

# **FINANCE AND POLICY COMMITTEE**

## **AGENDA**



**Monday 14 February 2022**

**at 10.00 am**

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

**A limited number of members of the public will be able to attend the meeting with spaces being available on a first come, first served basis. Those wishing to attend the meeting should phone (01429) 523568 or (01429) 523019 by midday on Friday 11 February and name and address details will be taken for NHS Test and Trace purposes.**

**You should not attend the meeting if you are required to self-isolate or are displaying any COVID-19 symptoms such as (a high temperature, new and persistent cough, or a loss of/change in sense of taste or smell), even if these symptoms are mild. If you, or anyone you live with, have one or more of these symptoms you should follow the NHS guidance on testing.**

**MEMBERS: FINANCE AND POLICY COMMITTEE**

**Councillors Brash, Brown, Fleming, Harrison, Lindridge, Little, Moore, D Nicholson, Prince, Stokell and Young.**

### **1. APOLOGIES FOR ABSENCE**

### **2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

### **3. MINUTES**

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 21 December 2021.**
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 20 September 2021.**

#### **CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE**

**In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.**

#### **4. BUDGET AND POLICY FRAMEWORK ITEMS**

- 4.1 Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – Terms and Conditions of Employment Saving – *Director of Resources and Development*
- 4.2 Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – *Director of Resources and Development*

#### **5. KEY DECISIONS**

- 5.1 HRA Business Plan Update – *Director of Resources and Development*

#### **6. OTHER ITEMS REQUIRING DECISION**

No items.

#### **7. ITEMS FOR INFORMATION**

- 7.1 Public Health Review – *Director of Children's and Joint Commissioning Services*

#### **8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

For Information:

Dates and times of forthcoming meetings of the Finance and Policy Committee –

Monday 14 March, 2022 at 10.00 am.



## **FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD**

13 December 2021

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Paddy Brown, Brenda Harrison, Jim Lindridge, Sue Little,  
David Nicholson, Amy Prince and Cameron Stokell.

Also Present in accordance with Council Procedure Rule 4.2, Councillor Rachel Creevy as substitute for Councillor Jonathan Brash and Councillor Cranney as substitute for Councillor Mike Young

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Resources and Development  
James Magog, Assistant Director, Finance  
Claire McLaren, Assistant Director, Corporate Services  
Sally Robinson, Director of Children's and Joint Commissioning Services  
Jill Harrison, Director of Adult and Community Based Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
Steve Hilton, Communications and Marketing Team  
Amanda Whitaker, Democratic Services Team

### **56. Apologies for Absence**

Councillors Jonathan Brash and Mike Young

### **57. Declarations of Interest**

Councillors Creevy and Prince declared an interest in agenda item 4.1.

### **58. Minutes of the meeting held on 15 November 2021**

Received

## **59. Minutes of the meeting of the Health and Wellbeing Board held on 15 October 2021**

Received.

Prior to consideration of agenda item 4.1 – Medium Term Financial Strategy 2022/23 to 2024/25 – the Chair referred to the appendices to the report which contained exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (paragraph 1 – information relating to any individual and paragraph 2 – information which is likely to reveal the identity of an individual).

Elected members advised that they intended to raise issues included in the appendices and the Chair advised, therefore, that the agenda item would be considered following the other reports included on the agenda.

## **60. Community Safety Plan (2021-2024)** *(Director of Neighbourhood and Regulatory Services)*

### **Type of decision**

Budget and Policy Framework

### **Purpose of report**

To consider referral of the Safer Hartlepool Partnership Community Safety Plan 2021-2024 to Full Council for adoption.

### **Issue(s) for consideration**

Further to minute 13 of the meeting of the Committee meeting held on 13 September 2021, elected members were advised that at its meeting on 6<sup>th</sup> December 2021, the Safer Hartlepool Partnership had approved the Community Safety Plan 2021-2024 for publication. A copy of the Plan was appended to the report and provided an overview of some of the recent activities undertaken to improve community safety in Hartlepool, and key findings from the Safer Hartlepool Partnership's Annual Strategic Assessment and public consultation. The plan detailed also the Partnership's strategic objective for 2020/21 and the key priorities that the Partnership will focus on.

### **Decision**

The Committee considered the content of the Community Safety Plan 2021-24 and in accordance with the Budget and Policy Framework, the Committee referred the Community Safety Plan 2021-24 to Full Council for adoption.

## **61. Brenda Road Housing Scheme – Proposed Acquisition by Housing Revenue Account of 84 Housing Units** (*Director of Resources and Development*)

### **Type of decision**

Key Decision (test (i) applies). General exception notice applies.

### **Purpose of report**

To seek approval for the Housing Revenue Account's (HRA) proposed acquisition of 18 houses and bungalows at Brenda Road East from Keepmoat Homes Limited.

### **Issue(s) for consideration**

The report set out the background and detail relating to discussions which had taken place regarding the Authority being the Registered Provider partner of Keepmoat Homes Limited on their 234 unit housing scheme on the east side of Brenda Road, shown on the plan appended to the report. Keepmoat Homes Limited had secured control of the site and the intention was for 84 homes (shown in years 1-4 on the plans appended to the report and set out in a table in the report) to be built and sold to the Council. The Council's stock would be the affordable element of the scheme with Keepmoat selling the remainder for market sale. The houses constructed and transferred to the Council would be held in the Council's Housing Revenue Account (HRA) for affordable rent in the main with a small pilot of rent to buy units, the number of which to be determined from negotiations with Homes England regarding need. It was noted that a full planning application H/2021/0498 had been submitted.

Whilst presenting the report, the Director of Resources and Development referred to the recommendation included in the report to seek approval from Full Council for the necessary borrowing to progress with the first tranche deal. Having checked, the Director advised that the HRA could accommodate tranche 1 development from the existing approved Prudential Borrowing limit and there was, therefore, no requirement to refer to Full Council.

The Chair expressed his appreciation to the Team who had been working on the proposal. Elected members noted that demand for bungalows outstripped supply across the Borough and demand for 3 bedroom properties in this locality is strong (evidenced through the Strategic Housing Market Assessment). Whilst expressing support for the proposal, elected members sought clarification whether it was possible to increase the number of 3 bedroom properties to meet the demand for such properties. The Director undertook to check if there was any flexibility to allow the requested change in the number of 3 bedroom properties and to provide

further information to the Committee relating to the breakdown of the Authority housing stock/housing schemes.

### Decisions

1. The Committee approved the principle of the Council's overall acquisition of the 84 units on a tranche by tranche basis and in particular the first 18 units as set out in the exempt appendix.
2. Authority was delegated for negotiation and approval of final heads of terms to the Managing Director in consultation with the Director of Resources and Development and the Chair of Finance and Policy Committee.
3. It was agreed that further information would be provided relating to the breakdown of the Authority housing stock/housing schemes.

## 62. **Council Tax Base 2022/23** (*Director of Resources and Development*)

### Type of decision

Non Key Decision

### Purpose of report

The report sought approval, as required by statutory regulations, of a calculated Council Tax Base for 2022/23 to be used for Council Tax billing purposes.

### Issue(s) for consideration

The Director of Resources and Development reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities, Police and Crime Commissioner for Cleveland and Cleveland Fire Authority, and local precepting authorities (Parish Councils), before 31 January 2022. The Council Tax Base is expressed as the number of Band D equivalent properties. Appendices to the report set out the necessary statutory calculations together with those for each of the precepting parish councils.

It was noted that the proposed Tax Base for the Council area for 2022/23 is 24,928. This was an increase of 544 (2.2%) from the current base. This increase reflected the recovery from the Covid-19 pandemic, including the proposed increase in the long term collection rate from 98.5% to 99%, which it was highlighted would be challenging to achieve. The forecasts included a reduction in the anticipated number of households eligible for the Local Council Tax Support Scheme. It was noted that the proposed Council Tax Base had been reflected within the Medium Term Financial Strategy report to be considered later in the meeting.

**Decision**

The Committee agreed, with no dissent:

- a) Approved a Hartlepool BC Council Tax Base for 2022/23 of 24,928 as detailed in Appendix 1.
- b) Approved a Council Tax Base for 2022/23 for Parishes who may levy a precept upon the Council's Collection Fund as detailed in Appendix 2:

Brierton	15.1	Hart	349.3
Claxton	15.3	Headland	736.2
Dalton Piercy	117.0	Newton Bewley	33.0
Elwick	255.9	Wynyard	675.7
Greatham	587.4		

### 63. **Net Zero and Climate Change Strategy** *(Assistant Director, Development and Growth)*

**Type of decision**

For information

**Purpose of report**

To update the Committee on the international and UK response to climate change, and propose a timetable for the Council's roadmap to achieve its commitment to reach Net Zero emissions by 2030.

**Issue(s) for consideration**

The report set out comprehensive background to the international and UK response to climate change. It was noted that the UK Net Zero Strategy had been published in October 2021. The Strategy set out policies and proposals for meeting the UK's Carbon Budgets and the ambitious Nationally Determined Contribution and also detailed the UK's vision for a decarbonised economy in 2050. The ambitions of both the Tees Valley and for Hartlepool as a town were also set out together with the associated significant challenges.

Elected Members were advised of the terms of a Motion considered by Full Council on 30 July 2020 which had been referred to this Committee for consideration. In order to achieve the shift to a 'Net Zero Local Authority' by 2030, the Council was going to need to deliver a far reaching, robust, detailed and costed strategy and action plan, which would need to be developed in partnership with wide ranging stakeholders. Set out in the report was a proposed timetable between now and September 2022 which would see the development of the Council's first Net Zero Plan and the commitments identified as 'early wins' to be implemented. Others would

take much longer to develop with considerable staff resource required from across Directorates.

Referring to the timetable set out in the report, elected members expressed concern at the potential implications of the number of Partnerships and Assemblies proposed to be convened. The Committee discussed the proposed Declaration of a 'Climate Emergency'. Whilst support was expressed for such a Declaration, the majority of Committee members agreed it would be more appropriate for the Communications Team to consider a suitable wording for a local launch initiative in January 2022.

It was highlighted that the reference to this Committee considering climate change issues when reviewing policies, should be included in the remit of all Policy Committees. The Managing Director advised that the issue would be referred to the Constitution Committee for consideration.

With regard to the commitment to making the Council's activities net-zero by 2030, the Committee agreed that the target date should not be set until the Net Zero and Climate Plan had been approved.

### **Decision**

The Committee approved the proposal to develop a Net Zero and Climate Plan by September 2022.

## **64. Strategic Financial Management Report at 31 October 2021** *(Director of Resources and Development)*

### **Type of decision**

Budget and Policy Framework

### **Purpose of report**

To inform the Committee of 2021/22 Forecast General Fund Outturn, the Corporate Income Collection Performance and the 2021/22 Capital Programme Monitoring.

### **Issue(s) for consideration**

The Director of Resources and Development provided the Committee with a detailed strategic financial management report at 31 October 2021. The Director highlighted the salient issues included in the report and elected members were advised of the continuing implications of Covid together with changes in external factors which meant that the whole of the £3.178 million Covid grant would be committed in the current year.



**Decision**

The Committee approved the allocation of the uncommitted 2021/22 COVID grant to fund the following issues noting this will fully commit this one off funding.

- The forecast General Fund overspend of £2.166m, which will protect services and avoid the need for in year budget cuts.
- To allocate £1m to fund increased gas and electricity costs over the period 2021/22 to 2023/24, which will minimise the recurring budget pressure that needs to be included in the 2022/23 base budget and provide temporary funding whilst energy markets remain volatile.
- To earmark £12,000 to support the Shop Hartlepool initiative.

## **65. Corporate Procurement Quarterly Report on Contracts** *(Chief Solicitor)*

**Type of decision**

For information,

**Purpose of report**

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee:

- Receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- Receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

**Issue(s) for consideration**

The Chief Solicitor reported on the Contracts awarded by the Council, since submission of the last quarterly report, in accordance with Contract Procedure Rules. Appended to the report were details for each procurement tender awarded since the last quarterly report together with the social value percentage weighting that was incorporated at the application stage. With regard to Exemption information, an appendix to the report provided details of the required information in relation to Contract Procedure Rules exemptions granted since the last Corporate Procurement Quarterly Report on Contracts. Also circulated by way of an exempt appendix was commercial information in respect of the tenders received and any confidential information relating to Contract Procedure Rule exemptions or contract extensions.

Elected Members debated issues arising from the report.

**Decision**

The report was noted.

Following a brief adjournment the meeting was reconvened to consider the following agenda item.

**66. Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25** *(Director of Resources and Development)***Type of decision**

Budget and Policy Framework

**Purpose of report**

The report provided details of the impact of the Government's Spending Review and provided feedback on the proposed savings referred to individual Policy Committees to enable the Committee to then approve the savings proposals to be referred to Council on 16<sup>th</sup> December 2021.

**Issue(s) for consideration**

Further to minute 24 of the meeting of the Committee held on 13 September 2021, a detailed report was presented to the Committee which set out the financial position facing the Council over the period 2022/23 to 2024/25. The report highlighted the previous decisions made by the Committee and Full Council to address the implications of the issues highlighted in the report. It was noted that the main purposes of the report was to approve the saving proposals to be referred to Full Council which had been considered in detail by this Committee and individual policy Committees.

The Director highlighted the additional documentation tabled at the meeting outlining an alternative proposal put forward by Trade Unions - R&D10 – Trade Union Facility Time. The alternative saving proposal would provide a recurring saving of £48,000. Support was expressed for the proposal that helped balance the budget, whilst retaining a sound basis for working with the Trade Unions.

**67. Local Government (Access to Information) (Variation Order) 2006**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 33 – (Medium Term Financial Strategy 2022/23 to 2024/25) – 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 (paragraph 1 – information relating to any individual and paragraph 2 – information which is likely to reveal the identity of an individual )

- 68. Medium Term Financial Strategy 2022/23 to 2024/25**  
(*Director of Resources and Development*) 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 (paragraph 1 – information relating to any individual and paragraph 2 – information which is likely to reveal the identity of an individual )

#### **Issue(s) for consideration**

The Committee debated issues arising from the exempt documentation circulated with the report. Whilst appreciating the financial position of the Authority and expressing support for the majority of the savings proposals, some elected members expressed their opposition and concern at the implications of some of the proposals.

At the conclusion of that debate, the meeting returned to open session.

#### **Decision**

The Committee agreed the recommendations set out in the report subject to the following revisions:-

- Recommendation (iv) - the saving proposals were approved with the following amendments:
  - Recurring Trade Union Facility Time saving of £48,000 from 2023/24, with £36,000 being achieved in 2022/23 to provide phased implementation;
  - Reduction in Neighbourhood Investment Plan capital budget from £1m to £0.6m, to focus on the priorities detailed in the report, which provides revenue saving of £16,000.

Recommendation (v) – not to implement additional 1% Adult Social Care precept in 2022/23 – which would have been be additional to increase previously approved by Council and noted this meant additional potential income of £420,000 would not be secured.

The meeting concluded at 12.55 p.m.

**H MARTIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 21 DECEMBER 2021**

# **SAFER HARTLEPOOL PARTNERSHIP**

## **MINUTES AND DECISION RECORD**

20 SEPTEMBER 2021

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

**Present:**

**Responsible Authority Members:**

Councillor Moore, Elected Member, Hartlepool Borough Council (Chair)  
Councillor Stokell, Elected Member, Hartlepool Borough Council  
Denise McGuckin, Managing Director, Hartlepool Borough Council  
Tony Hanson, Director, Neighbourhood and Regulatory Services,  
Hartlepool Borough Council  
Sylvia Pinkney, Assistant Director, Regulatory Services, Hartlepool Borough  
Council  
Chief Inspector Simon Smart, Serious Violence Prevention Lead, Cleveland  
Police / Office of the Police and Crime Commissioner  
Karen Hawkins, NHS Tees Valley Clinical Commissioning Group  
Nick Jones, Cleveland Fire Authority

**Other Members:**

Craig Blundred, Director of Public Health, Hartlepool Borough Council  
Joanne Hodgkinson, Voluntary and Community Sector Representative,  
Chief Executive, Safe in Tees Valley  
Angela Corner, Director of Customer Support, Thirteen Group  
Sally Robinson, Director of Children's and Joint Commissioning Services,  
Hartlepool Borough Council  
Jill Harrison, Director of Adult and Community Based Services, Hartlepool  
Borough Council

**Also Present:**

Cath Wohlers, Liaise Manager, England Illegal Money Lending Team  
Councillor Rob Cook, Chair of the Audit and Governance Committee  
Councillor Carl Richardson.

**Officers:** Danielle Swainston, Assistant Director, Joint Commissioning Services  
Ronnie Checksfield, Youth Offending Service Team Manager  
Joan Stevens, Statutory Scrutiny Manager  
Rachel Parker, Community Safety Team Leader  
David Cosgrove, Democratic Services Team

### 13. Apologies for Absence

Superintendent Sharon Cooney, Neighbourhood Partnership and Policing Command, Cleveland Police

### 14. Declarations of Interest

None.

### 15. Minutes of the meeting held on 19 July 2021

Confirmed.

### 16. Stop Loan Sharks *(Representative of the Illegal Money Lending Team)*

#### Issue(s) for consideration

The Liaise Manager from the England Illegal Money Lending Team gave a presentation to the Partnership on their work in tackling illegal money lending including some case studies showing the effects that illegal money lending could have on individuals and the local community. The Liaise Manager highlighted that illegal money lending was no longer just the local door to door cash lending with extortionate interest rates. Loan sharks were now using the internet and social media to market their loans and using it also to pressurise people if they struggled to make payments.. The type of money lender was also changing with a case study showing a NHS surgeon that had been prosecuted for illegal money lending.

The Chair thanked the representative from the England Illegal Money Lending Team for a very informative presentation and considered that it would be beneficial for the same presentation to be given to all elected members to highlight the scale of this problem and how it could destroy people's lives so very quickly. The Police representative also commented that he would be recommending this presentation to all Cleveland Police's 35 Neighbourhood Policing Teams. In debate concern was expressed around the potential for illegal money lending to fill the gaps when the Universal Credit Covid-19 uplift was removed and also its impact on child poverty, which the Chair of the Audit and Governance Committee indicated was his committee's major scrutiny investigation area this municipal year.

#### Decision

That the England Illegal Money Lending Team be thanked for their very informative presentation and that the presentation be shared with Members of the partnership.

## **17. Domestic Abuse Needs Analysis** (*Director, Children's and Commissioning Services*)

### **Purpose of report**

To provide an update report to the partnership.

### **Issue(s) for consideration**

The Assistant Director, Joint Commissioning Services gave a presentation to the Partnership in which she reported that the initial requirement for a revised local area domestic abuse strategy had been for it to be published by end of October 2021. However, recent information indicated that the statutory guidance (yet to be published) would require a draft strategy to be published by beginning of November to be followed by a 10 week consultation with a finalised strategy to be published in January 2022.

Together with the change to the timeline for the publication of the Strategy, the Assistant Director also indicated that the legislation placed the duty on the local authority to produce the strategy, so the finalised document would be submitted to Finance and Policy Committee for approval prior to being referred to full Council for adoption.

The draft Needs Assessment had already been published on the Council website and the Assistant Director requested that partners review the Needs Assessment, forwarding any comments to the department as soon as possible.

The Assistant Director went on to outline the impact of domestic abuse in the Hartlepool community indicating that a cost estimate placed a £50m impact on agencies budgets for Hartlepool alone. There were very high levels of repeat referrals and also a significant number of dropping out before becoming service clients. There was also a huge impact on children with 45.9% of all completed children and families assessments in 2020/21 having domestic violence as a factor.

The Chair requested that Partner Agencies review the Needs Assessment and return comments to the department as soon as possible to allow the circulation of the draft strategy document as soon after the receipt of government guidance as possible.

### **Decision**

That the presentation and update be noted.

## **18. Serious Violence Statutory Duty** (*Office of the Police and Crime Commissioner for Cleveland*)

### **Purpose of report**

To provide an update to the Partnership.

**Issue(s) for consideration**

The Serious Violence Prevention Lead reported that a formal presentation on serious violent crime would be made to a future meeting of the Partnership as Parliament was to approve a new duty for partners to develop a strategy for the reduction of serious violent crime. The current timeframe was for the new duty to be approved ahead of Christmas.

**Decision**

That the report be noted.

**19. Youth Justice Plan 2021-2023** (*Director, Children's and Joint Commissioning Services*)**Purpose of report**

The purpose of the report was to consult with members of Safer Hartlepool Partnership on the Youth Justice Strategic Plan for 2021-2023.

**Issue(s) for consideration**

The Director of Children's and Joint Commissioning Services reported that the meeting of Hartlepool Borough Council on 4 November would be requested to adopt the Youth Justice Strategic Plan for 2021-2023, a copy of which was appended to the report. The recommendations made by Safer Hartlepool Partnership, Finance and Policy Committee, Children's Services Committee and Audit and Governance would be considered in the final plan presented to Council. The final version of the Strategic Plan would also be sent to National Youth Justice Board.

**Decision**

That the report be noted.

**20. Cleveland Divert – Adult Deferred Prosecution Scheme** (*Office of the Police and Crime Commissioner for Cleveland, Probation Service, Cleveland Police*)**Purpose of report**

To provide an update to the Partnership.

**Issue(s) for consideration**

The Serious Violence Prevention Lead reported that the scheme had been delivered successfully in Hartlepool and had recently received further funding. The Youth Offending Service Team Manager and the service Board were highlighted as providing an excellent service which was well integrated with partners. It had to be acknowledged that many offenders were also actually victims and the service provided to them in Hartlepool was a flagship for the Cleveland force area.

The Chair welcomed the comments and supported the important impact the service was making in the community. Sometime it didn't always need to be about punishment but supporting people through crises.

**Decision**

That the report be noted.

## **21. Anti-Social Behaviour Investigation – Monitoring of Scrutiny Recommendations / Action Plan Update**

*(Audit and Governance Committee)*

**Purpose of report**

To provide the Safer Hartlepool Partnership with an update in relation to the implementation of the recommendations formulated by the Audit and Governance Committee following completion of its investigation in to Anti-Social behaviour in Hartlepool.

**Issue(s) for consideration**

The Chair of the Audit and Governance Committee provided an update on the implementation of the committee's recommendations and an updated action plan was submitted with the report. The Chair of Audit and Governance Committee particularly thanked the Thirteen Group for their input.

The Chair of Audit and Governance Committee commented that young people had highlighted issues around sexual harassment during the investigation which was of great concern. The investigation had also highlighted the impact of diversionary activities and training such as the Anti—Social Behaviour Awareness training provided in schools and activities like the Crucial Crew. It was necessary to provide as much support for these activities as possible together with the excellent diversionary schemes undertaken by Cleveland Fire and the Neighbourhood Policing Teams.

The Chair of Audit and Governance Committee also thanked those working with the volunteers on the Big Town Tidy.

**Decision**

That the report be noted.



## **22. Hartlepool Community Safety Team – Neighbourhood Policing** *(Temporary Chief Inspector Mark Haworth)*

### **Purpose of report**

To provide an update on Hartlepool Neighbourhood Policing to the Safer Hartlepool Partnership for information.

### **Issue(s) for consideration**

The Temporary Chief Inspector provided an update on the work of the Community Safety Team over recent months and highlighted the new officers and PCSO's that had joined. The work around the recent issue in the Belle Vue area were also outlined to the Partnership.

The Chair highlighted recent issues with off-road motorcycles in the Headland area and how these had been addressed by the Team. The Temporary Chief Inspector indicated that the use of CCTV had been very beneficial as had the support for the local community in tackling the problem. Any further incidents should continue to be reported either directly to the Community Safety Team, online or via 101.

### **Decision**

That the report be noted.

## **23. Safer Hartlepool Partnership Terms of Reference – Membership Refresh** *(Director of Neighbourhood and Regulatory Services)*

### **Purpose of report**

To consider a refresh of the Safer Hartlepool Partnership Terms of Reference to reflect changes in membership.

### **Issue(s) for consideration**

The Director of Neighbourhood and Regulatory Services reported that since the last review in 2018, some Members of the Partnership and the posts designated to represent organisations had changed and in order to reflect these changes, the Terms of Reference, submitted as an appendix to the report, had been amended.

The Director indicated that, as outlined in the Terms of Reference the Leader of the Council is the Chair of the Safer Hartlepool Partnership with the Vice Chair of the Partnership being agreed on an annual basis who must be from one of the responsible authorities other than the Council. The current Vice Chair of the Partnership was Cleveland Police Chief Superintendent of Neighbourhoods and Partnerships, however it was

proposed that this position be taken over by the Cleveland Police Superintendent of Community Safety for the year 2021/22.

**Decision**

1. That the report and the revised Terms of Reference be noted.
2. That the Cleveland Police Superintendent of Community Safety be appointed Vice-Chair.

**24. Safer Hartlepool Partnership Performance** (*Director of Neighbourhood and Regulatory Service*)

**Purpose of report**

To provide an overview of Safer Hartlepool Partnership performance for Quarter 1 – April to June 2021 (inclusive).

**Issue(s) for consideration**

The Assistant Director, Regulatory Services provided the Partnership with an overview of Safer Hartlepool Partnership performance for Quarter 1 – April to June 2021 (inclusive) against key indicators linked to the priorities outlined in the draft Community Safety Plan 2021/24. The Assistant Director highlighted that given the impact that COVID had during Q1 of 2020/21, figures for some of the indicators had been included from Q1 of 2019/20 to provide a more representative comparison. The Assistant Director also highlighted the work of the sub groups on Fly-Tipping, Deliberately set Fires and Off-Road vehicles.

**Decision**

That the report be noted.

**25. Any Other Items which the Chairman Considers are Urgent**

None.

**26. Date and Time of Next Meeting**

The Chair reported that the next scheduled meeting would be held on Monday 18 October at 10.00 am in the Civic Centre.

The meeting concluded at 11.40 am

CHAIR

# FINANCE AND POLICY COMMITTEE

14<sup>th</sup> February 2022



**Report of:** Director of Resources and Development

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2022/23 to 2024/25 – TERMS AND CONDITIONS OF  
EMPLOYMENT SAVING

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to provide an update on the proposed changes to employee terms and conditions of employment and to outline next steps.

## 3. BACKGROUND

3.1 Council on 16<sup>th</sup> December 2021 approved the savings proposals for 2022/23 which included the proposal to amend collectively agreed terms and conditions of employment in relation to:

- i) The removal of time and a half premium rates for contractual hours worked at a weekend and;
- ii) the reduction of pay protection from 3 years to 1 year.

3.2. The estimated saving for this proposal is £395,000. Detailed negotiations have been held with the Trade Unions and further information is provided in the next section.

#### 4. TRADE UNION NEGOTIATION

4.1 Officers have held detailed negotiations with Trade Unions and proposed a final offer consisting of two elements:

- A reduction in the protected period from three years to one year;
- A buyout payment for a 'Yes' vote for those employees directly affected by the reduction in premium rates using a tiered approach. The table provides details on the buyout payments offered:

Enhanced rate lost over 12 months (pro rata from April-December 2021 figures)		Buy-out Payment
£0.01	£499.99	£250
£500.00	£999.99	£500
£1,000.00	£1,499.99	£750
£1,500.00	£1,999.99	£1,000
£2,000.00	£2,499.99	£1,250
£2,500.00	£2,999.99	£1,500
£3,000.00	£3,499.99	£1,750
£3,500.00	£3,999.99	£2,000
£4,000.00	£4,499.99	£2,250
£4,500.00	£4,999.99	£2,500
£5,000.00	£5,499.99	£2,750

- 4.2 The Trade Union ballot is a joint consultative ballot between UNISON, GMB and UNITE who are the recognised Trade Unions. Each member of these three unions who are employed by Hartlepool Borough Council and are affected by the proposal have been given an opportunity to vote 'Yes' to accept the changes or 'No' to not accept the changes. The ballot commenced on Friday 14<sup>th</sup> January 2022 and closed on Friday 4<sup>th</sup> February 2022 (noon). The results will be confirmed on Monday 7<sup>th</sup> February 2022. Members will be updated on the outcome of the ballot verbally at Finance and Policy Committee on 14 February 2022.
- 4.3 The Trade Unions have agreed that the votes of the three Unions will be counted as a single ballot.
- 4.4 If there is a majority 'Yes' vote then changes to the Council's Terms and Conditions of Employment as detailed in paragraph 4.1 will be implemented from 1<sup>st</sup> April 2022.
- 4.5 If there is a majority 'No' vote then Finance and Policy Committee will need to make a decision on the next steps. The options are listed below:

- (i) Take no further action in relation to these proposals. In which case the Finance and Policy Committee will need to instruct the Managing Director to identify alternative savings proposals to replace this saving and as a result, there is likely to be further cuts to services with compulsory redundancies.
- (ii) Implement the new Terms and Conditions as planned as soon as practicable.

## 5. IMPLICATIONS

<b>RISK</b>	There are some risks associated with the options if there is a 'No' vote and these are listed in the sections below.
<b>FINANCIAL</b>	<p>Implementation of this proposal will achieve a recurring saving of £395,000. If the savings from the terms and conditions of employment cannot be found then further cuts are likely to be needed from services resulting in likely compulsory redundancies.</p> <p>The one off buy out and one year protection cost is £770,000, which means the proposal has a pay-back period of two years. These costs will be funded from the Budget Support Fund as this proposal achieved a recurring saving.</p>
<b>LEGAL</b>	<p>If there is a 'Yes' vote in the Trade Union ballot to support the changes then there is no risk of legal employment tribunal claims and the changes to employment terms and conditions will be implemented.</p> <p>If there is a 'No' vote in the Trade Union ballot and the changes are not supported then members will need to consider options to proceed as outlined in Paragraph 4.4 (ii).</p>
<b>CONSULTATION</b>	Trade Unions have been fully involved in the consideration of this proposal.
<b>CHILD AND FAMILY POVERTY</b>	The equality impact assessment (Council - Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – 16 <sup>th</sup> December 2021 Appendix E) identified there may be a disadvantage to those with part time or multiple roles with a negative impact on child / family poverty. This risk is mitigated by the buy-out payment and one year protection.

<b>EQUALITY AND DIVERSITY</b>	The equality impact assessment identified that males and younger workers were at a possible disadvantage by the proposals. The Council believes that the change to premium rates is a proportionate means of achieving a legitimate aim in relation to the financial savings required across the Council.
<b>STAFF</b>	The reductions in premium rates for contracted hours worked at a weekend means a reduction in salary for a small proportion of the workforce. This has been offset by a buyout payment in return for a 'Yes' vote on the ballot and one year's pay protection. The proposal brings the Council into line with other Tees Valley council's practice.
<b>ASSET MANAGEMENT</b>	There are no specific asset management considerations from this report.

## 6. RECOMMENDATIONS

- 6.1 It is recommended that Members note the report. A verbal update on the outcome of the ballot and next steps for member consideration will be provided at Finance and Policy Committee on 14 February 2022.

## 7. REASONS FOR RECOMMENDATIONS

- 7.1 To advise the Committee of the current position in respect of the terms and conditions of employment savings proposal.

## 8. BACKGROUND PAPERS

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – 13<sup>th</sup> December 2021.

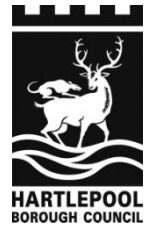
Council - Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – 16<sup>th</sup> December 2021.

## 9. CONTACT OFFICER

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# FINANCE AND POLICY COMMITTEE

14 February 2022



**Report of:** Director of Resources and Development

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2022/23 to 2024/25

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## 1. TYPE OF DECISION / APPLICABLE CATEGORY

Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to:

- i) provide details of the provisional 2022/23 Local Government Finance settlement announcement and to advise Members of the arrangements to finalise the 2022/23 technical budget calculations to be referred to Council on 24<sup>th</sup> February 2022; and
- ii) to detail capital budget proposals to be referred to Council.

## 3. BACKGROUND

3.1 In accordance with the Constitution the Finance and Policy Committee is required to develop MTFS proposals for the forthcoming year for consideration by Council. The following detailed proposals have previously been considered and approved:

- Council 30<sup>th</sup> September 2021 - approved a 1.9% core Council Tax increase (below the 2% recently confirmed national Referendum Limit), plus the 3% deferred Adult Social Care precept (the precept could either have been implemented in 2021/22 or deferred to 2022/23);

The decision secured recurring income of £2.113m - which if not achieved would have had to be addressed by making additional service cuts to this value.

- Council 16<sup>th</sup> December 2021 - approved savings proposals for 2022/23.

3.2 The December Council report advised Members that the above measures did not address the 2022/23 budget deficit and Council also approved the use of £2.538m of the Budget Support Fund, recognising this deficit was

being deferred to 2023/24. As detailed later in the report the Provisional Local Government Settlement will provide increased funding which will reduce the deficit deferred to 2023/24. This will make the budget position more manageable – although significant savings will still be required in 2023/24 and 2024/25.

3.3 In line with the procedures adopted in previous years this final technical report deals with process for the statutory Budget and Council Tax calculations arising from the decisions previously made by Council. The proposals in this report will be referred to Council on 24<sup>th</sup> February 2022.

3.4 The report to Council will also include the statutory 2022/23 Council Tax calculations which the Council is required to undertake to incorporate the Council Tax levels approved by ‘precepting bodies’, i.e. the Police and Crime Commissioner, Cleveland Fire Authority and Parish Councils. Individual ‘precepting bodies’ are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum limits. Further information is provided in section 6.

#### **4. 2022/23 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT AND IMPACT ON THE COUNCIL**

4.1 The provisional Local Government Finance Settlement was issued late on 16<sup>th</sup> December 2022 (the final working day of Parliament before the Christmas recess) and key details are set out in the following paragraphs below:

##### **4.2 2022/23 Services Grant**

4.3 As indicated in the December MTFS report the 2021 Spending Review provided additional national funding for councils. This is a new grant which the Secretary State for Levelling Up, Housing and Communities (S of S) stated:

- “I recognise the range of additional services provided by local government which are at the core of every community that go beyond social care.
- The provisional settlement therefore proposes a one-off 2022/23 Services Grant worth £822m that will be distributed through existing Settlement Funding Assessment formula. Looking at 2023/24 and beyond, we want to take the time to fully consider its future distribution in consultation with councils.
- This funding would be excluded from any proposed baseline for transitional support as a result of proposed system changes.”

##### **4.4 Updating the System**

4.5 The data used to distribute funding dates from 2013/14, or in some cases back to 2000. The S of S has stated the Government will work with the sector to review for 2023/24.



## 4.6 Adult and Children's Social Care

### 4.7 The S of S has stated:

- “This Government has a clear ambition to reform social care. To do that, we must recognise how important it is to ensure local government has the resources it needs to deliver on its current responsibilities in both adults and children's social care.
- Local authorities can, therefore, make use of over £1 billion of additional resource specifically for social care in 2022/23. This includes:
  - £636 million more into the Social Care Grant, including funding for equalisation against the 1% Adult Social Care (ASC) precept
  - providing an inflationary uplift to support integrated working with the NHS
  - a 1% ASC precept and deferred flexibilities from last year's settlement.
- For many councils, adults and children's social care are key priorities and the largest areas of spending. Councils are not expected to rely solely on this earmarked funding to meet the inflationary and demographic pressures facing these services; they also have access to funding from unringfenced grant, including the 2022/23 Services Grant, and from council tax”.

## 4.8 Council Tax 2022/23

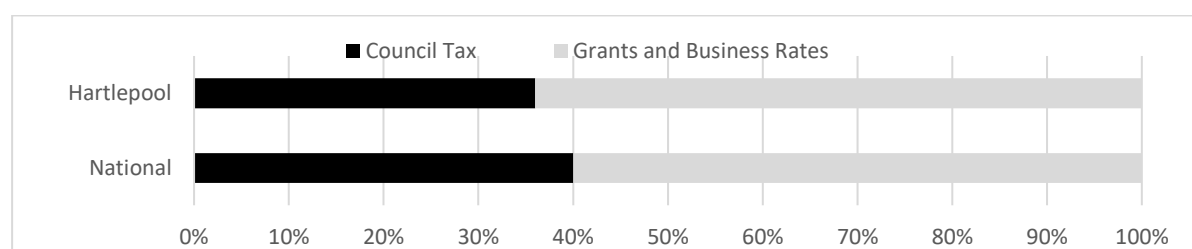
4.9 The core Council Tax referendum principle is 2% and the Adult Social Care (ASC) precept is 1% - plus balance of the 2021/22 ASC precept.

## 4.10 Summary of Settlement Announcement

4.11 At a national level Government figures show the settlement is the best for many years and provides a national increase in Spending Power. However, **40%** of this increase assumes authorities will increase Council Tax.

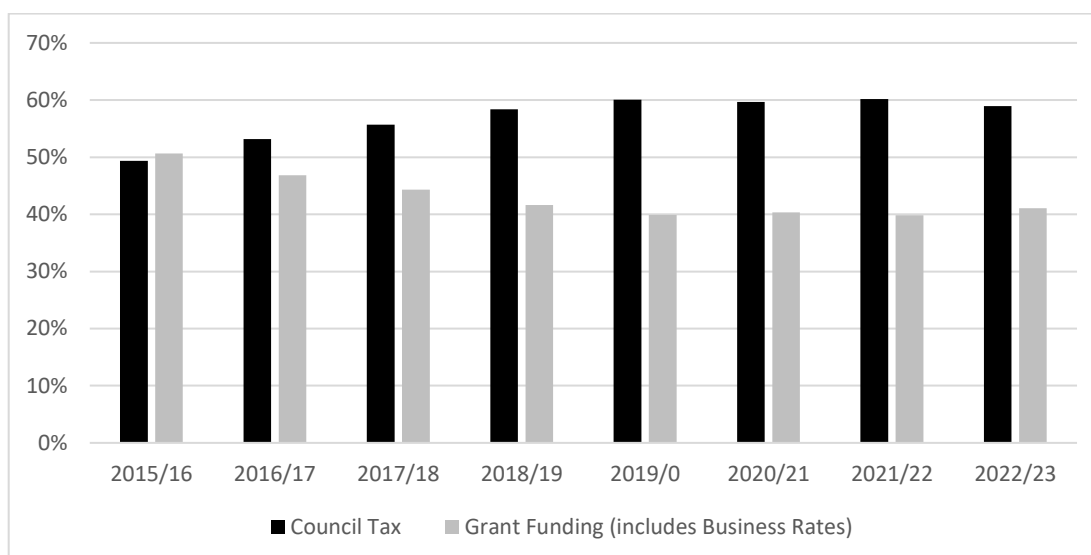
4.12 For Hartlepool Government Spending Power figures assumes **36%** of the increase will be funded from Council Tax, which reflects the favourable impact of ASC precept equalisation grant.

### Analysis of increase in 2022/23 Spending Power



- 4.13 The 2022/23 settlement means that at a national level the proportion of Spending Power funded from Council Tax is **59%**, compared to **49%** in 2015/16. Over this period this is a cash increase of £9.692 billion in national Council Tax income.

National Funding of Core Spending Power 2015/16 to 2022/23



- 4.14 At the time the report was prepared the final 2022/23 Local Government Finance Settlement had not been issued. It is not expected there will be any significant changes and an update will be provided as soon as details are available.
- 4.15 Impact of settlement on MTFS**
- 4.16 The December MTFS highlighted the challenges forecasting the 2022/23 settlement as the distribution formula for the increased funding announced in the Spending Review were unknown. As a minimum it was reported that the settlement would need to provide at least **£2.385m** to cover budget pressures detailed in **Appendix A** to stand still and avoid an increase in the overall deficit.
- 4.17 It was hoped that the grant distribution would target areas with a low Council Tax base / higher deprivation and provide additional recurring resources greater than the minimum required increase highlighted above. Council approved the recommendation that any increase above the minimum amount would be allocated to reduce the three year deficit and in 2022/23 reduce reliance on the use of reserves, which in turn would reduce the deficit deferred to 2023/24. It was noted that this would not remove the need to make significant cuts, or avoid ongoing Council Tax and ASC precept increases. These are assumed by the Government in national Spending Power forecasts and continue to be part of the Government's funding arrangements for councils.

- 4.18 The formula used to distribute the 2022/23 funding is beneficial and exceeds the minimum requirement by £1.481m as summarised below:

Summary of 2022/23 Hartlepool Settlement

	£'m
<p>New 'Services Grant'</p> <p>As detailed earlier in the report this is a new grant and nationally worth £0.822 billion. The distribution formula for 2022/23 benefits Hartlepool. If this funding had been allocated using the Adult and Children's Social Care Grant the Council's allocation would have been £0.698m lower – which highlights the impact of different distribution formula,</p> <p>Whilst, DLUCH have indicated the formula will be reviewed for 2023/24 it is anticipated this will be the minimum Council allocation for 2023/24.</p>	1.964
<p>Adult and Children's Social Care Grant</p> <p>The allocation of this grant also benefits Hartlepool as 64% of the £1 billion national allocation includes additional resources for equalisation against the 1% Adult Social care precept.</p>	1.435
<p>New Home Bonus (NHB)</p> <p>As reforms of the funding system have been delayed there will be a further payment of the NHB grant</p>	0.174
<p>Improved Better Care Fund</p> <p>This is an inflation increase.</p>	0.157
<p>Revenue Support Grant (RSG), Lower Tier Grant (LTG) and Education Services grant</p> <p>Inflationary increases have been applied to RSG and LTG, whilst the Education Services grant has been reduced owing to schools converting to academies</p>	0.136
<b>Sub Total</b>	<b>3.866</b>
Less Minimum increase required – details Appendix A	(2.385)
<b>Uncommitted Increase in resources 2022/23</b>	<b>1.481</b>

- 4.19 In line with the strategy approved by Council on 16<sup>th</sup> December 2021 this additional grant enables the use of reserves in 2022/23 to be reduced. More

importantly this strategy reduces the budget deficit deferred from 2022/23 to 2023/24.

- 4.20 On the assumption that the 2022/23 funding continues in future years the total deficit for 2023/24 and 2024/25 also reduces by £1.481m from £4.454m to £2.973m. It is still recommended that reserves are used to phase the reduced 2023/24 and 2024/25 deficit over these two years as summarised below:

Revised deficits 2023/24 and 2024/24

	2023/24	2024/25	Total
	£'m	£'m	£'m
Deficit <u>AFTER</u> core Council Tax increase and forecast Tax Base Growth	2.534	1.279	3.813
Less - Deficit deferred from 23/24 to 24/25 by using Reserves	(0.600)	0.600	0.000
Sub Total	1.934	1.879	3.813
Additional 1% ASC	(0.420)	(0.420)	(0.840)
<b>Revised Deficit <u>AFTER</u> Council Tax increase and forecast Tax Base Growth and use of reserves</b>	<b>1.514</b>	<b>1.459</b>	<b>2.973</b>

#### 4.21 Impact on Budget Support Fund

- 4.22 The increase in Government funding means that the total use of the Budget Support Fund over the next three years to directly support the budget can be reduced.
- 4.23 As reported previously this reserve will also need to fund transformation costs of achieving savings, including recurring Terms and Conditions savings and termination costs (redundancy and pension costs) in relation to staffing reductions. These costs could not previously be quantified as negotiations and consultations were progressing for these areas.
- 4.24 There is a separate report on the agenda in relation to the outcome of the Terms and Conditions ballot. On the basis of a positive ballot outcome the position negotiated with the Trade Unions will include a protection payment for one year, plus a buyout amount to the same value. The total one off cost of these transitional payments is £0.770m, which provides a two year pay-back period for this proposal. If there is a negative ballot result Members will need to determine how they respond to this outcome.
- 4.25 The number of redundancies to achieve the 2022/23 savings has also been finalised. There will be two compulsory redundancies and the pay-back period for the one off termination costs is 1.05 years.

Updated Budget Support Fund

	13.12.21 Forecast	Revised Forecast
	£'m	£'m
Budget Support Fund	7.691	7.691
Less support 2022/23 budget	(2.525)	(1.057)
Less achievement of Terms and Conditions savings	##	(0.770)
Less Termination costs – achievement of 2022/23 recurring staffing saving	##	(114 to 177)
Less support 2023/24 budget	(1.275)	(0.600)
Available to fund future Transformation costs (including 22/23 & 24/25 termination costs)	3.891	5.087 to 5.150

## These costs had not previously been quantified.

- 4.26 It is recommended that detailed proposals for use of the remaining Budget Support Fund are developed as part of the 2023/24 budget process. This will enable an updated risk assessment to be completed, including the impact of further Government funding announcements for future years, the impact of Adult Social Care reform – including the care cap and cost of care exercise – and inflation, gas, electricity and national pay trends becoming clearer. This will ensure any further use of this reserve supports the MTFS and the sustainability of services.

#### 4.27 **Additional Proposals**

- 4.28 In view of the increase in Government Funding the Chair of this Committee has proposed that Members support the following changes to the 2022/23 savings:

- **Local Welfare Support - £86,000**

Members approved this saving which involves remodeling the support provided and the retention of a budget of £120,000, which would reflect the recurring funding the Council receives within the Revenue Support Grant.

The proposal is to defer this saving to enable the Council to specifically increase the funding available during 2022/23 for gas / electric top ups whilst inflation remains high.

- **School Crossing Patrols - £32,000**

This saving reflected a review of the 28 sites currently operated, which determined 9 sites could be removed. This was a difficult exercise as every site has merit in providing road safety however difficult decisions

needed to be made to balance the overall budget. The proposal was considered by both Children's Services Committee and Neighbourhood Services Committee and supported by Members – albeit reluctantly.

It is proposed that this saving is removed completely.

It is also proposed that officers are asked to determine if on an “invest to save basis” either pelican or zebra crossings, with 20 mph zones, can be installed. This proposal would provide improved road safety at all times – not just when crossing patrol officers were on duty.

- 4.29 As it would not be practical at this late stage to identify alternative replacement saving if Members wish to implement the above measures the savings shortfall will need to be funded from the Budget Support Fund.

## 5. **GENERAL FUND CAPITAL INVESTMENT**

- 5.1 The General Capital Investment Strategy consists of two key elements and details are provided in the following paragraphs. As detailed in a separate report on the agenda the Council also has a Housing Revenue Account investment strategy which also provides investment in the town.

### 5.2 **Schemes funded from specific grants and Departmental Business Cases**

- 5.3 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 2022/23 have not yet been issued and indicative allocations are detailed in **Appendix B**. In line with the procedures adopted in previous years it is recommended that once the actual 2022/23 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.

- 5.4 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 Neighbourhood Services Committee. Details of the proposed programme for 2022/23 to 2024/25 are included in **Appendix B**, 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 savings from delaying replacement will be reflected in the quarterly revenue monitoring reports submitted to Finance and Policy Committee.

## **5.5 OTHER CAPITAL INVESTMENT PROPOSALS**

### **5.6 Cremators**

Significant works to the cremator were undertaken in 2014. There is wider programme of investment in Stranton Cemetery and Chapel which will ensure the longer term sustainability of the site and support improved service delivery. £490,000 has previously been allocated for this project and work will commence in summer 2022 following the completion of a detailed survey (commencing 10 February 2022) that will inform the programme of works.

However, as a result of wear and tear and the high operating temperature further investment is needed in the equipment to ensure the facilities remain operational and comply with emissions standards. Failure to meet emission standards would result in a charge to the Council of £65 per cremation for 50% of cremations held within the year, which would be an annual charge of £32,000.

Capital investment of £255,000 is required to reline the cremators, provide a new gas analysis machine, fit new carbon beds, implement a new operating system, install an air condition unit within the cremator room and re-configure space for cremator control room.

The current system was funded through Prudential Borrowing over a 15 year period which will end in 2028/29. This timescale was used as it was anticipated to be the lifecycle of the equipment. Unfortunately the collapse of Sheldon's and the need to transfer to another supplier means that major elements need to be updated sooner than expected.

There is currently £60,000 available in the budget for works to the cremator system. The remaining £195,000 will need to be funded from Prudential Borrowing. The annual repayment and interest cost is £22,000, which it is anticipated can be funded from the annual revenue budget. There is a potential annual risk for five years (2023/24 to 2028/29) until the previous loan is repaid that the budget may not be sufficient to cover both loan repayments if income levels reduce. This risk will be managed within the overall departmental budget.

### **5.7 Supporting Treatment and Recovery Together (START) Service**

The Drug and Alcohol Service has undergone significant transformation over the past two years. Hartlepool Supporting Treatment and Recovery Together (START) is a partnership between Hartlepool Borough Council (HBC) and Foundations, delivering an integrated substance misuse treatment service. The service commissioned by Hartlepool Borough Council Public Health team, delivers community based treatment services to the adults and young people of Hartlepool. The service is working well and delivers a range of clinical and support services to clients, however, Hartlepool continues to face significant challenges with a continued high incidence of drug related deaths

when compared to national and statistical neighbours that needs to be reduced.

The service is currently located in premises on Whitby Street which the service has occupied for several years. With the development and restructure of the service into a single integrated model based in the premises at Whitby Street there is insufficient space and quality of accommodation to the required clinical standard to enable the service to operate effectively. Furthermore, recent Government announcements indicate there will be further investment in drug treatment services over the coming years as part of their 10 year strategy to reduce the supply and demand for drugs and the service will need to be able to respond to this.

Finance and Policy Committee (20<sup>th</sup> February 2020) approved the proposal to take a new lease on part of the One Life Centre to relocate this service. Owing to the impact of Covid the NHS have been unable to progress this proposal as they needed to retain the facility.

Over the past 18 months, significant work has been undertaken to secure alternative premises for the START service and a range of options have been explored. However there is no suitable accommodation that can be adapted to meet the operational needs of the service and the Care Quality Commission registration requirements it must fulfil as a health provider.

Parallel to this, Hartlepool Borough Council has been successful in securing funding from Tees Valley Combined Authority and the Homes and Community Agency to redevelop the 'Newmarket site', including the Whitby Street site referred to above. This scheme will provide 48 housing units and compliment previous housing developments in this area. Work will commence on this site before the end of March 2022 and needs to be completed by summer 2023 to meet current grant funding conditions.

It is therefore proposed to build suitable premises for the service on the site of the Roker Street car park on Park Road. The proposed modular build will be designed around the clinical requirements of the service. The estimated cost is £2.8m, which is subject to value engineering and design clarification of drainage connections.

The annual repayment cost of the Prudential borrowing is £0.106m and over the lifetime of the building the total cost will be less than the leasing option and also provide certainty for the service. The annual costs will be funded from the public health budget currently allocated for accommodation, so there will be no impact on the General Fund budget.

The loss of the short stay car park is likely to reduce car parking income once the current TVCA free parking scheme ends. This may be mitigated by re-aligning the remaining car parking to provide replacement short stay parking. It is difficult to assess the potential loss at this stage and this position will need to be reviewed as part of the 2023/24 budget process and any shortfall addressed as a corporate budget pressure.



## 6.0 LEGAL CONSIDERATIONS AND STATUTORY BUDGET CALCULATIONS

6.1 The following issues are relevant in relation to this report and were addressed in previous reports to Finance and Policy Committee (13.12.21) and Council (16.12.21):-

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget;
- the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of 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 detailed in section 8.

6.2 The Local Government Act 1992 and relevant regulations also require the Council to approve the statutory Council Tax calculation incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and parish councils. This issue will be addressed in a report to Council on 24th February 2022.

6.3 Individual 'precepting bodies' are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum principles applying and which meet their own budgetary requirements. The Government has set the following Council Tax referendum limits for 2022/23:

### 2022/23 Council Tax Referendum Limits set by the Government

Type of Authority	Government Council Tax Referendum Limits
Police and Crime Commissioners	Band D increase of up to £10.00.
Fire and Rescue Authorities	Increases of up to 2% in Band D Council Tax.
Town and Parish councils	No referendum limits have been set and the Government intends to keep this matter under active review for future years.

6.4 The statutory Council Tax calculations are an administrative responsibility that the Council as the statutory 'billing authority' is required to undertake once the Council has set its own Council Tax level (which was approved on 30<sup>th</sup> September 2021) and the individual precepting authorities have set their own Council Tax levels.

## 7. OTHER CONSIDERATION

Staff Considerations	There will be three compulsory redundancies.
Consultation	No relevant issues in relation to decision in this report and relevant assessment considered when decision were made in December 2021. No relevant issues
Child/Family Poverty Considerations	As above
Equality and Diversity Considerations	As above

## 8. CONCLUSION AND ROBUSTNESS ADVICE

- 8.1 The December MTFS report advised Members that there continues to be increased scrutiny on Council Finances nationally, including the issuing of Section 114 notices and the Government providing capitalisation directives (i.e. authority to treat revenue expenditure as capital) where councils have requested this support to deal with specific financial challenges. The Government has imposed strict conditions on councils receiving capitalisation directives.
- 8.2 As a package the previously approved 2022/23 increase in Council Tax, ASC precept and savings help to put the Council on a more sustainable financial basis. The increase in Government funding for 2022/23 helps this position and overall the Council has a robust 2022/23 budget, balanced as summarised below:

### Summary of measures to address 2022/23 deficit of £7.267

	£'m	Percentage of deficit
Core Council Tax increase – 1.9%	0.854	12%
Deferred ASC precept – 3%	1.259	17%
Savings	2.616	36%
Increase in Government Funding	1.481	20%
Use of Reserve (which is the deficit deferred to 2023/24)	1.057	15%
<b>Total</b>	<b>7.267</b>	<b>100%</b>

- 8.3 My robustness advice in December indicated that based on information available at the time it was forecast further cuts of approximately **£2.2m** will need to be made in both 2023/24 and 2024/25 – i.e. a total of **£4.4m**.
- 8.4 The provisional 2022/23 Local Government Settlement provides increased funding which alongside the actions previously approved increases the robustness of the 2022/23 budget by reducing dependency on the use of reserve. This means the deficit deferred from 2022/23 to 2023/24 has reduced to £1.057m (£1.093m if the proposal to remove the School Crossing Patrol saving is approved) – compared to the deficit deferred from 2021/22 to 2022/23 of £5.182m. This shows the actions taken by the Council in addressing the 2022/23 deficit have significantly improved the robustness of the budget and financial resilience of the Council.
- 8.5 The Council still faces a challenging financial position in 2023/24 and 2024/25, although the deficit for these years reduces from **£4.4m** to **£2.9m**. It is recommended that to make these years more manageable the Budget Support Fund is used to phase this deficit at approximately £1.5m per year.
- 8.6 As the 2022/23 budget process has demonstrated, it is increasingly challenging to identify further savings and these invariably mean the Council will continue to have to make difficult decisions. A plan will need to be developed over the summer to address the forecast deficit.
- 8.7 Hopefully, the long delayed national reforms of the funding system will be made in 2023/24 and recognise deprivation and ability to raise income from Council Tax in areas with a low tax base (i.e. higher than average percentage of properties bands A and B). However, as 94% of the funding increase announced in the Spending for the next three years for councils is front loaded in 2022/3, there is very limited national headroom available to fund these changes.
- 8.8 Additionally, DLUH has already indicated there will be transitional arrangements, which will mean any changes will be phased over a number of years. Finally, any settlement increase for 2023/24 may be swallowed up with higher inflation for existing services if current trends continue. Therefore, the deficits forecast for 2023/24 and 2024/25 outlined above provided the appropriate basis for developing a savings plan and details will be reported during the summer to commence the budget process.

## 9. RECOMMENDATIONS

- 9.1 It recommended that Members:
- i) Note, as hoped when the MTFS report was considered on 13<sup>th</sup> December 2021, the provisional 2022/23 Local Government Finance settlement exceeds the minimum forecast requirement by £1.481m;

- ii) Note that in accordance with the recommendation approved by this Committee (13.12.21) and Council (16.12.21) the additional funding of £1.481m will reduce the use of the Budget Support Fund in 2022/23, which reduces the deficit deferred from 2022/23 to 2023/24; and reduced the total 2022/23 and 2024/25 forecast deficit from £4.4m to £2.9m – thereby providing a more robust and sustainable MTFS;
- iii) Recommend to Council the following amendments to the approved 2022/23 savings, which will need to be funded by increasing use of the Budget Support Fund:
  - Defer the Local Welfare Support saving - £86,000
  - Remove the School Crossing Patrols saving - £32,000 and note that officers be requested to determine if on an “invest to save basis” either pelican or zebra crossings, with 20 mph zones, can be installed and report details of the business case to a future meeting of Finance and Policy Committee.
- iv) Note that the detailed 2022/23 statutory Council Tax calculations, incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual parish councils, will be referred to Council on 24<sup>th</sup> February 2022.
- v) Recommend Council approve the capital schemes and Prudential borrowing requirements in **Appendix B**, which includes the proposals detailed in paragraph 5.6 and 5.7;
- vi) In line with the policy adopted in previous years seek Council approval to 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.

## 10. REASON FOR RECOMMENDATIONS

To inform the Finance and Policy Committee of provisional 2022/23 Local Government Finance settlement, the impact this has on the MTFS and the arrangements for referring the 2023/24 technical Budget and Council Tax calculations to Council.

## 11. BACKGROUND PAPERS

- Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – 13<sup>th</sup> December 2021;

## 12. CONTACT OFFICER

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Director of Resources and Development  
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Tel: 01429 523003

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



Minimum Grant increase required to standstill and  
fund costs not previously included in MTFS

	Changes in costs £'000
<p><b>Increase in Employers National Insurance contribution of 1.25% (form April 2022)</b></p> <p>The National Insurance increase has a direct impact for the Councils own workforce of <b>£625,000</b>.</p> <p>The Council will also face pressures from service providers to cover this additional cost, predominantly for Adult Social Care services.</p>	<p>625</p> <p>210</p>
<p><b>Increase in National Living Wage (NLW) to £9.50</b></p> <p>It was difficult to forecast annual increases in the NLW as these have varied over recent years. The MTFS planning assumption was an increase of 4.9% from April 2022. The actual increase is 6.6%. This is an additional budget pressure of £355,000.</p> <p>The latest increase suggests the Government is committed to increasing the NLW to £10.50 by April 2024, as they previously indicated. This will equate to annual increases of approximately 5% and result in an additional unbudgeted cost in 2023/24 of approximately £0.2m and a further £0.2m in 2023/24 – which will increase the deficits in these years.</p>	355
<p><b>Adult Social Care - Inflation pressures</b></p> <p>It will not be possible to contain inflation for Adult Social Care contracts as the Council determines annual increases using a basket of inflation factors. This approach underpins the Council's approach to providing financial stability for this critical service area. Based on inflation trends an additional cost pressures of £145,000 is forecast. The final pressure will depend on October and November inflation.</p>	145
<p><b>April 2022 National Pay Award</b></p> <p>The MTFS included 2% for the forecast April pay award. The increase in inflation and removal of the public sector pay cap would suggest that pay pressures will increase. Additionally whilst the Council pays above the NLW the increase in this will put pressures on the lowest pay point, which in turn puts pressure on the pay scale. It would be prudent to increase the April 2022 pay provision to 3%.</p>	500

<p><b>Non Pay Inflation</b></p> <p>The MTFS includes 2% for non-pay inflation. The actual level of inflation is running at twice this level and expected to continue at this level during 2022/23. It would therefore be prudent to include provision for inflation pressures. This provision excludes Adult Social Care contracts as these are covered in other section of this table.</p>	400
<p><b>Energy costs</b></p> <p>Market pressures are continuing and now expected to last into 2023/24, before reducing in 2024/25 – although this cannot be guaranteed. On this basis it is not anticipated that the whole of the current increases (41% for electricity) and (86% for gas) will reverse and these costs will be higher than the 2% inflation provision included in the MTFS.</p> <p>Councils in the North East have been temporarily protected from these increases in 2021/22 as NEPO had ‘hedged’ (i.e. purchased in advance of need) a significant element of energy requirements for the current year. However, the impact in 2022/23 will be significantly greater.</p> <p>To avoid having to make additional budget cuts in 2022/23 and 2023/24 the current years’ outturn strategy will set aside £1m to partly fund the additional forecast costs of £1.4m (£190k in 21/22, £560k in 2022/23 and £650k in 2023/24). This will mean £200k needs to be built into the 2022/23 base budget – which will cover a 31% recurring increase in these costs.</p> <p>The Energy Market continue to be volatile and further costs increases may arise. The position will continue to be monitored carefully and commitments against the one off resources will be reported as part of the normal financial management reports.</p>	200
<p><b>Council Tax Base</b></p> <p>The Council Tax base for 2022/23 is 24,928, compared to 24,384 for 2021/22 – which is an increase of 2.2%, compared to a national forecast increase of 1.1%.</p> <p>The 2022/23 tax base is slightly higher than forecast and provides additional recurring resources of £50k.</p>	(50)
<p><b>Minimum Grant increase required to fund increased costs</b></p>	2.385
<p><b>Minimum Grant increase as percentage of 2021/22 Government funding</b></p>	5.5%

## FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2022/23 TO 2024/25

TABLE 1 - FORECAST CAPITAL RESOURCES

	Forecast Resources 2022/23 (Provisional)				Forecast Resources 2023/24 (Provisional)				Forecast Resources 2024/25 (Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Service Specific Capital Grants</b>												
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	822	822	0	0	822	822	0	0	822	822
Local Transport Plan - Integrated Transport Block - Note 3	0	0	725	725	0	0	725	725	0	0	725	725
Schools Capital Programme - Note 4	0	0	1,360	1,360	0	0	1,360	1,360	0	0	1,360	1,360
<b>Departmental Prudential Borrowing - Funded from Specific Business Cases</b>												
Supporting Treatment and Recovery Together (START) Service	2,800	0	0	2,800	0	0	0	0	0	0	0	0
Cremators	195	60	0	255	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 5	3,538	0	0	3,538	110	0	0	110	838	0	0	838
<b>Total Forecast Resources</b>	<b>6,623</b>	<b>60</b>	<b>4,249</b>	<b>10,932</b>	<b>200</b>	<b>0</b>	<b>4,249</b>	<b>4,449</b>	<b>928</b>	<b>0</b>	<b>4,249</b>	<b>5,177</b>

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2021/22 allocation. Government has stated that the 2021/22 allocations can be used as an indication of future allocations.

Note 2 - Allocations for 2022/23 and future years have not yet been confirmed. For planning purposes it has been assumed that the funding will remain at 2021/22 levels and that Better Care Fund will continue in 2023/24 and 2024/25.

Note 3 - Local Transport Plan allocation for 2022/23 onwards is based on allocations for 2021/22 excluding pot hole funding. There is nothing confirmed from TVCA beyond 2021/22.

Note 4 - Schools Capital Programme includes an estimate of £0.860m Schools Condition Grant and £0.500m High Needs Provision Capital Allocation (HNPCA) for 2022/23. The forecasts from 2022/23 onwards are based on the 2021/22 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations.

Note 5 - The Vehicle Procurement programme was reviewed and approved by Neighbourhood Service Committee on 19th October 2021



**FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2022/23 TO 2024/25****Table 2 - 2022/23 VEHICLE REPLACEMENT PROGRAMME**

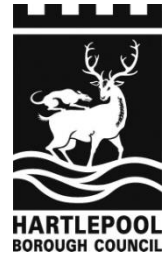
<b>Vehicles to be replaced 2022/2023</b>	<b>Budget Area</b>	<b>Estimated cost £000's £000</b>
Skoda Superb 1.9 Tdi Elegance Dsl	Chief Exec	25
Ford Transit 350 LWB Double Cab Chassis/Tipper X 2	Cleansing	60
Ford Transit 350 LWB High Roof Van c/w tail lift, beacons & reverse camera	Fleet Services	30
JCB 8020 360 Excavator - 1	Fleet Services	25
5 door hatchback electric car	Fleet Services	50
Renault Kango ZE Electric Van - Small Van X 2	Fleet Services	50
Ford Transit 17 s minibus 2.4 Tdci 115ps	Horizon School	30
Mercedes Benz Axor 18t Dedicated Gritter - Econ gritter body fitted X 3	Highways	225
Demount gritter body NX65 SKZ Ser No 38542 09/09	Highways	28
Demount gritter body Ser No 38541 09/09 - NX15 MHU	Highways	28
Ammann ARX12 Tandem Vibration Roller with CE Kit	Highways	18
Ford Transit 350 LWB Double Cab Chassis Drop side - ULW 2,340kg	Highways	30
Toro GM4000D Batwing rotary Mower X 2	Horticulture	100
Toro 7210 Groundsmaster Ride on Mower X 4	Horticulture	80
4x4 Quad - Chemical Spraying	Horticulture	12
4x4 Quad - Chemical Spraying	Horticulture	12
JCB 1CX EC 180 back hoe excavator - Grave digger - West View	Horticulture	58
Ford Transit 350 LWB single chassis cab/Tipper	Horticulture	30
Iveco Daily 5,500kg MAM Aborcultural 4x4 Tipper	Horticulture	80
Mercedes Sprinter 17s welfare bus X 7	ITU	560
Mercedes Vito 109 cabin van - Medium Panel van	M & E	18
Ford t Transit connect T230L LWB 1.8 TDCI 90ps panel Van	M&E	16
Iveco 50C15V H2 c/w 16m Van Mount Access platform	St Lighting	90
Iveco 50c chassis cab c/w 14.5m lift platform	St Lighting	90
26,000kg Mercedes Econic 2630L Rear Steer	Waste Management	200
32,000kg - Volvo/Boughton Hookloader	Waste Management	180
16,000kg - Iveco 160E 25/P Heil/Terberg RCV X 2	Waste Management	380
Ford transit tipper (New subject to business case Disabled Adaptions workstream) X 3	M&E	75
Small van (New subject to business case Highways Dropped Curb workstream)	Highways	18
7.5T Tipper c/w lorry loader (New subject to business case Highways Dropped Curb workstream)	Highways	65
Stump grinder Carlton SP7015TRX	Horticulture	64
Top dressing application machine Dakota 310 SP	Horticulture	12
Vehicle workshop safety and workflow - Air and screen wash tower for fuel bay	Fleet Services	5
Vehicle workshop safety and workflow - Expansion of workshop lubricant distribution system for two new additional vehicle oils required by new vehicles.	Fleet Services	10
Vehicle workshop safety and workflow - Vehicle lifts for two additional work bays to increase workflow.	Fleet Services	15
Mercedes Sprinter fitted as Tyre Fitting/ Mobile Workshop (new business case to reduce fleet tyre maintenance costs)	Fleet Services	85
Prevention of vehicle runaways H&S improvement action - Installation in 47 air braked vehicles of automatic brake activation equipment.	Fleet Services	84
Prevention of vehicle runaways H&S improvement action - Installation of audible warning system for vans without air brakes 96 vehicles.	Fleet Services	48
Price contingency		373
<b>Totals for year</b>		<b>3,358</b>

Vehicle to be replaced 2023/2024	Budget Area	Estimated cost £000's £000
Toro 7210 Groundsmaster Ride on Mower	Horticulture	21
Toro 7210 Groundsmaster Ride on Mower	Horticulture	21
Toro 7210 Groundsmaster Ride on Mower	Horticulture	21
Toro 7210 Groundsmaster Ride on Mower	Horticulture	21
18,000kg Multilift demount body	Highways	4
18,000kg Multilift demount body	Highways	4
18,000kg Multilift demount body	Highways	4
18,000kg Multilift demount body	Highways	4
Price contingency		12
<b>Totals for year</b>		<b>110</b>

Vehicle to be replaced 2024/2025	Budget Area	Estimated cost £000's £000
44,000kg 6x4 semi-trailer tractor unit c/w walking floor hydraulics (New for TV ERF - bulk haulage vehicles)	Waste Management	110
39,000kg Titan waste walking floor semi trailer, aluminium chassis and sides, split flip automated roof closure, hydraulic top hinged rear door, clean sweep system (New for TV ERF - bulk haulage vehicles)	Waste Management	90
44,000kg 6x4 semi-trailer tractor unit c/w walking floor hydraulics (New for TV ERF - bulk haulage vehicles)	Waste Management	110
39,000kg Titan waste walking floor semi trailer, aluminium chassis and sides, split flip automated roof closure, hydraulic top hinged rear door, clean sweep system (New for TV ERF - bulk haulage vehicles)	Waste Management	90
JCB Wheeled Loader Wastemaster 457 HT SHL (New for TV ERF - Waste Transfer station loading bulk haulage vehicles)	Waste Management	225
JCB 5CX Wastemaster (HWRC to replace JCB 560-80WM & Wheeled Excavator - 360 materials Handler in redesigned facility)	Waste Management	120
Price contingency		93
<b>Totals for year</b>		<b>838</b>

# FINANCE AND POLICY COMMITTEE

14 February 2022



**Report of:** Director of Resources and Development

**Subject:** HRA BUSINESS PLAN UPDATE

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

- 1.1 Key Decision test (i) and (ii) Forward Plan Reference CE 77 / 21.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to provide an updated HRA Business Plan and enable Members to determine the 2022/23 rent level to be recommended to Council.

## 3. BACKGROUND AND OVERVIEW OF INVESTMENT STRATEGY

- 3.1 The HRA is a separate ring fenced account and all costs have to be met from rental income. There can be no cross subsidy between the HRA and General Fund Revenue Budget, and vice versa. The HRA is subject to specific Government regulations.
- 3.2 Current Government rent policy covers 5 financial years (2020/21 to 2024/25) and allows for annual rent increase to maximum of 1% plus CPI inflation, as at September each year. This regime is designed to provide a sustainable financial base for HRAs, to support capital investment in further developments and to protect tenants from excessive increases.
- 3.3 The Council currently owns and manages 305 properties (an increase of 10 properties since the last business plan review). The Council has an ambitious investment strategy and approved schemes will increase the housing stock by 29% to 394 properties.
- 3.4 The successful delivery of years 2 to 4 of the Brenda Road Housing scheme approved by Finance and Policy Committee on 13<sup>th</sup> December would add a further 66 properties to the HRA. This would increase the total stock by 50% to 460 properties.
- 3.5 Delivering this level of growth in the HRA will enable more people to live in good quality houses at affordable rents. The scale of managing

the delivery of this significant increase in the HRA cannot be underestimated and will need careful management to ensure:

- Planned developments are delivered on time and budget;
- Properties are successfully let and tenants become assimilated into their new community.

3.6 The following tables provide an overview of the current stock and investments detailed above:

**Table 1 - Housing Stock Summary**

	Units
1 Bed Flats	5
2 Bed Flats	2
Bungalow 2 Bed	26
Bungalow 3 Bed	1
House 1 Bed	10
House 2 Bed	164
House 3 Bed	87
House 4 Bed	9
House 6 Bed	1
<b>Total Current Stock</b>	<b>305</b>
<b>Current Commitments</b>	
Hill View	18
Port Homes	3
Empty Homes (Church Street)	2
Newmarket	48
Brenda Road – Phase 1	18
<b>Sub Total</b>	<b>394</b>
Brenda Road – Phases 2 to 4	66
<b>Total Forecast Stock</b>	<b>460</b>

**Table 2: Additional Property Types on approved HRA schemes**

		Property Type				
<b>Scheme</b>	<b>Total</b>	2 bed bungalows	2 bed flats	2 bed house	3 bed house	4 bed house
Hill View	18	0	4	6	8	0
Port Homes	3	0	0	0	3	0
Lynn Street	48	7	0	15	23	3
Brenda Road 1	18	8	0	6	4	0
<b>Sub Total</b>	<b>87</b>	<b>15</b>	<b>4</b>	<b>27</b>	<b>38</b>	<b>3</b>
Brenda Road 2 to 4	66	20	17	10	19	0
<b>Total</b>	<b>153</b>	<b>35</b>	<b>21</b>	<b>37</b>	<b>57</b>	<b>3</b>

#### 4. MEETING THE COUNCIL'S STRATEGIC HOUSING PRIORITIES

4.1 Through the HRA business plan the Council can increase the provision of affordable housing of the right type and tenure and help to achieve the overall affordable housing targets for the Borough set out in the Council's Housing Strategy (2019-2024) themes to:

- Maximise Housing Growth and Deliver New Sustainable Homes
  - Make the Best Use of Existing Homes, Regenerate and Improve Communities and;
  - Support People with Specific Housing Needs to Access and Maintain Appropriate Housing
- 4.2 Delivery of new homes through the HRA Business Plan also contributes towards the Strategic Market Housing Assessment (2016) which states approximately 290 net additional dwellings per annum going forward over the next 15 years is needed to meet the Borough's housing need.
- 4.3 Bidding activity for social housing suggests that there is high demand for good quality affordable accommodation in Hartlepool and bidding demand is strong for all properties brought forward through the recent empty homes programmes and new build properties delivered by HRA.
- 4.4 Demand for types and tenures of properties for new build schemes will be assessed on an individual basis taking into account the location and mix of existing stock in that locality to ensure HRA led developments provide the right type of housing in the right location.
- 4.5 Further policy background is provided in **APPENDIX 1**.

## **5. FINANCIAL CONSIDERATIONS 2022/23**

### **5.1 Background**

- 5.2 The Council has operated the HRA since 2016/17 and faced some initial operational and financial challenges managing growth in the housing stock and the property mix. This position was stabilised in 2019/20 and 2020/21 and this is being maintained in 2021/22.

### **5.3 HRA Reserve**

- 5.4 The HRA ring-fence means that the HRA reserve can only be used for the purposes of the HRA. It is also the only source of funding available to fund deficits and therefore must be kept at a level which ensures the HRA remains viable. The Local Government and Housing Act 1989 section 76 requires that Councils must ensure that the HRA budget does not allow for the HRA Reserve to become 'overdrawn'.
- 5.5 In 2018/19 there was a £0.190m depletion of the HRA reserve, which was a significant reduction in a single financial year and not sustainable. This position was stabilised in 2019/20 and 2020/21, when the HRA reserve was largely reinstated.
- 5.6 Previous benchmarking of HRA Reserves showed that the average level held by 26 councils was 39% of rent income. The HRA reserve at 1<sup>st</sup> April 2021 was £495,000, which is 37% of current rental income. Maintaining the reserve at this broad percentage remains appropriate

as it provides financial resilience to withstand future potential shocks. This is particularly the case with the current level of uncertainty in the economy, the significant planned expansion of the HRA stock and potential Right to Buy impacts going forward.

## 5.7 2022/23 Rent level

5.8 Rent levels are governed by the Government's funding regime for HRA which is currently provides for an increase in line with the annual CPI rate in September plus 1%. This system is designed to provide a sustainable financial base for HRAs by recognising the impact of inflation.

5.9 The Council made the decision to freeze rents in 2020/21 and 2021/22. This position is not sustainable as the HRA is subject to the impact of increased inflation / national pay awards and rent income is the only source of funding for the HRA.

5.10 The current Government funding regime for the HRA sets a 2022/23 rent increase limit of 4.1%, which is the September 2021 CPI inflation rate of 3.1%, plus 1%.

5.11 Based on an assessment of the HRA this is the recommended increase for 2022/23. As highlighted in the table below this recommendation provides a marginal forecast surplus for the year of £14,000. In the current financial climate this provides a small contingency to manage the impact of inflation risks facing the HRA and to provide some context to this figure:

- It is only approximately 1% of forecast rental income, so any delays in letting new properties or increase in voids would eliminate this amount;
- It is approximately 1.4% of total expenses. This level of additional costs increase could impact on the HRA if inflation trends continue.

5.12 The table below also highlights the impact if rents were either frozen or the increase limited to 2%. For both scenarios this would result in an in-year deficit and a reduction in the HRA reserve.

2021/22 BASE		2022/23 Rent Increase		
		0%	2%	4.1%
£'000		£'000	£'000	£'000
1,354	Total Income	1,425	1,454	1,483
(966)	Total Expenses	(989)	(989)	(989)
(388)	Capital Charges	(480)	(480)	(480)
<b>0</b>	<b>Surplus/(Deficit) for year</b>	<b>(44)</b>	<b>(15)</b>	<b>14</b>
495	HRA Reserve - Opening Balance	495	495	495
<b>495</b>	<b>HRA Reserve - Closing Balance :</b>	<b>451</b>	<b>480</b>	<b>509</b>

37%	HRA Reserves - Closing Balance as % of Rent Income :	32%	33%	34%
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**5.13 Robustness Advice**

- 5.14 The Local Government and Housing Act 1989 section 76 requires that Councils must ensure that the HRA budget does not allow for the HRA Reserve to become 'overdrawn'.
- 5.15 To ensure this position does not arise a robust approach is taken to assess forecast HRA income and costs. On this basis the recommended 4.1% rent increase provides the most robust and sustainable basis for the HRA and the continued delivery of the Council's housing objectives.
- 5.16 As rent limits are set on an annual basis on a 'use it or lose it basis' the HRA cannot recover income with higher rent increases in future years. For 2022/23 this is a more critical issue than in previous years owing to the current level of inflation and the ambition of the Council to continue to expand the HRA.
- 5.17 Therefore, increasing rents below the Government limit results in a permanent reduction in income and a recurring use of the HRA. A further rent freeze would result in a recurring annual income reduction of £58,000, over 3 years this would be a £174,000 income loss, which would wipe out 35% of the HRA reserve. This would not be sustainable.
- 5.18 If rents continue to be frozen the HRA will become unsustainable and the Council will be unable to achieve the planned expansion in the numbers of homes provided through the HRA.

**5.19 Impact on tenants**

- 5.20 Rents were frozen in the previous two years and this has reduced recurring income by £59,000 (£37,000 in 2020/21 plus £22,000 in 2021/22). For tenants this means the average rent for 2021/22 is £3.71 per week less than if rents had not been frozen in the previous two years. This is a permanent benefit for tenants, although a permanent reduction in HRA income.
- 5.21 It is recognised that the recommended 2022/23 rent increase will impact on households at a time of increasing inflation and other costs. The following table highlights the impact of the recommended 4.1% increase and shows this increase is slightly lower than the benefit of the previous two year freeze.

2021/22 BASE		2022/23 Rent Increase		
		0%	2%	4.1%
		£	£	£
87.63	Average Weekly Rent	87.63	89.38	91.22
	Average Weekly Increase	0.00	1.75	3.59

- 5.22 The Government will provide additional funding for those tenants receiving housing benefit and Universal Credit. Approximately two

thirds of HRA tenants are therefore likely to have all or part of their rent increase funded by the Government.

## 6. HRA INVESTMENT PROGRAMME

6.1 As detailed in section 3, approved schemes aim to increase the number of properties within the HRA from 305 to 460. This expansion will be funded from a combination of:

- Funding already secured / approved – i.e. Homes England grant, Brown Field housing grant, section 106 contribution and approved Prudential borrowing;
- Funding to be secured / to be approved – i.e. new Homes England grant, new section 106 contribution and approval of Prudential borrowing.

6.2 At the meeting on 13<sup>th</sup> December 2021 Members approved the Brenda Road scheme and noted that phase 1 can be funded from existing approved Prudential Borrowing and securing Homes England grant.

6.3 In relation to phases 2 to 4 of the Brenda Road scheme it is recommended that Council approval is requested for Prudential Borrowing to match fund Homes England grant and to also seek delegation to this Committee to approve the annual phases for this project. It is anticipated Homes England grant will fund 32% of the capital costs of phases 2 to 4.

6.4 As these details of the proposed capital budget are subject to contract negotiation they are set out in **CONFIDENTIAL APPENDIX 2 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).** Once each phase is approved details of the agreed budgets will be reported to Finance and Policy Committee as part of the publically available information.

## 7. HRA 2021/22 FORECAST OUTTURN

### 7.1 Forecast Revenue Outturn

7.2 The current year has continued to be challenging, including the impact of Covid. The level of void properties is slightly higher than expected and this has resulted in reduced income. Expenditure is being managed careful to offset this income reduction and it anticipated there will not be a call on the HRA reserve in the current year.

### 7.3 Forecast Capital outturn

7.4 A summary of the latest Council Housing Capital expenditure is shown in the table below.



2021/22 Budget	2021/22 Actuals	2021/22 Remaining	Rephased to 2022/23	Total Expenditure
£'000	£'000	£'000	£'000	£'000
9,927	1,049	5,610	3,268	9,927

7.5 The level of rephased expenditure is not a concern and reflects the scale and complexity of the current investment programme. Major schemes are progressing - the Hill View scheme is now well underway on site with an expected 12 month build program, thus completion is forecast circa April 2022. Lynn Street is progressing with planning permissions being approved in November 2021 and the bid to Homes England for grant assistance has recently been approved.

7.6 At this stage there are no financial concerns to report.

## 8. OTHER CONSIDERATIONS

Legal Consideration	The Council is required to comply with HRA regulations. There are no other legal considerations relating to this report at this time.
Staff Considerations	No relevant issues
Consultation	No relevant issues
Child/Family Poverty Considerations	Buying and providing affordable homes will go towards addressing family poverty. A copy of the impact assessment form is attached at <b>APPENDIX 3</b> .
Equality and Diversity Considerations	A copy of the equality and diversity impact form relating to this report is attached at <b>APPENDIX 4</b> .
Section 17 of the Crime and Disorder Act 1998	Empty homes can become blight areas and become a target for arson and dumping of rubbish as well as various types of anti-social behavior including graffiti and drug activity. Therefore the ongoing regeneration and refurbishment of empty properties to bring these empty properties back into use is likely to contribute to reductions in crime and anti-social behavior.

## 9. ASSET MANAGEMENT CONSIDERATIONS

9.1 MHCLG guidance in 'Implementing Self-financing for Council Housing' requires the Council to have a business plan for the HRA.

## 10. CONCLUSION

- 10.1 The HRA is a standalone account and entirely reliant on rental income to fund revenue costs, including interest costs on borrowing used to fund capital investment and to fund property repairs and maintenance. In the initial years the HRA underwent a period of significant financial challenge, which it was able to withstand as a result of the robust business case underpinning each scheme of investment, and the available HRA reserve.
- 10.2 The HRA is becoming more mature and financially sustainable as property numbers increase. Current approved schemes will see a step change in the size of the HRA stock aiming to increase the number of properties from 305 to 460 properties – which is a 50% increase. This highlights the Council's commitment to meeting the housing needs of our residents.
- 10.3 The challenges of managing this scale of growth cannot be underestimated – significant work is required to progress detailed planning, securing grant funding, securing partners to build properties, and to let and manage the new properties. These challenges also need to be considered alongside officers continuing to deliver the 'day job', which include management of the non HRA capital investment programme, delivering the General Fund savings plan and managing the continuing Covid response.
- 10.4 To support the financial sustainability of the HRA the Government's current rent policy is based on CPI plus up to a maximum 1% increase and the annual rent level is applied on a 'use it or lose it' basis. Based on this policy a 4.1% rent increase is recommended for 2022/23 as this provides the most robust basis for the HRA in 2022/23 and beyond.
- 10.5 The development of the HRA investment strategy for 2023/24 may need to reflect the outcome of this Committee's consideration of the motion referred by Council in relation to housing for vulnerable families arising from the assessment of need and improving the housing offer to families with a disabled member.

## 11. RECOMMENDATIONS

- 11.1 Note the report;
- 11.2 Approve the recommended rent increase for 2022/23 of 4.1%, which reflects the robustness advice detailed in section 5.13, and refer this proposal to Council;
- 11.3 Approve the proposed capital budget set out in **CONFIDENTIAL APPENDIX 2 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority**

**holding that information)** and refer this proposal to Council. Note that once each phase is approved details of the agreed budgets will be reported to Finance and Policy Committee as part of the publically available information.

## 12. REASONS FOR RECOMMENDATIONS

- 12.1 To enable 2022/23 rents to be set and capital budgets approved.

## 13. BACKGROUND PAPERS

- 13.1 Housing Revenue Account – Financial Business Plan Update - Finance and Policy Committee, February 2020.

## 14. CONTACT OFFICERS

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Sign Off:-

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

**RELEVANT HOUSING STRATEGY AND POLICY**

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

<b>GROW</b>	<b>Maximising housing growth and delivering sustainable new homes</b> <ul style="list-style-type: none"> <li>• Increase the delivery of new homes</li> <li>• Deliver housing that meets identified needs</li> </ul>
<b>IMPROVE</b>	<b>Making the best use of existing homes, regenerating and improving communities</b> <ul style="list-style-type: none"> <li>• Improve housing standards, quality and choice</li> <li>• Manage the impact of long-term empty homes</li> <li>• Support regeneration activity in areas identified as in need of intervention</li> </ul>
<b>SUPPORT</b>	<b>Supporting people with specific housing needs to access and maintain appropriate housing</b> <ul style="list-style-type: none"> <li>• Target those most vulnerable to homelessness and provide early intervention where possible</li> <li>• Support residents who continue to be affected by welfare reform</li> <li>• Improve access to appropriate accommodation for vulnerable residents</li> <li>• Improve housing options for people with specific housing needs</li> <li>• Enable independent living</li> </ul>

- 1.3 Good quality, appropriate and affordable housing makes an important contribution towards health and wellbeing, the economy, education and the environment. The delivery of affordable housing will continue to be delivered through the Shared Ownership and Affordable Housing Programme.
- 1.4 The previous Homes England funding programme 2018-2021 awarded funding for a number of schemes in Hartlepool including Hill View, Greatham. The Hartlepool Council's Housing Investment Strategy was approved in 2018 with the ambition to build and acquire new affordable homes following the re-opening of its Housing Revenue Account in 2016 after taking back the management of its housing stock in April 2015. On 30th October 2018 the borrowing cap was lifted for Local Authorities providing the Council the

increased opportunity for direct delivery of new affordable accommodation. Since this cap was lifted the Council has begun an ambitious new build and empty homes investment programme.

## 2.0 Planning Context

In order to help understand and inform the housing requirements for the Borough a Strategic Housing Market Assessment (SHMA) was produced and endorsed in March 2015 with an addendum in 2016. It identifies the size, type and tenure of market housing required in sub-areas by considering current market demand relative to supply. It also addresses affordable housing requirements across the Borough which is particularly relevant for the HRA.

- 2.1 The housing need in Hartlepool is primarily driven by:
- An increasing population, with Office of National Statistics (ONS) 2012 based population projections indicating an increase of 5.5% from 92,600 in 2014 to 97,400 by 2037;
  - An increase in new household formation amongst the existing population;
  - An ageing population;
  - The need to retain the young and working age people;
  - Economic growth and improvement and diversification of the local economy and;
  - The ongoing replacement of obsolete housing stock.
- 2.2 The SHMA has been used to help establish the need for new housing to be provided in the Borough over the next 15 years. The SHMA Addendum states that an appropriate housing target would be approximately 290 net additional dwellings per annum going forward over the next 15 years. Taking the SHMA housing target as a starting point, it is also important to consider:
- 2.3 **Demolitions** likely to take place over the plan period (this has been assessed by HBC Housing Services Team) and reflects the ongoing aspiration to continue successful housing market renewal initiatives within the central area.
- 2.4 **Affordable Housing Delivery:** There will be an imbalance between the number of affordable homes delivered in the Borough and the need for affordable homes identified in the SHMA. To reduce this imbalance a 20% buffer has been included in the housing requirement. The buffer will deliver both affordable and market housing but its primary purpose is to increase affordable housing delivery.
- 2.5 **Hartlepool Strategic Housing Market Assessment 2015 (SHMA)**  
The previous 2012 Tees Valley SHMA identified an affordable housing need in the Borough of 27.5%. The 2015 SHMA continues to identify areas of affordable housing need in the Borough and advocates an annual affordable housing delivery target of approximately 144 dwellings, the net affordable housing delivery target is therefore approximately 35%.

- 2.6 As well as the allocation of a range of housing sites across the Borough, with a focus on westward expansion at the South West Extension and High Tunstall and Quarry Farm areas, the Local Plan also includes policies on:
- 2.7 Affordable Housing (HSG9) – this policy seeks to secure affordable housing on developments of 15 dwellings or more. The policy sets a requirement of 18% affordable provision which is considered to be viable on most sites across the borough. On site affordable is sought on all sites other than executive developments where an offsite payment is required. The policy links to the SHMA in terms of the required tenure split on a site by site basis to determine the split between social and intermediate tenure products.
- 2.8 Housing Market Renewal (Hsg10) – This policy identifies that the Council will seek to tackle the problem of the imbalance of supply and demand in the existing stock through coordinated programmes including Housing Market Renewal with priority given to housing regeneration areas in central Hartlepool as identified in the Housing Strategy.
- 2.9 As the planning context demonstrates the need for affordable housing in the borough is at 35% but the policy allows for 18% to be delivered through planning permissions due to viability. Through the HRA business plan the Council can increase the provision of affordable housing and help to achieve the overall affordable housing targets for the Borough. In addition to the evidence base above information bidding activity for social housing suggests that there is high demand for good quality affordable accommodation in Hartlepool. Bidding demand is strong for all properties brought forward through the recent empty homes programmes and new build properties. Demand for properties will be assessed on an individual scheme basis taking into account the location and existing stock in that locality and the property type.
- 3.0 **The Charter for Social Housing Residents - Social Housing White Paper**
- 3.1 On 17th November 2020, the Ministry of Housing, Communities and Local Government published 'The Charter for Social Housing Residents - Social Housing White Paper'.
- 3.2 The White Paper collates a range of different initiatives and legislative changes from across the housing sector, aims to deliver the improvement in transparency and accountability detailed in the 2018 Social Housing Green Paper 'A new deal for social housing' and build on the proposals set out in the Review of Social Housing Regulation: Call for Evidence.
- 3.3 At the heart of the White Paper is the new Charter for Social Housing Residents. The Charter sets out seven commitments that social housing residents should expect from their landlord:
- a. **To be safe in your home.** We will work with industry and landlords to ensure every home is safe and secure.

- b. **To know how your landlord is performing**, including on repairs, complaints and safety, and how it spends its money, so you can hold it to account.
  - c. **To have your complaints dealt with promptly and fairly**, with access to a strong Ombudsman who will give you swift and fair redress when needed.
  - d. **To be treated with respect**, backed by a strong consumer regulator and improved consumer standards for tenants.
  - e. **To have your voice heard by your landlord**, for example through regular meetings, scrutiny panels or being on its Board. The Government will provide help, if you want it, to give you the tools to ensure your landlord listens.
  - f. **To have a good quality home and neighbourhood to live in**, with your landlord keeping your home in good repair.
  - g. **To be supported to take your first step to ownership**, so it is a ladder to other opportunities, should your circumstances allow.
- 3.4 The overarching themes of the White Paper are building and resident safety, resident voice and influence. It outlines a number of key measures including plans for new regulation and reforms including a strengthened Housing Ombudsman to speed up the investigation of complaints and a set of tenant satisfaction measures that social landlords will have to report against.
- 3.5 **Summary of the key measures**
- a. A reformed Regulator of Social Housing with new reactive and proactive consumer regulation, including a review of the consumer standards to support the delivery of its revised objectives.
  - b. Plans for routine inspections by the Regulator of Social Housing to inspect landlords with over 1,000 homes at least once every four years to review compliance with the consumer standards.
  - c. A strengthened Housing Ombudsman, which allows tenants easier access and speeds up complaint resolution, as well as new quarterly webinars for residents on insight reports, complaints data, learning points and case studies.
  - d. A series of new tenant satisfaction measures that landlords will be required to report against, with proposed satisfaction measures on repairs, safety, complaints, engagement and neighbourhood management. The aim to provide transparent data on performance and satisfaction to assure, inform and empower residents and establish some consistency across the sector. The Regulator of Social Housing is currently seeking views on the proposals for tenant satisfaction measures. The closing date for the consultation is 3 March 2022. Landlords will also be required to report on executive pay and how they spend their money.
  - e. A new nominated, accountable person for safety and consumer standards, within each landlord, who is responsible for ensuring compliance.
  - f. An expectation that tenants should be able to access key information from their landlord, though housing associations will not be subject to Freedom of Information requests.

- g. An intention to tackle anti-social behaviour by clarifying the roles of different agencies and signposting who can support residents.
- h. A potential review of the Decent Homes Standard.
- i. The government also launched a further [consultation on mandating smoke and carbon monoxide alarms in rental homes](#), which has now concluded and, has published a response to the Social Housing Green Paper consultation and Call for Evidence on the Review of Regulation.

### **3.6 Next steps**

- 3.6.1 There are still areas within the White Paper where details are yet to be announced or confirmed by the Government. The Government has however been clear that it wants to work collaboratively with the sector to shape the detail of the proposals. A White Paper Action Plan will be created, as further details of specific requirements are known to ensure the Council is delivering its services in line with the new Government's proposals, although the service does already meet the standards in many cases. Any major changes to policy may impact on the Business Plan. Work is however underway to assess the current position with a view to implement and embed any new requirements for the service contained within the proposals, which go beyond that which the service currently provides.

### **3.7 Policy statement on rents for social housing (February 2019)**

- 3.7.1 This document lists the Rent Standard as one of three economic standards that the Regulator of Social Housing expects Registered Providers to comply with. It lists the requirements around how registered providers set and increase rents for all their social housing stock in line with government policy as identified in their Policy Statement on Rents for Social Housing. This guidance has been used when exploring the HRA rent setting options.



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

**If YES please answer question 2 below**

**2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES**

**If YES please complete the matrix below**

GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
<b>Young working people aged 18 - 21</b>		X		The proposed rent increase may impact on some people in this age bracket. It is likely that universal credit would support the rental increase. The Council also provides significant support to tenants to manage this increase by ensuring they're claiming all benefits their entitled to and working closing with Housing Advice colleagues.
<b>Those who are disabled or suffer from illness / mental illness</b>			X	The proposals does not adversely affect this group.
<b>Those with low educational attainment</b>			X	The proposals does not adversely affect this group.
<b>Those who are unemployed</b>			X	The proposals does not adversely affect this group.
<b>Those who are underemployed</b>		X		The proposed rent increase may impact on some people in this category. It is likely that universal credit would support the rental increase. The Council also provides significant support to tenants to manage this increase by ensuring they're claiming all benefits their entitled to and working closing with Housing Advice colleagues.
<b>Children born into families in poverty</b>		X		The proposed rent increase may impact on some people in this category. It is likely that universal credit would support the rental increase. The Council also provides significant support to tenants to manage this increase by ensuring they're claiming all benefits their entitled to and working closing with Housing Advice colleagues.
<b>Those who find difficulty in managing their finances</b>		X		The proposed rent increase may impact on some people in this category. It is likely that universal credit would support the rental increase. The Council also provides significant support to tenants to manage this increase by ensuring they're claiming all benefits their entitled to and working closing with Housing Advice colleagues.
<b>Lone parents</b>			X	The proposals does not adversely affect this group.

Those from minority ethnic backgrounds			X	The proposals does not adversely affect this group.

## POVERTY IMPACT ASSESSMENT

## APPENDIX 3

**Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?**

[illegible]

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

Department	Division	Section	Owner/Officer	
Resources and Development	Development and Growth	Strategic Asset Management	Amy Waller	
Service, policy, practice being reviewed/changed or planned	HRA Business Plan update.			
Why are you making the change?	To update on the position of the Housing Revenue Account Business Plan and to set rents for 2022/23.			
How might this impact (positively/negatively) on people who share protected characteristics?				
		<i>Please tick</i>	<b>POSITIVELY</b>	<b>NEGATIVELY</b>
<b>Age</b>				
Proposals apply to all tenants.				
<b>Disability</b>				
Proposals apply to all tenants.				
<b>Gender Re-assignment</b>				
Proposals apply to all tenants.				
<b>Race</b>				
Proposals apply to all tenants.				
<b>Religion</b>				
Proposals apply to all tenants.				
<b>Gender</b>				
Proposals apply to all tenants.				
<b>Sexual Orientation</b>				
Proposals apply to all tenants.				
<b>Marriage &amp; Civil Partnership</b>				
Proposals apply to all tenants.				
<b>Pregnancy &amp; Maternity</b>				
Proposals apply to all tenants.				

Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?		Recommendations in line with Government guidance.	
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?		Through effective tenant liaison and ongoing engagement.	
Describe how you will address and monitor the impact		<b>1. No Impact - No Major Change</b> <i>No changes to be made to proposals.</i>	
		<b>2. Adjust/Change Policy</b> <i>No changes to be made to proposals.</i>	
		<b>3. Adverse Impact but Continue as is</b> <i>No changes to be made to proposals.</i>	
		<b>4. Stop/Remove Policy/Proposal</b> <i>No changes to be made to proposals.</i>	
Initial Assessment	21/01/2022	Reviewed	21/01/2022
Completed	21/01/2022	Published	21/01/2022

# FINANCE AND POLICY COMMITTEE

14<sup>th</sup> February 2022



**Report of:** Director of Children's and Joint Commissioning Services

**Subject:** PUBLIC HEALTH REVIEW

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information only.

## 2. PURPOSE OF REPORT

2.1 To update the committee on the ongoing work to review the specialist Public Health work provided by the Public Health Team and funded through the Public Health Grant.

## 3. BACKGROUND

3.1 This report is an update on the review of the public health function and team. It is anticipated that the COVID-19 pandemic will require a decreasing proportion of the focus as we move into a new financial year (2022-23) and it is important that there is a clear direction of travel for the next five years.

3.2. There are several reasons for carrying out the review:

- The national and local policy context has changed since the start of the pandemic and the impacts of these changes needs to be assessed;
- COVID-19 has had negative effects such as increasing waiting times for services, and a negative impact on mental health and resource allocation may need to be adjusted accordingly;
- There have been significant staff changes across the public health team in recent years; and
- There are challenges in recruitment to public health posts across the UK.

- 3.3 The pandemic has also generated some positive opportunities and accelerated new ways of working, which have opened up new opportunities that need to be taken advantage of.
- 3.4 The aim of the programme of work is therefore to review current Public Health services and the structure of the team within Hartlepool Borough Council and make recommendations leading to the development of a strategy for Public Health.

#### **4. PROPOSALS**

- 4.1 The initial phase of the review is to take a stocktake of the existing Public Health work programme. This has the following objectives:
- i. Review the structure of the Public Health Team and make recommendations on skills required and staffing structure including how we can retain skills developed during the pandemic.
  - ii. Review the working arrangements with other council teams (including spend of Public Health grant) and make recommendations on suitability of arrangements and work programmes.
  - iii. Review the public health spend and make recommendations on whether the current spend is fit for purpose.
  - iv. Make recommendations on what a Public Health Strategy for Hartlepool Borough Council should look like for the next 5 years.

#### **5. RISK IMPLICATIONS**

- 5.1 No relevant issues.

#### **6. FINANCIAL CONSIDERATIONS**

- 6.1 At the time this report was produced, we were still awaiting confirmation of the public health grant for 2022 / 23. Details will be reported when available.

#### **7. LEGAL CONSIDERATIONS**

- 7.1 No relevant issues.

#### **8. CONSULTATION**

- 8.1 No relevant issues.



**9. CHILD AND FAMILY POVERTY (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)**

9.1 No relevant issues.

**10. EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)**

10.1 No relevant issues.

**11. STAFF CONSIDERATIONS**

11.1 The review will consider the requirements for staffing in the context of the difficulties in recruiting into the public health workforce.

**12. ASSET MANAGEMENT CONSIDERATIONS**

12.1 No relevant issues

**13. RECOMMENDATIONS**

13.1 That the committee note the contents of the report.

**14. REASONS FOR RECOMMENDATIONS**

14.1 Following the review consideration will be given to the recommendations and these will be brought back to the committee.

**15. BACKGROUND PAPERS**

15.1 None.

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Sign Off:-

Chief Executive ☒

Director of Finance and Policy ☒

Chief Solicitor ☒