would not, therefore, have any impact on the Council's ability to manage its Night Time Economy.

The recommendation of the Licensing Committee was moved by Councillor Buchan and seconded by Councillor Fleming:-

"That Full Council approves the adoption of the draft Licensing Policy, as detailed in Appendix 1, with effect from 1 January 2021"

The recommendation of the Committee was approved, with no dissent.

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

None

79. REPORT FROM THE POLICY COMMITTEES

(a) Proposal in relation to the Council's Budget and Policy Framework

1. Community Safety Plan 2020-2021 – Report of Finance and Policy Committee

The Chair of the Finance and Policy Committee presented the report which had been referred from the Committee for adoption of the Safer Hartlepool Partnership Community Safety Plan 2020-2021.

Elected Members were advised that the Crime and Disorder Act 1988 created a legal obligation for this Council to work in partnership with other agencies such as the Police, Fire Brigade and the Probation Service to work together to address crime and disorder, substance misuse and re-offending.

The Safer Hartlepool Partnership fulfilled this obligation and periodically publishes a Community Safety Plan detailing the

objectives and priorities of the Partnership and how performance will be managed and monitored. The development of the Community Safety Plan 2020/21 which was presented to Full Council had been delayed due to COVID but was nevertheless required to fulfil legal obligations to have a Plan in place. Work was already underway on the development of the next Plan.

The 2020/21 Plan had the following three identified Key Priorities for the Partnership: -

- Drugs & alcohol;
- Anti-social Behaviour; and
- Domestic Violence

It was reported that the responses received following public consultation on the proposed plan were strongly supportive.

The recommendation of the Finance and Policy Committee was moved by Councillor Moore:-

“That Full Council adopts the Safer Hartlepool Community Safety Plan 2020-21”

During the debate which followed the presentation of the report, it was highlighted that the Audit and Governance Committee had recently completed a comprehensive investigation into anti-social behaviour in Hartlepool. The Chair of the Committee agreed a suggestion that the information and recommendations arising from that investigation should be utilised in implementation of the Community Safety Plan.

The recommendation of the Committee was approved, with no dissent.

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

None

80. MOTIONS ON NOTICE

Two Motions had been received as follows:-

1. “This Council notes the significant and costly disruption being experienced by Staff and Students as a result of Covid infections and restrictions.

Despite the very best efforts of schools, staff, students and the Local Authority this is having a detrimental impact on the wellbeing and education of young people in our town.

Therefore, Council resolves to set up a working party of the Children's Services Committee to engage with schools and explore a range of possible options, to support schools in their continued delivery of excellent education for all our young people."

Signed by: Councillors Harrison, Thomas, Lindridge, Prince, Howson and C Richardson

The Motion was moved by Councillor Harrison and seconded by Councillor C Richardson. On moving and seconding the Motion, the rationale for submission of the Motion was presented to Full Council. Councillor C Richardson added that the Working Group should be chaired by Councillor Harrison.

The Chair of the Children's Services Committee responded to the Motion. Full Council was advised that from September all schools in Hartlepool had remained open to support the care and education of children and young people. The challenges schools had faced this last term had been unprecedented. Nevertheless, schools had responded to challenges with the welfare and protection of their pupils and workforce as the primary consideration. Rigorous Health and Safety Risk Assessments were in place in all schools and had been monitored by Health & Safety Teams to ensure schools are as safe as possible. The evidence shows that the transmission rates of the virus is low in schools and most pupils or staff who test positive are contracting the virus outside of the school environment. Children and young people have responded extremely well to be back at school and they are enjoying the opportunities that this affords them.

Elected Members were advised that since the pandemic began, all of the schools in Hartlepool had worked collaboratively with staff in children's services to achieve a joined up and consistent approach across the town. Joint decisions had been made between schools and the Local Authority which had not been seen or evident in other areas and is a real strength in Hartlepool. Schools wanted to stay open to educate and care for their pupils. They recognise the impact of the closure of schools in March 2020 on many pupils and are working hard to support pupils to catch up on lost learning time. It was highlighted that the Government had issued Guidance entitled the 'Contingency Framework: Education and Childcare settings.' This framework sets out the Government priority that education and childcare settings should continue to operate as normal as possible during the coronavirus (COVID-19) outbreak. The framework is designed to act as a containment measure and outlines the prioritisation of which pupils should attend school in the event that the evidence supports limiting attendance at school. The framework is very explicit however that 'an educational setting should not move to implement restrictive measures of the kind set out in the contingency framework without the explicit agreement of DfE.' This statement made it very clear there is no local determination allowed in applying this Guidance.

With regard to the Motion, the Chair of Children's Services Committee had sought the views of schools' representatives on the Committee as to whether they would find the convening of a Working Group would be of interest,

assistance and support to schools. One representative had indicated they would be happy to engage, three had expressed the view that they are not sure what a working group would do, noting that the Head Teacher's cluster leads meeting with the Director and Assistant Director had been an excellent level of support for all schools throughout the pandemic, however would however be happy to participate if a working group was convened as it would be appropriate for committee representatives to be represented. One Head Teacher had commented that a working group already existed in the form of the weekly call with the Director and Assistant Director which was linked to every Head teacher via the cluster leads and noted another group would add to workload and be repetitious. The Chair of Children's Services concluded that she was confident that the leaders within schools and the local authority children's services department were working extremely well together to do the best to balance the safety and education of children and young people in Hartlepool.

Elected Members debated issues arising from the Motion. Whilst support was expressed for the intention of the Motion, a number of Members considered that the issues which had been highlighted by the Chair of Children's Services Committee were a robust argument against the Motion.

In accordance with Rule 8 of the Council's Procedure Rules relating to the Holding of Remote Meetings, a recorded vote was taken:-

Those for

Councillors Brown, Hamilton, Harrison, Howson, Hunter, Lindridge, Prince, C Richardson and Thomas

Those against

Councillors Brewer, Buchan, Cartwright, Cassidy, Fleming, Hall, James, King, Lauderdale, Little, Loynes, Marshall, Moore, A Richardson, Smith, Stokell, Tennant, Ward and Young.

Those abstaining

Councillors C Akers-Belcher and S Akers-Belcher.

It was announced that the vote was lost.

2. The motion is to revert York Road pedestrian and vehicle movement restriction with immediate effect.

Residents have complained directly to us as elected members informing us that this is placing extra cost and unwanted wasted time on the day to day life.

The restriction of cars/vans using York Road diverts the traffic via already busy roads in Hartlepool. The routes also flow past places of worship and schools and as a result places vulnerable people

and children at risk.

We acknowledge the email sent reference communication with the local business; however, this is already impacting far more people of the town in a negative way and we can make a difference to our residents now.

Signed: Councillors Cartwright, Moore, C Akers-Belcher, S Akers-Belcher, Smith, T Richardson, Little and Brown.

The lead Elected Member for the Motion, Councillor Cartwright, advised Full Council that although the ban on vehicles had been lifted from December 14th, the restrictions had still been in place when the Motion had been submitted. An amendment to the Motion was moved by Councillor Cartwright and seconded by Councillor James:-

“That any future town centre traffic proposals be subject to full consultation with all Elected Members and the residents of Hartlepool”

The Chair of the Neighbourhood Services Committee responded to the Motion by confirming that the York Road scheme ended on Monday following further consultation with businesses half way through the experimental scheme. The scheme had cost £3,000 to implement and had been funded via the Emergency Active Travel Fund provided by the Department for Transport earlier this year, and its purpose was to enable more people to walk and cycle where possible, while supporting safe social distancing in areas where people congregate, such as town centres and bus stops. The vehicle restriction was only in force between the hours of 10am and 4pm so the road could still be used by all vehicles during peak rush hour traffic, while buses, taxis and cycles could continue to use the road throughout. Prior to implementing the scheme, key policy holders had been consulted, along with the ward members, and businesses were also supportive of the proposal given it was an experimental process.

Elected Members were advised that the implementation of this trial would contribute to the momentum towards achieving a more sustainable mode of transport by promoting active travel, which supported the ambitions agreed by Full Council regarding climate change. It was highlighted also that this had been a temporary measure in response to the COVID-19 situation and in line with the funding allocation received from the Department for Transport and this was the first trial of its type in Hartlepool to observe if a sustained change in travel habits could be realised.

Councillor Young highlighted the implications of the closure on ancillary and smaller roads and moved a further addendum:-

“That consideration be given to review the flow of traffic on St Pauls Road and Osbourne Road and the possible introduction of a one way system on those routes.”

The addendum proposed by Councillor Cartwright was agreed, with no dissent.

It was agreed, with no dissent, that the addendum proposed by Councillor Young be referred to the Neighbourhood Services Committee.

MANAGING DIRECTOR'S REPORT

81. APPOINTMENT OF REPRESENTATIVE TO TEES VALLEY CLINICAL COMMISSIONING GROUP (CCG) PRIMARY CARE COMMISSIONING COMMITTEE

The Managing Director reminded Elected Members that at the meeting of Full Council held on 20 October 2020, the Authority had been requested to appoint an Elected Member representative to the Primary Care Commissioning Committee of the new Tees Valley CCG. Councillor Thomas and Councillor Hall (Chair of Audit and Governance Committee) had been nominated.

Following the nomination of Councillor Thomas, it had been agreed that the appointment to the Committee be deferred to this meeting of Full Council, to clarify the CCG Constitution in relation to Member interests. Following the Full Council meeting, Officers had contacted the CCG who had advised that the appointment of Councillor Thomas, an employee of Healthwatch, would be acceptable.

In accordance with Rule 8 of the Council's Procedure Rules relating to the Holding of Remote Meetings, a recorded vote was taken on the nominations:-

Councillor C Akers-Belcher – Councillor Thomas
Councillor S Akers-Belcher – Councillor Thomas
Councillor Brewer – Councillor Hall
Councillor Brown – Councillor Thomas
Councillor Buchan – Councillor Hall
Councillor Cartwright – Councillor Hall
Councillor Cassidy – Councillor Hall
Councillor Fleming – Councillor Hall
Councillor Hall – Councillor Hall
Councillor Hamilton – Councillor Thomas
Councillor Harrison – Councillor Thomas
Councillor Howson – Councillor Thomas
Councillor Hunter – Councillor Thomas
Councillor James – Councillor Hall
Councillor King – Abstain
Councillor Lauderdale – Councillor Hall
Councillor Lindridge – Councillor Thomas
Councillor Little – Councillor Hall
Councillor Loynes – Councillor Hall
Councillor Marshall – Councillor Thomas
Councillor Moore – Councillor Hall
Councillor Prince – Councillor Thomas
Councillor A Richardson – Councillor Hall
Councillor C Richardson – Councillor Thomas
Councillor Smith – Councillor Hall

Councillor Stokell – Councillor Hall
Councillor Tennant – Councillor Hall
Councillor Thomas – Councillor Thomas
Councillor Ward – Councillor Hall
Councillor Young – Councillor Hall

The outcome of the vote was announced that Councillor Hall had been appointed to the Primary Care Commissioning Committee of the new Tees Valley CCG

82. SPECIAL URGENCY DECISION

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

August - October 2020

RESOLVED – That the report was noted.

83. COVID UPDATE

The Managing Director reported details of the UK Government's COVID-19 Winter Plan, announced by the Prime Minister, which presented a programme for suppressing the virus, protecting the NHS and the vulnerable, keeping education and the economy going and providing a route back to normality. It was highlighted that the prevalence of the virus was still high, and without taking precautions, it could quickly run out of control before vaccines and large-scale community testing had an effect. The tiers had therefore been strengthened to keep the virus under control as set out in the report to Full Council.

A local update regarding Hartlepool's position in terms of Tier structure and the prevalence of COVID-19 cases was provided at the Council meeting. It was noted that the Authority was working with the Government to introduce mass testing in the town, in January. In response to a suggestion from an elected member that it would be helpful to ensure residents were informed of the death rate for Hartlepool, the Managing Director referred to the Council's webpage and advised that she would ensure the dashboard was kept up to date.

84. COMMUNITY GOVERNANCE REVIEWS

Elected members were reminded that Full Council had approved the terms of reference under which two community governance reviews would be undertaken. In accordance with the terms of reference an initial 6 week period of consultation had concluded. These consultation responses were incorporated into, and form the basis of further draft proposals that were appended to the report. These draft proposals would be subject to further consultation between 18 December 2020 and 29 January 2021. A further report would be submitted to Full Council for a final decision on 25 February 2021.

On presenting the report, the Managing Director highlighted that the date of the next elections, referred to in Appendix A, should have read 2023 rather than 2022.

RESOLVED – That the contents of the draft proposals be noted and their use for the further 6 week period of consultation be approved.

85. RESIGNATION FROM POLITICAL GROUP

The Managing Director reported receipt of notification from Councillors Lindridge and Brown that they had resigned from the Labour Group and would be, therefore, Independent Councillors.

RESOLVED – That the report be noted.

86. PUBLIC QUESTION

None

87. QUESTIONS FROM MEMBERS OF THE COUNCIL

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

None

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

None

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

None

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

Minutes of the meetings held by the Cleveland Fire Authority on 14 February 2020 and the Police and Crime Panel held on 7 July 2020, 10 September 2020, 15 September 2020 and 6 October 2020 were noted.

The Chair of Council concluded the meeting by conveying her best wishes to Elected Members for a Happy Christmas and New Year.

The meeting concluded at 7.20 p.m.

CEREMONIAL MAYOR

COUNCIL REPORT

28 January 2021



Report of: Finance and Policy Committee

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2021/22 AND 2022/23

1. PURPOSE OF REPORT

- 1.1 The purposes of the report are to enable Council to consider the recommendations from the Finance and Policy Committee in relation to the 2021/22 budget and Council Tax level for Hartlepool Council services.

2. BACKGROUND

- 2.1 In accordance with the Constitution the Finance and Policy Committee is required to develop budget and Council Tax proposals for the forthcoming year for consideration by Council. A detailed report on these issues will be considered by Finance and Policy Committee on 25th January 2021 and is attached to enable Members to familiarise themselves with the financial issues facing the Council.

3. ISSUES TO BE CONSIDERED BY FINANCE AND POLICY COMMITTEE ON 25th JANUARY 2021

- 3.1 The detailed report to be considered by the Finance and Policy Committee covers the following areas:
- Background and Spending Review 2020;
 - 2021/22 General Fund Budget;
 - One off funding for 2021/22 Council Tax Losses and Support for Local Council Tax Support Households;
 - 2022/23 Forecast Deficit;
 - Reserves;
 - Capital;
 - Robustness Advice.
- 3.2 In relation to the revenue budget the report reminds Members that in response to Government funding cuts in previous years the Council has made significant changes to modernise services and achieve efficiency savings. This has included a 20% reduction in the workforce. The efficiencies and savings implemented in previous years cannot be repeated.

- 3.3 The initial budget forecasts for 2021/22 were considered by Finance and Policy Committee in August and reflected information available at that time. Since these forecasts were prepared there have been significant national developments, which for 2021/22 include the Government setting a 2021/22 core Council Tax Referendum Limit of 2%, plus a 3% Adult Social Care precepts. These limits mean that all Councils will need to make difficult decisions in relation to the level of Council Tax, Adult Social Care precept and budget cuts.
- 3.4 As reported to Finance and Policy Committee an analysis of Government spending power figures shows that 87% of the forecast increase in national funding for council services is predicated on all authorities implementing Council Tax and the Adult Social Care precept up to the limits set by the Government. This continues to shift the funding of local services from Government grant on to Council Tax. If Authorities do not implement these increases they will need to address the reduction in recurring income by either making additional budget cuts, or increasing other fees and charges.
- 3.5 The proposals to be considered by Finance and Policy Committee include a range of options on the level of Council Tax increase and Adult Social Care precept. The decisions made in relation to these issues determine the level of income for 2021/22 and the base for future year's budgets.
- 3.6 All the options to be considered by Finance and Policy Committee will require the use of reserves to balance the 2021/22 budget, which in turn will be the level of the budget deficit deferred to 2022/23. The lower the Council Tax and Adult Social Care precept set for 2021/22 the higher the budget deficit deferred to 2022/23 – which will then need to be addressed by identifying budget cuts and / or increases in other income streams. The options to be considered by Finance and Policy Committee are summarised below:

Summary of the impact of alternative 2021/22 Council Tax
and Adult Social Precept options

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Core Council Tax increase	0%	2%	2%	0%	2%	2%
Social Care precept	0%	0%	1%	3%	2%	3%
Recurring Council Tax & Social Care precept income	Nil	£0.854m	£1.281m	£1.281m	£1.708m	£2.135m
Deficit Deferred to 2022/23 ##	£4.047m	£3.193m	£2.766m	£2.766m	£2.339m	£1.912m
Use Budget Support Fund (BSF) 2021/22	£5.197m	£4.343m	£3.916m	£3.916m	£3.489m	£3.062m
Uncommitted BSF after support of 2021/22 budget (details 7.9)	£3.431m	£4.285m	£4.712m	£4.712m	£5.139m	£5.566m

- 3.7 Once the budget is set for 2021/22 the Council will know the scale of the deficit deferred to 2022/23 and a strategy will then need to be developed during the year to address this deficit, as relying on reserves to balance the annual budget is not sustainable.
- 3.8 In relation to Local Council Tax Support the report details additional one off Government funding provided and sets out options for using this funding to support eligible households.
- 3.9 **Robustness Advice**
- 3.10 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Section 151 Chief Finance Officer to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the Section 151 Officer.
- 3.11 The robustness advice is detailed in paragraphs 11.4 to 11.17 of the Finance and Policy Committee report and Council also needs to consider this advice when making decisions on the recommendations referred by the Finance and Policy Committee.

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

- 4.1 The recommendations to be considered by Finance and Policy Committees are detailed in section 12 of attached report and a verbal update on the final recommendations for Council to consider will be presented on 28th January 2021.

5. CONTACT OFFICER

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

FINANCE AND POLICY COMMITTEE

25th January 2021



Report of: Director of Resources and Development

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2021/22 AND 2022/23

1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to enable Members to approve the MTFS proposals, including the 2021/22 recommended Council Tax level, to be referred to Council.

3. BACKGROUND AND SPENDING REVIEW 2020

- 3.1 Previous MTFS reports advised Members that councils had faced nine years of austerity up to 2019/20. This includes the period since 2013/14 when significant changes to the national funding system were made, including transferring responsibility for Public Health and Local Council Tax Support to councils. Nationally these changes significantly reduced Government grant allocated to councils and increased reliance on Council Tax, including the introduction of the Adult Social Care precept in 2016/17.
- 3.2 Previous Government grant cuts had a disproportionate impact on more deprived areas, including Hartlepool. These areas also have a lower Council Tax Base (i.e. higher than average proportion of properties in Band A and B) and therefore have had less ability to offset Government funding reductions from Council Tax increases.
- 3.3 In addition, to the net reduction in resources, the Council also had to manage recurring budget pressures arising from pay awards, the national living wage, inflation and increased Children's Social Care costs. The Council has addressed the recurring reduction in resources and increased costs from a combination of efficiencies and cuts. Over the nine years up to 2019/20 the Council removed 500 jobs - a reduction of 20%. The cuts and efficiencies made in previous years cannot be repeated, which means balancing future budgets will be even more challenging.

3.4 **Spending Review 2020**

3.5 The Chancellor presented a one year Spending Review for 2021/22 on 25 November 2020. The Chancellor advised Parliament that the Covid pandemic and the Government's response would increase public sector borrowing by £394 billion – the highest peace time borrowing. To put this figure into context;

- it is nearly three times the NHS annual budget; or
- approximately twice the annual amount raised from income tax.

3.6 The Chancellor also reported:

- that in the three months up to September unemployment had increased by 314,000 – the highest three month increase on record;
- A public sector pay 'pause' in 2021, other than for front line NHS staff;

3.7 In view of the economic uncertainty caused by the pandemic and the unprecedented peace time increase in Government debt it is clear that many difficult decisions will need to be made in the next Spending Review covering the period 2022/23 onwards. Details of the impact on the Council will be reported when known.

3.8 **2020 Spending Review – Impact on Local Government**

3.9 The Chancellor confirmed the Covid financial support package for Local Government, which includes:

- business grants, business rates relief and additional support for households eligible for local council tax support,
- support for additional costs and income losses incurred by councils, and support for collection fund deficits. As reported previously there was significant uncertainty regarding these issues as there have been four funding announcements spread over the period March to October 2020. However, the overall support package is significant and further details are provided later in the report.

3.10 In relation to 2021/22 funding for Local Government the Spending Review confirmed a one year settlement. Further information is detailed in section 4.

3.11 As the Spending Review is only for one year this simply defers the financial uncertainty until 2022/23. Therefore, financial planning beyond 2021/22 remains challenging and this position will not be addressed until clarity is provided by the Government in relation to a number of key national issues, which include:

- Spending Review 2022/23 onwards – the Government will need to develop a plan to address the increase in Government debt. This is likely to be addressed through a combination of public sector spending constraint (other than for priority areas such as the NHS and defence already announced) and tax increases;
 - future national funding arrangements to address pressures in relation to Adult Social Care and Children’s Social Care, including the Government’s proposals to provide a long term strategy to address Adult Social Care funding;
 - the detailed arrangements for the delayed longer-term reforms of the Local Government system, including Business Rates retention and the Fair Funding Review;
 - the Government’s policy in relation to Council Tax, including the Adult Social Care precept, in 2022/23 and future years; and
 - sustainability of the improved Better Care funding, Children and Adult Social Care funding and Public Health funding in 2022/23 and future years.
- 3.12 Local Government is unlikely to be a priority area for the Government, despite the Covid pandemic confirming the key role councils have in delivering services and the additional responsibilities the Government passed to the sector to deliver. Further updates on these issues will be submitted to future meetings when more information becomes available.

4. 2021/22 GENERAL FUND BUDGET

- 4.1 The 2021/22 provisional Local Government Finance settlement was issued on 17 December 2020 and confirmed the following issues

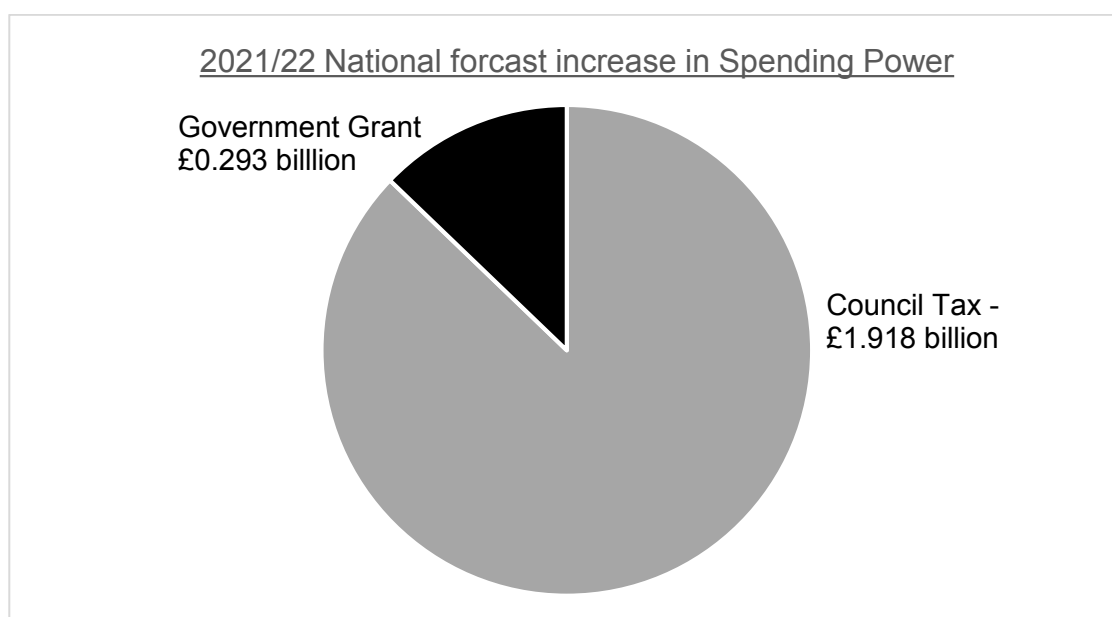
- **Core Spending Power**

The press statement issued by the Secretary of State for Housing, Communities and Local Government Secretary, Rt Hon Robert Jenrick MP, stated:

- “Councils across England will receive £51.2 billion next year – an increase of £2.2 billion from last year. This financial package provides councils with additional resources to deliver effective local services and continue to support their communities during the pandemic, while protecting council tax payers from excessive increases.
- It includes a £2.2 billion increase in core funding – including £1 billion increase in social care funding to ensure councils can meet

rising demand, fund more care home places and social workers, and protected some of the most vulnerable in society”.

The press statement also indicated the national core funding increase provides “an estimated **4.5%** cash-terms increase”. An Institute of Financial Studies (IFS) analysis of Government figures shows that **87%** (£1.918 billion) of the core funding increase will come from Council Tax. This position reflects the Government’s financial planning assumption that all councils will increase Council Tax and implement the Adult Social Care precept to the referendum levels they have set.



For Hartlepool the Government’s figure is a **4.1%** cash-terms increase and an assumption that **80%** of this increase will be funded from a Council Tax and the Adult Social Care precept. Hartlepool’s figures are lower than the national figure owing to the lower ability to raise additional income from Council Tax. This is not fully offset by the resource equalisation included in the formula for distributing the 2021/22 Social Care grant.

If councils do not implement Council Tax rises in line with the national referendum limit the increase in core spending is only **0.6%** (£0.293 billion) - compared to the Government’s headline figure of **4.5%**. This underlines the impact of the Government’s Council Tax policy for 2021/22 on core funding, as summarised below:

Government's 2021/22 forecast Core Funding increase

Government forecasts for Hartlepool		National forecasts
£2.953 million	Increase Council Tax income	£1.918 billion
	Includes Adult Social Care precept.	
£0.873 million	2021/22 Social Care grant	£0.300 billion
(£0.139 million)	Net decreases in other grants (national increase in grants £0.278 billion less national decrease in New Homes Bonus £0.285 billion).	(£0.007 billion)
£3.687 million	Government's total forecast increase in core funding	£2.211 billion
4.1%	Percentage increase in forecast core funding	4.5%
80%	Percentage of core funding increase funded from Council Tax increase and Adult Social Care precepts	87%

The Government's reliance on Council Tax and the Adult Social Care precept to increase net core funding has existed since 2015/16. As summarised below this has resulted in a fundamental shift in the make-up of funding:

National changes in core funding 2015/16 to 2021/22 forecast

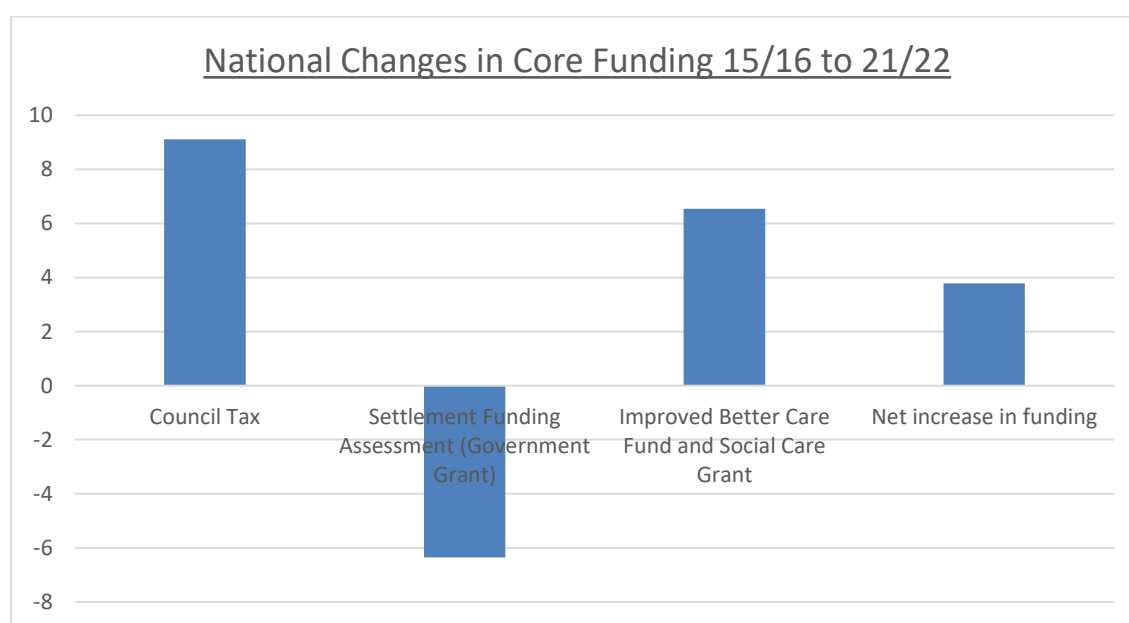
	2015/16	2021/22	
Council Tax	49%	61%	Increase
Government Grants	51%	32%	Decrease
Improved Better Care Fund and Social Care Grant	0%	7%	New funding stream
Total Core Funding	100%	100%	

Based on Government figures the proportion of Hartlepool's core funding coming from Council Tax and the Adult Social Care precepts has increased from **38%** in 2015/16 to **49%** in 2021/22.

The proportion of Hartlepool's core funding coming from the Improved Better Care Fund and Social Care Grant is **9.7%**. This is higher than the national percentage as the distribution formula has included an element of weighting for deprivation and the lower Council Tax base.

To provide additional context to these changes the following graph shows that between 2015/16 and 2021/22:

- Council Tax income (including the Adult Social Care precept) has **increased by £9.109 billion** – i.e. from £22.036 billion in 2015/16 to £31.145 billion in 2021/22;
- Settlement Funding Assessment (Government Grant) has **decreased by £6.329 billion** – i.e. from £21.250 billion in 2015/16 to £14.921 billion in 2021/22;
- Nearly **70%** of the increase in Council Tax income has effectively been needed to offset the reduction in Settlement Funding Assessment.



- **Social Care grant 2021/22 and Adult Social Care precept**

The settlement potentially provides additional national funding of £1 billion consisting of £0.7 billion if all Councils implement the full 3% Adult Social Care precept and £0.3 billion grant.

The grant is un-ringfenced and can either be used for Children or Adult social care. The grant consists of £0.15 billion re-allocated New Homes Bonus funding and £0.15 billion new funding.

Hartlepool will receive **£0.873m** from the £300m national allocation.

The grant formula also reflects the ability of councils to raise different amounts from the Adult Social Care precept owing to differences in the Council Tax base – i.e. proportion of properties in the eight Council Tax bands. However, the split of the total funding between the Adult Social Care precept and grant does not recognise that for many councils, including Hartlepool, the significant pressure is in relation to Children Social Care, which is not funded from the Adult Social Care precept. Consequently, the national funding system is not providing sufficient resources for Children's Social Care pressures, which is the main local budget pressure.

The additional potential support for Children and Adult Social Care in 2021/22 is much less generous than in 2020/21, despite the pandemic increasing pressures. In summary:

- the additional national grant in 2021/22 is **70%** less than in 2020/21;
- the lower 2021/22 additional grant significantly reduces the Government's ability to equalise resources between areas;
- there is increased reliance on councils implementing the Adult Social Care precept;
- the total additional forecast resources for 2021/22 is **50%** less than the increase for 2020/21.

Comparison of 2020/21 and 2021/22 additional Social care Funding

	2020/21	2021/22	Increase / decrease
Grant funding - Children & Adult Social Care #	£1.0 billion	£0.3 billion	70% decrease
Forecast Adult Social Care precept	£0.5 billion	£0.7 billion	40% increase
Total	£1.5 billion	£1.0 billion	50% decrease

The 2020/21 grant will continue in 2020/21.

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

The provisional settlement confirmed a 2% core Council Tax referendum limit, plus a 3% Adult Social Care precept. The core limit is year specific

to 2021/22. The Government's regulations enable all or part of the Adult Social Care precept to be deferred from 2021/22 to 2022/23.

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

The Government has confirmed that for 2020/21 legacy payments will be made for 2018/19 and 2019/20, plus the 2021/22 allocation. There is no legacy payment for 2020/21. This confirms the position reflected in the MTFS forecasts and the Council will receive £0.349m.

The Government has indicated they will consult on the future of the NHB regime for 2022/23 and details will be reported when known.

- **2021/22 Covid-19 Expenditure Pressures Grants**

In a separate document published alongside the provisional settlement the Government announced a final allocation for local authorities of £1.55 billion of additional un-ringfenced funding for Covid-19 expenditure pressures. The Council has been allocated £3.178m. This is in addition to the four tranches of funding provided during 2020/21 and the Government has indicated this is the final Covid grant they will pay to councils.

This is one off funding outside the provisional settlement and the Government expects the funding to be focused on Covid pressures impacting of adult social care, children's services, public health services, households waste services, shielding the clinically vulnerable, homelessness and rough sleeping, domestic abuse, managing excess deaths, support for re-opening this country and the additional costs associated with the local election in May 2021.

As the impact of Covid continues to change, including the impact of the statement made by the Prime Minister on 4th January 2021 regarding the new variant of the virus and the resulting further restrictions, it is unclear what level of additional service demands and costs the Council will face during 2021/22 and 2022/23 against this grant.

Therefore, at this stage it is recommended that no commitments are made against this grant and the position is monitored closely. It is also recommended that any detailed proposals for using this grant are reported to Finance and Policy Committee for consideration and approval.

In the event that there are no additional service and financial pressures over and above those already recognised in the 2021/22 budget forecasts, particularly in relation to Children's Social Care, this grant could be used to replace use of the Council's own reserves. This strategy would then put the Council in a better financial position to manage future financial challenges and risks, which will help mitigate the ongoing financial impact of Covid on the Council.

- 4.2 The following table summarises the impact of the provisional settlement on the deficit reported in November. These figures have been adjusted to remove the indicative 2% Council Tax increase, as this has been superseded by the Government's recently announced Council Tax referendum limits and this issue is dealt with in paragraph 4.4

2021/22 Forecast and Actual Budget Deficit

Forecast reported 30.11.20 £'m		Actual £'m
1.301	Forecast Deficit Reported February	1.301
0.870	Add – Removal of indicative 2% core Council Tax increase	0.870
0.400	Add - Recurring impact of April 2020 National Pay Award	0.400
0.760	Add - Reduction in Forecast Housing Growth	0.760
2.642	Add - Budget Pressures (Note 1)	2.642
0	Less – Forecast reduction in provision for a national pay award and reduced National Living Wage increase	(1.104)
(2.200)	Less – Potential / Actual 2021/22 New Social Care Government Grant	(0.873)
0	Add – December Settlement grants of £27.472m which is 5172551,000 lower than forecast.	0.051
3.773	Sub Total – Recurring Deficit	4.047
1.150	Add - Forecast 21/22 Income Shortfalls (Note 2)	1.150
4.923	Revised Total Deficit – before Council Tax increase and Adult Social Care precept	5.197

Note 1 - The total Children's Social Care budget pressure is £2.517m. The majority of this pressures relates an increase in caseload. The pressure also includes £0.567m for increased staffing capacity which has remained unchanged for the last 3 years. Over this period there has been a significant increase in both the complexity and number of vulnerable children needing support. More children are requiring support at the highest levels of intervention, i.e. subject to child protection plans or in the care of the local authority. This has led to social workers and Independent Reviewing Officers having caseloads that are too high and need to be reduced. Parallel to this, within the safeguarding teams the complexity of need is not compatible with the level of experience of the workforce. When experienced social workers leave posts within the Safeguarding teams, they are replaced with less experienced staff who require more supervision and lower individual caseloads.

An increase in capacity is therefore needed to ensure the Council can retain a highly effective service that keeps children and staff safe. The recommendation is to create additional social worker posts where needed to create the necessary capacity and thereby reduce caseloads to a safe and manageable level.

The number of children cared for by the Council is approximately 360, which is the highest number of children ever cared for by the Council. To provide some context this is broadly the number of children in a typical primary school.

As reported previously Covid 19 has impacted upon the number of children in care and there has been a net increase as children have continued to become looked after where they are assessed as being at risk of significant harm, however fewer children have left care during this period. The reasons for this are multiple, including the closure of the Family Court leading to delays and a backlog of cases and the need for young people ready to leave care to remain in their placements.

Further work needs to be completed to determine the extent to which this caseload is permanent or temporary, including the time it will take for the Family Court to clear the backlog of cases for Hartlepool and other councils. At this stage it is prudent to make additional budget provision for this level of support continuing in 2021/22, whilst noting further work needs to be completed and will be reported to a future meeting.

The additional new Social Care Government grant, which covers both Children and Adults, is only £0.873m, which means the Council faces a significant funding shortfall.

Note 2 - The overall income shortfall in 2020/21 is higher than initially forecast and this will impact on the shortfall in 2021/22. This position will be partly offset by the continuation of Government grant funding to support 71% of income losses up to 30.06.2021 and a reduction in car park income risks arising from the TVCA two year free parking initiative. For planning purposes the original budget provision remains appropriate and this issue will be monitored separately during 2021/22.

- 4.3 The forecast reduction in the provision for a national pay award reflects the Chancellor's announcement of a pay 'pause' for public sector workers, with the exception of NHS employees and other public sector employees earning below £24,000 who will receive a £250 increase. The removal of this budget provision is based on the assumption that the provisional settlement includes no additional funding for a pay increase and the Chancellor's announcement will be implemented by the National Employers Organisation, which was the case for previous national pay freezes. If this is not the case and there is a national pay award this will need to be funded from in-year budget underspend, if these can be achieved, or from reserves in 2021/22.

Permanent additional budget cuts would then need to be made in 2022/23 and these would be determined by the level of any national pay award – each 1% equates to £0.5m.

4.4 Council Tax and Adult Social Care precept 2021/22

4.5 As indicated earlier in the report the Government has set a 2% core Council Tax referendum limit, plus a 3% Adult Social Care precept. The forecasts in the Government's Spending Review and provisional Local Government Finance settlement assume that all councils will implement these increases.

4.6 In financial terms an increase in Council Tax (including the precept) in line with the Government's national referendum limits would provide the greatest level of financial resilience for 2021/22 and future years, as this option:

- secures the highest level of recurring resources;
- defers the lowest level of budget deficit from 2021/22 to 2022/23; and
- provides the highest value of uncommitted Budget Support Fund to manage financial risks and support for the budget in 2022/23 and future years.

4.7 Conversely, a Council Tax freeze with no Adult Social Care precept would provide the least financial resilience for 2021/22 and future years, as this option:

- Reduces recurring income by **£2.135m**, which will need to be replaced by making additional budget cuts in 2022/23;
- defers the highest budget deficit from 2021/22 to 2022/23; and
- provides the lowest value of uncommitted Budget Support Fund to manage financial risks and support for the budget in 2022/23.

4.8 The following table details alternative Council Tax and Adult Social Care precept options and highlights the following key issues:

- The additional recurring income with different levels of Council Tax increase and Adult Social Care precept. If both are increased in line with the national referendum limits this would secure recurring additional income of £2.135m;
- The value of the deficit deferred to 2022/23 with different levels of Council Tax increase and Adult Social Care precept for 2021/22. If Council Tax is frozen and there is no Social Care Precept the deficit deferred is £4.047m.

If the Council Tax and the Adult Social Care precept are set at the Government's referendum limit this deficit would reduce by more than half

to £1.912m. This underlines the impact of the Government's national Council Tax policy on the level of resources available to fund local services.

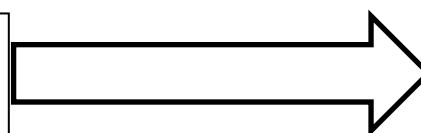
- Uncommitted Budget Support Fund - as detailed in paragraph 7.8 the value of this one off funding, before support for the 2021/22 budget, is £8.628m. At Finance and Policy Committee on 13th August 2020 Members approved using this reserve to support the 2021/22 budget to provide a longer lead time to implement budget reductions, which would be deferred from 2021/22 to 2022/23. The table shows the value of this uncommitted reserve with different levels of Council Tax increase and / or Social Care precept.

Some of this reserve may need to be used in 2021/22 if the Government's public sector pay 'pause' does not apply to local government, although this is expected to be a low risk based on public sector pay freezes in previous years being applied to local government.

Impact of different level of 2021/22 Council Tax increase
and Social Care precept

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Core Council Tax increase	0%	2%	2%	0%	2%	2%
Social Care precept	0%	0%	1%	3%	2%	3%
Recurring Council Tax and Social Care precept income	Nil	£0.854m	£1.281m	£1.281m	£1.708m	£2.135m
Deficit Deferred to 2022/23 ##	£4.047m	£3.193m	£2.766m	£2.766m	£2.339m	£1.912m
Uncommitted Budget Support Fund after support of 2021/22 budget (details 7.9)	£3.431m	£4.285m	£4.712m	£4.712m	£5.139m	£5.566m

Increasing financial sustainability &
lower budget cuts deferred to 22/23



these figure all assume the 2021/22 income shortfall is temporary and income returns to pre-Covid levels by March 2022. This forecast will be kept under review.

4.9 Further information in relation the robustness of the above options is provided in section 11.

4.10 **Appendix A** provides details of the weekly impact on households of the Council Tax and Adult Social Care precept options.

4.11 Adult Social Care precept Consultation outcome

- 4.12 As requested by the Committee public consultation was undertaken in relation to the Adult Social Care precept and 341 responses were received as summarised below:

Consultation questions and responses

1. Do you, or someone close to you, receive support from Adult Social Care?

Response – 75% do not receive support, 22% know someone close to them who receives support and only 3% receive support directly.

2. Do you think that the provision of Adult Social care should be treated in the same way as the NHS and fully funded by Central Government?

Response – 80% think the Government should fund, 10% said no and 10% don't know.

3. Do you think the Government should have provided an additional social care grant of £1 billion for 2021/22 rather than expecting Councils to apply a 3% Social Care precept?

Response – 78% agreed that the Government should provide additional funding, 11% said no and 11% don't know.

4. In the absence of any other funding increase from Central Government what level of Adult Social Care precept would you find acceptable to protect these vital services next year? Please remember that anything less than 3% will mean some services will need to reduce, stop or new fees and charges will need to be introduced.

Response – 52% would support an extra Adult Social Care precept and 48% would not.

Of those people who supported an extra Adult Social Care precept nearly two thirds support an increase of 3%

- 4.13 The consultation responses to questions 2 and 3 support the views previously expressed by Members that the Government should be providing additional funding for Adult Social Care and not relying on the precept. However, as detailed earlier in the report the Government's policy for funding local services in 2021/22 is based on a 2% core Council Tax referendum limit, plus a 3% Adult Social Care precept.

- 4.14 As Members will appreciate consulting on any increase in the amount people will have to pay is challenging as the Council only has a limited ability to explain the reasons for the proposed increase and the consequences of not implementing the increase. In relation to this consultation the Council had not

identified the specific budget cuts that will be necessary if the Adult Social Care precept is not implemented.

- 4.15 In summary the responses to the consultation is one element of the issues that Members need to take into account when finalising the budget recommendations to be referred to Council. As outlined elsewhere in the report the main consideration for Members is the sustainability of the recurring Council Tax income, including the Adult Social Care precept, and the impact this will have on the level of service cuts that will be required in 2022/23.

4.16 Council Tax Collection Fund Deficit 2020/21

- 4.17 As reported previously councils have seen an increase in households eligible for Local Council Tax Support during 2020/21 as result of the economic impact of Covid. This will reduce Council Tax income and this will result in a Collection Fund deficit which will need to be addressed when the 2021/22 budget is set.

- 4.18 There has been considerable uncertainty regarding how councils will address this position and whether the Government would financially support councils. The Government initially announced that 2020/21 Collection Fund deficits could be spread over three financial years. Normally deficits need to be repaid the year after they are incurred.

- 4.19 In a separate announcement to the provisional Local Government Finance Settlement the Government also announced details of a compensation scheme to support councils with Collection Fund deficits.

- 4.20 Under this arrangement, it is anticipated the Council will receive one off funding of £0.729m, towards the 2020/21 Council Tax collection fund forecast deficit of £2.060m. The remaining shortfall will be funded from the four tranches of Covid funding. In overall terms this means the Council Tax Collection Fund deficit will be fully funded from Government grant funding.

4.21 Business Rates Collection Fund Deficit 2020/21

- 4.22 At the time the report was prepared the forecast 2020/21 Business Rates Collection Fund deficit had not been finalised pending the detail of the Government's compensation scheme for these losses. Forecast in year losses will be smoothed over a 3 year period, with the government scheme meeting 75% of the eligible deficit. The remaining 25% will be funded from the main 2020/21 Covid grant, which means this deficit will be fully funded from Government grant funding.

- 4.23 There remains a risk that the actual 2020/21 deficit may be higher than forecast owing to the increased number of appeals submitted by businesses to the Valuation Office Agency (VOA) as a result of the economic impact of Covid. This is a national issues and may result in an increase in the number of outstanding appeals. If these appeals are successful this will increase the 2020/21 deficit and then increase the 75% grant received by the Council. The

remaining 25% will then be funded from the main Covid grant. Dependent on the economic recovery and any structural changes to business sectors (e.g. more on-line shopping / home working) it is possible that increased appeals may be lodged in 2021/22, and this may detrimentally impact on future years Collection Fund position. It is not yet clear if the Government will provide additional funding to compensate for this outcome, or whether councils will have to manage the position themselves. This will be kept under review and may result on a call on the 2021/22 Covid grant detailed in paragraph 4.1.

4.24 **Neighbourhood Services Committee feedback**

4.25 As the MTFS for 2021/22 does not include any saving proposals detailed reports were not referred to individual policy committees. However, on 1st December 2020 the Neighbourhoods Services Committee resolved:

- To request full Council to consider the introduction of an annual ward bulky waste scheme;
- That consideration of an annual ward bulky waste pilot scheme (1 per ward) be referred to the Finance and Policy Committee for consideration as part of the 2021/22 budget considerations.

4.26 There is no provision within the base budget for this service. In previous years some Members approved local initiatives and funded from their Ward Members Budgets, which were removed as part of the 2019/20 budget.

4.27 Two options have been identified to address a bulky waste pilot scheme:

- **Option 1** - the Council could provide 60 free bulky waste collections per ward on a first come, first served basis, which totals 660 in total. The total costs would be approximately £20,000, consisting of additional officer capacity, vehicle and disposal costs of £7,000, and reduced income of £13,000 based on the current arrangement of £20 per collection for three items per household.
- **Option 2** – self funded extension of existing scheme. Under this option the Council would recruit an additional team to support the existing arrangements on a full time basis, which would double the number of paid collections that residents would be entitled to access, and at the same time, reduce the waiting times associated with requests for bulky waste removals. This proposal would support residents throughout the year. This arrangement is expected to be cost neutral to the Council as the income collected from the paid bulky waste collections will offset the costs incurred for additional officer capacity, vehicle and disposal costs operating on a full time basis.

4.28 **Homelessness and Rough Sleeping Funding 2021/22**

The Council has been allocated a Homelessness Prevention Grant of £189,991. This includes £106,034 of recurring funding previously allocated

through different funding streams, which partly funds the Housing Advice and Support Team. The additional funding has been allocated to meet additional requirements in relation to implementation of the Homelessness Reduction Act. Detailed proposals for using this funding will be reported to a future meeting.

- 4.29 Funding for the Government's Rough Sleeping Initiative will continue in 2021/22. Funding allocations had not been announced when this report was prepared, although the Government has stated authorities will receive at least the same level as 2020/21, which for Hartlepool is £53,000.

5. **ONE OFF FUNDING FOR 2021/22 COUNCIL TAX LOSSES AND SUPPORT FOR LOCAL COUNCIL TAX SUPPORT (LCTS) HOUSEHOLDS**

- 5.1 In 2020/21 the Government provided additional one off funding of £500 million to enable Councils to support LCTS households. The funding was all paid to 'billing authorities' to cover the cost of support to LCTS households for the full Council Tax bill, including the fire and police precepts. The support for LCTS households was part of an overall Government package, which also included an additional one off payment of £1,000 to eligible Universal Credit claimants for 2020/21 paid by the Government.

- 5.2 For 2020/21 Hartlepool was allocated £1.864m and by the start of December had committed £1.528m. Further commitments are expected before the end of the financial year and for planning purposes an uncommitted balance of £0.3m will be available to carry forward to 2021/22.

- 5.3 For 2021/22 the Government is providing additional national one off funding of £670m. The formula for distributing this funding will mean these resources are allocated to billing authorities and precepting authorities (fire and police). This position reflects correspondence sent by MHCLG (Ministry of Housing, Communities and Local Government) confirming this un-ringfenced grant is

- "aimed directly at supporting councils to meet the anticipated additional costs of providing Local Council Tax Support in 2021/22, resulting from increased unemployment;
- It will remain for councils to determine the appropriate design of their LCTS schemes next year. MHCLG expect that the funding will benefit economically vulnerable households by enabling councils to continue reducing bills for those least able pay".

- 5.4 The MHCLG correspondence provides councils with the flexibility to determine the most appropriate use of this one off funding and enables councils to address two key factors:

- The continuing impact in 2021/22 of an increase in the number of households eligible for LCTS above the pre-Covid level, which will reduce Council Tax income as less households will be paying full Council Tax.

As reported previously the economic impact of the pandemic is the first economic shock since LCTS became the responsibility of councils in 2013/14. Prior to 2013/14 the increased costs of Council Tax support arising from an economic shock was funded nationally by the Government. It is therefore helpful that the Government has recognised the impact on the cost of LCTS support and are providing additional funding to support councils.

- The potential provision of additional support to households eligible for LCTS and further details are provided in the following paragraphs.

5.5 The Council has already determined to maintain the 2021/22 LCTS scheme at 12%, which provides higher support than the other Tees Valley councils; currently 17.5% in one council and 20% in the other three.

5.6 Hartlepool has been allocated £1.869m of the national funding. Based on an assessment of the number of forecast eligible LCTS eligible households it is estimated £0.872m needs to be allocated to offset the forecast 2021/22 Council Tax reduction to protect the budget. This amount is reflected in the budget deficit detailed earlier in the report.

5.7 After reflecting this commitment the balance of the grant is £0.997m. This amount could be carried forward to 2022/23 to offset the continuation of a higher number of LCTS households, as recovery to pre-Covid levels may be phased over a number of years. This would provide the most robust option for the Council's budget, but would not provide any support to LCTS households during 2021/22, which will be a particularly challenging year for low income households. The forecast deficit for 2022/23 detailed later in the report does not include any support from this grant.

5.8 Alternatively, the 2021/22 uncommitted funding, plus the under spend from 2020/21 could be allocated to support LCTS households in 2021/22, through a hardship support scheme as used in the current year. Using the 2020/21 uncommitted resources in this way effectively funds the police and fire element of the 2021/22 support package. Three potential options have been costed and include a contingency provision to manage the risk that LCTS claimant numbers are higher than forecast. As requested by Members the options also include a temporary increase in the 2021/22 Local Welfare Support budget. In summary the three options are as follows and further details are provided in the table below:

- Option 1 – support of £60 – this will cover approximately 35% of the forecast 2021/22 Band A LCTS Council Tax bill;
- Option 2 – support of £85 – this will cover approximately 50% of the forecast 2021/22 Band A LCTS Council Tax bill;
- Option 3 – support of £100 – this will cover approximately 60% of the forecast 2021/22 Band A LCTS Council Tax bill;

	Option 1 £60 £'000	Option 2 £85 £'000	Option 3 £100 £'000
Available Funding	1,297	1,297	1,297
Less – Forecast 2021/22 cost of LCTS support	(600)	(850)	(1,000)
Less – Local Welfare Support Allocation The base budget includes a recurring provision of £0.2m. Members may wish to increase this budget on a one-off basis to provide additional support during 2021/22.	(50)	(50)	(50)
Less – Risk Contingency to manage potential higher number of eligible LCTS households If the contingency is not needed the unused resources can be carried forward to support the 2022/23 budget, as it is anticipated there will continue to be a continuing reduction in Council Tax income, although at a lower level than in 2021/22.	(60)	(85)	(100)
Forecast uncommitted resources to support 2022/23 budget, or phase out LCTS support	587	312	147

- 5.9 It is recommended that **Option 2** is adopted as this provides a balance between supporting LCTS households in 2021/22, preparing these households for 2022/23 when there will be no funding to continue this initiative and leaving some resources to support the lower level of Council Tax income in 2022/23.

6. 2022/23 FORECAST DEFICIT

- 6.1 One of the major factors impacting on the 2022/23 budget will be the decision made in 2021/22 in relation to the level of Council Tax and the Adult Social Care precept. This decision will determine the size of the deficit deferred from 2021/22. The higher the increase in Council Tax and Social Care precept in 2021/22 the lower the deficit in 2022/23, as summarised below:

Forecast Deficit 2022/23

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
2021/22 Core Council Tax increase	0%	2%	2%	0%	2%	2%
2021/22 Social Care precept	0%	0%	1%	3%	2%	3%
Deficit Deferred from 2022/23	£4.047m	£3.193m	£2.766m	£2.766m	£2.339m	£1.912m
2022/23 Forecast Deficit (Note 1)	£1.592m	£1.561m	£1.545m	£1.545m	£1.529m	£1.514m
2022/23 Total Deficit	£5.639m	£4.754m	£4.311m	£4.311m	£3.868m	£3.426m

Note 1 – these figures reflect the different potential 2021/22 Council Tax and Adult Social Care precept levels and the resulting impact on recurring 2022/23 Council Tax income.

6.2 Details of the planning assumptions and risk assessment underpinning the 2022/23 budget forecast are set out in **Appendix B**.

7. RESERVES

7.1 Over the last three financial years (2017/18, 2018/19 and 2019/20) the Council's total Reserves (excluding the specific ring fenced reserves for the Housing revenue account and Schools) reduced from £45.119m at 31st March 2018 to £35.011m at 31st March 2020, which is a reduction of £10.108m (i.e. 22.4%). This reflected the planned use of reserves to support the revenue budget approved in the previous multi-year MTFS, and the use of earmarked revenue reserves.

7.2 Figures recently published by the Ministry of Housing, Communities and Local Government showed that total councils general fund revenue reserves had increased by £2 billion – an increase of 10% between 31.03.2018 and 31.03.19.

7.3 Comparison for the Tees Valley councils show that three other authorities reduced reserves over this time period by an average 13.7%, with a range of 5% to 19.4%.

7.4 The Council's reserves consists of two elements:

Summary of Total General Fund Reserves 31.03.18 to 31.03.20

	31.03.18 £'m	31.03.19 £'m	31.03.20 £'m
Revenue Grants Unapplied and Earmarked Capital Reserves	14.392	13.035	14.008
Other Reserves	30.727	26.948	21.003
Total	45.119	39.983	35.011

- 7.5 As reported previously Revenue Grants Unapplied and Earmarked Capital Reserves can only be spent in accordance with the funding conditions specified by external funders. If these conditions are not met the grants have to be repaid. The balance held at the year-end relates to schemes / projects which cover more than one financial year. Whilst these reserves have remained broadly stable in total, the make up at the end of each financial year has changed significantly and reflects different funding streams. The remainder of this section concentrates on the Other Reserves, as these resources are directly controlled by the Council.
- 7.6 Since the 31st March 2018 Other Reserves have reduced and there will be a further reduction in the current year as reserves will be used in accordance with decisions approved in previous MTFS as summarised below:

Other Reserves 31.03.18 and 31.03.19 actual and forecast 31.03.20

	31.03.18 £'m	31.03.19 £'m	31.03.20 £'m
Unearmarked General Fund Reserve	4.417	4.417	4.417
Budget Support and Investment Reserve	9.211	10.119	5.137 Note 1
Earmarked Revenue Reserves	15.619	12.412	11.449
Business Rates Safety Net Grant Reserve – balance transferred to Budget Support and Investment Reserve	1.480	0.000	0.000
Total	30.727	26.948	21.003
Percentage reduction from previous year	29.6% Note 2	12.3%	22.0%

1. Includes £0.528m Looked after Children Reserves and £0.096m Business Rates Levy Reserve – both of which will be used in 2020/21.
 2. The percentage reduction for 2017/18 of 29.6% reflects a reduction in these reserves from £43.620m at 31.03.17 to £30.727m.
- 7.7 Detail in relation to the value of the above reserves at 31st March 2020 were included in the Council's audited 2019/20 Statement of Accounts and these details are provided in **Appendix C**.
- 7.8 As endorsed by Finance and Policy Committee in August a single Budget Support Fund Reserve of £8.628m can be established to manage ongoing financial risks and to support the 2021/22 budget, as follows:

Forecast Budget Support Fund – before use to support 2021/22 Budget

Actual Balance 31.03.20 £'m		Forecast Balance 31.03.21 £'m
4.513	Budget Support Fund This is the uncommitted balance of this reserve, which is available to support the budget in 2021/22 and future years.	3.029
2.692	Strategic One off costs reserve This reserves is earmarked to fund potential one off redundancy / early retirement costs. As no staffing reductions are planned for 2021/22 this reserve can be released. However, if staffing reductions need to be made in 2022/23 or future years the resulting redundancy / early retirement costs will need to be funded from this overall reserve.	2.599
0.000	Release of Capital Funding Reserve Established by using revenue savings from Senior Leadership Restructure (£46k) and interest rates savings (£54k) to replace revenue funding of the capital programme with prudential borrowing.	3.000
7.205	Total Budget Support Fund	8.628

- 7.9 As detailed earlier in the report the level of Council Tax and Social Care precept set for 2021/22 will have a significant impact on both the Council's recurring Council Tax income and the level of uncommitted Budget Support Fund, as summarised in the following table. Clearly, the Council's financial resilience and flexibility beyond 2021/22 will be greater with a higher level of uncommitted Budget Support Fund at the end of 2021/22.

Forecast Uncommitted Budget Support Fund at end of 2021/22 –
based on alternative 2021/22 Council Tax and Adult Social Care precepts.

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
20/21 Core Council Tax increase	0%	2%	2%	0%	2%	2%
20/21 Social Care precept	0%	0%	1%	3%	2%	3%
Available Budget Support Fund	£8.628m	£8.628m	£8.628m	£8.628m	£8.628m	£8.628m
Less Support of 2021/22 budget (includes £1.150m forecast 2021/22 income shortfalls)	(£5.197m)	(£4.343m)	(£3.916m)	(£3.916m)	(£3.489m)	(£3.062m)
Uncommitted Budget Support Fund 31.03.22	£3.431m	£4.285m	£4.712m	£4.712m	£5.139m	£5.566m

7.10 The Uncommitted Budget Support Fund at the end of 2021/22 will be available to help the Council manage a range of financial risks, including:

- Potential support of the 2022/23 budget, including meeting potential one off redundancy and early retirement costs if further staffing reductions are required, or to provide a longer lead time where full year budget savings cannot be fully realised in 2022/23;
- Potential risks in relation to the delayed implementation of the Fair Funding Review and Business Rate reform until 2022/23, as the new funding system may result in redistribution of resources;
- higher risk of in-year reductions in Business Rates income when the percentage retained increases from 50% to 75%. This is a significantly greater risk for Hartlepool than for other councils owing to the reliance on the Power Station Business rates and the existing planned closure date;
- potential continuing risks that Children's Social Care Looked demand and costs will exceed the recurring base budget;

8. CAPITAL

8.1 National Museum of Royal Navy (NRMN) additional exhibition space

8.2 This scheme, alongside the development of the new leisure facility and public realm, is part of the overall Waterfront Development. Grant funding of £30m has been secured from the Tees Valley Combined Authority (TVCA) towards the cost of these schemes. Officers are currently working on the detailed Businesses Cases to release this funding.

8.3 Whilst there are no risks to this funding being released, as the TVCA have approved the overall funding package, there are risks regarding when funding is available for the NMRN project. To address this issue and to enable the NMRN scheme to progress it is recommended that the Council provides a cash flow loan to the NMRN to the value of the TVCA funding allocated to this scheme of £5m. This amount will be drawn down in installments as work progresses and may not be required if the full TVCA Business Case is completed before this scheme starts on site.

8.4 As a final back stop the Council's financial position will be protected by a separate legal agreement for the cash flow loan which will require full repayment from NMRN if they do not fulfill the TVCA Business Case requirements. This is an extremely low risk as officers are actively working with the NMRN and TVCA to complete the Business Case to drawdown the approved grant funding.

8.5 **Borough Hall / Town Hall / Art Gallery projects**

8.6 The capital programme approved in February 2020 includes the above projects and delivery is dependent on securing external capital grant funding as summarised below:

	Borough Hall £'000	Town Hall Theatre £'000	Art Gallery £'000
Confirmed funding			
- TVCA IGF funding	800	400	0
Potential Funding			
- TVCA Culture and Tourism	800	700	500
- Arts Council/DCMS/ Wolfson	0	0	700
Total	1,600	1,100	1,200

8.7 TVCA has determined that the Cultural and Tourism fund cannot be used for capital schemes and will be used to support the sector recover from the impact of Covid. Therefore, the forecast funding detailed in the above table will not be available.

8.8 The Covid pandemic has had a significant impact on the priorities of external funders and this will make it difficult for the Council to secure the funding previously forecast. This position is unlikely to be clarified for some time.

8.9 In view of the above factors it is recommended that rather than delay all schemes it is that the Council's existing resources of £1.2m are focused on delivery of the Borough Hall capital project.

- 8.10 Officers will continue to pursue external grants for the Town Hall Theatre and Art Gallery projects and further updates will be provided when more information is available.
- 8.11 **Capital Receipts Target**
- 8.12 Completion of the sale of land at Hart is expected to be achieved early in the new financial year (2021/22) and this will mean capital receipts will exceed the previously set target by £0.680m. This amount has previously not been committed owing to the challenges of achieving the overall capital receipts target.
- 8.13 The Council approved an ambitious capital programme in December 2019 and work is continuing on the detailed design of individual projects. Until contracts are awarded there remains a risks that actual costs may exceed the budgets allocated. The financial impact of the Covid pandemic has reduced the Council's ability to manage this risk.
- 8.14 The pandemic has also reduced the availability of external funding, as national grant bodies have used funding during 2020 to support organisations and will be reassessing future priorities when the country moves into the recovery phase.
- 8.15 Therefore, it is recommended that the uncommitted capital receipts are held in the earmarked Capital Funding Reserve as a capital contingency until contracts are awarded for the major approved capital projects, and the position on external funding is clearer. Details of any proposal to use this funding will be reported to this Committee for approval. If this contingency is not needed a further report will be prepared to enable Members to consider their priorities for using these one off capital resources.
- 8.16 The Council has only very limited land that can be sold and a further report will be presented to a future meeting on the potential value and phasing of additional capital receipts. This report will include an assessment of the impact of the Covid pandemic on the best time to market any additional housing land.
- 8.17 **Schemes funded from specific grants and Departmental Business Cases**
- 8.18 The Government provides specific capital grants for investment in schools, Disabled Facilities Grants and the Local Transport Plan. These resources can only be spent in accordance with the specific grant conditions. Detailed grant allocations for 2021/22 have not yet been issued and indicative allocations are detailed in **Appendix D**. In line with the procedures adopted in previous years it is recommended that once the actual 2021/22 allocations are known that authority is delegated to the relevant policy committee to approve the detailed schemes to be funded. This will ensure schemes can be implemented as soon as practical and grant conditions are complied with.

- 8.19 The Council also funds a replacement programme for operational vehicles and equipment (e.g. refuse vehicles, grass cutters etc.) used to deliver front line services. The Council has robust procedures for managing the operational life of vehicles and equipment and this includes an annual review of the proposed replacement programme by the Neighbourhoods Services Committee. Details of the proposed programme for 2021/22 to 2023/24 are included in **Appendix D**. Officers will continue to actively manage the proposed programme and this may mean planned replacements may be delayed if this is financially advantageous for the Council. Any temporary net saving from delaying replacement will be reflected in the quarterly revenue monitoring reports submitted to Finance and Policy Committee.

9. OTHER CONSIDERATIONS

9.1 Legal Considerations

- 9.2 The following issues are relevant in relation to this report:

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget – this report enables budget proposals to be approved and then referred to Council to meet this requirement;
- the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of Resources and Development) when making budget decisions. This advice must include details of the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. These requirements are addressed in section 11;
- The requirements of the Prudential Code in relation to the use of Prudential Borrowing – the capital proposals detailed in this report comply with these requirements. The more detailed technical requirements arising from the approval of the proposals in this report will be included in the Treasury Management Strategy which will be referred to Council separately, following scrutiny by Audit and Governance Committee.

9.3 Child and Family Poverty

- 9.4 There are no specific child and family poverty considerations as part of this report as there are no budget cuts proposed in the report.

9.5 Staff Considerations

- 9.6 None.

9.7 Asset Management Considerations

- 9.8 None, part from the impact on capital schemes at the Town Hall Theatre and Art Gallery referred to in section 8.5.

9.9 Equality and Diversity

9.10 None

10. CONSULTATION

10.1 Consultation meeting have been held with the Trade Unions and Business Sector and the minutes of these meetings are attached at **Appendix E**.

11. CONCLUSIONS AND ROBUSTNESS ADVICE

11.1 In response to Government funding cuts over the last nine years the Council made significant changes to modernise services and achieve efficiency savings. This included a 20% reduction in the workforce. The efficiencies and savings implemented over the last nine years cannot be repeated.

11.2 The Council has managed previous budget reductions effectively and external inspections show that we have maintained good services, including being the only Council in the Tees Valley that Ofsted has rated Children's Services as 'good'. This service performance reflects the hard work and dedication of the Council's staff.

11.3 The initial budget proposals endorsed by the Committee in August approved the significant use of reserves to balance the 2021/22 budget. This strategy recognised that part of the deficit should be temporary (i.e. income shortfall arising from the impact of Covid) and also recognised that a longer lead time was needed to identify budget cuts. The strategy also reflected significant uncertainty regarding national funding changes, which have been deferred to 2022/23, at the earliest.

11.4 Robustness Advice

11.5 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Section 151 Chief Finance Officer to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the Section 151 Officer.

11.6 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) issued guidance last year reminding Section 151 Officers and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help Section 151 Officer's discharge their responsibilities. CIPFA have also issued a Financial Management Code of Practice and a self-assessment against these criteria has been completed. As this document brings together existing best practice the Council complies with the majority of these requirements. There are a small number of areas where improvements can be made and these will be

addressed during 2021/22. In the main these issues relate to the development of a long term MTFS that demonstrates the sustainability of the council budget. This is difficult without a multi-year settlement and given the current Covid-19 response. However, this report clearly sets out the implications of the 2021/22 budget decisions and the forecast deficit to be addressed in 2022/23.

- 11.7 In providing the appropriate robustness advice to this Committee and full Council the most significant issue for Members consideration is the level of Council Tax increase and the Social Care precept for 2021/22.
- 11.8 As detailed earlier in the report the Government's 2021/22 funding strategy for local authorities is predicated on the level of Council Tax and Social Care precept. The Government's 2021/22 financial forecasts show that **87%** (£1.918 billion) of the national increase in core funding (£2.211 billion) is assumed to be funded from an increase in Council Tax of 2% and a 3% Social Care precept.
- 11.9 Based on the information detailed in paragraph 4.8 the most sustainable option for the Council is to implement the maximum increase in Council Tax and the Adult Social Care precept allowed by the Government's referendum limits.
- 11.10 The next most sustainable options would be to implement a 2% core Council Tax increase, with an element of the Adult Social Care precept implemented in 2021/22 and the balance deferred to 2022/23. This option provides the potential scope to achieve the full increase in ongoing resources in 2022/23.
- 11.11 The third most sustainable option would be to implement the full 3% Adult Social Care precept in 2021/22 and no core Council Tax increase. Under this option a decision not to increase the core Council Tax increase will reduce recurring income by **£0.854m**. This will mean:
 - additional reserves of this amount will need to be used to balance the 2021/22 budget;
 - additional cuts of this amount will then need to be made in 2022/23 and mean that the deficit deferred to 2022/23 is **£2.766m**, compared to **£1.912m** if Council Tax is increased up to the Government limits in 2021/22.
- 11.12 For the avoidance of doubt any proposals to increase total Council Tax (including the Adult Social Care precept) by less than 3% would not in my professional opinion be robust. This advice would need to be formally noted by Finance and Policy Committee and full Council, as adopting these options would:
 - Not have recognised the impact of the Government's national Council Tax policy on available funding for local services, which increases the budget cuts required;

- Removes the argument for additional Government funding, as the Government are unlikely to be sympathetic to authorities that have not used available Council Tax limits;
- Permanently reduce recurring income by **£2.135m** and therefore increase the value of budget cuts that need to be made in 2022/23 by this amount; and
- Increase the use one off resources used to balance the 2021/22 budget, which will reduce future financial flexibility and the resources available to meet unexpected financial shocks.

11.13 Further information in relation to the robustness of advice is provided in **Appendix B**.

11.14 In the event that Members identify alternative savings to replace the proposed Council Tax increase these would need to be assessed before I could confirm they were robust. This assessment would need to assess alternative proposals in terms of deliverability, sustainability and impact on staff. In addition, alternative proposals may require statutory consultation and equality impact assessments, particularly if changes are proposed to services, the introduction of new/increased charges or reductions in staffing. There is a risk that any necessary assessments cannot be completed in time to implement alternative savings from 1st April 2021 which would mean only a part year saving can be achieved.

11.15 Council would also need to recognise that replacing increased Council Tax income with budget cuts reduces future financial flexibility as cuts can only be made once. Therefore, by making cuts in 2021/22 these measures would not be available in 2022/23, which would mean even more difficult cuts would need to be made to balance the 2022/23 budget.

11.16 The decisions Members make in relation to the 2021/22 budget are probably the most important budget decisions that will ever be made as they provide the financial foundations and legacy for the new Council to be elected in May 2021.

11.17 The Government's national Council Tax policy for 2021/22 continues to shift funding of local services from national taxation on to Council Tax. As a consequence councillors across the country are placed in an invidious position of either:

- increasing Council Tax (including a further Adult Social Care precept) up to the level of national increases set by the Government to increase recurring resources and protect services;
- implement lower Council Tax increases and accept that the reduction in recurring income will have to be addressed by making additional budget cuts.

11.18 It is also clear that the Covid pandemic has had a fundamental impact on the country's finances as Government borrowing is forecast to be £394 billion in the current year – the highest peacetime increase in Government debt. The Chancellor's recent one year Spending Review did not say how the Government proposals to address this position.

11.19 However, it is clear that funding increases for local government will not be a Government priority in 2022/23 and future years. The best potential outcome will be a multi-year cash freeze in Government funding, which is the current planning assumption for 2022/23. Against this background the Council will continue to face an extremely challenging financial future, which further underlines the importance of the 2021/22 Council Tax decisions.

12. RECOMMENDATIONS

12.1 It is recommended that Members note the following:

- i) The Government have proposed a 2% core Council Tax referendum limit, plus a 3% Adult Social Care precept. Continuation of the Adult Social Care precept for a sixth year continues to shift part of the funding of these services onto Council Tax;
- ii) Government figures shown that 87% of the forecast 2021/22 national increase in Core Funding is predicated on all authorities implementing Council Tax increases in line with national Referendum Limits, including the Adult Social Care precept.
- iii) If Council Tax is not increased in line with national Council Tax limits the national Core Funding increase of 4.5% will not be achieved and core funding will only increase by 0.6%.

12.2 It is recommended that Members refer the following proposals to full Council:

Revenue Budget

1. Note the robustness advice detailed in section 11, including the advice in relation to the 2021/22 Council Tax increase and Adult Social Care precept.
2. Determine which of the following 2021/22 Council Tax and Adult Social Care precept options is referred to Council and consider the impact the various option have on:
 - the deficit deferred to 2022/23;
 - the value of the Budget Support Fund to be used in 2021/22 to balance the budget; and
 - the value of the uncommitted Budget Support Fund after support of the 2021/22 budget:

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Core Council Tax increase	0%	2%	2%	0%	2%	2%
Social Care precept	0%	0%	1%	3%	2%	3%
Recurring Council Tax & Social Care precept income	Nil	£0.854m	£1.281m	£1.281m	£1.708m	£2.135m
Deficit Deferred to 2022/23 ##	£4.047m	£3.193m	£2.766m	£2.766m	£2.339m	£1.912m
Use Budget Support Fund (BSF) 2021/22	£5.197m	£4.343m	£3.916m	£3.916m	£3.489m	£3.062m
Uncommitted BSF after support of 2021/22 budget (details 7.9)	£3.431m	£4.285m	£4.712m	£4.712m	£5.139m	£5.566m

3. Consider the options detailed in paragraph 4.27 in relation to the proposal from the Neighbourhood Services Committee for an annual ward bulky waste pilot scheme (1 per ward) to be referred to Council for consideration as part of the 2021/22 budget considerations. Noting there is currently no funding for this proposals.

Use of one off funding for 2021/22 Council Tax Losses and Support for Local Council Tax Support Households

1. Determine which of the following options to refer to Council and to note the impact the three options have on the forecast uncommitted resources to support the 2022/23 budget, or phase out LCTS support in 2022/23:

	Option 1 £60 £'000	Option 2 £85 £'000	Option 3 £100 £'000
Available Funding	1,297	1,297	1,297
Less – Forecast 2021/22 cost of LCTS support	(600)	(850)	(1,000)
Less – Local Welfare Support Allocation	(50)	(50)	(50)
Less – Risk Contingency to manage potential higher number of eligible LCTS households	(60)	(85)	(100)
Forecast uncommitted resources to support 2022/23 budget, or phase out LCTS support	587	312	147

2021/22 Covid-19 Expenditure Pressures Grant

1. Note the Council has been allocated £3.178m of one off funding to address continuing Covid pressures in 2021/22 and 2022/23, and approve use of his grant will be subject to separate reports to Finance and Policy Committee for consideration and approval.
2. Approve that any of the above grant not needed to fund additional service and financial pressures is used to replace use of the Council's own reserves, which will the Council in a better financial position to manage future financial challenges and risks, and will help mitigate the ongoing financial impact of Covid on the Council.

Reserves

1. Approve the establish of a Budget Support Fund as detailed in paragraph 7.8 and note the use of this reserve in 2021/22 will depend on the decision made in relation to Council Tax and the Adult Social Care precept (as detailed in Revenue Budget recommendation 2 above).

Capital

1. Approve the provision of a cash flow loan to the NMRN to the value of the TVCA funding allocated for the development of a new exhibition space of £5m and delegate authority to the Managing Director to complete the necessary legal agreement with the NMRN to secure repayment of the loan, either from the TVCA funding, or directly from the NMRN in the unlikely event the detail business case does not comply with TVCA requirements.
2. Approve the proposal to re-allocate Council funding previously allocated for the Town Hall, Borough Hall and Art Gallery projects towards the Borough Hall projects, as detailed in paragraph 8.9. To note officers will continue to seek to secure external funding for the Town Hall and Art Gallery projects.
3. Approve the proposal that the uncommitted capital receipts of £0.680m (which are anticipated to be received early in 2021/22) are held in the earmarked Capital Funding Reserve as a capital contingency until contracts are awarded for the major approved capital projects, and the position on external funding is clearer. Details of any proposal to use this funding will be reported to this Committee for approval.
4. Approve the business case capital schemes and note the indicative specific capital grant allocations detailed in **Appendix D**, and in line with the policy adopted in previous years delegate authority to the relevant Policy Committee to determine, in compliance with the relevant grant conditions, the allocation of the actual capital grants once these are known;

13. REASON FOR RECOMMENDATIONS

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

14. BACKGROUND PAPERS

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

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2021/22 to 2022/23 – 30th November 2020.

15. CONTACT OFFICER

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Telephone: 01429 523003

Sign Off:-

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

11 (a) (1) APPENDIX A

Weekly Council Tax increase for alternative Council Tax increases and Adult Social Care precept

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Percentage of properties in Council Tax band
Core Council Tax increase	0%	2%	2%	0%	2%	2%	
Social Care precept	0%	0%	1%	3%	2%	3%	
	£.p	£.p	£.p	£.p	£.p	£.p	
Band A	0.00	0.45	0.67	0.67	0.90	1.12	54.05
Band B	0.00	0.52	0.79	0.79	1.05	1.31	16.86
Band C	0.00	0.60	0.90	0.90	1.20	1.50	14.37
Band D	0.00	0.67	1.01	1.01	1.35	1.68	7.59
Band E	0.00	0.82	1.23	1.23	1.65	2.06	4.03
Band F	0.00	0.97	1.46	1.46	1.95	2.43	1.72
Band G	0.00	1.12	1.68	1.68	2.24	2.81	1.21
Band H	0.00	1.35	2.02	2.02	2.69	3.37	0.17
							100.00

ROBUSTNESS ADVICE FROM DIRECTOR OF RESOURCES AND DEVELOPMENT

As detailed in Section 11 the Director of Resources and Development can advise Members that in his professional opinion the budget proposals for 2021/22 are robust and this advice is based on the following key factors being in place:

- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- A prudent provision for inflation on non-pay budgets and income budgets for the next three years. Following the Brexit referendum the risks in relation to inflation have increased. These factors will need to be reviewed on an annual basis;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- An assessment of financial risks and the measures to mitigate these risks as detailed in Table 1;
- An assessment of the key financial assumptions underpinning the 2021/22 budget as detailed in Table 2.

2021/2022 FINANCIAL RISK MANAGEMENT**Risk Rating**

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

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

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

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

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

CORPORATE RISKS

Financial Risk	Risk Rating	2021/22 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay	Amber	62,154	79.4%	The MTFS includes provision of £250 for those staff earning less than £24,000 per annum. There is no provision for other staff as it is expected the Government pay pause will apply to Local Government. The MTFS report highlights the risk if this is not the case.
Higher costs of borrowing and/ or lower investment returns	Green	3,843	4.9%	This budget covers annual principal repayments and net interest on the Council's borrowings and investments. Interest payable on Council's borrowings or interest earned on investments could be higher or lower than forecast. The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the Director of Finance & Policy's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors. The unprecedented low levels of interest rates have resulted in a significant reduction in investment income. This change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis.
Planned Maintenance Budget	Amber	231	0.3%	Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. From 2002/03 the Council has provided an inflationary increase to this budget in line with the MTFS.
Schools Buy-Back Income	Amber	2,721	3.5%	Buy back income underpins a range of services provided by the Council. This income budget is reliant on the schools continuing to buy back the services.
Education Services Grant	Red	521	0.7%	This funding is in two parts. The first is funded from DSG which covers statutory duties carried out on behalf of all schools. Schools Forum agree this funding annually. The second part is funded from schools and covers statutory duties for maintained schools only. Schools Forum vote annually on this. For the last four financial years Schools Forum have not approved the pass through and the Council has had to disapply to the Secretary of State. The Secretary of State has approved this request.
Failure to comply with relevant	Amber	0	N/A	The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.

CHILDREN'S & JOINT COMMISSIONING

Financial Risk	Risk Rating	2021/22 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Increased Demand for Looked After Children Placements	Red	12,200	15.6%	There is a national trend of increasing numbers and increased costs for the placement of children looked after. This particular area is highly volatile and potentially subject to unexpected increases in the numbers of children. The position has also been adversely impacted by COVID. This area includes in-house foster placements, independent foster placements with an agency, special guardianship, child arrangement orders and leaving care allowances as well as residential placements. The budget figure reflects an additional £2.467m of base budget funding.
Dedicated Schools Grant - High Needs Block	Amber	12,689	16.2%	Block funding has increased by £1.563m (12.07%) from 2020/21. However, although this is a significant increase for the second successive year, this may be insufficient to meet the expected demand for services for children and young people with special educational needs and/or disability. Work is underway to develop a three year Medium Term Financial Strategy for High Needs Spending.
Dedicated Schools Grant - Early Years Block	Red	6,365	8.1%	Since 2017/18, funding from government relating to 2 year old provision has been insufficient to meet the cost of payments to providers. This resulted in a financial pressure of £0.104m in 2018/19 and £0.150m in 2019/20. A Task and Finish Group has been established to review options for dealing with the funding shortfall.
Dedicated Schools Grant - De-Delegated Services	Amber	487	0.6%	There are a number of services provided by the LA which are funded from retained DSG. The LA delegates this funding into school budgets and then requests approval from Schools Forum to de-delegate these budgets back to the LA for all non-Academy schools. Academy schools retain this funding, although they have the opportunity to 'buy-back' these services from the LA. As schools in Hartlepool convert to Academy status in the future, there is the potential for funding to be reduced which could impact on service delivery.

ADULT AND COMMUNITY BASED SERVICES

Financial Risk	Risk Rating	2021/22 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Non-achievement of income targets - Cultural Services	Amber	350	0.4%	The nature of Cultural Services budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. COVID is likely to have an adverse impact on income achieved in 21/22.
Demographic changes in Older People	Red	11,200	14.3%	Increasing number of elderly people, high percentage of chronic health problems and market pressures on price, including the National Living Wage. The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and demographic changes can impact on levels of contribution. Other risks include increased pressure on intermediate care service, ensuring discharge from hospital is not delayed and older people's needs becoming more complex due to increased life expectancy.
Demographic changes in Working Age Adults	Red	9,400	12.0%	Rising numbers of people with learning disabilities with increasingly complex needs.
Better Care Fund	Amber	7,612	9.7%	The Better Care Fund consists of revenue funding and capital funding (not shown). The Pooled Budget Partnership Board and Health and Wellbeing Board approve schemes and monitor BCF expenditure. The risks include BCF grant funding not continuing in future years or funding being reduced. The figure shown excludes the Improved Better Care Fund allocation (iBCF).
Non-achievement of income targets - Sport, Leisure and Recreation	Amber	1,850	2.4%	The nature of Sport, Leisure and Recreation budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Non-achievement of income targets in this area over the last few years has been the main reason for the overspends. COVID is likely to have an adverse impact on income achieved in 21/22.

NEIGHBOURHOOD & REGULATORY SERVICES

Financial Risk	Risk Rating	2021/22 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Car Parking	Amber	690	0.9%	This now relates mainly to out of town car parking income. The Council has waived car parking fees for the town centre as a result of being awarded £1.038m grant from the TVCA to compensate for lost income, including an amount to reflect expected displacement from nearby car parks where fees have been maintained. There is a risk that actual displacement from fee charging areas is higher than the amount covered by the grant.
Fee Income - Planning & Building Control	Amber	762	1.0%	The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.
Highways Maintenance	Amber	2,300	2.9%	A lack of major investment from Central Government is leading to a deterioration in the network. This is a national position and funding is needed to raise conditions generally. Maintenance budgets are under pressure as a result and the position will be closely monitored each month. Conditions surveys will be used to support the Highways Five Year Maintenance Programme and Capital and Revenue budgets will be applied accordingly. This budget includes winter maintenance which can vary between years depending on weather conditions.
Home to School Transport Costs	Amber	1,650	2.1%	The provision of transport is a demand led service and influenced by the needs of pupils which vary from term to term. The highest area of spending relates to the requirement to transport special needs pupils which invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Passenger Transport service.
Trading Accounts	Amber	16,000	20.4%	The department has a wide range of trading operations which generate income by charging clients both internal and external to the Council. This includes services such as school catering, highways, building maintenance, garage, passenger transport as well as professional fees which funds the salaries of staff in property and engineering related services. This income is not certain and depends on local and national economic conditions and can be volatile in response to reductions in client budgets and the Council's capital programme.
Non-achievement of income targets - Licensing	Amber	373	0.5%	The Council reviews the fees that it can set at regular intervals to ensure that the fee being charged recovers the cost of the application process, and is legally robust and transparent.

SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

Budget Assumption	Financial Standing and Management
The treatment of inflation and interest rates	<p>The resource allocations for 2021/22 include 2% for anticipated general inflation on non pay expenditure.</p> <p>In addition, where it is anticipated that costs will increase by more than inflation these issues have been specifically reflected in the pressures included within the budget requirement.</p> <p>Interest exposure is managed through the Treasury Management Strategy.</p>
The treatment of demand led pressures	Individual Policy Chairs and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the change over more than one financial year.
The treatment of planned efficiency savings/productivity gains	Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent efficiency is achieved.
The availability of other funding to deal with major contingencies and the adequacy of provisions	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.
NNDR/Safety Net	The NNDR1 form setting the amount of business rates to be paid to preceptors in 2021/22 will not be completed until January 2021. The Council has used an estimate based on the most up to date information available to forecast how much business rate income will be received from both its retained share and any safety net entitlement.

General Fund Balance

Balance as at 31st March 2019	Reserve Category	Balance as at 31st March 2020	Planned Use of Reserves			Balance as at 31st March 2023
			2020/21	2021/22	2022/23	
£000s		£000s	£000s	£000s	£000s	£000s
4,417	General Fund Balance	4,417	0	0	0	4,417
4,417		4,417	0	0	0	4,417

Budget Support & Investment Reserves

8,844	Budget Support Fund 2019/20	4,513	2,692			7,205
-	Looked After Children Reserves	528				528
430	Business Rates Levy	96				96
845	MTFS Investment Reserve	-				0
10,119		5,137	2,692	0	0	7,829

Earmarked Revenue Reserves

3,323	Strategic One Off Costs	2,692	(2,692)			0	bsf
2,226	Insurance Fund	2,212				2,212	
1,106	Treasury Management Risk Reserve	1,489				1,489	CP
1,333	Adult Social Care Reserve	1,211				1,211	DW
1,283	Strategic Change Reserves	1,161				1,161	
450	Education Improvement Strategy Reserve	419	-	(210)	(209)	0	show spent
676	Public Health Grant Reserve	333				333	
105	Brexit Funding	315				315	
400	Income Risk Reserve	309				309	used
263	Lotteries Reserve	302				302	CP and HM sec of state approval spend
300	Support for Local Council Tax Support Scheme	300	-	-	-	300	
220	Better Care Fund Reserve	220				220	
75	Supporting Family Poverty	139				139	
143	School Attainment Reserve	125	-	(65)	(60)	0	
113	Trading Account Reserves	78				78	
142	National Museum of the Royal Navy Reserve	38				38	
29	Museums Acquisition	28				28	
20	Concessionary Fares	20				20	
17	Environmental Apprenticeships Scheme	17				17	
15	Works in Default Empty Homes	15				15	
28	Funding for Modern Apprentices	13				13	
105	Tees Education & Skills Reserve	8				8	
5	Centre of Excellence in Creative Arts Trading Reserves	5				5	
35	Members Ward Budget Reserve	-				0	
12,412		11,449	(2,692)	(275)	(269)	8,213	

26,948	Total Reserves	21,003	-	(275)	(269)	20,459
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FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2021/22 TO 2023/24**TABLE 1 - FORECAST CAPITAL RESOURCES**

	Forecast Resources 2021/22 (Provisional)				Forecast Resources 2022/23 (Provisional)				Forecast Resources 2023/24(Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Specific Capital Grants												
Devolved Formula Capital (Schools) - Note 1	0	0	120	120	0	0	120	120	0	0	120	120
Disabled Facilities Grant (Better Care Fund) - Note 2	0	0	1,222	1,222	0	0	1,222	1,222	0	0	1,222	1,222
Local Transport Plan - Structural Highways Maintenance - Note 3	0	0	1,054	1,054	0	0	1,054	1,054	0	0	1,054	1,054
Local Transport Plan - Integrated Transport Block - Note 3	0	0	719	719	0	0	719	719	0	0	719	719
Schools Capital Programme - Note 4	0	0	795	795	0	0	792	792	0	0	795	795
	0	0	3,910	3,910	0	0	3,907	3,907	0	0	3,910	3,910
Departmental Prudential Borrowing - Funded from Specific Business Cases												
HRA - Additional Properties - Note 5	2,074	0	1,064	3,138	0	0	0	0	0	0	0	0
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Vehicle Procurement (Tables 2 - 4) Note 6	2,615	0	0	2,615	2,278	0	0	2,278	368	0	0	368
	2,705	0	0	2,705	2,368	0	0	2,368	458	0	0	458
Total Forecast Resources	2,705	0	3,910	6,615	2,368	0	3,907	6,275	458	0	3,910	4,368

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2020/21 allocation. Government has stated that the 2020/21 allocations can be used as an indication of future allocations.

Note 2 - The Government have announced a 13.5% increase in overall funding for DFG's in 2021/22 however individual LA allocations have not yet been confirmed. For planning purposes a 13.5% increase has been applied to the 2020/21 allocation. Future allocations are unknown so it has been assumed that the funding will remain at 2021/22 levels and that Better Care Fund will continue in 2022/23 and 2023/24.

Note 3 - Local Transport Plan allocation for 2021/22 is based on an indicative allocation and future years' allocations are based on this estimate.

Note 4 - Schools Capital Programme includes an estimate of £0.628m Schools Condition Grant and £0.167m Special Provision Capital Grant for 2021/22. The Council will receive no Basic Need funding allocation in 2021/22. The forecasts from 2021/22 onwards are based on the 2020/21 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations.

Note 5 - The borrowing level is the affordable amount recommended by F&P in relation to the HRA rent freeze option.

Note 6 - 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).

PART 1

**BUDGET CONSULTATION MEETING WITH TRADE UNION
REPRESENTATIVES –**

**Minutes of Meeting held on
15 DECEMBER 2020**

Present: ***Hartlepool Borough Council Officers***
Councillor Shane Moore, Leader of the Council (*Chair*)
Councillor Sue Little
Denise McGuckin, Managing Director
Chris Little, Director of Resources and Development
James Magog, Assistant Director Finance

Trade Union Representatives

Edwin Jeffries
Tony Watson
Helen Metcalf
Julie Wynn
Stephen Williams

Apologies:

Councillor Leisa Smith
Councillor John Tennant

Emma Armstrong, PA (Minutes)

1.	Presentation
<p>Councillor Shane Moore welcomed the group and introductions were given.</p> <p>Chris Little provided a brief summary of the MTFs report considered by Finance & Policy Committee on 30th November 2020 and an update to reflect additional information from the Spending Review announcement 25.11.20 and the impact on Hartlepool's forecast financial position for 2021/22 - 2022/23 and the current pressures.</p> <p>The Trade Unions welcomed this briefing and noted the Governments requirement to increase Council Tax to secure recurring funding for services. They indicated that the Unions would be submitting a national pay claim early in 2021.</p>	

PART 2

BUDGET CONSULTATION MEETING WITH BUSINESS SECTOR REPRESENTATIVES –

Minutes of Meeting held on 17 DECEMBER 2020

Present: **Hartlepool Borough**
Councillor Shane Moore, Leader of the Council (*Chair*)
Councillor John Tennant
Denise McGuckin, Managing Director
Chris Little, Director of Resources and Development

Business Sector Representatives

Adrian Liddell
Peter Olsen
Alby Pattison
David Scott

Apologies:

Councillor Leisa Smith
Councillor Sue Little
Kirsty Swanson, PA (Minutes)

1.	Presentation
<p>Councillor Shane Moore welcomed the group and introductions were given.</p> <p>Chris Little provided a brief summary of the MTFS report considered by Finance & Policy Committee on 30th November 2020 and updated to reflect additional information from the Spending Review announcement on 25.11.20 and the impact on Hartlepool's forecast financial position for 2021/22 - 2022/23 and the current pressures.</p> <p>The Business Sector representative welcomed this briefing and responses were provided to the following questions:</p> <ul style="list-style-type: none">• Impact of the Nuclear Power Station not being renewed and the financial stability of the Council if this happened.• COVID Mass testing and the impact on the Councils budget• Household income restrictions and the impact that an increase on Council Tax would have.• Acknowledged the work staff have put in over the pandemic and the impact of a pay freeze on public sector staff.• Prudential borrowing is at a low therefore could be a good time if needed. <p>In response to whether a second consultation meeting will be held CL indicated that there are unlikely to be any significant changes to position detailed in the Spending Review, as this provided significantly more information in relation to local government funding than previous years. It was therefore suggested that a second meeting would only be held if there were any significant changes. If there are no significant changes CL will the circulate details of any changes made to the Spending Review position.</p>	

Section 5 of MTFs Report – Support for Local Council Tax Support Households

- The Council (17.09.20) has determined to retain a 12% LCTS for 2021/22. This provides higher support than the other Tees Valley councils; currently 17.5% in one council and 20% in the other three;
- Tees Valley Councils haven't yet decided on whether they will be providing additional support in 2021/22 for LCTS households; currently one council is considering providing support and three no additional support;
- The recommendation of £85 is designed to balance the financial impact on the Council and help LCTS households readjust to having to make Council Tax payments;
- The 2021/22 Covid grant cannot be used to support LCTS households as this is not the purpose of this grant and commitments against this grant are not yet known. The Government has also said this is the final Covid grant;
- If Members adopted the recommended option detailed in the MTFs report to provide additional support of £85 the Council's will provide the highest overall support for LCTS households in the Tees Valley, as summarised below;

Comparison based on 2020/21 Council Tax and existing LCTS schemes
plus proposed additional LCTS support for 2021/22

	Band A	Band B
Hartlepool - 12% LCTS Scheme		
- LCTS Council Tax liability	167.22	195.09
- Less additional proposed support	(85.00)	(85.00)
Net Council Tax liability	82.22	110.09
TV Council - 20% LCTS Scheme		
- LCTS Council Tax liability	265.33	309.55
- Less additional proposed support	(150.00)	(150.00)
Net Council Tax liability	115.33	159.55
TV Council - 20% LCTS Scheme		
- LCTS Council Tax liability	273.26	318.80
- Less additional proposed support	0.00	0.00
Net Council Tax liability	273.26	318.80
TV Council - 20% LCTS Scheme		
- LCTS Council Tax liability	251.50	293.42
- Less additional proposed support	0.00	0.00
Net Council Tax liability	251.50	293.42
TV Council - 17.5% LCTS Scheme		
- LCTS Council Tax liability	230.96	269.45
- Less additional proposed support	0.00	0.00
Net Council Tax liability	230.96	269.45

- To repeat the 2020/21 additional support for LCTS households the additional cost would be £803,000 and one off funding would need to be identified. This option would also mean there was no uncommitted resources to support the 2022/23, or phase out the additional LCTS support by providing a reduced level of support in 2022/23.

Section 7 of MTFS Report – Reserves

- Paragraph 7.6 provided a summary showing the reduction in other reserves from £30.727m at 31.03.2018 to £21.003m at 31.03.20;
- Paragraph 7.8 focused on the Budget Support as this is the only reserve available to support the budget in 2021/22 and future years;
- As requested by a Member the attached schedule (Appendix 1) has been prepared to show the forecast use of reserves up to 31.03.24. In preparing this schedule the following planning assumptions have been made:
 - Budget Support Fund – use in 2021/22 will be determined by F and P Committee on 25.01.21. For the purpose of this exercise use in 2021/22 of £3.916m has been assumed (i.e. level required for Council Tax and Adult Social Care precept options 3 (2% core increase plus 1% precept) or 4 (freeze core and 3% precept). Use of the remaining balance of £4.712m is then split equally in 2022/23 and 2023/24 as this reserve will need to be used in these years to support the budget and meet redundancy and early retirement costs. The actual phasing will be determined as part of the 2022/23 budget process;
- In summary Appendix 1 provides the following details:

	Balance as at 31st March 2020	Transfer Between Reserves	Planned Use of Reserves				Balance as at 31st March 2024
			2020/21	2021/22	2022/23	2023/24	
	£'000		£'000	£'000	£'000	£'000	£'000
Unearmarked General Fund	4,417	0	0	0	0	0	4,417
Budget Support Fund & Investment Reserves	5,137	5,599	(2,108)	(3,916)	(2,356)	(2,356)	0
Earmarked Revenue Reserves	11,449	(2,599)	(1,009)	(1,676)	(952)	(507)	4,706
Total Other Reserves	21,003		(3,117)	(5,592)	(3,308)	(2,863)	9,123

- The current forecast at 31.03.24 of £9.123m consists of the following key reserves:

£4.417m General Fund – this is approximately 5% of the annual budget and unplanned/emergency use of this reserve would need to be replaced;

Earmarked Revenue Reserves at 31.03.24 includes:

£2.212m Insurance Fund – this reserves is earmarked to meet the costs of insurance claims and reflects an assessment of forecast liabilities. No use is shown for this reserve as the timing on when payments will be made is uncertain;

£2.194m Treasury Management Risk Reserve – this reserve was established as part of the strategy for reducing the recurring loan repayment revenue budget and is earmarked to meet increased borrowing costs in 2027/28 and future years.

Section 8 of MTFS Report – Capital Receipts target

- The Capital Receipts target was originally set in 2010/11 to address the withdrawal of Housing Market Renewal (HMR) Grant by the Government and this replacement funding was needed to complete HMR schemes;
- As reported previously achieving the target has been challenging owing to economic conditions prevailing for much of the period 2010 to 2020. Regular reports to Finance and Policy Committee advised Members of the actions taken to manage the situation, which included the benefits of expenditure being incurred later than initially forecast;
- The MTFS report forecasts uncommitted capital receipts of £680,000 as summarised below:

	£'000
Capital Receipts target	7,310
Less – Capital Receipts received in previous years (details attached Appendix 2)	(6,598)
Less – Forecast capital receipts to be received 20/21 or 21/22 (Tanfield Road site, Rocket House, Rock Haven and Land at Hart – details of final sale prices can be reported once payment has been received)	(1,392)
Forecast uncommitted Capital Receipts	(680)

		Planned Use of Reserves							
Balance as at 31st March 2019	Reserve Category	Balance as at 31st March 2020	Transfer Between Reserves	2020/21	2021/22	2022/23	2023/24	Balance as at 31st March 2024	
£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	
4,417	General Fund Balance	4,417	-	-	-	-	-	4,417	
4,417		4,417	0		0	0	0	4,417	
<u>Budget Support & Investment Reserves</u>									
8,844	Budget Support Fund 2019/20	4,513	5,599	(1,484)	(3,916)	(2,356)	(2,356)	0	
-	Looked After Children Reserves	528	-	(528)		-	-	0	
430	Business Rates Levy	96	-	(96)		-	-	0	
845	MTFS Investment Reserve	-	-		-	-	-	0	
10,119		5,137	5,599	(2,108)	(3,916)	(2,356)	(2,356)	0	
<u>Earmarked Revenue Reserves</u>									
3,323	Strategic One Off Costs	2,692	(2,599)	(93)	-	-	-	0	
2,226	Insurance Fund	2,212	-	-	-	-	-	2,212	
1,106	Treasury Management Risk Reserve	1,489	-	155	175	160	215	2,194	
1,333	Adult Social Care Reserve	1,211	-	(312)	(416)	(400)	(83)	0	
1,283	Strategic Change Reserves	1,161	-	(382)	(490)	(140)	(149)	0	
450	Education Improvement Strategy Reserve	419	-	-	(187)	(187)	(45)	0	
676	Public Health Grant Reserve	333	-	-	(228)	(105)	-	0	
105	Brexit Funding	315	-		(315)	-	-	0	
400	Income Risk Reserve	309	-	-	(100)	(100)	(109)	0	
263	Lotteries Reserve	302	-	(76)	(76)	(75)	(75)	0	
300	Support for Local Council Tax Support Scheme	300	-	-	-	-	-	300	
220	Better Care Fund Reserve	220	-	-	-	-	(220)	0	
75	Supporting Family Poverty	139	-	(87)	16	(40)	(28)	0	
143	School Attainment Reserve	125	-	(60)	(35)	(30)	-	0	
113	Trading Account Reserves	78	-	(78)	-	-	-	0	
142	National Museum of the Royal Navy Reserve	38	-	(38)	-	-	-	0	
29	Museums Acquisition	28	-	-	(10)	(10)	(8)	0	
20	Concessionary Fares	20	-	-	-	(20)	-	0	
17	Environmental Apprenticeships Scheme	17	-	(17)	-	-	-	0	
15	Works in Default Empty Homes	15	-	-	(5)	(5)	(5)	0	
28	Funding for Modern Apprentices	13	-	(13)	-	-	-	0	
105	Tees Education & Skills Reserve	8	-	(8)	-	-	-	0	
5	Centre of Excellence in Creative Arts Trading Reserves	5	-	-	(5)	-	-	0	
35	Members Ward Budget Reserve	-	-	-	-	-	-	0	
12,412		11,449	(2,599)	(1,009)	(1,676)	(952)	(507)	4,706	
26,948	<u>Total</u>	21,003	3,000	(3,117)	(5,592)	(3,308)	(2,863)	9,123	

The transfer between reserves of £3m reflects the release of capital funding reserves as detailed in paragraph 7.8 of the MTFS report.

Appendix 2**Capital Receipts achieved in previous years**

Property
Henry Smith Site/King Oswy Drive Brierton Site Foggy Furze Tanfield/Focus Land at Central Park (Steetly) (Old Cemetery Road) Jesmond Rd School Brooklyn Day Centre Municipal Buildings HRA Appropriation Seaton Lane Custodian Property - Aurora Court 85 Station Lane EDC Gardner House Easy Skips Melrose House Lanehead The Willows (former Registrars Office) HRA Appropriation Hill View Wharton Annexe Custodian Share of Middlesbrough Property HRA Appropriation Lealholm Somersby Clarence House Covenant Briarfields Custodian Property - The Wave 174 West View Road Monmouth Grove Land at Eskdale Road Land at Challoner Road 65 Jutland Rd Land Near Saltbarn Misc (Small land transactions) Drainage Easement Greatham Aldi New Store - Drainage Easement Pink Domino Garage Bond Street

MEDIUM TERM FINANCIAL STRATEGY (MTFS) - RECOMMENDATIONS APPROVED BY FINANCE AND POLICY COMMITTEE FOR REFERRAL TO FULL COUNCIL

The Finance and Policy Committee agreed amendments to the following recommendations:

- Revenue Budget – recommendations 2 and 3
- Use of funding for 2021/22 Council Tax losses and support for Local Council Tax Support households – combined into Revenue Budget recommendations
- 2021/22 Covid-19 Expenditure Pressures Grant – recommendation 2
- Capital – additional recommendation 5

These changes are reflected in the updated section 12 of the MTFS report set out below, which for ease of reference also includes the recommendations not amended by Finance and Policy Committee.

12. RECOMMENDATIONS

12.1 It is recommended that Members note the following:

- i) The Government have proposed a 2% core Council Tax referendum limit, plus a 3% Adult Social Care precept. Continuation of the Adult Social Care precept for a sixth year continues to shift part of the funding of these services onto Council Tax;
- ii) Government figures shown that 87% of the forecast 2021/22 national increase in Core Funding is predicated on all authorities implementing Council Tax increases in line with national Referendum Limits, including the Adult Social Care precept.
- iii) If Council Tax is not increased in line with national Council Tax limits the national Core Funding increase of 4.5% will not be achieved and core funding will only increase by 0.6%.

12.2 Finance and Policy Committee determined to refer the following proposals to full Council for approval:

Revenue Budget

1. Note the robustness advice detailed in section 11, including the advice in relation to the 2021/22 Council Tax increase and Adult Social Care precept.
2. Approve a core Council Tax freeze, no increase in the Adult Social Care for 2021/22 and no additional support for Local Council Tax Support, which Council (17.09.20) approved to maintain at 12%, and approve that the resulting 2021/22 budget deficit of £5.197m is funded from:-
 - a. The use of £0.985m of Government Grant detailed in paragraph 5 of the main MTFS report;
 - b. The use of £4.212m of the Budget Support Fund in 2021/22;

and to note

- c. This will result in a forecast 2022/23 deficit of £5.639m, including the deficit deferred from 2022/23, as detailed in paragraph 6.1 of the main MTFS report);
 - d. Note the above measures will leave an uncommitted Budget Support Fund balance to support the 2022/23 budget of £4.416m, which will help the Council manage the deficit deferred to 2022/23;
 - e. Note the core Council Tax freeze for 2021/22 will reduce recurring resources by £0.854m as the 2021/22 Government Council Tax referendum limit is year specific;
 - f. Note that the LCTS scheme of 12% continues to provide higher recurring support than the other Tees Valley councils, where one councils has a 17.5% scheme and three have 20% schemes.
3. Refer the proposal from the Neighbourhood Services Committee for an annual ward bulky waste pilot scheme (1 per ward) to Finance and Policy Committee Council for further consideration before the end of the financial year.

2021/22 Covid-19 Expenditure Pressures Grant

- 1. Note the Council has been allocated £3.178m of one off funding to address continuing Covid pressures in 2021/22 and 2022/23, and approve use of this grant will be subject to separate reports to Finance and Policy Committee for consideration and approval.
- 2. Approve that if any of the above grant is not needed to fund additional service and financial pressures it is used to replace use of the Budget Support Fund, which will put the Council in a better financial position to manage future financial challenges and risks, and will help mitigate the ongoing financial impact of Covid on the Council.

Reserves

- 1. Approve the establishment of a Budget Support Fund as detailed in paragraph 7.8 and note the use of this reserve in 2021/22 will reflect recommendation to freeze the core Council Tax level and the Adult Social Care precept (as detailed in Revenue Budget recommendation above).

Capital

- 1. Approve the provision of a cash flow loan to the NMRN to the value of the TVCA funding allocated for the development of a new exhibition space of £5m and delegate authority to the Managing Director to complete the necessary legal agreement with the NMRN to secure repayment of the loan, either from the TVCA funding, or directly from the NMRN in the unlikely event the detailed business case does not comply with TVCA requirements.

2. Approve the proposal to re-allocate Council funding previously allocated for the Town Hall, Borough Hall and Art Gallery projects towards the Borough Hall projects, as detailed in paragraph 8.9. To note officers will continue to seek to secure external funding for the Town Hall and Art Gallery projects.
3. Approve the proposal that the uncommitted capital receipts of £0.680m (which are anticipated to be received early in 2021/22) are held in the earmarked Capital Funding Reserve as a capital contingency until contracts are awarded for the major approved capital projects, and the position on external funding is clearer. Details of any proposal to use this funding will be reported to Finance and Policy Committee for approval.
4. Approve the business case capital schemes and note the indicative specific capital grant allocations detailed in **Appendix D**, and in line with the policy adopted in previous years delegate authority to the relevant Policy Committee to determine, in compliance with the relevant grant conditions, the allocation of the actual capital grants once these are known;
5. Note that a report on schemes to be funded from the approved Neighbourhood Investment Plan capital budget of £1m have been delayed owing to Covid and a report on proposals will be submitted to Finance and Policy Committee before the end of the financial year.

COUNCIL

28th January, 2021



Report of: Finance and Policy Committee

Subject: BROWNFIELD HOUSING FUND – LYNN STREET
HOUSING DEVELOPMENT

1. PURPOSE OF REPORT

1.1 The purpose of the report is to:

- Update the Council on the submission of the Lynn Street development scheme to the Brownfield Housing Fund (BHF) awarded to and administered by the Tees Valley Combined Authority.
- To enable the Council to approve the proposed scheme, business case and prudential borrowing, as presented to Finance and Policy Committee 25th January 2021.

2. BACKGROUND

- 2.1 A self-funded business case has been prepared for this scheme, the details of which are contained in the Finance and Policy Committee report attached at **Appendix A**, which shows that 43% will be funded from grant and 57% funded from prudential borrowing.
- 2.2 The Committee will not have met before these papers are issued and this report has been prepared on the basis of the Committee approving the scheme and referring the borrowing approval to Council. Interest and loan repayment costs will be fully funded from Housing Revenue Account Rents and will not impact on the Council's General Fund.

3. RECOMMENDATIONS

It is recommended that Council:

- 3.1 Approve the Housing Revenue Account Prudential Borrowing of £4.744m to facilitate development of 47 affordable homes at Lynn Street, Hartlepool.

4. OTHER CONSIDERATIONS

Staff Considerations	No relevant issues Covered in the Brownfield Housing Fund – Lynn Street Housing Development Report to Finance & Policy Committee 25 th January 2021
Consultation	
Child/Family Poverty Considerations	
Equality and Diversity Considerations	
Risk Implications	
Financial Considerations	
Legal Considerations	
Section 17 of the Crime and Disorder Act 1998 Considerations	
Asset Management Considerations	

5. REASONS FOR RECOMMENDATIONS

- 5.1 To enable Council to consider the recommendation referred from Finance and Policy Committee.

6. BACKGROUND PAPERS

- 6.1 Brownfield Housing Fund – Lynn Street Housing Development 25th January 2021 – attached.

7. CONTACT OFFICERS

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Director of Resources and Development
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Tel: 01429 523003

Sign Off:-

- Director of Resources and Development ☒
- Chief Solicitor/Monitoring Officer ☒
- Managing Director - ☒

FINANCE AND POLICY COMMITTEE

25th January 2021



Report of: Director of Resources and Development

Subject: BROWNFIELD HOUSING FUND – LYNN STREET
HOUSING DEVELOPMENT

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision test (i)) applies - Forward Plan Reference CE73/20

2. PURPOSE OF REPORT

2.1 The purpose of the report is to update the Committee on the submission of the Lynn Street development scheme to the Brownfield Housing Fund (BHF) awarded to and administered by the Tees Valley Combined Authority.

2.2 The report sets out scheme proposals, including costs and business case, and seeks approval from the Finance and Policy Committee to refer the proposed prudential borrowing required to support the provision of new affordable homes to Council.

3. BACKGROUND

3.1 On the 30th June 2020, the Government launched 'A New Deal for Britain' which is a key part of the Government's Covid 19 recovery strategy. The £400m BHF is aimed at bringing brownfield land into development to support the delivery of a greater number of new homes to meet local needs which would otherwise not be brought forward by the market.

3.2 As part of this strategy, £19m was secured by The Tees Valley Combined Authority (TVCA) to support development of housing schemes on brownfield land over the next 5 years. The focus of the scheme is to speed up delivery of new homes on challenging brownfield sites with year 1 programme schemes requiring a start on site by March 2021. Sites must also be detailed in the Council's brownfield land register. Tees Valley Local Authorities have submitted potential schemes and a shortlist of year 1 sites have been agreed. Hartlepool Borough Council (HBC) owned Lynn Street/Whitby Street scheme

has been shortlisted for funding to deliver in year 1 following a robust appraisal process. BHF can support demolition, remediation, partial relocation and site preparation costs which currently render a brownfield site unviable. The timescales for delivery and target number of new homes have been set out by MHCLG and will be monitored by TVCA.

- 3.3 The Lynn & Whitby Street scheme is located in the heart of Hartlepool Town Centre in the Headland and Harbour Ward within the strategically important Innovation and Skills Quarter (ISQ). The scheme comprises three individual sites, linked geographically, with a total area of 1.33ha all owned by HBC. The sites are currently occupied by the Council depot (Lynn St), a Drug and Alcohol Treatment Centre (Whitby Street) and a derelict Grade II Listed Market Hotel. The overall scheme comprises the 3 sites and if approved, demolition and site remediation will occur funded by BHF to facilitate the development of 47 new build affordable homes. A site plan is attached as APPENDIX 1.

4. PROPOSALS

- 4.1 The sites are currently occupied by HBC's depot, Drug and Alcohol Centre and a derelict Grade II Market Hotel. The site occupied by the Centre is now registered on the brownfield housing land register following the December 2020 review. The successful delivery of the scheme will first require the relocation of the Drug and Alcohol Centre and the Reed Street Depot. Alternative locations for both of these sites are being identified and the estimated relocation costs associated with this have been factored into the business case.
- 4.2 Historic England have inspected the Market Hotel site which has been vacant since June 2007 and are of the opinion that the building does not have significant heritage value due to its current state of disrepair and any merit for its retention may be outweighed by the overarching regeneration benefits of this and the two associated sites for housing. It is proposed that the design of the new development will reflect the character and heritage of this original building and this will be dealt with through the planning application process. Overall, the scheme provides an opportunity to redevelop brownfield land which is suitable, developable and achievable for residential development meeting the criteria of the Town and Country Planning (Brownfield Land Register) Regulations 2017.
- 4.3 It is proposed that the three sites be demolished and the land remediated so that it is suitable for residential development. Once remediated the scheme will create 47 affordable rented housing units, which will be owned and managed by the Council. The scheme will comprise of:
- 15 x two bedroom terraced/semi-detached houses;
 - 7 x two-bedroom bungalows; and
 - 25 x three-bedroom town houses.

The design of the of the scheme will ensure that all units meet NDSS space standards, provide 10% renewables across the site, a fabric first approach across the development and secured by design principles will be adopted. The proposed development is subject to planning approval.

- 4.4 The scheme is an important initiative that will contribute to Council's regeneration of Hartlepool ISQ which is a strategic employment location for digital and creative industries in Tees Valley. The scheme will deliver good quality, affordable homes to attract workers and support the vibrancy and labour supply to the ISQ, encouraging the success of this key regeneration initiative. The scheme also completes the Council's Empire Square affordable housing development and contributing to the repopulation of this town centre area.
- 4.5 The development will address local housing need for affordable family-sized properties and bungalows within the town centre as identified in HBC Strategic Housing Market Assessment (SHMA) and Local Plan 2018. Overall the scheme achieves a significant increase in affordable housing provision for the borough, accounting for 11.4% of the yearly housing requirement of 410 net additional dwellings per annum. The housing mix proposed is reflective of local demand evidenced by bidding activity on Choice Based Lettings scheme.
- 4.6 The proposed development is also expected to contribute to the reduction of local crime, carbon emissions and generate a land value uplift on site and in the locality. Finally health benefits are also anticipated due to the provision of additional affordable housing. The scheme will also contribute to sustaining the Council's Housing Revenue Account by providing high demand, good quality affordable homes.
- 4.7 This scheme will support council and Tees Valley in delivering their regeneration aims for a strategic employment site, creating 250 jobs, bringing vacant and derelict uses back into productive use and improving the vibrancy, attractiveness and viability of the ISQ as identified in Tees Valley Investment Plan 2019-29. This will support further inward investment into the ISQ and help deliver Councils wider strategic economic, regeneration and employment objectives.
- 4.8 The objectives of the project are to:
- To remediate 1.33 hectares of brownfield land by 31st May 2023 at the latest;
 - To complete the delivery of 47 new affordable and energy efficient homes for rent by 31st May 2023 at the latest;
 - To contribute to meeting Hartlepool housing need by delivering 47 units which equate to 11.4% of the yearly housing requirement of 410 net additional dwellings per annum as set out in the HBC Local Plan 2018. This accounts to 2% of the combined programme target at the Tees Valley level (2,300 units);

- To provide accommodation and greater housing choice in the Lynn and Whitby Street area for approx. 104 people, attracting and retaining approx. 45 additional workers;
- To contribute to regeneration of the Lynn & Whitby Street area by enabling a more productive use of HBC owned land and to facilitate consolidation of existing uses on other better placed sites as a part of the estate program and contribute to further investment in the area post-2027.
- To contribute to reduction of local crime by 10% over the first 10 years of the scheme's operation, accounting to cost saving of £1.66m NPV;
- To reduce carbon emissions by 13% of the targeted savings of 0.9kt CO2 per annum by enabling the delivery of homes that exceed the energy efficiency performance of current building standards;
- To create 43 onsite construction jobs per annum and support at least 2 apprenticeship roles;
- To support £7.133m GVA through additional development activity, raising the financial performance of firms awarded contracts on BHP-supported projects relative to other firms;
- To achieve net economic benefit cost ratio of greater than 1.

4.9 Project Timeframes

The project is currently under development and the planning submission is expected in January 2021 with a decision expected by May 2021. The construction tender and procurement process will start in May 2021. The key milestones which the Council will be contractually obliged to deliver if they are successful in receiving a BHF allocation are:

Key milestones Description	Expected Completion Date
<i>Planning permission approved</i>	May 2021
<i>Start on site</i>	Start of demolition and remediation - March 2021 Start of construction - October 2021,
<i>Practical completion date</i>	April 2023

4.10 The detailed project timetable is as follows:

- Site Survey to support planning application – Completion December 2020
- Borrowing Approval sought by F&P Committee and Full Council – January 2021
- Site Investigation – Tender Process – December 2020
 - Start on Site – 1st February 2021
 - Completion – 1st March 2021
- Remediation – Tender process for remediation works February 2021
 - Depot site (grassed area) March 2021

- Drug Centre August/September 2021
- Market Hotel August/September 2021
- Depot site remaining remediation Q4 2021/22
- Demolition – Tender process for demolition contractor running April/May 2021
 - Drug Centre May 2021
 - Reed Street Depot Q4 2021/22
 - Market Hotel July 2021
- Planning Application – January submission and May/June 2021 approval.
- Detailed design – April 2021
- Tender Construction works – Tender issued May 2021. August 2021 for contractor appointment.
 - Building contract signed September 2021
- Start on Site – October 2021 – 18 month build period
 - Drug Centre 7 units completed Q1 2022/23
 - Market Hotel 4 units completed Q1 2022/23
 - Depot Site 36 units completed April 2023

4.11 **Progress to date**

The timescales associated with the BHF are such that they considerably limit the options of how the funding can be spent and which sites would be taken forward. At the present time only the Lynn Street scheme in Hartlepool met the criteria and was sufficiently advanced to be deliverable within the timescales. As a year 1 scheme TVCA have appointed consultants Savills to conduct a detailed green book appraisal of the Lynn Street proposals to ensure it meets MHCLG criteria. Through this process it has been determined that the Lynn Street scheme does meet the criteria and the appraisal is complete and at the time of writing was being submitted to the Tees Valley Mayor for approval.

- 4.12 Architects IDP have been appointed to progress the design works on site and work is underway to prepare the planning application submission including site surveys and site investigation. In addition to this work is underway to progress the relocation of both the depot site and drug and alcohol site to a new location to facilitate the scheme.

5. **RISK IMPLICATIONS**

- 5.1 The key risks to the project are detailed below. The delivery within required timescales and to budget remain the main risks but mitigation measures are in place. The project will be closely monitored to ensure funding outcomes are met to achieve the contractual obligations of the Brownfield Housing Fund and the Homes England Affordable Homes Programme.

Risk category	Risk	Likelihood	Impact	Mitigation
1. Planning	Planning approval is required for the development and in particular the demolition of a Grade 2 listed building.	Low	High	Appointment of IDP Architects with relevant experience on heritage design. Pre-app engagement with Historic England
2. AHP Funding	Bid for AHP funding may not be successful	Low	High	Engagement with Homes England on the AHP.
3. BHF	Application for BHF funding may not be successful	Low	Low	The full business case for BHF has been completed and is due to be submitted to the Tees Valley Mayor for approval.
4. Environmental risks	Environmental risks such as flooding to affect the delivery	Low	High	Environmental risks assessment undertaken at a pre-planning stage. Flood risk assessment to be completed.
5. Additional abnormal costs	Identification of higher abnormal costs at the remediation stage	Low	High	Appropriate due diligence with a number of SI surveys are being undertaken to minimise this risk.
6. Impacts of Covid-19 pandemic	Possible restrictions to movement and labour supply causing delays	Medium	High	Strategies to minimise the risk of transmission onsite and program allowing for possible delays. Minimal risk during demolition and remediation due to single working.
7. Impacts of brexit	Changes in state aid regulations or impacts on costs/ supply of materials	High	Medium	Project team to monitor potential impacts on project and reassess frequently.
8. Delivery of contract	Ability to appoint contractor to deliver to agreed budget. Relocation of current uses not completed in the required timescales. Remediation works not delivered within timescales Housing construction not delivered within timescales of programme	Low	Low	A full programme has been developed for the project with specific works identified and the completion of the scheme prior to May 2023.
9. Finance	Profiled spend target not met; Project costs exceed those estimated within the business case.	Low	Low	Contingency is included within the business case to account for potential higher development costs and benchmarking on current schemes has taken place.

5.2 It is important to note that the grant must be returned to TVCA should the scheme fail to meet the pre-conditions set out in the grant agreement. These

specifically relate to delivery timescales and costs. The costs incurred however, would not be abortive as they would be necessary to advance the development of these sites in the future.

- 5.3 In order to mitigate the risk of increased costs for both demolition and construction phases there is contingency of 5% of construction costs built into the business case and costs have been calculated on a robust basis. The rent forecast for the completed units is based on a current valuation and therefore more likely to increase than decrease before properties become operational thus reducing the risk further.

6. FINANCIAL CONSIDERATIONS

- 6.1 A business case has been prepared for this scheme, the details of which are contained in **CONFIDENTIAL APPENDIX 2 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).** This information is confidential at this stage to ensure the Council can secure the best price for the development when tenders are sought. Once contract are awarded progress against the approved budget will be included in the regular open capital monitoring reports. In summary 43% of the scheme will be funded from grant funding and 57% from prudential borrowing.
- 6.2 The scheme is a self-funding business case and does not require additional capital resources or revenue funding to be delivered. Reasonable assumptions on bad debt, repairs and maintenance and other costs have been made in line with current costs within the Housing Revenue Account.
- 6.3 Approval is sought for prudential borrowing to deliver the scheme which will be funded from rental income.

7. LEGAL CONSIDERATIONS

- 7.1 Should the scheme be successful in receiving BHF resources the Council will enter into a funding agreement which will require the Council to meet the scheme objectives set out in 4.9 in the timescales set out in 4.10. Clawback arrangements will be in place should the Council not be successful. In addition the Council will bid to Homes England for affordable homes funding and if successful the Council will enter into a funding agreement to secure these funds.

8. CONSULTATION

- 8.1 It is proposed that consultation with local residents on the proposals will take place prior to the planning application submission. The Council will consult with its tenants living on the adjacent Empire Square development.

9. CHILD/FAMILY POVERTY CONSIDERATIONS

- 9.1 The scheme will provide affordable housing for those in housing need within the Borough. Family homes are to be provided and therefore the scheme is likely to have a positive impact on child/family poverty issues. Poverty Impact Assessment is attached at APPENDIX 3.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 Equality and Diversity Impact Assessment Form completed and attached at APPENDIX 4.

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

- 11.1 It is expected that the development contributes to a reduction of crime and anti-social behavior and this is a monitored intended outcome of the scheme. The new housing units will be built using secure by design principles and therefore contribute to a further reduction in crime.

12. STAFF CONSIDERATIONS

- 12.1 There are no staffing considerations in relation to this proposal. The completed residential units will be managed by the existing Council Housing Management team and all revenue costs including staff costs funding through the Housing Revenue Account and have been evidenced in the business case.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 The properties will be owned and managed by the Council and all maintenance costs will be covered by the housing revenue account and have been factored into the business case.

14. RECOMMENDATIONS

- 14.1 It is recommended that Members
- a) Note the proposals for scheme at Lynn Street, Hartlepool and the associated application for the Brownfield Housing Fund administered by TVCA.
 - b) Approve that this scheme is referred to Council for approval of the required prudential borrowing of £4.744m to facilitate development of 47 affordable homes at Lynn Street, Hartlepool set out in section 6.

c) Approve the submission of a bid to Homes England for affordable homes funding.

15. REASONS FOR RECOMMENDATIONS

- 15.1 To support the delivery of 47 affordable rented homes on three sites at Lynn Street, Hartlepool and the delivery of funds allocated through the BHF for demolition, remediation and site preparation works.

16. BACKGROUND PAPERS

- 16.1 Finance and Policy report of 15th September 2014 – Disposal of Surplus Assets – Redevelopment of Lynn Street Depot Site and Consideration of Alternative Depot sites.

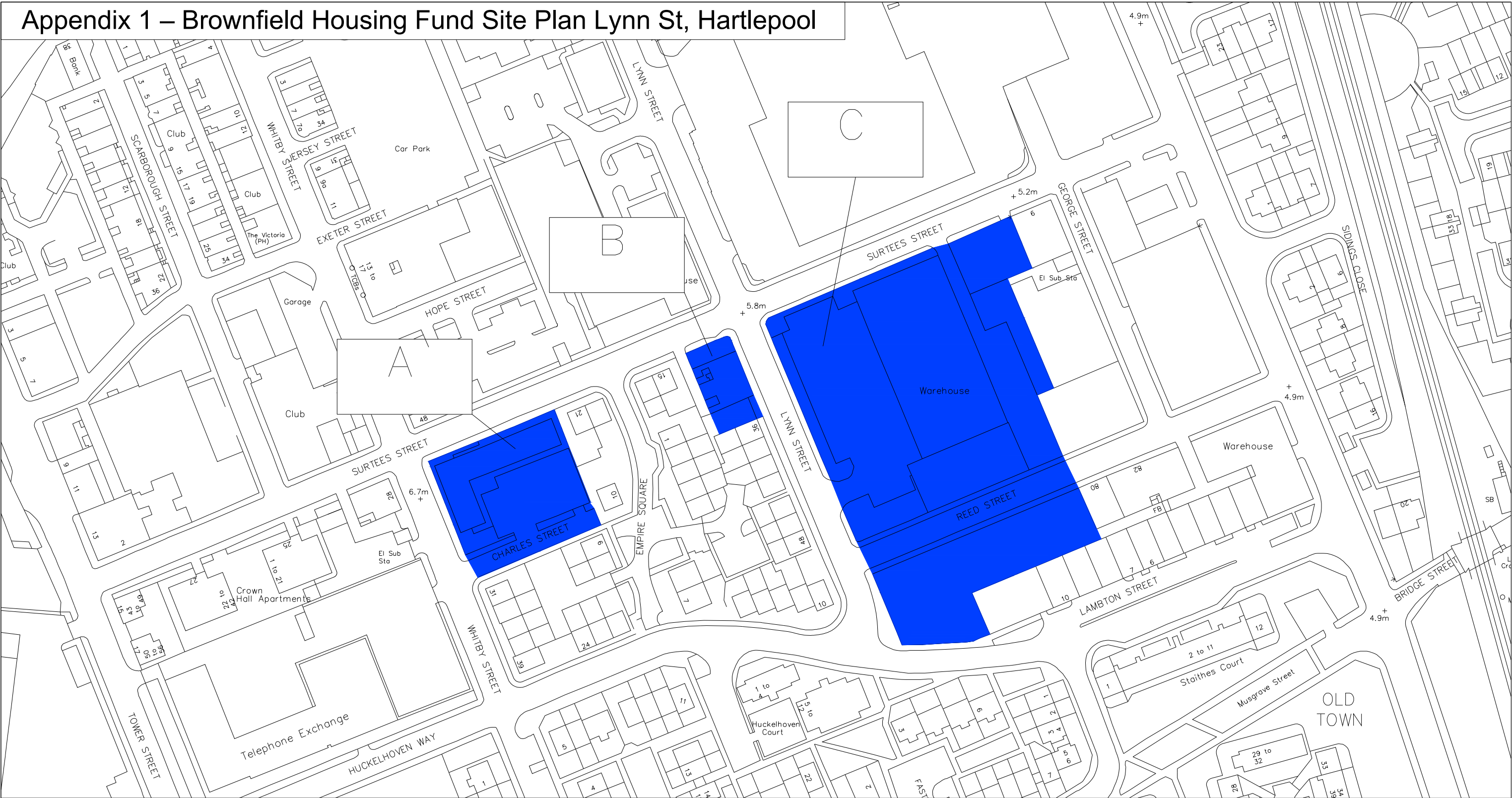
17. CONTACT OFFICERS

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Sign Off:-

- Director of Resources and Development ☒
- Chief Solicitor/Monitoring Officer ☒
- Managing Director ☒

Appendix 1 – Brownfield Housing Fund Site Plan Lynn St, Hartlepool



LOCATION	Land within the ISQ and Church Street Conservation Area, Hartlepool	DRAWN BY CT		DATE 25/11/20	
		SCALE 1:1250 @ A3			
DEED PACKET -		OS MAP -		DRWG NO E/G/950	



HARTLEPOOL BOROUGH COUNCIL
REGENERATION & NEIGHBOURHOODS

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APPENDIX 3 - POVERTY IMPACT ASSESSMENT

. 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		Scheme will benefit any group who require affordable housing
Those who are disabled or suffer from illness / mental illness	✓			Scheme will benefit any group who require affordable housing
Those with low educational attainment	✓			Scheme will benefit any group who require affordable housing
Those who are unemployed	✓			Scheme will benefit any group who require affordable housing
Those who are underemployed	✓			Scheme will benefit any group who require affordable housing
Children born into families in poverty	✓			Scheme will benefit any group who require affordable housing
Those who find difficulty in managing their finances	✓			Scheme will benefit any group who require affordable housing
Lone parents	✓			Scheme will benefit any group who require affordable housing
Those from minority ethnic backgrounds	✓			Scheme will benefit any group who require affordable housing

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 (%)	✓			Provide good quality family type accommodation.
Number of affordable homes built	✓			Directly increase the provision of affordable homes.
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				

APPENDIX 4 - EQUALITY AND DIVERSITY FORM

Department	Division	Section	Owner/Officer
Finance and Policy	Strategic Asset Management and Housing	Housing Services	Tim Wynn/Amy Waller
Service, policy, practice being reviewed/changed or planned	Housing Development for 47 new affordable homes.		
Why are you making the change?	To increase provision of affordable housing.		
How might this impact (positively/negatively) on people who share protected characteristics?			
		Please tick	
		POSITIVELY	NEGATIVELY
Age		✓	✗
Please describe...			
Disability			
Please describe...			
Gender Re-assignment			
Please describe...			
Race			
Please describe...			
Religion			
Please describe...			
Gender			
Please describe...			
Sexual Orientation			
Please describe...			
Marriage & Civil Partnership			
Please describe...			
Pregnancy & Maternity			
Please describe...			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?	The mix of housing units have been planned to reflect the needs of the borough based on the Strategic Housing Market Assessment.		
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?	Properties will be advertised through the Choice Based Lettings system and therefore available to all people who are in housing need.		
Describe how you will address and monitor the impact	1. No Impact - No Major Change Please Detail		
	2. Adjust/Change Policy Please Detail		
	3. Adverse Impact but Continue as is Please Detail		
	4. Stop/Remove Policy/Proposal Please Detail		
Initial Assessment	00/00/00	Reviewed	00/00/00
Completed	00/00/00	Published	00/00/00

COUNCIL

28 January 2021



Report of: Managing Director

Subject: BUSINESS REPORT

1. COVID UPDATE

Since Council last met, Government announced a national lockdown on the 5th January. You must stay at home. The single most important action we can all take is to stay at home to protect the NHS and save lives. Earlier this month Hartlepool had the highest rate of positive Covid cases per 100,000 population in the North East, we have a positivity rate of more than 24% and we know around 65% of cases tested have been identified as that of the new variant. Most cases are in the age working age range from 24 – 64, however we are also seeing an increase in the 16 – 29 year age range also. North Tees & Hartlepool Hospital are under pressure with the highest proportion of positive Covid inpatients in the North East and spilling into ITU additional surge capacity. They are coping at the moment and planning for worst case scenarios. It is more important than ever that we following the guidance in respect of leaving home. Everyone should follow this guidance, it is the law.

Leaving home

You must not leave, or be outside of your home except where necessary. You may leave the home to:

- shop for basic necessities, for you or a vulnerable person
- go to work, or provide voluntary or charitable services, if you cannot reasonably do so from home
- exercise with your household (or support bubble) or one other person, this should be limited to once per day, and you should not travel outside your local area.
- meet your [support bubble](#) or [childcare bubble](#) where necessary, but only if you are legally permitted to form one
- seek medical assistance or avoid injury, illness or risk of harm (including domestic abuse)
- attend education or childcare - for those eligible

If you do leave home for a permitted reason, you should always stay local - unless it is necessary to go further, for example to go to work. Stay local means stay in the village, town, or part of the city where you live.

If you are [clinically extremely vulnerable](#) you should only go out for medical appointments, exercise or if it is essential. You should not attend work.

You must not leave or be outside of your home except where you have a 'reasonable excuse'. The police can take action against you if you leave home without a 'reasonable excuse', and issue you with a fine (Fixed Penalty Notice).

You can be given a Fixed Penalty Notice of £200 for the first offence, doubling for further offences up to a maximum of £6,400.

Children's Services and Education

Much of the work in children's services is statutory in nature and officers are required to continue to ensure that the local authority's statutory duties are fulfilled. During the first lockdown in March 2020, a number of flexibilities were introduced which enabled staff to work differently and exceptionally to fulfil their duties. Since September however, these flexibilities have been rescinded and therefore children's services staff are being required to undertake the full breadth of children's services work in exceptionally challenging and difficult circumstances with added risks of COVID associated with direct contact with children, young people and families across the town. The level of demand and complexity of work continues to increase as we are working with the impact of the first lockdown and closure of schools on children and young people, particularly those who are most vulnerable.

Schools, alternative provision (AP), special schools, colleges and wraparound childcare and other out-of-school activities for children remain open for vulnerable children and young people and the children of critical workers to attend. All other pupils and students should not attend and should learn remotely until February half term.

Early year's provision continues to remain open to allow all children to attend full time or their usual timetable hours. This includes early years registered nurseries and childminders, maintained nursery schools, as well as nursery classes in schools and other pre-reception provision on school sites. Only vulnerable children and children of critical workers should attend on-site reception classes.

What is different to previous national lock downs is that the decision to send vulnerable children to school or not is that of the parent to determine whereas previously the local authority had a role. We are seeing more numbers of critical worker children attending school which is also creating a pressure on our schools as teachers are having to provide both classroom and online teaching and are not immune to the virus and have to self-isolate.

Adult Services / Care Home provision / Vaccinations

Resources are being prioritised to support hospital discharge and other priority services, as the NHS is under such significant pressure. The integrated arrangements are working well, we're reviewing the situation daily with North Tees & Hartlepool Foundation Trust and we're managing to support people to get home or into care homes as needed.

There are Covid small outbreaks in some of our care homes and 3 homes have large outbreaks involving high numbers of residents and / or staff. All have outbreak plans in place and are being supported by the Infection Prevention & Control Team. The good news is all care home residents and staff will have received their first vaccination by the time Council meets.

Care home visiting (other than garden visits / window visits) is suspended again while we're in the national lockdown. We're continuing to work with care homes to keep them up to date with developments.

Hartlepool Support Hub

The support hub is fully staffed, and has been throughout. Call numbers were relatively low over the Christmas period but we had 24/7 cover in place with Thirteen and people identified as being highest risk were provided with hot meals on Christmas Day and at New Year, as well as food hampers and gifts being sent out.

Following the national announcement about shielding being reintroduced we are contacting everyone on the shielding list to see if they need any support and remind them how to contact the hub if needed.

We're monitoring the situation regarding requests for food and medication, as they were the two main pressures last time, and will respond as needed. We expect there to be less demand this time as more people have access to priority online shopping slots and pharmacy delivery services, but can mobilise drivers and additional staff if needed.

Community Testing

Approximately 1 in 3 people who have coronavirus have no symptoms and could be spreading it without realising it. As such we are working on a community mass testing site at Mill House Leisure Centre for Asymptomatic individuals only, which will provide 11 testing stations, 32,000 tests to be carried out over 6 weeks. Staff have volunteered for redeployment to ensure we can provide the residents of Hartlepool with this service and therefore mitigate transmission of the virus.

The setting up of a Testing Centre requires equipment, eg testing booths, tables, chairs and other equipment, an online appointment booking system, cleaning and waste disposal arrangements. It is anticipated the site will operate on a shift system, 6 days a week Monday - Saturday.

We continue to be well served with testing sites for residents who do have symptoms, The Waterfront site for car users, Greyfields and the Headland for residents on foot. All of which require online appointments to be made, you cannot turn up.

Changes to Hartlepool Borough Council Services

Where HBC employees can work from home they are and are fully supported in terms of technical equipment and support from their Managers. Colleagues have been advised that this will continue to be our position until the end of March at the earliest. There however many employees who are working on the front line in social care settings, regulatory services, schools, the support hub and in our neighbourhoods, many of whom worked over the festive period. I know Members

would wish to place on record their sincere thanks to the large number of staff who have had to continue to work since March, without a break.

Due to the National Lockdown the Council announced some significant changes to our services. These changes were introduced to reduce the risk of the virus spreading and to help keep services running that are essential to life and tackling the impact of Coronavirus – particularly those supporting vulnerable people. To do this however, we had no choice but to prioritise what we do. Some services have stopped so more essential ones can keep going and some have been reduced.

Follow our Facebook and Twitter feeds for the latest information and advice or check out our website – www.hartlepool.gov.uk/coronavirus-info

Remember - ‘Hands. Face. Space.’

- hands – wash your hands regularly and for at least 20 seconds
- face – wear a face covering in indoor settings where social distancing may be difficult, and where you will come into contact with people you do not normally meet

space – stay 2 metres apart from people you do not live with where possible, or 1 metre with extra precaution

2. POLITICAL PROPORTIONALITY REVIEW (TO FOLLOW)

COUNCIL
28 January 2021



Report of: Managing Director

Subject: BUSINESS REPORT

2. POLITICAL PROPORTIONALITY REVIEW

Section 15 of the Local Government and Housing Act 19889 requires that a proportionality review is undertaken as soon as practicable after there is delivered to the proper officer a notice under [regulation 8](#) (notice by a political group stating the constitution of the political group).

Notices have been received from the Labour Group and the newly formed Hartlepool People Group so a review was necessary and has now been undertaken.

The results of the review have been circulated to all group leaders and independent councillors alike (**APPENDIX**) and groups who are entitled to allocate seats have now done so. Full Council is now asked to confirm the following group appointments:

- Cllr A Prince and Cllr J Lindridge are appointed to Finance and Policy Committee. Cllr P Browns membership of this committee is terminated.
- Cllr A Prince is appointed to the Regeneration Services Committee
- Cllr P Brown is appointed to Licensing Committee.
- Cllr H Howson and Cllr P Brown are appointed to Planning Committee. Cllr J Lindridge's membership of this committee is terminated.
- Cllr Hunter is appointed to Constitution Committee
- Cllr Hunter is appointed to Civic Honours Committee

The following seats are currently occupied by Cllrs Lindridge, Hunter and/or Brown by virtue of their previous membership of the Labour Group. The Cllr's have expressed a wish to continue in their role subject to challenge from any other member:

- Regeneration Services - Cllr Lindridge is currently a member of this committee and no other member has expressed an interest in challenging this seat.

- Licensing - Cllr Hunter is currently a member of this committee and no other member has expressed an interest in challenging this seat.
- Appointments - Cllr Brown is currently a member of this committee and no other member has expressed an interest in challenging this seat.
- Civic Honours - Cllr Brown is currently a member of this committee and no other member has expressed an interest in challenging this seat.
- Childrens Services - Cllr Lindridge is currently a member of this committee but Cllr K King has put herself forward to challenge for this seat.

If any further nominations are received, Elected Members will be advised at the meeting.

Committee	Total Seats*	Labour		Coalition		Socialist Labour		Putting Seaton First		Independent (Hall)		Independent (Lauderdale)		Independent (Richardson)		Hartlepool People Group		Independent (Lindridge)		Independent (For Britain Movement)	
		6		11		4		2		1		1		1		2		1		1	
Ceremonial Mayor																					
Leader of Council		Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled	Actual	Entitled
Finance and Policy	11	1	2	4	4	2	1	2	1	0	0	0	0	0	0	1	1	1	0	0	0
Adult & Community Based Services	7	3	1	3	2	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Children's Services	7	2	1	1	2	0	1	2	0	0	0	1	0	0	0	0	0	1	0	0	0
Neighbourhood Services	7	2	1	2	2	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Regeneration Services	7	0	1	2	2	2	1	1	0	0	0	0	0	0	0	0	0	1	0	0	0
Audit and Governance	7	2	1	3	2	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Licensing	12	3	2	5	4	0	1	1	1	1	0	0	0	0	0	2	1	0	0	0	0
Planning	11	1	2	6	4	2	1	0	1	0	0	0	0	0	0	1	1	1	0	0	0
Constitution	9	3	2	4	3	2	1	0	1	0	0	0	0	0	0	1	1	0	0	0	0
Appointments	8	1	1	4	3	1	1	1	0	0	0	0	0	0	0	1	0	0	0	0	0
Civic Honours	5	0	1	2	2	1	1	0	0	0	0	0	0	0	0	2	0	0	0	0	0
	91	18	15	36	30	13	11	9	4	2	0	1	0	0	0	8	4	4	0	0	0