



Civic Centre
HARTLEPOOL

12 FEBRUARY, 2024

Councillors Allen, Ashton, Boddy, Brash, Brown, Buchan, Cassidy, Clayton, Cowie, Cranney, Creevy, Darby, Dodds, Dunbar, Feeney, Groves, Hall, Hargreaves, Harrison, Holbrook, Howson, Leedham, Lindridge, Little, Martin-Wells, Moore, Morley, D Nicholson, V Nicholson, Oliver, Reeve, Sharp, Smith, Thompson, Wallace and Young.

Madam or Sir,

You are hereby summoned to attend the COUNCIL meeting to be held on THURSDAY, 22 FEBRUARY 2024 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

D McGuckin
Managing Director

Enc

COUNCIL AGENDA



Thursday 22 February 2024

at 7.00 pm

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

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To approve the minutes of the last meeting of the Council held on 1 February 2024 as the correct record;
- (5) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (6) To deal with any business required by statute to be done;
 - (a) Report of Independent Remuneration Panel (to follow)
- (7) To receive any announcements from the Chair, or the Head of Paid Service;
- (8) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
 - (a) Council Referral – Standards Investigation Reports – Report of Audit and Governance Committee (to follow)
- (9) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
 - (a) Treasury Management Strategy 2024/25 – Report of Audit and Governance Committee

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.

- (10) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;
- (11) To consider reports from the Policy Committees:
 - (a) proposals in relation to the Council's approved budget and policy framework;
 - (i) Capital Programme 2024/25 to 2026/27 – Report of Finance and Policy Committee
 - (ii) Medium Term Financial Strategy (MTFS) 2024/2025 – Statutory Budget and Council Tax Determination– Report of Finance and Policy Committee (to follow)
 - (b) proposals for departures from the approved budget and policy framework;
- (12) To consider motions in the order in which notice has been received;
- (13) To receive the Managing Director's report and to pass such resolutions thereon as may be deemed necessary;
- (14) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 9;
- (15) To answer questions of Members of the Council under Rule 10;
 - (a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 10.1
 - (b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 10.2
 - (c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority
 - (d) Minutes of the meetings held by the Cleveland Fire Authority and the Police and Crime Panel

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves 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.

- (16) Council Referral – Standards Investigation Reports – Report of Audit and Governance Committee (para 1) (to follow)



COUNCIL

MINUTES OF PROCEEDINGS

1 February 2024

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

The Ceremonial Mayor (Councillor Moore) presiding:

COUNCILLORS:

Allen	Ashton	Boddy
Brash	Brown	Buchan
Cassidy	Clayton	Cowie
Cranney	Creevy	Darby
Dodds	Dunbar	Feeney
Groves	Hall	Hargreaves
Harrison	Holbrook	Howson
Leedham	Lindridge	Little
Martin-Wells	Morley	D Nicholson
V Nicholson	Oliver	Reeve
Sharp	Smith	Thompson
Wallace	Young	

Officers: Denise McGuckin, Managing Director
Craig Blundred, Director of Public Health
Hayley Martin, Director of Legal, Governance and Human Resources
James Magog, Director of Finance, IT and Digital
Neil Wilson, Assistant Chief Solicitor
David Cosgrove and Denise Wimpenny, Democratic Services Team.

87. APOLOGIES FOR ABSENT MEMBERS

None.

88. DECLARATIONS OF INTEREST FROM MEMBERS

None.

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

None.

90. MINUTES OF PROCEEDINGS

The minutes of the last meeting of the Council, held on 30 November 2023 and the Extraordinary Council meeting held on 13 December 2023 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

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

With reference to Minute 65 of the minutes of the meeting held on 30 November 2023, Councillor Brash questioned if any response had been received from the Member of Parliament for Hartlepool. The Mayor and Managing Director stated that no response had been received.

It was moved by Councillor Brash and seconded by Councillor Harrison: -

“That the Council publicly condemn the Member of Parliament for not doing her job in respect of looked after children in our town.”

Council agreed to the proposal on a majority vote by show of hands.

With reference to Minute 78 of the minutes of the meeting held on 30 November 2023, Councillor Creevy raised her concerns in relation to the operation of the Audit and Scrutiny function of the Mayoral Development Company and her concerns at only being one of two appointed Members to the role. The Managing Director undertook to seek clarification from the Mayoral Development Company and report back to Councillor Creevy.

92. BUSINESS REQUIRED BY STATUTE

1. Annual Report of the Director of Public Health

Elected Members were referred to the requirement for the Director of Public Health to write an Annual Report on the health status of the town, and the Local Authority duty to publish it, as specified in the Health and Social Care Act 2012. The 2023 Annual Report looked at people of working age and focused on work, skills and health looking at economic opportunities in the town, employment opportunities and focusing on work we are doing to improve health and wellbeing in workplaces. Following the success of utilising an electronic format and videos in recent years, the report was again accessed via a link included in the report with a copy of the Director's report also appended to the report. The Director of Public Health showed two videos to the meeting from the Annual Report.

Elected Members debated issues arising from the Annual report. The Director responded to issues raised in the report and the videos shown. A Councillor

proposed that for the next year the issue of transportation and the environment be an area of focus; the aim being to enhance access to safer walking and cycling routes to work places and to improve people's opportunities for more physical activity to help tackle the issue of obesity in the town.

RESOLVED – That the report and its conclusions be noted and the 2023 Annual Report be published.

93. ANNOUNCEMENTS

None.

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

None.

95. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

None.

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

None.

97. REPORT FROM THE POLICY COMMITTEES

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

- 1. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 - Report of Finance and Policy Committee.

The Leader of the Council proposed an amendment to the recommendation (iii) set out in the report before Council. The amendment was seconded by Councillor Brown. Details of the proposed amendment were circulated to Elected Members in the meeting and were: -

That the Core Council Tax increase be reduced to 0.99% and in order to reduce the proposal to this level, the following measures be utilised:

- part of the £1,044,000 extra grant received last week from the Government;

- the increase in Business Rates income confirmed at Finance and Policy Committee on 22nd January;
- the proposals to address Council Tax fraud, that will be brought forward at Finance and Policy Committee on 22nd February, that will save an additional £150,000;
- that the Independent Remuneration Panel be recommended to review the Members Allowances Scheme with particular consideration being given to the removal of all special responsibility and group leaders allowances in readiness for a new scheme to be adopted for the new municipal year 2024/2025 saving a potential further £93,000.

The Director of Finance, IT and Digital stated that in line with his statutory responsibilities he had provided clear robustness advice in the report. This advice reflected his real concerns with regard the councils financial position, the risks faced, the use of reserves to balance the budget and the adequacy of these reserves.

The Director of Finance, IT and Digital believed he had been consistent in his messaging over the last 6 to 8 months as to the seriousness of the financial position and had availed himself and briefed all political groups and all members throughout as to that position.

Elected Members would also be aware of the equally dire position of other councils and this is very much in the news today given the cross party Levelling Up, Housing and Communities Committee publishing their report into financial distress in local authorities. Fundamentally, we had the same pressures and funding constraints as others – we are not unique, we are not special. Others councils were increasing council tax by the maximum as they recognise it is the responsible thing to do.

However, despite all this evidence, the Director of Finance, IT and Digital had been unable to persuade sufficient members on all sides of the chamber to recognise this. Doing so was particularly challenging given the hung council. The Director of Finance, IT and Digital fully appreciated the difficulty members had in putting up council tax given the impact on residents.

On the basis that that the tabled amendment was the only alternative budget put forward and the various/differing positions of Elected Members he had to reflect on this proposal and whether it could be considered robust.

The Director of Finance, IT and Digital concluded that the most robust things for council to do remained to increase council tax by the maximum allowable i.e. 4.99%, inclusive of the Adult Social Care precept, since this secures the funding in perpetuity. However, on the basis that this does not seem possible to achieve, and also that there were no other alternatives proposed, he would reluctantly

agree that the alternative budget proposed could be considered robust in this context.

In order to allow Elected Members to fully consider the tabled amendments, a fifteen minute adjournment was proposed and agreed.

Upon being reconvened, Members discussed the amendment tabled.

Councillor Brash proposed an amendment to the tabled amendment seconded by Councillor Harrison: -

“That there be no increase in Core Council Tax or Adult Social Care Precept and that all Special Responsibility Allowances be removed with immediate effect.”

The Director of Legal, Governance and Human Resources stated that any proposals in relation to Special Responsibility Allowances would need to be referred to the Independent Remuneration Panel for their consideration in accordance with regulations. Such Elected Members that received Special Responsibility Allowances could only be asked to relinquish such allowances voluntarily. Councillor Brash amended his amendment in relation to Special Responsibility Allowances: -

“That all Councillors in receipt of Special Responsibility Allowances be requested to voluntarily give up those allowances from this evening.”

The first amendment proposed by the Leader of the Council to recommendation (iii) set out in the report before Council to reduce the Core Council Tax increase to 0.99% with the funding measures set out above was put.

Those in favour: Councillors Ashton, Brown, Buchan, Cassidy, Cowie, Cranney, Darby, Groves, Leedham, Lindridge, Little, Martin-Wells, Moore, D Nicholson, V Nicholson, Reeve, Smith and Young.

Those against: Councillors Allen, Boddy, Brash, Clayton, Creevy, Dodds, Dunbar, Feeney, Hall, Hargreaves, Harrison, Holbrook, Howson, Morley, Oliver, Sharp and Thompson.

Those abstaining: Councillor Wallace.

The amendment was thereby carried.

Further discussion was held on the amendment to remove Special Responsibility Allowances and following advice from the Director of

Legal, Governance and Human Resources, Councillor Brash amended his proposal to the following: -

“That Council request that Councillors consider giving up voluntarily any Special Responsibility Allowances from this evening.”

Seconded by Councillor Harrison.

The motion was put and agreed by show of hands.

The Leader of Council moved recommendation (ii) as set out in the report to Council: -

“That there be an Adult Social Care precept increase of 2%.”

Seconded by Councillor Brown.

There was a short adjournment.

Upon reconvened, the Mayor clarified that the substantive recommendation, as amended, in relation to Core Council Tax was required to be dealt with first.

Those in favour: Councillors Ashton, Brown, Buchan, Cassidy, Cowie, Cranney, Darby, Groves, Leedham, Lindridge, Little, Martin-Wells, Moore, D Nicholson, V Nicholson, Reeve, Smith and Young.

Those against: Councillors Allen, Boddy, Brash, Clayton, Creevy, Dodds, Dunbar, Feeney, Hall, Hargreaves, Harrison, Holbrook, Howson, Morley, Oliver, Sharp and Thompson.

Those abstaining: Councillor Wallace.

The substantive recommendation was thereby carried.

The Mayor moved to recommendation (ii) as set out in the report to Council: -

“That there be an Adult Social Care precept increase of 2%.”

Those in favour: Councillors Ashton, Brown, Buchan, Cassidy, Cowie, Cranney, Darby, Groves, Leedham, Lindridge, Little, Martin-Wells, Moore, D Nicholson, V Nicholson, Reeve, Smith, Wallace and Young.

Those against: Councillors Allen, Boddy, Brash, Clayton, Creevy, Dodds, Dunbar, Feeney, Hall, Hargreaves, Harrison, Holbrook, Howson, Morley, Oliver, Sharp and Thompson.

Those abstaining: None.

The recommendation was thereby carried.

The Mayor moved to recommendation (iv) as set out in the report to Council: -

“That the overall budget proposal set out in the report to Finance and Policy Committee including savings of £1.792m, use of one-off balances of £3.755m and use of temporary investment income of £1m be approved.”

Those in favour: Councillors Ashton, Brown, Buchan, Cassidy, Cowie, Cranney, Darby, Groves, Leedham, Lindridge, Little, Martin-Wells, Moore, D Nicholson, V Nicholson, Reeve, Smith and Young.

Those against: Councillors Allen, Boddy, Brash, Clayton, Creevy, Dodds, Dunbar, Feeney, Hall, Hargreaves, Harrison, Holbrook, Howson, Morley, Oliver, Sharp and Thompson.

Those abstaining: Councillor Wallace.

The recommendation was thereby carried.

The following recommendations, as set out in the report before Council, and as subsequently amended due to the proposals tabled at Council, were noted by Council following a vote by show of hands.

(i) That Council notes the contents of the report presented to Finance and Policy Committee, including that the Core Spending Power increase is based on government's assumption that Councils will increase council tax to the maximum allowable.

(iv) That Council notes the robustness advice detailed in section 11 of the report, and as updated by the Director of Finance, IT and Digital in the meeting, including the need to bring forward additional savings proposals during the year to protect the Councils reserve position.

(v) That Council notes that the detailed 2024/25 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 22 February 2024.

2. Housing Revenue Account Business Plan 2024/25– Report of Finance and Policy Committee

The Leader of Council moved the recommendations as set out in the report. Seconded by Councillor Brown.

“That a rent increase of 7.7% for 2024/25 be applied to our own housing stock, as set out in the report to Finance and Policy Committee on 22 January 2024.”

Members discussed the proposals to increase the rent for the Council’s own housing stock and the options originally put forward to the Finance and Policy Committee.

The vote was put.

Those in favour: Councillors Ashton, Brown, Buchan, Cassidy, Cowie, Cranney, Darby, Groves, Leedham, Lindridge, Little, Martin-Wells, Moore, D Nicholson, V Nicholson, Reeve, Smith and Young.

Those against: Councillors Allen, Boddy, Brash, Clayton, Creevy, Dodds, Dunbar, Feeney, Hall, Hargreaves, Harrison, Holbrook, Howson, Morley, Oliver, Sharp and Thompson.

Those abstaining: None.

It was noted that Councillor Wallace had left the meeting prior to the vote being taken.

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

None.

93. MOTIONS ON NOTICE

Two Motions had been received as follows:-

1. SUPPORTING OUR SHOP WORKERS

“Shop theft is on the increase. The Coop Group recently published data which showed a 35% increase in the last year alone (Coop).

Criminal gangs have been given the freedom to loot, with organised gangs often stealing to order and persistently targeting the same shops. Often shop staff are targeted with anti-social behaviour, violence, abuse and threats as they go about their jobs. Cleveland Police report the highest rate of shoplifting in England and Wales with 32,378 reports made to the police in the five years to 2023 (Cleveland Police).

Shoplifting is not a victimless crime, with over 70% of shop workers citing violence or abuse at work, with over 30% of this being triggered by shop crime. (USDAW, 2022)

With thousands of people in Hartlepool working in this sector, we are committed to supporting them.

Important steps have been taken including the recently launched Retail Crime Action Plan and retailers themselves are getting organised under Project Pegasus. However, more can be done by the government to take this further.

Council, therefore, resolves to write to the new Home Secretary, James Cleverly, to urge him to go further by including a new and specific offence of assault against retail workers, and ensuring all shoplifting crimes are investigated by the police by removing the £200 rule on theft of goods. “

Signed: Councillors Harrison, Brash, Allen, Boddy, Clayton, Creevy, Feeney, Hall, Hargreaves, Howson, Morley, Thompson, Sharp, Dodds, Holbrook, Oliver and Dunbar.

Councillor Allen proposed and addressed Council in support of the motion.
Councillor Allen proposed an addition to the motion: -

“That this Council write to the Cleveland Police and Crime Commissioner to request he produce an action plan to reduce shoplifting and retail crime in the Cleveland Police area.”

Seconded by Councillor Creevy.

The motion, as amended, was agreed without dissent.

2. BACKING OUR WASPI WOMEN

“The 1995 Conservative Government’s State Pension Act included plans to increase women’s state pension age from 60 to 65 so that it was the same as men’s.

Council recognises that the WASPI campaign agrees with equalisation, but not the unfair way in which the changes were implemented. These changes were imposed upon them with a lack of appropriate notification, with little or no notice and much faster than they were promised. Some 3.8million women born in the 1950s (on or after 6th April 1950-5th April 1960) have been hit.

As a result, hundreds of thousands are suffering financial hardship, with not enough time to re-plan for their retirement.

Council, therefore, resolves to write to the Secretary of State for Work and Pensions to outline the effects of the injustice on women in

Hartlepool and to seek support for an immediate compensation package.”

Signed: Councillors Harrison, Brash, Allen, Boddy, Clayton, Creevy, Feeney, Hall, Hargreaves, Howson, Morley, Thompson, Sharp, Dodds, Holbrook, Oliver and Dunbar.

Councillor Harrison proposed and addressed Council in support of the motion. Councillor Thompson seconded the motion. Councillor Harrison requested that consideration be given to flying a flag in support of the campaign on 8 March, International Women’s Day. The Mayor also proposed an addition to the Motion so that the letter sent to the Secretary of State for Work and Pensions be copied to the Shadow Secretary.

The motion, as amended, was agreed without dissent.

MANAGING DIRECTOR’S REPORT

94. DEVELOPMENT OF CHILDREN’S HOME – UPDATE

The Managing Director provided Council with an update on the development of the Children’s Home as requested in minute 86 of the Extraordinary meeting held on 13 December, 2023.

It was noted that spend would be reported as part of the quarterly update reports to Finance and Policy Committee, the first being to the Committee on the 19 February and this would include specific narrative update regarding progress on the scheme.

95. TEES VALLEY COMBINED AUTHORITY – TRANSPORT COMMITTEE

The Managing Director reported that Councillor Moore had been appointed as substitute for Councillor Little on the above Committee. As Councillor Cowie was appointed Vice Chair of Neighbourhood Services Committee at the last meeting of Full Council, it was proposed that Councillor Cowie replace Councillor Moore as substitute for Chair of Neighbourhood Services Committee.

RESOLVED – That Councillor Cowie replace Councillor Moore as substitute for the Chair of the Neighbourhood Services Committee on the Transport Committee.

96. MEMBER DEVELOPMENT AND TRAINING

The Managing Director reported that it was previously agreed that as well as recording/displaying attendance at training session on individual member webpages, a high level overview would be provided at the conclusion of the programme. It was reported that 18 sessions had taken place with an overall

attendance of 152, giving an average attendee level of 8.44 out of a possible 36. Attendance levels ranged from 3 at the lowest to 16 at the highest.

The Peer Challenge recommended the Council *“invest further in Member development to support councillors in their Council and community leadership roles and to ensure the governance system functions efficiently and effectively.”* An action was agreed in that we would *“Utilise support from the LGA to review the existing Member Development Programme and work with elected members to understand what they want and need from the Member Development Programme so that it can be tailored to fit.”*

Attendances in 2023/24 were disappointing, however, taking on board the recommendation of the Peer Challenge and engaging the LGA (Local Government Association) this can only be improved upon during the next municipal year.

A Member commented that the timing of the training sessions often precluded those working or with child care responsibilities and in future the timing of training events should be varied to allow for increased attendance. The Managing Director acknowledged the comment and indicated that there would be an element of online training in the future that Members could access at their convenience.

97 ADULT AND COMMUNITY BASED SERVICES

The Managing Director reported on the following:-

Ofsted Inspection: Jobs and Skills

Following an inspection at the start of December, the Council's Jobs and Skills Service has been rated 'good' by Ofsted in all domains and been awarded an overall rating of 'good'. The report is available on the Ofsted website and is very positive about the delivery of the Jobs and Skills offer through the Community Hubs and the curriculum being targeted effectively at the most disadvantaged residents in the borough. This is a fantastic achievement for the service and recognises the hard work and commitment of staff involved.

Investing in Volunteering

It was announced by the Chair of UK Investing in Volunteers in January 2024 that the Council's Community Hubs Service had successfully achieved the Investing in Volunteers Award. The award recognises the Council's commitment to volunteering, the impact volunteering has and the benefits people achieve through being volunteers. The feedback report states that the Council clearly invests in volunteers to achieve their aspirations, and many have moved into further education and employment'. There is also feedback from volunteers that they are well supported and feel that their contribution is valued. This is a significant achievement for the Community Hubs service and the staff who have been involved in supporting and developing the volunteering offer.

Drawing Attention

Following a national application process, the Council has been chosen as one of only three areas across the country to host the British Museum's touring exhibition 'Drawing Attention'. Hartlepool Gallery will host the exhibition, which includes over 40 artworks of national significance, from 18 May to 24 August 2024 and it is anticipated that it will result in a significant increase in visitors. External funding has been secured to make improvements to the Art Gallery environment to meet the standards required by the British Museum alongside funding to engage young people. This engagement work will include students from the Northern School of Art having the opportunity to have their works included in the exhibition and young people from Hartlepool working with officers to select artworks from the Council's own collection that will also be displayed. Securing such a high profile exhibition which attracted bids from across the country is extremely positive for Hartlepool.

Further detail on these three items is available in the papers for Adult and Community Based Services Committee on 25 January if required.

The Vice-Chair of the Adult and Community Based Services Committee considered it was important for Members to acknowledge the work of Council staff in attaining the Osted rating, the Investing in Volunteers award and in bringing a nationally important art collection to Hartlepool. The Mayor echoed the comments.

98. PUBLIC QUESTION

Two questions had been received as follows:-

1. Question from Mr Casey to Chair of Finance and Policy Committee

"This Question concerns the Tees Valley Energy Recovery Facility (TVERF)"

At the Redcar and Cleveland council planning meeting on July 20th 2023, this incinerator was passed by 2 votes to 1, with no mention of Carbon capture and storage, as in the original plan, also no mention of costs.

Also in July 2023, the Government decided to expand the emissions trading scheme (ETS) to include energy from waste facilities, pushing up the cost of future incineration contracts.

In October 2023, the National Infrastructure Commission called on the government to "urgently implement" waste legislation needed to achieve a 65% recycling rate by 2035, as well as limit the building of new 'energy from waste' plants without carbon capture.

They also said that Councils should not sign or renew long-term waste contracts that cannot meet the new conditions with "immediate effect", and there should be a greater focus on boosting recycling rates.

In 2035, we will only be a few years into a potential 36 year+ contract with this incinerator. We will NOT meet that recycling target if we Sign up to this!

Also, an extremely heavy fine awaits any early exit from the contract, which would cost the Hartlepool tax payers dearly.

With Government targets for their model, UKWIN (UK Without Incineration Network) found that the North East Cluster, which includes Tees Valley, has 5 million tonnes of existing incineration capacity and a further 7.5 million tonnes in development but less than 4 million tonnes of potential incinerator feedstock, falling to less than 3 million tonnes by 2042. This means there is no good reason to press ahead with the proposed TVERF. We are already overcapacity in our region!

Dr Kate Bernard of Medact North East said "As nurses and doctors campaigning against proposed waste incinerators on Teesside, we are deeply concerned about the effects of incineration for the health of the local community. Waste incinerators are an example of health injustice- disproportionately built in deprived areas, often without consent of communities living there"

Recently, I have heard that the tender process for the incinerator has been put on ice due to the lack of grid join-up till 2031, making it unviable.

With these strands of evidence, Surely now would be an opportunity to have a proper debate about axing the TVERF and thinking about a more sustainable waste system fit for the future, transitioning using short term contracts with existing incinerator capacity, instead of blindly signing up to a long term lock-in contract of unknown expense and sleepwalking the next 2 generations of councillors into more future environmental problems to fix, when we should be looking at less expensive, less carbon intensive alternatives now, creating more green jobs and a brighter future.

Will the council review this with relevant impending legislation and have a proper debate about it.

If not, please state your reasons why not!

The Chair of Finance and Policy Committee responded in the following terms; -

"The Tees Valley Energy Recovery Facility is an essential infrastructure development that will serve more than 1.5 million people living in the Tees Valley, Durham and Newcastle, providing an appropriate treatment solution for approximately 450,000 tonnes of residual waste. This will help the partner authorities move towards their shared goal of sending zero waste to landfill while maintaining an essential service and, in doing so, will generate up to 49.9MW of electricity to power homes and businesses.

The facility will be Combined Heat and Power (CHP) enabled, allowing for the export of heat to nearby users, and it has been designed to be 'Carbon-Capture Ready' thereby allowing for the future development of carbon-capture infrastructure at the site. However, deploying either CHP or carbon capture is not a condition of operation of the Tees Valley Energy Recovery Facility, which can operate legally without this, as is the case for the vast majority of energy recovery facilities across the UK.

Outline Planning Permission for the Tees Valley Energy Recovery Facility was granted in July 2020 following a public and statutory consultation process. The

two Tenderers for the plant submitted their Reserved Matters applications to Redcar and Cleveland Council, as the Local Planning Authority in March 2023, which were subject to both public and statutory consultation. These applications were considered by the Council's Regulatory Committee on the 20th July 2023 and both were granted full planning permission at that meeting.

The project partners recognise the challenges facing network operators, which are affecting many projects across the UK, therefore, we are working collaboratively with National Grid and Northern PowerGrid to find a pragmatic solution for a Tees Valley Energy Recovery Facility connection.

The Government is now considering how the Emissions Trading Scheme is to be applied to energy recovery from 2028 onwards, and if implemented, we are aware that this will affect all energy recovery operations and local authorities across the UK.

Energy Recovery Facilities are among the most heavily regulated industrial installations in the world and must meet strict environmental standards. Therefore the Tees Valley Energy Recovery Facility will use proven and robust technology that has been successfully used across the UK and in many other European countries for decades now to process waste in accordance with strict regulatory standards.

Therefore Hartlepool Borough Council remains committed to the Tees Valley Energy Recovery Facility project and we do not deem it necessary to pause and review."

Mr Casey in a supplementary question asked why there was no mention of improving recycling rates through the application. The Chair of the Finance and Policy Committee stated that the TWERF would only take residual waste which was why recycling waste was not mentioned.

Mr Casey in a further supplementary question asked if it would be possible for his group to make a presentation outlining their concerns in relation to incineration of waste. The Managing Director stated that she would submit the request to the TWERF Board for their consideration.

The Mayor indicated that as Mr Casey had indicated that he was satisfied with the responses provided, there would be no debate.

2. Question from Mr Richardson to Chair of Finance and Policy Committee

"Tall Ships

"Why is HBC is telling the public there is no money's for services which they have already payed for, we can pay it out of the Historical Grant's that H.B.C. are hoarding, and forget were it is and were it come from. This is very worrying"(sic)

The Chair of Finance and Policy Committee responded in the following terms; -

“I know members on all sides agree that the Tall Ships weekend was a wonderful event for the town and its residents. What’s more it really showcased the best of Hartlepool, regionally, nationally and indeed internationally.

Despite best endeavours, the team were unable to contain spend within budget. There were very good reasons for this and these are set out in detail in the report to the November Finance and Policy committee. It did of course cost less than the 2010 event in Hartlepool and nearly £2m less than the 2018 event held elsewhere in the region.

Clearly, we have to fund this overspend. I know that one of the first things the Director of Finance did when he started his role last year was to review our reserves position and this confirmed reserves could be released to support the Tall Ships budget. I understand some of these reserves were historic in nature and I think this demonstrates both the depth and extent of the review.

Reserves are published in the statement of accounts, which are of course independently audited. In addition we now include our reserves and their forecast use in each quarterly budget report to Finance and Policy and I am sure Mr Richardson will agree this improves transparency both for councillors and members of the public alike.”

The Mayor indicated that as Mr Richardson had indicated that he was satisfied with the responses provided, there would be no debate.

99. QUESTIONS FROM MEMBERS OF THE COUNCIL

- a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 10.1;

None.
- b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 10.2;

None.
- c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority;

None.
- d) The minutes of the meetings held by the Cleveland Fire Authority held on 13 October 2023 and the Police and Crime Panel held on 12 September 2023 were noted.

The meeting concluded at 8.50 pm.

CEREMONIAL MAYOR

Independent Remuneration Panel

22nd February 2024



1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

2. PURPOSE OF THE REPORT

- 2.1 To enable Members to consider the Independent Remuneration Panel (IRP) recommendations regarding proposed changes to the Basic and Special Responsibility Allowances payable from 1st April 2024.

3. BACKGROUND

- 3.1 Councils are required to have an Independent Remuneration Panel (IRP) to recommend a Basic Allowance payable to all Members and Special Responsibility Allowances (SRAs) paid for positions with additional responsibility. A copy of the Members Allowances Scheme (the 'Scheme') is included in Part 6 of the Constitution.
- 3.2 Council can either approve IRP recommendations, or set allowances below the level recommended. Council cannot exceed IRP recommendations.
- 3.3 The previous IRP report was considered by Council 22nd June 2017, where the following was agreed:
- Basic Allowance payable from 01.04.2017 set at £7,792 with annual indexation in line with the national cost of living increase for Local Government employees, from 1st April 2018, 1st April 2019 and 1st April 2020. This has resulted in a current Basic Allowance of £8,330;
 - Percentage set for SRAs; and
 - Removed the separate payments for telephone expenses and travel/subsistence within the borough.

4. REVIEW OF THE BASIC ALLOWANCE

- 4.1 The Panel has previously considered the level of Basic Allowance paid by the other 11 North east Council's, which are all comparative single tier authorities (i.e. either unitary authorities or metropolitan authorities), when reviewing the Hartlepool Basic Allowance. The analysis involved comparing the basic allowances paid by individual authorities and the population per councillor based on figures held by the Department for Levelling Up, Housing and Communities. Comparison figures are set out in Table 1 below.

Table 1 - Summary of Basic Allowances paid by North East Councils

Authority	Basic Allowance	Number of residents per councillor	Number of councillors
Stockton	£9,300	3571	56
Redcar and Cleveland	£10,047	2325	59
Darlington	£8,668	2189	50
Hartlepool	£8,330	2607	36
Middlesbrough	£7,608	3224	46
Average Tees Valley Allowance	£8,790	2783	49
Durham	£13,300	4191	126
Newcastle	£9,200	3943	78
Sunderland	£8,369	3698	75
Northumberland	£16,476	4841	67
Gateshead	£11,941	2996	66
South Tyneside	£8,104	2753	54
North Tyneside	£10,829	3508	60
Average North East Allowance	£11,174	3704	75

- 4.2 The Panel noted that the average Basic Allowance in the Tees Valley is £8,790, Hartlepool's Basic Allowance is lower than the average and is the 3rd lowest Basic Allowance in the North East. With due regard to this, and the unanimous Full Council view on the 14th July 2022 that allowances should be frozen, the Panel explored three options.

Option 1 – Freeze allowances in accordance with the wishes of Full Council previously expressed

Option 2 – Increase/Reduce Basic Allowance

Option 3 – an alternative proposal for the Basic Allowance

- 4.3 In undertaking its review the IRP again highlighted their view that the Basic Allowance needs to be set at a level to broaden the range of people who in future would consider standing to become a Councillor. In terms of the potential impact of reducing the basic allowance, the Panel was concerned that it could act to

deter suitable individuals from becoming Councillors in the future, when compared to the level of responsibilities and time required to fulfil the role. The same concern was expressed in relation to SRA's and the impact it could have on the filling of senior roles and committee positions.

- 4.4 The IRP supported the adoption of **Option 1** but felt that a longer term view needed to be taken to provide consistency over the next four years. On this basis, the Panel recommended to Full Council that the basic allowance be frozen for one year, with effect from the 1st April 2024, and for the following three years the allowance be increased by inflation, or the percentage level of the LA staff pay award, whichever is the greater. This would, however, be open to review at year two should members wish to do so.

5. REVIEW OF SPECIAL RESPONSIBILITY ALLOWANCES (SRA'S)

- 5.1 Special Responsibility Allowances are paid to a number of Councillors who hold positions that have varying degrees of additional duties. These allowances are paid in addition to the Basic Allowance and the IRP has previously determined to set SRA's as a proportion of the Basic Allowance.
- 5.2 Only one Special Responsibility Allowance can be received by an individual Councillor, even if they hold more than one position with a Special Responsibility Allowance. The rates of allowance payable to various post holders are as outlined in Table 2 below:-

Table 2 - Special Responsibility Allowances Payable to Various Post Holders

Position	£
Leader of Council/Chair of Finance and Policy Committee	24,990
Chair of Council	8,330
Chair of Children's Services Committee	8,330
Chair of Adult Services Committee	8,330
Chair of Economic Growth and Regeneration Committee	8,330
Chair of Neighbourhood Services Committee	8,330
Chair of Planning Committee	8,330
Chair of Audit and Governance Committee	8,330
Chair of Licensing Committee	4,998
*Group Leader	4,998

*this SRA is allocated in proportion with number of Councillors in each political group.

- 5.3 With due regard to the Full Council recommendation, on the 1st February 2024, that Special Responsibility Allowances be removed from the Scheme, the Panel consider the following options:

Option 1 – remove Special Responsibility Allowances from the Scheme in accordance with the wishes of Full Council previously expressed

Option 2 – Increase/Reduce Special Responsibility Allowances
Option 3 – an alternative proposal for the Special Responsibility Allowance

- 5.4 The IRP reviewed the current SRA's, the Council's current financial position and potential financial implications of various options. A number of options, cognisant of Full Councils recommendation to remove SRAs, were discussed at length. The Panel reiterated its comments in Section 3.3 above and recommended to Council that all SRA's be frozen for four years, with effect from the 1st April 2024, with the potential for a review at year two should members wish to do so.

6. RISK IMPLICATIONS

- 6.1 The Panel was concerned that a reduction in allowances could act to deter suitable individuals from becoming Councillors in the future, when compared to the level of responsibilities and time required to fulfil the role. The same concern was expressed in relation to SRA's and the impact it could have on the filling of senior roles and committee positions.

7. FINANCIAL CONSIDERATIONS

- 7.1 As outlined in Section 5.

8. LEGAL CONSIDERATIONS

- 8.1 The Councils are required to have an Independent Remuneration Panel (IRP) to recommend a Basic Allowance payable to all Members and Special Responsibility Allowances (SRAs) paid for positions with additional responsibility

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

- 9.1 There are no child and family issues arising from this report

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

- 10.1 There are no considerations

11. STAFF CONSIDERATIONS

- 11.1 There are no staff considerations arising from this report

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 There are no considerations

12. ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS

13.1 There are no considerations

14. RECOMMENDATIONS

14.1 It is recommended that the Council considers the following recommendations from the IRP:

- i) The basic allowance be frozen for one year, with effect from the 1st April 2024, and for the following three years the allowance be increased by inflation, or the percentage level of the LA staff pay award, whichever is the greater. This would, however, be open to review at year two should members wish to do so.
- ii) All SRA's be frozen for four years, with effect from the 1st April 2024, with the potential for a review at year two should members wish to do so.

15. REASONS FOR RECOMMENDATIONS

15.1 To enable Council to set Basic and Special Responsibility Allowances payable from 1st April 2024.

16. BACKGROUND PAPERS

Part 6 of the Constitution

17. CONTACT OFFICERS

Hayley Martin
Director of Legal, Governance and Human Resources and Senior
Responsible Officer for RIPA
Hayley.Martin@hartlepool.gov.uk
01429 523003

COUNCIL

22nd February 2024



Report of: Audit and Governance Committee

Subject: COUNCIL REFERRAL – STANDARDS
INVESTIGATION REPORTS

1. PURPOSE OF REPORT

- 1.1 To inform Council of the outcome of the standards hearings on the 21st February 2024.

2. BACKGROUND

- 2.1 An Extraordinary Council meeting was held on the 16th October 2023 following receipt of the following requisition:-

“We the undersigned request an extraordinary meeting of Full Council to discuss and/or pass motions regarding the misleading of both the public and elected members on the issue of Council Tax by the Council Leader and potentially other members of the Conservative Coalition.

This is a matter of utmost urgency in the context of the financing position of the authority, the preparation of the MTFS, which will happen ahead of the next council meeting, and public confidence in the council leadership.”

Signed: Councillors Harrison, Brash, Allen, Boddy, Clayton, Creevy, Feeney, Hall, Hargreaves, Howson, Morley, Thompson, Sharp, Dodds, Holbrook, Oliver and Dunbar.

- 2.2 A presentation to Council outlined a case that the public, the Council or both had been misled by the Leader of the Council and the Conservative Party in Hartlepool on the issue of Council Tax which would constitute a material breach of the code of conduct and the Nolan principles of conduct in public life. It was agreed unanimously by Council that the matter of whether the leader of the Council and other Conservative members deliberately misled the public, elected member or both be referred to Audit and Governance to conduct a full investigation in conjunction with an independent person (Minute No. 60 refers).
- 2.3 In addition to the above, Council also agreed that:
- Cllr Tom Cassidy, as the publisher of the leaflet in question, be referred (along with any supporting evidence) to the electoral commission for investigation.

- The matter of whether the Conservative Coalition backs Labour's plan for a Council Tax freeze be referred to the Leader of the Council and an immediate answer demanded – yes or no.

2.4 Both of these actions have been actioned accordingly.

2.5 In its role as the Council's Standards Committee, the Audit and Governance Committee at its meeting on the 17th October 2023 approved:-

- i) The referral of the investigation to the Chief Solicitor, in conjunction with an Independent Person; and
- ii) That whilst no specific timescale had been set by Full Council for the completion of the investigation, it should be undertaken as a matter of urgency. The outcome of the investigation to then be reported back to a future meeting of the Committee for consideration before referring back to Full Council.

3. OUTCOME OF INVESTIGATION HEARING

3.1 On the 21st February 2024 a hearing was conducted by the Audit and Governance Committee at which the Independent Investigating Officer presented the findings of his investigations. Separate hearings were undertaken for each of the investigation reports which supported the view that:

- i) Councillor Young had breached the Code of Conduct (specifically in relation to Section 5.1 of the Hartlepool Borough Council Code of Conduct - "As a Councillor I do not bring my role or local authority into disrepute" - by making untrue statements in the Leaflet of which he was the promoter that was circulated to residents in his ward in the summer of 2023).
- ii) Councillor Cassidy had breached the Code of Conduct (specifically in relation to Section 5.1 of the Hartlepool Borough Council Code of Conduct - "As a Councillor I do not bring my role or local authority into disrepute" - by making untrue statements in the Leaflet of which he was the promoter that was circulated to residents in his ward in the summer of 2023).

3.2 During the course of the hearings, in addition to the investigation report, the Audit and Governance Committee considered written statements from Councillors Young and Cassidy and verbal statements from Councillor Harrison as the lead complainant.

3.3 As part of his statement, Councillor Young outlined his view that:

- He did not accept the findings and recommendations of the investigating officers report on the basis that there is an absence of 'actual evidence' and a supposition of what he was thinking;

- A considerable amount of tax payer money had been expended on the wording of a newsletter about which there had been no complaints;
- Double standards were being applied when the content of other leaflets and statements had, or could be called in to question;
- A precedent had been created that could lead to even less Committee and Full Council interactions and debate through fear of reprisals; and
- Politics had been a consideration in the raising of the complaint.

3.4 As part of his statement Councillor Cassidy outlined his view that:

- He should have been clearer when producing the leaflet;
- The investigation had been politically motivated;
- Council tax payers were being asked to foot the bill for a few sentences in a newsletter, sent to just one Ward; and
- He would be prepared to make a full apology on the floor of Council if he is found to have breached the code of conduct.

Councillor Young

3.5 Following consideration of the evidence provided, the Audit and Governance Committee agreed that Councilor Young had breached the code of conduct as outlined in Section 3.1(i)

3.6 The Committee was of the view that in relation to the complaint against Councillor Young:

- The leaflet had misled residents in relation to the headline 'Conservatives to Freeze Council Tax in 2021/25' and statements that:
 - No other political party had frozen council tax; and
 - He had instructed 'Officers' to prepare a budget to freeze council tax for the coming year. The view being that there had been ambiguity in of the term officer. The inference / possible public perception being that it was Council officers they were referring to when this had not been the case.
- He had acted 'in capacity' as a Hartlepool Borough Councillor in approving and being personally quoted in the production of the leaflet.
- Mistakes had been made and an apology in recognition of that would have prevented the need for an investigation and the associated costs.
- Councillor Young had been caught off-guard at the Council meeting on the 28th September 2023, however despite time to seek clarification before speaking at Council on the 16th October 2023, he had been dishonest in his response at the meeting.
- A number of members of the committee were of the view that this was out of character for Councillor Young and that he should be given the benefit of the doubt, however, this view was not supported given severity of his breach. This being particularly concerning given his position as Leader of the Council.

Councillor Cassidy

- 3.7 Following consideration of the evidence provided, the Audit and Governance Committee agreed that Councillor Cassidy had breached the code of conduct as outlined in Section 3.1(ii)
- 3.8 The Committee was of the view that in relation to the complaint against Councillor Cassidy:
- Councillor Cassidy had an equal level of responsibility but he has recognised his genuine mistake and his offer to apologise on the floor of Council is welcomed.
 - The leaflet had misled residents in relation to the headline 'Conservatives to Freeze Council Tax in 2021/25' and he had acted 'in his capacity' as a Hartlepool Borough Councillor in drafting, contributing to and promoting the leaflet.
 - Mistakes had been made and an apology in recognition of that would have prevented the need for an investigation and the associated costs.
 - It had been a unanimous decision of Council to undertake the investigation.
- 3.9 The Committee agreed, on the basis of a majority voted, that it was satisfied that there had been a breach of the code of conduct by both Councillors Young and Cassidy.
- 3.10 The Committee discussed the imposition of a range of sanctions. It was agreed by a majority vote that the following sanctions be immediately imposed for the remainder of the Municipal Year.

Sanctions - Councillor Young

- a) Councillor Young to give a public apology at the next meeting of Full Council. In the event that this not be forthcoming Full Council be recommended to formally censure Councillor Young for his breach of the code of conduct.
- b) The Committee will publish its findings in respect of the member's conduct (attached at **Appendix A**).
- c) Councillor Young be removed from all outside appointments to which he has been appointed or nominated by the authority [or by the Parish Council]

Sanctions - Councillor Cassidy

- a) Councillor Cassidy to give a public apology at the next meeting of Full Council. In the event that this not be forthcoming Full Council be recommended to formally censure Councillor Cassidy for his breach of the code of conduct.

- b) The Committee will publish its findings in respect of the member's conduct (attached at **Appendix C**).
- c) Councillor Cassidy be removed from all outside appointments to which he has been appointed or nominated by the authority [or by the Parish Council]

4. **RECOMMENDATIONS**

- 4.1 That Full Council notes the report of the Audit and Governance Committee following its meeting on the 21st February 2024 and considers formal censure (if required).

5. **BACKGROUND PAPERS**

Extraordinary Council Minutes – 16 October 2023
Reports and Minutes - Audit and Governance Committee Minutes – 17 October 2023 and 21 February 2024
Member Code of Conduct – Constitution
Arrangements for Dealing with Complaints -
https://www.hartlepool.gov.uk/info/20004/council_and_democracy/1121/member_conduct_and_complaints
Decision Notice of the Audit and Governance Committee (**Councillor Young - Appendix B and Councillor Cassidy Appendix D**)

6. **CONTACT OFFICERS**

Hayley Martin
Director of Legal, Governance and Human Resources
Hayley.martin@hartlepool.gov.uk
01429 523002

Hartlepool Borough Council

Standards Complaint against Cllr Mike Young

Extract of the Investigating Officers report agreed by Committee for publication.

9.4 CONCLUSIONS

In summary, based on the evidence available to us and the balance of probability, we reach the following conclusions.

As far as the 28th September and 16th October meetings are concerned, Cllr Young said little at the second meeting, but it appeared to us that he was thrown off balance by Cllr Brash at the first meeting. He found himself “trying to close [the matter of the Leaflet] down, in the moment, rather than expand the debate” and he tried to do that without actually having the Leaflet, written some two months before by Cllr Cassidy and subsequently approved by Cllr Young, in front of him.

In doing that we conclude that he was panicked and failed to handle Cllr Brash’s totally unexpected “sideswipe” in any way convincingly, but we also conclude that he did not mislead or lie to the Council at that meeting. As far as what went on at the two meetings is concerned he did not breach the Code. Our focus must be on the Leaflet.

Turning to the Leaflet, we accept that, at the time it was written, and maybe too when it was being printed and distributed, the new Conservative-led Administration in Hartlepool (and specifically the Conservative Group within it) fully intended to freeze Council Tax, even in the face of high levels of inflation, increasing demand on services, and information that had emerged around the start of July that a freeze was going to be somewhat challenging.

A Council Tax freeze appears to have been a policy on which the Labour Group contested the May 2023 elections, something mentioned by Cllr Brash at both Council meetings. It therefore seems to us inescapable that there was some political opportunism on their part when they made certain of the allegations they made both during the Council meetings and in the Complaint that followed. After all, they would presumably be faced with the same budgetary pressures as the Administration in delivering a freeze.

It appears to us that the level of Council Tax may have been and may still be the cause of some political friction within the Conservative Group and the wider Conservative Association in Hartlepool. At the time we began writing the Report, we did not know how, if at all, the Administration would reconcile the wish of some to freeze Council Tax against the budget challenges that the Leader told us about when we spoke to him. We know that it was very much a “live” issue towards the end of January 2024, though we understand that an increase has now been approved by the Council.

We do not regard what was written about a Council Tax freeze for 2024/25 to have been an attempt *per se* to mislead the residents of the Hart Ward or the Council or to lie to them. We accept that a decision to freeze or even cut Council Tax was and remains the aspiration of some or all local Conservatives, including the local M.P.. We know too that one of the pillars of the Labour Opposition’s election campaign in May 2023 was a Council Tax freeze.

Instead it appears to us that it will be for the residents of the Hart Ward to reflect upon the statement “Conservatives to freeze Council Tax in 2024/25” now that the budget has been set and when residents are faced with a political choice at the May 2024 Council elections. We do not believe that there has been a breach of the Code in that respect, even though Council Tax has not been frozen.

However, when we reflect upon the right to freedom of expression that politicians enjoy under Article 10 of the European Convention on Human Rights and consider the Heesom case, we cannot accept that the statement “FACT: No other political party in Hartlepool has ever frozen Council Tax” has a “reasonable factual basis” (or, indeed, any factual basis) nor that it was said “in good faith”. Cllr Young was, after all, “the first Conservative Leader of Hartlepool Council”.

There has never been a Conservative Administration in Hartlepool. We consider that statements to the contrary in the Leaflet were demonstrably untrue, in particular when presented in capital letters as “FACT”. Fact they were not. That statement, in particular, was therefore potentially misleading to residents.

Further, we do not accept the explanation given by Cllr Young (and indeed by Cllr Cassidy) that the officers referred to in the Leaflet were Conservative Association officers. That explanation appears to us to be a convenience. It appeared to us that the obvious interpretation that was allowed to stand by Cllr Young at the Extraordinary Council meeting was the true one and the one that the Managing Director never doubted - that the officers referred to in the Leaflet were indeed Council officers.

Based, therefore, on the Managing Director’s testimony to us and Cllr Young’s own actions at the 16th October Extraordinary Meeting, it appears to us to be untrue to say that Council officers had been instructed to “start preparing for a budget that froze council tax” when that had simply not happened. Whilst the statement may have been intended to give the impression of strong leadership by the newly appointed Leader of a new Administration, we considered it to be highly inappropriate to involve Council officers by suggesting that they had already been put to work and were somehow already involved in what was still, at that time, nothing more than a “glint in the Administration’s eye”.

Lastly, Cllr Young gave final approval to the Leaflet, as might be expected of the Leader of the Conservative Group and the newly elected Leader of the Council. He sanctioned untrue statements about the setting of Council Tax and the role of the Hartlepool Conservatives in that in the past. He allowed himself to be quoted personally in the Leaflet and what he was quoted as saying was untrue in that Council officers had not been given an immediate instruction by him. Since Cllr Young was, it appears to us, acting in capacity as a Hartlepool Borough Councillor when he approved the Leaflet, he bore responsibility (along with others) for its contents.

In summary, based on the balance of probability and the evidence available to us, having investigated the Standards Complaint raised by Cllr Brenda Harrison on behalf of the Hartlepool Borough Council Labour Group we conclude that the Subject Member, Cllr Mike Young, the Leader of Hartlepool Borough Council, breached Section 5.1 of the Hartlepool Borough Council Code of Conduct - “As a Councillor I do not bring my role or local authority into disrepute” - by making and approving untrue statements in the Leaflet that was circulated to residents in the Hart Ward in the summer of 2023.

10. RECOMMENDATION

On the basis of the conclusions above we make the following recommendation:

That the Monitoring Officer acts in accordance with paragraph 8 of the Arrangements for Dealing with Standards Allegations under the Localism Act 2011.

DECISION NOTICE – COUNCILLOR MIKE YOUNG



Case Reference – SC02/2023

An Extraordinary Council meeting was held on the 16th October 2023 following receipt of the following requisition:-

“We the undersigned request an extraordinary meeting of Full Council to discuss and/or pass motions regarding the misleading of both the public and elected members on the issue of Council Tax by the Council Leader and potentially other members of the Conservative Coalition.

This is a matter of utmost urgency in the context of the financing position of the authority, the preparation of the MTFS, which will happen ahead of the next council meeting, and public confidence in the council leadership.”

Signed: Councillors Harrison, Brash, Allen, Boddy, Clayton, Creevy, Feeney, Hall, Hargreaves, Howson, Morley, Thompson, Sharp, Dodds, Holbrook, Oliver and Dunbar.

A presentation to Council outlined a case that the public, the Council or both had been misled by the Leader of the Council and the Conservative Party in Hartlepool on the issue of Council Tax which would constitute a material breach of the code of conduct and the Nolan principles of conduct in public life. It was unanimously agreed by Council that the matter of whether the leader of the Council and other Conservative members deliberately misled the public, elected member or both be referred to Audit and Governance to conduct a full investigation in conjunction with an independent person.

In its role as the Council’s Standards Committee, the Audit and Governance Committee at its meeting on the 17th October 2023 approved:-

- i) The referral of the investigation to the Chief Solicitor, in conjunction with an Independent Person; and
- ii) That whilst no specific timescale had been set by Full Council for the completion of the investigation, it should be undertaken as a matter of urgency. The outcome of the investigation to then be reported back to a future meeting of the Committee for consideration before referring back to Full Council.

At the end of October 2023, Melvin Kenyon (“the Investigating Officer”) of Kenyon Brabrook Ltd was commissioned by Hayley Martin in her role as Monitoring Officer of Hartlepool Borough Council, to carry out an investigation into a Standards Complaint that had been submitted to her alleging breaches of the Councillor Code of Conduct for Hartlepool Borough Council (“the Council”) by Councillor Mike Young.

Details of the investigation and its findings were outlined in the report which was considered by the Audit and Governance Committee at the hearing on the 21st February 2024.

The Investigating Officer presented the findings of his report which supported the view that Councillor Young had breached the Code of Conduct (specifically in relation to Section 5 - Disrepute).

Decision

Further to the Council's ***Arrangements for Dealing with Standards Allegations under the Localism Act 2011*** the Audit and Governance Committee considered the verbal representations of Melvin Kenyon (as Investigating Officer) and Councillor Brenda Harrison (as Complainant) and the written representation from Councillor Mike Young.

Councillor Mike Young's written statement indicated: -

- He did not accept the findings and recommendations of the investigating officers report on the basis that there is an absence of 'actual evidence' and a supposition of what he was thinking;
- A considerable amount of tax payer money had been expended on the wording of a newsletter about which there had been no complaints;
- Double standards were being applied when the content of other leaflets and statements had, or could be called in to question;
- A precedent had been created that could lead to even less Committee and Full Council interactions and debate through fear of reprisals; and
- Politics had been a consideration in the raising of the complaint.

The Committee agreed by a majority vote that there had been a breach of the code of conduct and, in response to the breach, potential sanctions were considered.

The Committee discussed the imposition of a range of sanctions as outlined in the document 'Arrangements for Dealing with Complaints'.

Actions

The Committee agreed by a majority vote that Councillor Young had breached the Code of Conduct (specifically in relation to Section 5 - Disrepute) and carefully considered all of the sanctions available to it.

The Committee agreed by a majority vote that:-

- i) Councillor Young had breached the code of conduct;
- ii) The following sanctions be immediately imposed for the remainder of the 2023/24 municipal year:
 - a) Councillor Young to give a public apology at the next meeting of Full Council. In the event that this is not forthcoming Full Council be recommended to formally

censure Councillor Young for his breach of the code of conduct.

- b) The Committee will publish its findings in respect of the member's conduct
- c) Councillor Young be removed from all outside appointments to which he has been appointed or nominated by the authority [or by the Parish Council]



SIGNED

CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE

DATE: 21st FEBRUARY 2024

Hartlepool Borough Council

Standards Complaint against Cllr Tom Cassidy

Extract of the Investigating Officers report agreed by Committee for publication.

9.3 CONCLUSIONS

In summary, based on the evidence available to us and the balance of probability we reach the following conclusions.

We accept that, at the time the Leaflet was written by Cllr Cassidy, and maybe too when it was being printed and distributed, the new Conservative-led Administration in Hartlepool (and specifically the Conservative Group within it) fully intended to freeze Council Tax, even in the face of high levels of inflation, increasing demands on services, and information that had emerged around the start of July that suggested that a freeze was going to be somewhat challenging.

A Council Tax freeze appears to have been a policy on which the Labour Group contested the May 2023 elections, something mentioned by Cllr Brash at the 28th September meeting and then again at the Extraordinary Meeting. It therefore seems to us inescapable that there was some political opportunism on their part when they made certain of the allegations they made both during the Council meetings and in the Complaint that followed. After all, they would presumably be faced with the same budgetary pressures as the Administration in delivering a freeze.

It appears to us that the level of Council Tax may have been and may still be the cause of some political friction within the Conservative Group and the wider Conservative Association in Hartlepool. At the time we began writing the Report, we did not know how, if at all, the Administration would reconcile the wish of some to freeze Council Tax against the budget challenges that the Leader told us about when we spoke to him. We know that it was very much a “live” issue towards the end of January 2024, though we understand that an increase has now been approved by Council

We do not regard what Cllr Cassidy wrote about a Council Tax freeze for 2024/25 in the Leaflet of which he was the promoter to have been an attempt *per se* to mislead the residents of the Hart Ward or the Council or to lie to them. We accept that a decision to freeze or even cut Council Tax was and remains the aspiration of some or all local Conservatives, including the local M.P.. We know too that one of the pillars of the Labour Opposition’s election campaign in May 2023 was a Council Tax freeze

Instead it appears to us that it will be for the residents of the Hart Ward to reflect upon the statement “Conservatives to freeze Council Tax in 2024/25” now that the budget has been set and when those residents are faced with a political choice at the May 2024 Council elections. We do not believe that there has been a breach of the Code in that respect, even though Council Tax has not been frozen.

However, when we reflect upon the right to freedom of expression that politicians enjoy under Article 10 of the European Convention on Human Rights and consider the Heesom case, we cannot accept that the statement “FACT: No other political party in Hartlepool has ever frozen

Council Tax” has a “reasonable factual basis” (or, indeed, any factual basis) nor that it was said “in good faith” by Cllr Cassidy, as promoter and author of the Leaflet.

There has never been a Conservative Administration in Hartlepool.. We consider that statements to the contrary in the Leaflet were demonstrably untrue, in particular when presented in capital letters as “FACT”. Fact they were not. That statement, in particular, was therefore potentially misleading to residents.

Further, we do not accept the explanation given by Cllr Cassidy (and indeed by Cllr Young) that the officers referred to in the Leaflet were Conservative Association officers. That explanation appears to us to be a convenience rather than the intent when the article was written. It appeared to us that the obvious interpretation that was allowed to stand unchallenged by the Leader at the Extraordinary Council meeting was the true one and the one that the Managing Director never doubted - that the officers referred to in the Leaflet were indeed Council officers.

Based, therefore, on the Managing Director’s testimony to us and the Leader’s own actions at the 16th October Extraordinary Meeting, it appears to us to be untrue to say in the Leaflet that Council officers had been instructed to “start preparing for a budget that froze council tax” when that had simply not happened. Whilst the statement may have been intended to give the impression of strong leadership by the newly appointed Leader of a new Administration, we considered it to be highly inappropriate to involve Council officers by suggesting that they had already been put to work and were somehow already involved in what was still, at that time, nothing more than a “glint in the Administration’s eye”.

Finally, we do not accept that Cllr Cassidy can in some way be considered to be victim or fall-guy or that he can point to the involvement of others to distance himself from the Leaflet. He is a Hartlepool Borough Councillor, it appears to us that he was in acting in capacity as a councillor when he wrote the Leaflet, he quoted himself by name in the Leaflet, and as both writer and promoter of the Leaflet he bore responsibility for its contents.

In summary, based on the balance of probability and the evidence available to us, having investigated the Standards Complaint raised by Cllr Brenda Harrison on behalf of the Hartlepool Borough Council Labour Group we conclude that the Subject Member, Cllr Tom Cassidy of the Hart Ward, breached Section 5.1 of the Hartlepool Borough Council Code of Conduct - “As a Councillor I do not bring my role or local authority into disrepute” - by making untrue statements in the Leaflet of which he was the promoter that was circulated to residents in his ward in the summer of 2023.

10. RECOMMENDATION

On the basis of the conclusions above we make the following recommendation:

That the Monitoring Officer acts in accordance with paragraph 8 of the Arrangements for Dealing with Standards Allegations under the Localism Act 2011.

DECISION NOTICE – COUNCILLOR TOM CASSIDY



Case Reference – SC02/2023

An Extraordinary Council meeting was held on the 16th October 2023 following receipt of the following requisition:-

“We the undersigned request an extraordinary meeting of Full Council to discuss and/or pass motions regarding the misleading of both the public and elected members on the issue of Council Tax by the Council Leader and potentially other members of the Conservative Coalition.

This is a matter of utmost urgency in the context of the financing position of the authority, the preparation of the MTFS, which will happen ahead of the next council meeting, and public confidence in the council leadership.”

Signed: Councillors Harrison, Brash, Allen, Boddy, Clayton, Creevy, Feeney, Hall, Hargreaves, Howson, Morley, Thompson, Sharp, Dodds, Holbrook, Oliver and Dunbar.

A presentation to Council outlined a case that the public, the Council or both had been misled by the Leader of the Council and the Conservative Party in Hartlepool on the issue of Council Tax which would constitute a material breach of the code of conduct and the Nolan principles of conduct in public life. It was unanimously agreed by Council that the matter of whether the leader of the Council and other Conservative members deliberately misled the public, elected member or both be referred to Audit and Governance to conduct a full investigation in conjunction with an independent person.

In its role as the Council’s Standards Committee, the Audit and Governance Committee at its meeting on the 17th October 2023 approved:-

- iii) The referral of the investigation to the Chief Solicitor, in conjunction with an Independent Person; and
- iv) That whilst no specific timescale had been set by Full Council for the completion of the investigation, it should be undertaken as a matter of urgency. The outcome of the investigation to then be reported back to a future meeting of the Committee for consideration before referring back to Full Council.

At the end of October 2023, Melvin Kenyon (“the Investigating Officer”) of Kenyon Brabrook Ltd was commissioned by Hayley Martin in her role as Monitoring Officer of Hartlepool Borough Council, to carry out an investigation into a Standards Complaint that had been submitted to her alleging breaches of the Councillor Code of Conduct for Hartlepool Borough Council (“the Council”) by Councillor Tom Cassidy.

Details of the investigation and its findings were outlined in the report which was considered by the Audit and Governance Committee at the hearing on the 21st February 2024.

The Investigating Officer presented the findings of his report which supported the view that Councillor Cassidy had breached the Code of Conduct (specifically in relation to Section 5 - Disrepute).

Decision

Further to the Council's ***Arrangements for Dealing with Standards Allegations under the Localism Act 2011*** the Audit and Governance Committee considered the verbal representations of Melvin Kenyon (as Investigating Officer) and Councillor Brenda Harrison (as Complainant) and the written representation from Councillor Tom Cassidy.

Councillor Tom Cassidy's written statement indicated: -

- He should have been clearer when producing the leaflet;
- The investigation had been politically motivated;
- Council tax payers were being asked to foot the bill for a few sentences in a newsletter, sent to just one Ward; and
- He would be prepared to make a full apology on the floor of Council if he is found to have breached the code of conduct.

The Committee agreed by a majority vote that there had been a breach of the code of conduct and, in response to the breach, potential sanctions were considered.

The Committee discussed the imposition of a range of sanctions as outlined in the document 'Arrangements for Dealing with Complaints'.

Actions

The Committee agreed by a majority vote that Councillor Cassidy had breached the Code of Conduct (specifically in relation to para 1 and 5 – Respect and Disrepute) and carefully considered all of the sanctions available to it.

The Committee agreed by a majority vote that:-

- iii) Councillor Cassidy had breached the code of conduct;
- iv) The following sanctions be immediately imposed for the remainder of the 2023/24 municipal year:
 - d) Councillor Cassidy to give a public apology at the next meeting of Full Council. In the event that this is not forthcoming Full Council be recommended to formally censure Councillor Cassidy for his breach of the code of conduct.

- e) The Committee will publish its findings in respect of the member's conduct
- f) Councillor Cassidy be removed from all outside appointments to which he has been appointed or nominated by the authority [or by the Parish Council]

A handwritten signature in black ink, appearing to read 'J Brash', is enclosed within a thin black rectangular border.

SIGNED

CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE

DATE: 21st FEBRUARY 2024

COUNCIL REPORT

22 February 2024



Report of: Audit and Governance Committee

Subject: TREASURY MANAGEMENT STRATEGY 2024/25

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives
- where those who are vulnerable will be safe and protected from harm
- of resilient and resourceful communities with opportunities for all
- that is sustainable, clean, safe and green
- that has an inclusive and growing economy
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is agree the Treasury Management Strategy for 2024/25 following referral from Audit and Governance committee.

3. BACKGROUND

- 3.1 The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA Prudential Code and to set prudential indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
- 3.2 The Act therefore requires the Council to determine a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the Council's policies for managing its investments and for giving

priority to the security and liquidity of those investments. The Secretary of State has issued Guidance on Local Government Investments which came into force on 1st April, 2004. This guidance recommends that all Local Authorities produce an Annual Investment Strategy that is approved by full Council, which is also included in this report.

- 3.3 The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to Council. This responsibility has been allocated to the Audit and Governance Committee.

4. ISSUES CONSIDERED BY AUDIT AND GIVERNANCE ON 31 JANUARY 2024

- 4.1 The recommended Treasury Management Strategy was considered by the Audit and Governance Committee on the 31 January 2024 and this report is attached as **Appendix 1**. Regulatory information and prudential indicators are included at **Appendix 2**.
- 4.2 The Audit and Governance Committee scrutinised the proposed Treasury Management strategy and approved that the recommended strategy be referred to full Council.

5. OTHER CONSIDERATIONS/IMPLICATIONS

Risk Implications	As stated in appended report
Financial Considerations	As stated in appended report
Legal Considerations	As stated in appended report
Child and Family Poverty	As stated in appended report
Equality and Diversity Considerations	As stated in appended report
Staff Considerations	As stated in appended report
Asset Management Considerations	As stated in appended report
Environment, Sustainability and Climate Change Considerations	As stated in appended report

6. RECOMMENDATIONS REFERRED BY AUDIT AND GOVERNANCE COMMITTEE FOR COUNCIL'S CONSIDERATION AND APPROVAL

- 6.1 The recommendations to be considered by Council as recommended by Audit and Governance Committee:

6.1.1 That the Treasury Management Strategy for 2024/25 be approved, including

- i) The borrowing strategy for 2024/25;
- ii) The investment strategy for 2024/25;
- iii) The prudential indicators; and
- iv) The minimum revenue provision statement.

7. REASONS FOR RECOMMENDATIONS

7.1 To allow Members to fulfil their responsibility for scrutinising the Treasury Management Strategy.

8. CONTACT OFFICER

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk
Telephone: 01429 523093

Sign Off:-

Managing Director	Date: 06/02/24
Director of Finance, IT and Digital	Date: 06/02/24
Director of Legal, Governance and HR	Date: 06/02/24

AUDIT AND GOVERNANCE COMMITTEE

30 January 2024



Report of: Director of Finance, IT & Digital

Subject: TREASURY MANAGEMENT STRATEGY 2024/25
AND THIRD QUARTER REVIEW 2023/24

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives.
- where those who are vulnerable will be safe and protected from harm.
- of resilient and resourceful communities with opportunities for all.
- that is sustainable, clean, safe and green.
- that has an inclusive and growing economy.
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

2. PURPOSE OF REPORT

2.1 The purposes of the report is to:

- i. Provide the third quarter update of the 2023/24 Treasury Management activity; and
- ii. Enable the Audit and Governance Committee to scrutinise the recommended 2024/25 Treasury Management Strategy before it is referred to Council for approval.

3. BACKGROUND

3.1 The Treasury Management Strategy covers:

- the borrowing strategy relating to the Council's core borrowing requirement in relation to its historic capital expenditure (including Prudential Borrowing);
- the borrowing strategy for the use of Prudential Borrowing for capital investment approved as part of the Medium Term Financial Strategy; and
- the annual investment strategy relating to the Council's cash flow.

3.2 The Treasury Management Strategy needs to ensure that the loan repayment costs of historic capital expenditure do not exceed the available General Fund revenue budget. Similarly, for specific business cases the Treasury Management Strategy needs to ensure loan repayment costs, including interest, do not exceed the costs factored into business case appraisals. As detailed later in the report these issues are being managed successfully.

3.3 The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code and to set prudential indicators for the next three years to ensure capital investment plans are affordable, prudent and sustainable.

3.4 The Act requires the Council to set out a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the policies for managing investments and for giving priority to the security and liquidity of those investments. The Secretary of State issued Guidance on Local Government Investments which came into force on 1st April 2004, and has subsequently been updated, most recently in 2021.

3.5 The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to full Council. This responsibility has been allocated to the Audit and Governance Committee.

3.6 This report covers the following areas:

- Economic background and outlook for interest rates;
- Treasury Management Strategy 2023/24 3rd Quarter review;
- Treasury Management Strategy 2024/25; and
- Minimum Revenue Provision and Interest Cost and Other Regulatory Information 2024/25.

4. ECONOMIC ENVIRONMENT AND OUTLOOK FOR INTEREST RATES

4.1 **UK** – The Bank of England's Monetary Policy Committee (MPC) held the Bank Rate unchanged at 5.25% at its December meeting, for the third time in a row and pushing back against the prospect of near-term interest rate cut. The vote was a clear majority, with six in favour of no change, while three

members voted to increase by 25bps. The minutes of the meeting suggested that the rates need to be sufficiently restrictive for sufficiently long and that if there were evidence of more persistent pressures, then further tightening in monetary policy would be required. As such whilst the MPC has paused increases, it is far from certain that a cut in the Bank Rate will be made in the near future, albeit there is an increasing expectation from independent economists that rate cuts will commence during 2024, given the more positive forecasts on inflation.

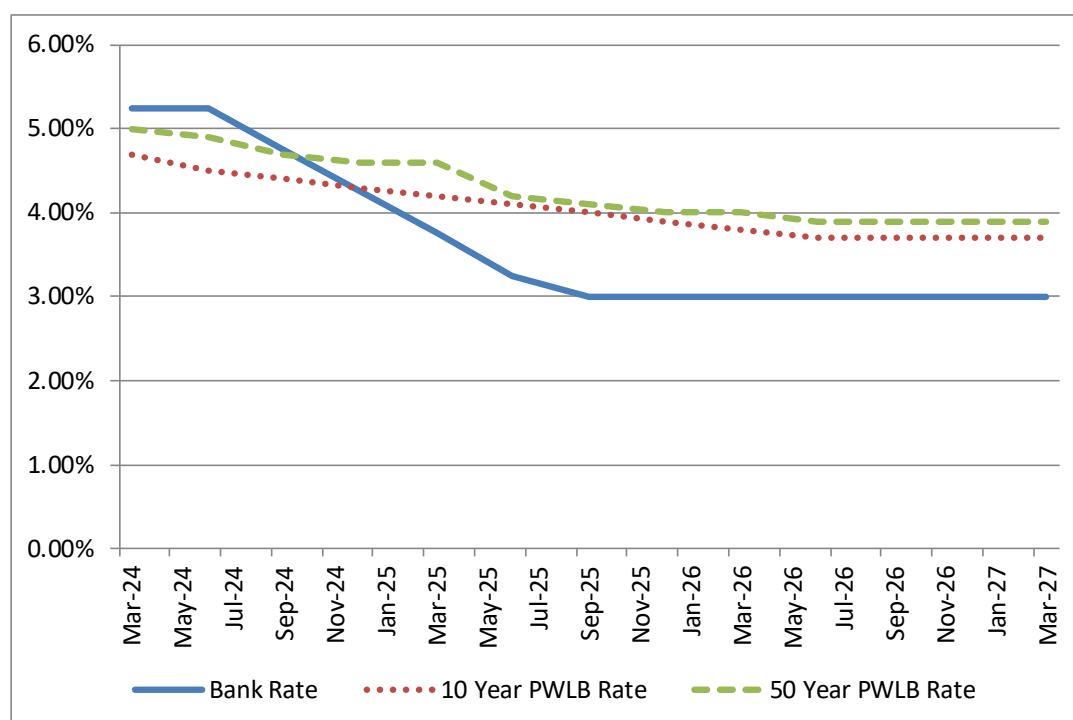
- 4.2 The latest Consumer Price Index data for November 2023 shows that the UK CPI measure of inflation dropped back to 3.9% (from 4.6% in October), the lowest inflation rate since January 2022. Some of the reduction was owing to the global influence of core goods inflation and a decline in services inflation.
- 4.3 The Office for Budget Responsibility's revised growth forecast up to 2027 is set out in the following table:

Year	March 2023 Growth Forecast	November 2023 Growth Forecast
2023	(0.2%)	0.6%
2024	1.8%	0.7%
2025	2.5%	1.4%
2026	2.1%	2.0%
2027	1.9%	2.0%

- 4.4 **European Union (EU)** – The European Central Bank kept interest rates unchanged at its December meeting after ten consecutive rate hikes. Inflation rates in the European Union decreased to 3.10% in November 2023 (from 3.6% in October). The Governing Council is determined to ensure that inflation returns to the 2% medium-term target in a timely manner. Future decisions will ensure that its policy rates will be set at sufficiently restrictive levels for as long as necessary.
- 4.5 **USA** – During the December policy meeting the Federal Reserve Committee voted unanimously for no change to the headline policy rate and do not expect any further increase in rates from current levels. Inflation measures 2.6% in November, still above the 2% target, but a major improvement from the four-decade high of 7.1% in June 2022. The minutes of the meeting stated that it was appropriate for policy to remain at a restrictive stance for some time until inflation was clearly moving down sustainably towards the Committee's objective.
- 4.6 **Other Economies** – In China, the People's Bank of China (PBoC) maintained its lending rates steady at the December fixing, as the central bank continued to attempt to revive a sputtering economy. In November CPI decreased by 0.5% month on month. A rebound in the coming months seems unlikely as household confidence also remained weak. In Japan, headline inflation dropped to 2.8% in November from 3.3% in the prior month.

Interest Rate Forecasts

- 4.7 Link Asset Services (the Council's Treasury Management advisors) continue to update their interest rate forecasts to reflect statements made by the Governor of the Bank of England and changes in the economy.
- 4.8 Expectations are that the Bank Rates will remain on hold at 5.25% until September 2024. Data is suggesting that inflation is dipping, albeit slowly, and that the economy is heading for a shallow recession. This would suggest that further monetary policy tightening above 5.25% is not required.
- 4.9 Link anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgement; cut too soon, and inflationary pressure may well build up further; cut too late and any downturn or recession may be prolonged.
- 4.10 Economic and interest rate forecasting remains difficult with so many influences impacting on the economy. UK gilt yields (i.e. Government borrowing) and PWLB rates forecasts made by Link Asset Services may be liable to further amendment depending on how the political and economic developments transpire over the next year.
- 4.11 Interest Rate Forecasts up to March 2027



5. TREASURY MANAGEMENT STRATEGY 2023/24 3rd QUARTER REVIEW

- 5.1 The Treasury Management Strategy for 2023/24 was approved by Council on 23rd February 2023. The Council's borrowing and investment position as at 31st December 2023 is summarised as follows:

	£m	Average Rate
PWLB Loans	27.2	3.42%
Market Loan (Annuity)	16.5	2.31%
Market Loans (Maturities)	25.0	3.92%
Non-Market Loans (Maturities)	0.4	0.00%
Market Loans (LOBOs)	15.0	3.71%
Gross Debt	84.1	3.39%
Investments	59.2	4.7%
Net Debt as at 31-12-23	24.9	

- 5.2 The Council continues to keep under review the most opportune approach to borrowing. Given the increase in interest rates experienced since 2022, no long term borrowing has been entered into to ensure that the Council was not exposed to increased costs at a time of volatility and high interest rates.
- 5.3 As the Capital programme progresses, coupled with anticipated significant use of reserves both to support capital expenditure and the in-year position, the approach to borrowing may need to adapt. Whilst the aim will be to take out shorter term borrowing should rates remain high, we may need to mitigate risk by taking out some longer term borrowing at a higher rate than we would have originally anticipated. This will be kept under close review. The aim will continue to be to minimise the borrowing cost to the revenue budget.
- 5.4 Net Debt has decreased since 30th September 2023 (second quarterly review) following the repayment of a LOBO. The Council continues to actively manage cash flows on a day to day basis to maximise returns. Investments of a year duration have been made to achieve the best rate available, however, this is unlikely to be sustainable beyond the short term given the potential for significant use of reserves in the current year and the progress anticipated on the capital programme.
- 5.5 As at 31st December 2023, the funds managed by the Council's in house team amounted to £59.243m. All investments complied with the Annual Investment Strategy and are shown below.

Borrower	Duration	Value of Loan (£m)	Rate (%)	Start Date	Maturity Date
Call Accounts*					
Svenska Handelsbanken	On Call	11.814	2.100		Call
NatWest Bank	On Call	0.034	1.150		Call
		11.848	2.097		
Fixed term Deposits					
Standard Chartered	1 year	10.000	4.520	06/01/23	05/01/24
Standard Chartered	1 year	5.000	4.590	13/01/23	12/01/24
Goldman Sachs	1 year	5.000	5.810	22/09/23	20/09/24
NatWest Markets Plc	1 year	5.000	5.690	22/09/23	20/09/24
Lloyds	1 year	15.000	5.910	06/10/23	04/10/24
Debt Management Office	<2 month	4.395	5.195	05/12/23	26/01/24
Debt Management Office	<1 month	3.000	5.190	20/12/23	19/01/24
		47.395	5.332		
Total Deposits		59.243	4.685		

- 5.6 There are no changes to the counter party investment limits as agreed as part of the Investment Strategy.

6. TREASURY MANAGEMENT STRATEGY 2024/25

- 6.1 Prudential Indicators and other regulatory information in relation to the 2024/25 Treasury Management Strategy are set out in Appendix A.
- 6.2 The key elements of the Treasury Management Strategy which Members need to consider are the Borrowing and Investment Strategies, detailed in sections 7 and 8 below.

7. BORROWING STRATEGY 2024/25

- 7.1 Borrowing strategies are needed for the core borrowing requirement and the borrowing requirement related to specific business cases, as outlined in the following paragraphs.

Core Borrowing Requirement

- 7.2 The continuing objective of the Council's Treasury Management Strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate.
- 7.3 Historically owing to the low Base Rate the Treasury Management Strategy has been to delay borrowing by temporarily utilising cash balances available for investment. The existing Treasury Management Strategy has always recognised that this approach was not sustainable in the longer term as the one-off resources which have been used to temporarily avoid long term borrowing would be used up.
- 7.4 Total borrowing remains below the Capital Financing Requirement (CFR) and the strategy continues an element of delaying borrowing by temporarily utilising cash balances available for investments. Whilst this is currently sustainable it will become necessary to take out further borrowing and the position will be kept under constant review. A decision to borrow up to the CFR may be taken by the Director of Finance, IT and Digital if it is in the best interests of the Council to do so. It is recommended that the Director of Finance, IT and Digital is authorised to implement Treasury Management arrangements which minimise the short and long term cost to the Council.
- 7.5 Given the financial pressures of the Councils wider budget, flexibility on the financing options for the Capital Programme may be considered from time to time as required. Should this result in any increase to the approved borrowing level, Council approval will be sought as necessary.

Borrowing Requirement Business Cases (including the Housing Revenue Account)

- 7.6 The financial viability of each business case is assessed on an individual basis reflecting the specific risk factors. This includes the repayment period for loans and fixed interest rates for the duration of the loan. This assessment is designed to ensure the business case can be delivered without a General Fund budget pressure.
- 7.7 Historically the strategy was to fully fund the borrowing for business cases. However, given the current interest rate forecasts and in order to consider borrowing requirement holistically for the council the strategy will be aligned to that of the core borrowing requirements.

Borrowing in Advance of Need

- 7.8 The Council has some flexibility to borrow funds for use in future years for the approved capital programme. The Director of Finance, IT and Digital may do this under delegated power, for instance, where the forecast increase in interest rates over the next few years is not expected to reduce as highlighted earlier in the report. In these circumstances borrowing early at fixed interest rates may be undertaken where this will secure lower fixed interest rates for specific business cases; or to fund future debt maturities (i.e. if the remaining LOBOs were called). Any borrowing taken out will be reported to Council in the next Treasury Management report.

8. INVESTMENT STRATEGY 2024/25

- 8.1 The Department of Levelling Up, Housing and Communities (DLUHC) issued investment guidance in 2010, updated in 2017, and this forms the structure of the Council's policy. The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently and that priority is given to security and liquidity before interest return. This Council has adopted the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and applies its principles to all investment activity. In accordance with the Code, the Director of Finance, IT and Digital has produced Treasury Management Practices covering investment counterparty policy which requires approval each year.
- 8.2 The primary objectives of the Council's investment strategy in order of importance are:
- safeguarding the re-payment of the principal and interest of its investments on time;
 - ensuring adequate liquidity; and
 - investment return.

Counterparty Selection Criteria

- 8.3 The Council's criteria for providing a pool of high quality investment counterparties uses the credit rating information produced by the three major ratings agencies (Fitch, Moody's and Standard & Poor's) and is supplied by our treasury consultants, Link. All active counterparties are checked against criteria outlined below to ensure that they comply with the criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered on a daily basis before investments are made. For instance a negative rating watch applying to a counterparty at the minimum criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 8.4 The lowest common denominator method of selecting counterparties and applying limits is used. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria
- 8.5 The Director of Finance, IT and Digital will continue to adopt a vigilant approach resulting in what is effectively a 'named' list. This consists of a select number of counterparties that are considered to be the lowest risk.
- 8.6 The proposed changes to the counter parties list is to increase the Money Market Funds to £20m in totality, limited to £10m per fund. Money Market Funds are high quality, low risk investments that can secure positive rates of return. The previous counterparty limits were considered exceptionally low in comparison to risk.

Category	Fitch	Moody's	Standard & Poor's	Proposed Counterparty Limit	Proposed Time Limit
A	F1+/AA-	P-1/Aa3	A-1+/AA-	£20m	1 Year
B	F1/A-	P-1/A3	A-1/A-	£15m	1 Year
C	Debt Management Office/Treasury Bills/Gilts			£40m	1 Year
D	Part Nationalised Banks			£15m	1 Year
E	Other Local Authorities Individual Limits per Authority: - £8m County, Metropolitan or Unitary Councils - £3m District Councils, Police or Fire Authorities			£40m	1 Year
F	Three Money Market Funds (AAA) with maximum investment of £10m per fund			£20m	Liquid (instant access)

Specified and Non-Specified Investments

- 8.7 DLUHC regulations classify investments as either Specified or Non-Specified. Non-Specified Investment is any investment not meeting the Specified definition.
- 8.8 The investment criteria outlined above is different to that used to define Specified and Non-Specified investments. This is because it is intended to create a pool of high quality counterparties for the Council to use rather than defining what its investments are.
- 8.9 Specified Investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within twelve months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:
- The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity);
 - Other Councils;
 - Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating (AAA) by a credit rating agency; and
 - A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). This covers bodies with a minimum rating of A- (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies.

8.10 Non-specified Investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any investments with:

- Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings; and
- Any bank or building society that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

9. **MINIMUM REVENUE PROVISION AND INTEREST COSTS AND OTHER REGULATORY INFORMATION 2024/25**

9.1 There are two elements to the Council's annual loan repayment costs – the statutory Minimum Revenue Provision and interest costs. The Council is required to pay off an element of the CFR each year through a revenue charge called the Minimum Revenue Provision (MRP).

9.2 DLUHC Regulations require the Council to approve an MRP Statement in advance of each year. This will determine the annual loan repayment charge to the revenue account.

9.3 The budget strategy is based on the following MRP statement and Council is recommended to formally approve this statement:

- For capital expenditure incurred before 1st April 2008 the Council's MRP policy is to calculate MRP based on a 50 year annuity repayment.
 - i. Where MRP has been overcharged in previous years, the recovery of the overcharge will be implemented by reducing the MRP in relation to this capital expenditure by reducing future MRP charges that would otherwise have been made. It should be noted that this will ensure the debt will be paid off by 2056/57 whereas the previous 4% reducing balance MRP charge would have left debt of £9.4m at this date;
 - ii. The total MRP after applying the adjustment will not be less than zero in relation to this capital expenditure; and
 - iii. The cumulative amount adjusted for will never exceed the amount of the overpayment.
- From 1st April 2008 the Council calculates MRP based on asset life for all assets or where prudential borrowing is financed by a specific annuity loan, MRP will be calculated according to the actual annuity loan repayments.
- DLUHC revised its MRP guidance in 2017, which would impact on any future changes to the Council's MRP policy, however the guidance is not

retrospective. The approved MRP policy implemented prior to the DLUHC changes is therefore compliant with these revisions and will be carried forward in future years, until such time as an alternative approach is considered to be appropriate.

CIPFA Treasury Management Code of Practice

- 9.4 The Council is adopting the updated CIPFA Treasury Management Code of Practice published 20th December 2021.
- 9.5 The revised Treasury Management Code requires the implementation of the following:
1. Adopt a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement, with material differences between the liability benchmark and actual loans explained, this is detailed in the following paragraphs;
 2. A knowledge and skills register for officers and members involved in the treasury function;
 3. Reporting to members on a quarterly basis; and
 4. Have consideration for Environmental, social and governance (ESG) issues.
- 9.6 The current loans are above the liability benchmark and the excess will be invested.

Treasury Management Advisors

- 9.7 The Council uses Link Asset Services – Treasury as its external treasury management advisors.
- 9.8 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 9.9 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Markets in Financial Instruments Directive (MIFID II)

- 9.10 On 3rd January 2018 an updated version of the European Union's Markets in Financial Instruments Directive (known as MIFID II) came into effect. It is designed to offer greater protection for investors and inject more transparency into financial markets. Under MIFID II all local authorities will be classified as "retail" counterparties and will have to consider whether to opt up to "professional" status and for which type of investments.

- 9.11 Local authorities that choose not to opt up or do not meet the minimum criteria for opting up (i.e. minimum investment balances of £10m) may face a reduction in the financial products available to them, a reduction in the number of brokers and asset managers that they will be able to engage with and may face increased fees.
- 9.12 Local authorities that choose to opt up must be able to satisfy some quantitative tests, and each Financial Institution will independently determine whether the Authority meet the qualitative test of being appropriately knowledgeable, expert and experienced. Financial Institutions also need to satisfy themselves that the Authority can make its own investment decisions and understands the risks involved.
- 9.13 The Council chose to opt up, in order to maintain the Council's ability to operate effectively under the new regime.

10. OTHER CONSIDERATIONS

Risk Implications	There is a risk in relation to the level of interest rates the Council is able to secure for long term borrowing and the proposals detailed in this report are designed to manage these risks. There are also risk implications in relation to the investment of surplus cash and these are addressed in the strategy recommended in section 8.
Financial Considerations	As set out in report.
Legal Considerations	The report details how the Council will comply with the relevant legal and regulatory requirements in relation to Treasury Management activities.
Child and Family Poverty	None
Equality and Diversity Considerations	None
Staff Considerations	None
Asset Management Considerations	None
Environment, Sustainability and Climate Change Considerations	None
Consultation	Not applicable

11. RECOMMENDATIONS

- 11.1 That members note the 2023/24 Treasury Management 3rd Quarter Position detailed in Section 5.
- 11.2 That members recommend to Council for approval, the Treasury Management Strategy 2024/25, including;
- i) The borrowing strategy for 2024/25;
 - ii) The investment strategy for 2024/25;
 - iii) The prudential indicators as outlines in Appendix A; and
 - iv) The minimum revenue provision statement.

12. REASON FOR RECOMMENDATIONS

- 12.1 To allow Members to fulfil their responsibility for scrutinising the Treasury Management Strategy

13. BACKGROUND PAPERS

Treasury Management Strategy Update 2023/24, report to Audit and Governance Committee 27th June 2023.

Treasury Management Strategy Quarter 2 Update 2023/24, report to Audit and Governance Committee 7th November 2023.

14. CONTACT OFFICER

James Magog
Director of Finance, IT and Digital
james.magog@hartlepool.gov.uk
01429 523093

TREASURY MANAGEMENT STRATEGY 2024/25 REGULATORY INFORMATION AND PRUDENTIAL INDICATORS**1. INTRODUCTION**

- 1.1 The regulatory information and prudential indicators for the 2024/25 Treasury Management Strategy are set out below.

2. PRUDENTIAL INDICATORS

- 2.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and set prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity.
- 2.2 The first prudential indicator is confirmation that the Council has adopted the CIPFA Treasury Management Code of Practice, which the Treasury Management Strategy report confirms.
- 2.3 Details of the proposed prudential limits are set out in the following sections.

3. CAPITAL EXPENDITURE AND FINANCING REQUIREMENT

- 3.1 The Council's Borrowing Strategy is driven by the Capital Financing Requirement (CFR) and the Council's view of interest rates. The CFR is the amount the Council needs to borrow to fund capital expenditure incurred in previous financial years and forecast capital expenditure in the next three years which is funded from borrowing. Historically the majority of the Council's CFR related to capital expenditure supported by Government borrowing approvals.
- 3.2 Government borrowing approvals are authority to fund capital expenditure from loans. Prior to the introduction of the prudential borrowing system in the Local Government Act 2003 Councils could only borrow for capital expenditure authorised by a Government borrowing approval.
- 3.3 Following the introduction of the prudential borrowing systems Councils can determine their own borrowing levels, subject to revenue affordability. The Council has managed this flexibility carefully owing to the ongoing revenue commitment of taking on new additional borrowing. The Council has only approved specific self-funding business cases, for example affordable housing schemes and a limited amount of General Fund capital expenditure where the resulting loan repayment and interest costs have been funded as a revenue budget pressure.

- 3.4 Councils ultimately need to fund the CFR by borrowing money from the Public Works Loan Board (PWLB) or banks. The CFR is then repaid over a number of years reflecting the long term benefits of capital expenditure. In simple terms the CFR represents the Council's outstanding mortgage, although the legislation and accounting requirements are significantly more complex.
- 3.5 The estimated Capital Finance & Borrowing Requirement is shown in the following table:

Capital Financing & Borrowing Requirement	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
CFR at 1st April	113,660	119,177	139,393	152,395
Capital Expenditure Financed by New Borrowing	14,534	19,818	14,276	397
Less Borrowing to be Rephased to Future Years	(6,334)	3,001	1,169	2,164
Less Repayment of CFR	(2,683)	(2,603)	(2,443)	(2,361)
CFR at 31st March	119,177	139,393	152,395	152,595
Less assets held under Finance Lease	(837)	(802)	(769)	(736)
Borrowing Requirement	118,340	138,591	151,626	151,859
Corporate Borrowing Requirement	78,664	96,625	107,975	106,912
Business Case Borrowing Requirement	29,073	31,263	32,804	34,101
Housing Revenue Account Borrowing Requirement	10,603	10,703	10,847	10,847
Borrowing Requirement	118,340	138,591	151,626	151,859

- 3.6 As part of the Medium Term Financial Strategy the Council is required to approve the 2024/25 capital programme summarised as follows:

Capital Expenditure	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
New Approved Capital Expenditure	70,660	60,576	22,139	4,570
2023/24 Capital Expenditure to be rephased	(29,045)	6,807	17,129	5,109
Capital Expenditure for the Year	41,615	67,383	39,268	9,679
Financed by:				
Capital grants and contributions	53,190	37,073	5,863	4,173
Other Capital Funding	2,936	3,685	0	0
Capital Expenditure to be funded from New Prudential Borrowing	14,534	19,818	14,276	397
Unconfirmed Funding	0	0	2,000	0
Rephased Expenditure between years.	(29,045)	6,807	17,129	5,109
Total Funding	41,615	67,383	39,268	9,679
Non-HRA Capital Expenditure	39,732	66,348	36,852	9,679
HRA Capital Expenditure	1,883	1,035	2,416	0
Total Capital Expenditure	41,615	67,383	39,268	9,679

4. AFFORDABILITY PRUDENTIAL INDICATORS

- 4.1 The affordability of the approved Capital Investment Programme was assessed when the capital programme was approved and revenue costs are built into the Medium Term Financial Strategy or individual business cases. The 'Affordability Prudential Indicators' are detailed below and are intended to give an indication of the affordability of the planned capital expenditure financed by borrowing in terms of the impact on Council Tax and the Net Revenue Stream.

Incremental Impact of Capital Expenditure on Housing Rent Levels

- 4.2 This indicator shows the revenue impact on any newly proposed changes to HRA capital expenditure. At present there will be no impact on housing rent levels as these have been set taking into account the existing HRA capital programme.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Weekly Housing Rent Levels	£0.00	£0.00	£0.00	£0.00

Ratio of Financing Costs to Net Revenue Stream

- 4.3 This shows the cost of capital borrowing as a percentage of the net budget. The increased ratio reflects the additional revenue budget for capital costs.

	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non-HRA financing cost to General Fund Net Revenue Stream	6.70%	6.58%	7.13%	7.94%

Ratio of Finance Costs to HRA Net Revenue Stream

- 4.4 This shows the net cost of capital borrowing as a percentage of the net HRA budget arising from the phased implementation of the business case.

	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA financing cost to HRA Net Revenue Stream	21.06%	20.09%	20.77%	21.46%

- 4.5 This reflects the profile of funding used to finance the HRA, including delaying the use of borrowing.

5. BORROWING PRUDENTIAL INDICATORS

Debt Projections 2023/24 – 2026/27

- 5.1 The following table sets out the Council's projected Capital Financing Requirement (CFR) and level of debt:

Debt and Investment Projections	2023/24 Revised £'000	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000
Long Term Borrowing 1 April	94,745	94,745	110,607	126,967
Expected change in Long Term Debt	0	15,862	16,360	2,953
Debt at 31 March	94,745	110,607	126,967	129,920
Borrowing Requirement	118,340	138,591	151,626	151,859
Under Borrowing	(23,595)	(27,984)	(24,659)	(21,939)
Non-HRA Debt	84,142	99,904	116,120	119,073
HRA Debt	10,603	10,703	10,847	10,847
Total Debt	94,745	110,607	126,967	129,920

- 5.2 The table reflects the borrowing that will need to be taken out in future years.

Limits to Borrowing Activity

- 5.3 Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits.
- 5.4 The Council needs to ensure that total borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/2025 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The following table demonstrates that borrowing will not exceed the CFR.

External Debt	2023/24 Revised £'000	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000
Gross Borrowing	94,745	110,607	126,967	129,920
Other Long Term Liabilities	837	802	769	736
Total Gross Borrowing	95,582	111,409	127,736	130,656
Borrowing Requirement	118,340	138,591	151,626	151,859

- 5.5 The following table shows two key limits for the monitoring of debt. The Operational Limit is the likely limit the Council will require and is aligned closely with the actual CFR on the assumption that cash flow is broadly neutral. The Authorised Limit for External Debt is a further key prudential indicator to control the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or

revised by the Council. In practice it needs to take account of the range of cash flows that might occur for the Council in addition to the CFR. This also includes the flexibility to enable advance refinancing of existing loans.

Borrowing Limits	2023/24 Revised £'000	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000
Operational Limit	128,000	148,000	161,000	161,000
Authorised limit	138,000	158,000	171,000	171,000

6. INVESTMENT PRUDENTIAL INDICATORS AND OTHER LIMITS ON TREASURY ACTIVITY

Investment Projections 2023/24 – 2026/27

- 6.1 The following table sets out the estimates for the expected level of resource for investment or use to defer long term borrowing.

2022/23 Outturn £'000	Year End Resources	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
52,112	Balances and Reserves	35,973	24,734	21,409	18,689
113	Collection Fund Adjustment Account	0	0	0	0
3,250	Provisions	3,250	3,250	3,250	3,250
55,475	Total Core Funds	39,223	27,984	24,659	21,939
15,581	Working Capital	7,300	7,300	7,300	7,300
71,056	Resources Available for Investment	46,523	35,284	31,959	29,239
(18,915)	(Under)/over borrowing	(23,595)	(27,984)	(24,659)	(21,939)
52,141	Expected Investments	22,928	7,300	7,300	7,300

Sensitivity to Interest Rate Movements

- 6.2 Sensitivity to Interest Rate Movements is a prudential indicator that the Authority is required to disclose. The following table highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. These forecasts are based on a prudent view of a +/- 1% change in interest rates for the borrowing requirement that has not yet been fixed (i.e. under borrowing). Equally for investments they are based on a prudent view of the total amount invested. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by short interest rate changes.

Impact on Revenue Budgets	2024/25 Estimated 1% £'000	2024/25 Estimated -1% £'000
Interest on Borrowing	280	(280)
Investment income	(73)	73
Net General Fund Borrowing Cost	207	(207)

6.3 There are four further treasury activity limits and the purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates.

6.4 The limits are:

- i) Upper limits on variable interest rate exposure – This identifies a maximum limit for the percentage of the Council's borrowing and investments that are held with variable interest rates. The proposed limits are detailed in the following table.

Limits on Variable Interest Rates	2023/24 Upper £'000	2024/25 Upper £'000	2025/26 Upper £'000
Borrowing	75%	75%	75%
Investments	100%	100%	100%

- ii) Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit for the percentage of the Council's borrowing and investments that are held with fixed interest rates.

Limits on Fixed Interest Rates	2023/24 Upper £'000	2024/25 Upper £'000	2025/26 Upper £'000
Borrowing	100%	100%	100%
Investments	100%	100%	100%

- iii) Maturity structure of borrowing – Limits for the 'Maturity Structure of Borrowing' are intended to reduce exposure to large fixed rate sums falling due for refinancing. Previous experience has shown that it is possible to move from a position of predominantly fixed rate borrowing to variable rate borrowing and then back to fixed rate borrowing over a period of two years. In the Director of Finance, IT and Digital's professional opinion this proactive management of investments and borrowing continues to provide the most cost effective strategy for the Council, whilst not exposing the Council to unnecessary risk. The Council should ensure maximum flexibility to minimise costs to the revenue budget in the medium term. These limits are detailed in the following table:

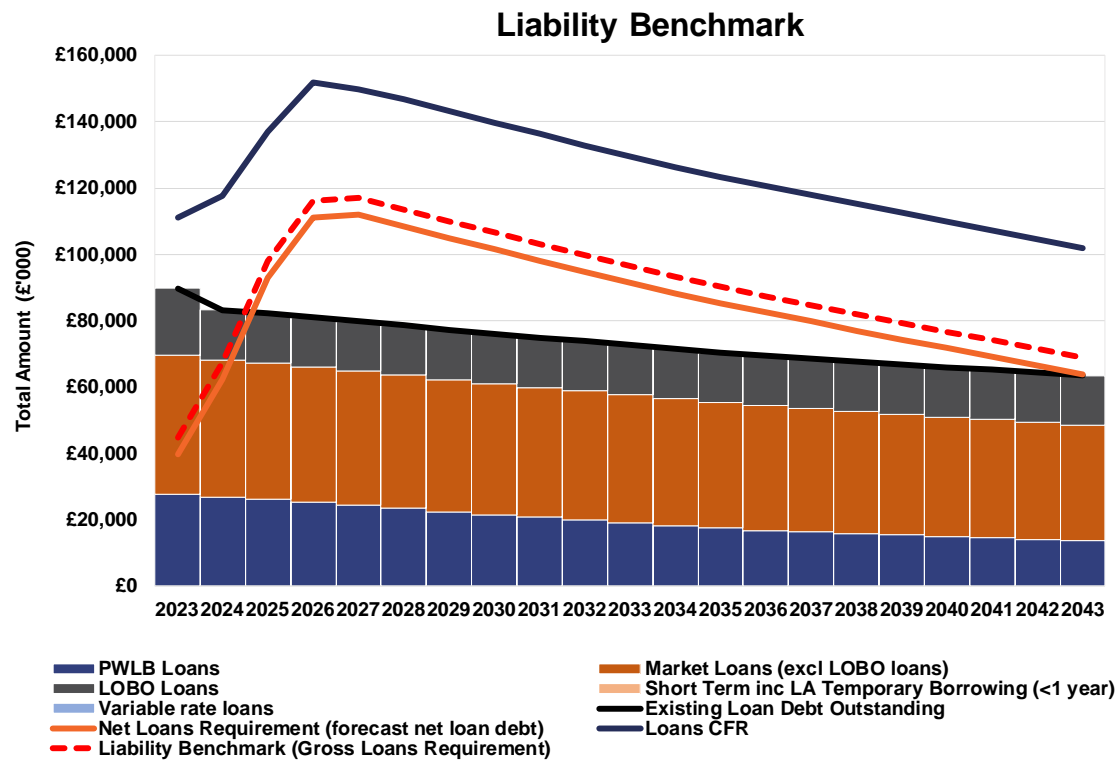
Maturity Structure of fixed interest rate borrowing 2023/24				
	2023/24	2023/24	2024/25	2024/25
	Lower Limit	Upper Limit	£000 Lower Limit	£000 Upper Limit
Under 12 months	0	90%	0	90%
12 months to 2 years	0	100%	0	100%
2 years to 5 years	0	100%	0	100%
5 years to 10 years	0	100%	0	100%
10 years to 20 years	0	100%	0	100%
20 years to 30 years	0	100%	0	100%
30 years to 40 years	0	100%	0	100%
40 years to 50 years	0	100%	0	100%
50 years to 60 years	0	100%	0	100%
60 years to 70 years	0	100%	0	100%

- iv) Maximum principal sums invested – Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and reflect the current recommended advice that investments are limited to short term investments i.e. up to one year.

Limit for Maximum Principal Sums Invested > 364 days			
	1 year	2 years	3 years
	£000	£000	£000
Maximum	20,000	0	0

Liability Benchmark

- 6.5 The liability benchmark treasury indicator is to support the financing risk management of the capital financing requirement, with material differences between the liability benchmark and actual loans. The liability benchmark is a long-term forecast of the Authority's gross loan debt based on its current capital programme and other forecast cash flow movements.
- 6.6 The chart therefore tells an authority how much it needs to borrow, when and to match maturities with its planned borrowing needs.



COUNCIL

22 February 2024

**Report of:** Finance and Policy Committee**Subject:** CAPITAL PROGRAMME 2024/25 to 2026/27**1. COUNCIL PLAN PRIORITY**

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives
- where those who are vulnerable will be safe and protected from harm
- of resilient and resourceful communities with opportunities for all
- that is sustainable, clean, safe and green
- that has an inclusive and growing economy
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to enable Members to consider the Capital Strategy for 2024/25 to 2026/27 and Capital Programme new starts 2024/25 to 2026/27 recommended by Finance and Policy Committee.

3. SUMMARY

- 3.1 The Council has, in recent years, developed an ambitious Capital Programme, ensuring investment in existing and new assets within the Borough, to support delivery of the priorities set out in the Council Plan. The report considered by Finance and Policy on 19th February 2024 draws together the Capital Programme and Capital Strategy, aligning them with the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Councils Strategic and Financial Planning Framework. The report is attached at **Annex 1**.

- 3.2 Under the Prudential Code for Capital Finance in Local Government, Councils are free to determine their own capital investment priorities to meet the needs of their local communities. However, in doing so they must have regard to the prudential code and the key considerations of prudence, affordability and sustainability. An approved Capital Strategy is a requirement of the code. This is included at **Annex 1 – Appendix 1**.
- 3.3 The strategy is designed to provide a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Councils ambitions to be met whilst ensuring that proposals are affordable and risk is minimised. It outlines the planned programme of expenditure, how the programme is governed and risk managed.
- 3.4 The strategy is, an iterative process whereby an annual review, in line with the MTFS and Treasury Management Strategy, will be undertaken in order to inform the approach going forward.
- 3.5 The report to Finance and Policy Committee also sets out the proposed new starts for approval, including associated borrowing requirements. These are set out at **Annex 1 – Appendix 2**.

4. RECOMMENDATIONS TO BE CONSIDERED BY FINANCE AND POLICY COMMITTEE FOR COUNCIL'S CONSIDERATION AND APPROVAL

- 4.1 It is recommended that Members note the report and the recommendation from the Finance and Policy Committee to;
- i) approve the Capital Strategy for 2024/25 to 2026/27, at **Annex 1 – Appendix 1**. The strategy is a requirement of the Prudential Capital Code; and
 - ii) approve the Capital Programme new starts 2024/25 to 2026/27, as set out at **Annex 1 - Appendix 2**.

Full Council will be updated verbally on any changes to the recommendations.

5. REASON FOR RECOMMENDATIONS

- 5.1 To ensure the Council has a framework, aligned to the Capital Plan and other key strategies, for which the capital and regeneration objectives of the Council are delivered.
- 5.2 To ensure the prudential borrowing impact of capital new starts is reflected in the Councils budget.

6. CONTACT OFFICER

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk
Tel: 01429 523093

Sign Off:-

Managing Director	Date: 06/02/24
Director of Finance, IT and Digital	Date: 06/02/24
Director of Legal, Governance and HR	Date: 06/02/24

FINANCE AND POLICY COMMITTEE

19 February 2024



Report of: Director of Finance, IT and Digital

Subject: CAPITAL PROGRAMME 2024/25 to 2026/27

Decision Type: Budget and Policy Framework

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- where people are enabled to live healthy, independent and prosperous lives
- where those who are vulnerable will be safe and protected from harm
- of resilient and resourceful communities with opportunities for all
- that is sustainable, clean, safe and green
- that has an inclusive and growing economy
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community

2. PURPOSE OF REPORT

2.1 The purpose of the report is:

- i) To approve the Capital Strategy for 2024/25 to 2026/27 to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code; and
- ii) To approve the Capital Programme new starts 2024/25 to 2026/27, to be recommended to Council for approval.

3. BACKGROUND

- 3.1 The Council has, in recent years, developed an ambitious Capital Programme, ensuring investment in existing and new assets within the Borough, to support delivery of the priorities set out in the Council Plan. This report draws together the Capital Programme and Capital Strategy, aligning them with the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Councils Strategic and Financial Planning Framework.
- 3.2 For completeness, the capital programme includes planned HRA investment. Decisions on HRA investment are subject to Business Cases and are included as part of the annual HRA Business Plan and updates provided to Finance and Policy Committee on a regular basis.

4. CAPITAL STRATEGY

- 4.1 Under the Prudential Code for Capital Finance in Local Government, Councils are free to determine their own capital investment priorities to meet the needs of their local communities. However, in doing so they must have regard to the prudential code and the key considerations of prudence, affordability and sustainability. An approved capital strategy is a requirement of the code.
- 4.2 The Council has well established processes and governance arrangements in place for its capital programme and Treasury Management including reporting via the Audit and Governance arrangements.
- 4.3 The Chartered Institute of Public Finance and Accountancy strengthened the code in recent years given concern around interpretation of key requirements, including commercial investments and the adverse financial impact these has on some councils. They also provided more guidance on the production of capital strategies and what constitutes “best practice”. In parallel to this strengthening, the Council embarked on a significant capital programme of approximately £168m (2023/24 to 2026/27), demonstrating our ambitions for the borough.
- 4.5 The capital strategy refresh is attached at **Appendix 1**. The strategy is designed to provide a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Councils ambitions to be met whilst ensuring that proposals are affordable and risk is minimised. It outlines the planned programme of expenditure, how the programme is governed and risk managed.
- 4.6 The strategy has regard to the Councils wider strategic framework supporting and aligning with the overall Council Plan. It sits alongside the Medium Term Financial Strategy, Treasury Management Strategy and the revenue and capital budgets for the Council. Taking a medium

to long term view, it demonstrates that the Council's capital investment plans have due regard to the Council's objectives, stewardship of assets, value for money, prudence, sustainability and affordability.

- 4.7 Specifically, the objectives of our Capital Strategy are to ensure it provides:
- An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority's policies on capitalisation;
 - A long-term view of the Council's capital expenditure plans;
 - An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
 - Any restrictions around borrowing or funding of ongoing capital finance.
- 4.8 The strategy is, an iterative process whereby an annual review, in line with the MTFS and Treasury Management Strategy, is undertaken in order to inform the approach going forward.

5. CAPITAL PROGRAMME

- 5.1 The capital programme detailed at **Appendices 3 to 9**, includes schemes previously approved by relevant Committees and Council. The full programme is included to ensure Members are provided clarity on the depth and breadth of the programme over the medium term and to ensure a point of reference for the quarterly monitoring reports to Finance and Policy Committee.
- 5.2 It should be noted that the programme includes schemes due to conclude in the current financial year. A review of the programme post year end will be undertaken to ensure remaining live schemes are still required, given the need to prioritise capacity for our key capital projects.
- 5.3 Any new schemes or amendments to existing schemes are shown at **Appendix 2**. Please note some schemes which link to recurring annual capital grant allocations are included as estimates, pending confirmation being received. These specific capital grants are for investment in a number of key priority areas including schools, Disabled Facilities Grants and the Local Transport Plan. These resources can only be spent in accordance with specific grant conditions and as such are allocated to those service areas.
- 5.4 The Capital programme (including the new start schemes at appendix 2), for the period 2023/24 to 2026/27 is shown in the table below, with detailed scheme breakdowns for each area shown at **Appendix 3-9**;

Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget Revised	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Regeneration	119,111	6,861	10,035	72,097	28,818	0	1,300
Adult and Community Services	9,704	1,538	3,437	2,285	1,222	1,222	0
Childrens and Joint Commissioning	14,052	859	3,154	8,639	700	700	0
Development, Neighbourhoods and Regulatory	29,930	2,430	7,325	11,995	5,477	2,703	0
Corporate	947	43	150	754	0	0	0
Housing Revenue Accounts (HRA)	9,042	3,482	2,627	2,933	0	0	0
TOTAL Expenditure	182,786	15,213	26,728	98,703	36,217	4,625	1,300
Capital Programme Total 2023/24 - 2026/27					167,573		

5.5 The Funding of the above Capital Programme is summarised in the table below;

Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget Revised	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Government Grants	60,644	3,860	10,982	33,675	10,205	1,922	0
Other Grants and Contributions	64,635	7,493	11,498	33,611	9,497	2,536	0
Revenue Contributions	3,286	40	605	2,641	0	0	0
Earmarked Reserves	3,689	142	705	2,842	0	0	0
Capital Receipts	418	37	29	202	0	0	150
Prudential Borrowing	50,114	3,641	2,909	25,732	16,515	167	1,150
TOTAL Funding	182,786	15,213	26,728	98,703	36,217	4,625	1,300
Capital Programme Total 2023/24 - 2026/27					167,573		

Variations

5.6 In year variations to the capital programme are reported as part of quarterly budget monitoring update reports to Finance and Policy Committee.

6. FUNDING

6.1 The Capital Programme is funded through 3 main sources; external grant funding and contributions, council borrowing and other council resources i.e. reserves and revenue contributions. Full details by area are provided in 5.5 above and **appendices 3-9**.

6.2 The Council continues to seek to maximise external funding sources to fund the Capital Programme, in order to limit the amount of financing from borrowing or other council resources. The Programme includes

significant funding from Government, the Tees Valley Combined Authority and various other grant funding bodies.

- 6.3 The Council has a low ratio of financing costs to overall net revenue budget, with less than 7% of our net budget spent on servicing borrowing. This is set out in the Capital Strategy and reported to Audit and Governance Committee on a regular basis. This is a key ratio demonstrating the continued affordability of the Capital Programme.
- 6.4 When a capital asset is no longer needed, we will seek to sell this asset, if appropriate, to generate capital receipts. Capital receipts can be used to provide more flexibility on funding to minimise borrowing costs or under government financial flexibility arrangements be used to fund revenue costs associated with service transformation.
- 6.5 Where applicable, S106 contributions are maximised and allocated to housing and non-housing capital schemes as appropriate. The on-going position with regard to developer contributions is included within the quarterly finance updates.

7. RISK IMPLICATIONS

- 7.1 There are no direct risk implications arising from approving the Capital Programme and adopting the Capital Strategy. The risk management of individual schemes and the wider Capital Programme is addressed as part of the capital strategy and recognises that overall capacity to deliver schemes is at a premium which may require future prioritisation. This being a key point being highlighted as part of the recent Peer review.

8. FINANCIAL CONSIDERATIONS

- 8.1 There are no direct financial implications arising from adopting the Capital Strategy.
- 8.2 The financial considerations of individual schemes and the wider capital programme are addressed as part of the details contained in this report and as part of the governance and approval process as set out in this strategy.

9. OTHER CONSIDERATIONS

Legal Considerations	No relevant issues
Consultation	No relevant issues
Child / Family Poverty	No relevant issues
Equality and Diversity	No relevant issues
Staff Considerations	No relevant issues
Asset Management considerations	No relevant issues
Environment, sustainability and climate change considerations	No relevant issues

10. RECOMMENDATIONS

10.1 It is recommended that Members;

- i) approve the Capital Strategy for 2024/25 to 2027/28, at **Appendix 1**, to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code;
- ii) approve the Capital Programme new starts 2024/25 to 2026/27, as set out at **Appendix 2**, to be recommended to Council for approval;
- iii) approve the delegation to relevant policy committees to approve detailed schemes arising from confirmed specific grant allocations as set out in **Appendix 2**;
- iv) agree that any capital receipts generated will be considered for funding the existing capital programme or financial flexibility arrangements be used to fund revenue costs associated with service transformation as set out in paragraph 6.5; and
- v) note the capital programme (including new starts) set out on **Appendices 3-9**.

11. REASON FOR RECOMMENDATIONS

- 11.1 To ensure the Council has a framework, aligned to the Capital Plan and other key strategies, for which the capital and regeneration objectives of the Council are delivered.
- 11.2 To refer the Capital Programme to Council as part of consideration of the 2024/25 technical Budget and Council Tax calculations to Council.

12. BACKGROUND PAPERS

- 12.1 None

13. CONTACT OFFICER

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk
Telephone: 01429 523093

Paul Dixon
Assistant Director - Corporate and Financial Services
Email: paul.dixon@hartlepool.gov.uk
Telephone: 01429 523188

Sign Off:-

Managing Director	Date: 06/02/24
Director of Finance, IT and Digital	Date: 06/02/24
Director of Legal, Governance and HR	Date: 06/02/24

Hartlepool Borough Council

Capital Strategy 2024/25 to 2026/27

1. Executive Summary
2. Background
3. Strategic Framework
4. Objectives of the Capital Strategy
5. Strategic Context
6. Investment Priorities
7. Capital Programme
8. Capital Governance
9. Housing Revenue Account
10. Commercial Investment
11. Treasury Management and Affordability
12. Asset Management Planning
13. Risk Management
14. Skills and resources

1. Executive Summary

This strategy provides a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Council's ambitions to be met whilst continuing to ensure that proposals are affordable and risk is minimised. It sets out how the Council will invest £168m (2023/24 to 2026/27) in the town's assets, much of which has been secured through successful external funding bids, helping to regenerate and grow the economy.

It aligns with the Medium Term Financial Strategy (MTFS) of the Council and sets the basis for decisions on capital spend for the 2024/25 budget.

2. Background

The government recognises that capital investment is essential for enabling local authorities to deliver economic regeneration, housing and school improvements, and to support service transformation, and is used well by many authorities.

The current system to regulate capital finance, in place since 2004, is based on the principle of local decision making and accountability. Local authorities are free to determine their own Capital Strategies and decide how they deliver services on the principle that they are best placed to make the decisions needed to support their local communities.

Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. The key messages from the Code is, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.

CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning. A Capital Strategy is part of the Prudential Code requirements.

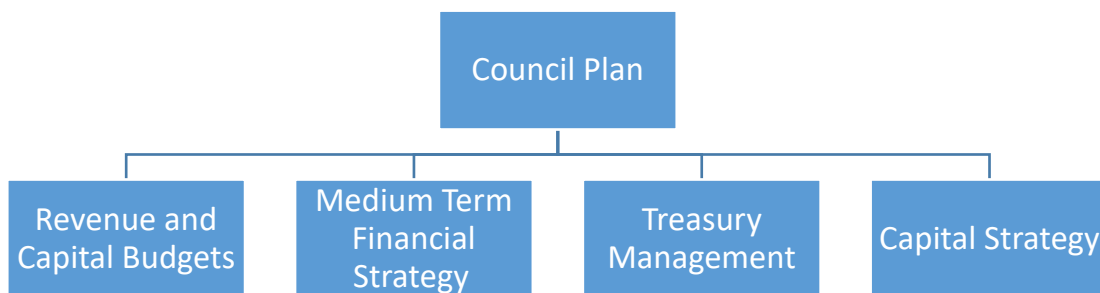
The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document. Our Capital Strategy needs to reflect the standards outlined in the CIPFA Financial Management Code of Practice.

Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property, plant or equipment that have a useable life of more than one year. This can include spending on assets owned by the Council, by other bodies, as well as loans and grants to other bodies to enable them to buy or improve assets.

3. Strategy Framework

The Capital Strategy is an integral part of the Council's Strategic and Financial Planning Framework, which sets out to sustainably deliver the Authorities vision, plans and objectives.



In February 2021, a Council Plan was formally adopted. The Council Plan sets out our vision for Hartlepool:

“Hartlepool will be a place...

- where people are enabled to live healthy, independent and prosperous lives;
- where those who are vulnerable will be safe and protected from harm;
- of resilient and resourceful communities with opportunities for all;
- that is sustainable, clean, safe and green;
- that has an inclusive and growing economy; and
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.”

An update of the Council Plan is currently underway and is being informed by extensive consultation with residents, businesses and wider stakeholders in the Borough. Following this, the new plan will be developed in the coming months and presented to members for approval. This plan will inform and drive the strategic direction for the Council in to the medium term.

Capital Strategy

The Capital Strategy provides that fourth important pillar, linking capital expenditure and financing to the delivery of our vision, priorities and objectives as set out in the Council Plan, to ensure sustainable growth for Hartlepool. The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the

Council's services and informs decisions on capital spending priorities. In addition as part of the Strategy, the Director of Finance, IT and Digital, reports explicitly on the affordability and risk associated with the Capital Strategy. Inevitably the full picture of the control system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements.

4. Objectives of the Capital Strategy

A Local Authority Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services and ambitions of the Council Plan, along with an overview of how associated risk is managed and what the implications might be for future financial sustainability.

While the strategy should be tailored to Hartlepool Borough Council's individual circumstances, it is required to include detail on capital expenditure, the Council's investments, liabilities and treasury management, along with sufficient detail to allow members, residents and council stakeholders to understand how stewardship, value for money, prudence, sustainability and affordability will be secured, and how the Council will meet legislative reporting requirements.

Consequently, planning and managing the use of the Council's capital resources is vital. This includes understanding the role that these assets play in the delivery of services and ensuring that the authority's asset base remains fit for purpose.

Capital expenditure is technically described as "Expenditure on the acquisition, creation, or enhancement of 'long term assets'". This is items of land, property and plant which have a useful life of more than 1 year. The definition of capital investment is wider than that of capital expenditure. The Department of Levelling Up, Housing and Communities (DLUHC) Guidance on Local Authority Investment states "The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate profit; for example, investment property portfolios. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party."

The objectives of our Capital Strategy are to ensure it provides:

- An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority's policies on capitalisation;
- A long-term view of the Council's capital expenditure plans, where long term is defined by the financing strategy of and risks faced by the authority with reference to the life of projects/assets;
- An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
- Any restrictions around borrowing or funding of ongoing capital finance.

Our strategy will also include:

- The Council's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources;
- Requirements for independent, expert advice and scrutiny arrangements;
- An overview of our governance process for approval and monitoring and ongoing risk management of other financial guarantees and long-term liabilities; and
- A summary of the skills and resources available to the Council.

The Capital Strategy will continue to develop over the coming years as we progress with our ambitious regeneration and capital programme.

5. Strategic Context

During its rich history, the town of Hartlepool has played a regionally, nationally and internationally important role in numerous activities and technologies including seafaring, rail travel, coal mining, steel production, nuclear energy, renewables and tourism. Hartlepool today is:

- A productive place, with relative strength in energy, manufacturing and construction. Its ports, power and a producer workforce continue to make an increasing contribution to national and regional productivity;
- An important sub-regional service centre, with large retail, education and healthcare sectors providing services and employment to the local population; and
- A growing visitor destination, attracting over 3.7 million visitors a year bringing £235m in to the local economy.

Periods of decline have created social and economic challenges for the residents of Hartlepool. The town still suffers from significant socioeconomic challenges linked to economic inactivity, unemployment, a depressed skills market, low levels of productivity and job availability. Maritime, skills, enterprise, innovation, heritage and landscape assets however all present opportunities to transform the town. The Council continues to undertake significant work to engage with wide ranging stakeholders and develop an evidence base for to strategically plan the Boroughs growth for the next 10 years.

As a result, the Council and its key stakeholders set out a vision for:

“.....a modern, connected, vibrant and liveable waterfront town - an inclusive, proud and productive town where aspiration and creativity are valued - a town which supports and welcomes visitors, learners and innovative businesses - where people are inspired and enabled to get more out of their work and investment - which promotes itself with pride and makes its mark in the wider world”

Hartlepool Investment Plan 2020

This is the vision for the Hartlepool Investment Plan, which the Council and its stakeholders developed and published in January 2020 as the ‘Charter for Change’. It sets out that we are prepared to lead the evolution of Hartlepool – providing the up-front investment of time, capital, energy and creativity, to secure the rewards of a modern town with a 360° economy. It is based on the premise and evidence that wider financial and commercial returns will come once the economic value and wellbeing of the town is on the up - with better skills, healthier people, more visitors and more economic engagement.

The Hartlepool Investment Plan can be viewed at: [Hartlepool Investment Plan](#)

Town Centre Masterplan 2021

Following the success of a partnership approach to the development of the Town Investment Plan in 2020, the Council undertook extensive engagement to develop a focused and ambitious Town Centre Masterplan to begin bringing those investment priorities to life. The Masterplan, adopted by the Council in November 2021, establishes a 20-year vision for rediscovering Hartlepool as:

“A well-connected vibrant and liveable waterfront town”. It outlines opportunities for transformative change in Hartlepool town centre – reimagining the town centre itself and considering ways in which this adapted to better suit the needs and purposes of the residents and visitors it serves.

The investment priorities within both these key strategic documents are described in section 6.

The Town Centre Masterplan can be viewed at:

[Summary Masterplan Report | Hartlepool Town Centre Masterplan | Hartlepool Borough Council](#)

Inclusive Growth Strategy 2022-25

Following consultation with businesses and stakeholders in early 2022 to set out Hartlepool’s economic growth priorities in the coming years, a Hartlepool Inclusive Growth Strategy 2022-25 has been published.

The strategy was developed through consultation with wide ranging stakeholders and in partnership with the Economic Regeneration and Tourism Forum. The strategy draws on data and economic insights to understand the current health of Hartlepool’s economy relating to areas such as business survival rates, employment, education, skills and productivity. It is focused around three themes – developing people; developing business; and developing place.

In addition to the strategy, an action plan has been published detailing the specific projects and initiatives that will deliver the ten point plan.

The Inclusive Growth Strategy can be viewed at:

[Hartlepool Inclusive Growth Strategy 2022-25 \(investinhartlepool.co.uk\)](https://investinhartlepool.co.uk)

Long Term Plan for Towns

Announced in Autumn 2023, Hartlepool was identified as one of 55 towns by the Government to be part of their Long Term Plan for Towns (LTPT). A new endowment style funding programme that will release funding over a period of time giving Council's flexibility to spend up to £20m (split 75% capital and 25% revenue) over 10 years.

The funding conditions include the establishment of a Town Board, responsible for developing the Long-Term Plan, working closely with local people and advising the Council on how best to use the money.

Once a Board has been established Government will release approx. £200,000 in capacity funding to support the development of the Long Term plan which should comprise a 10 year vision, identifying longer-term priorities for the town and a 3 year investment plan.

The 10 year vision should be a long-term strategic document, backed by insights gained through engagement with local people to create public buy-in. Detailed interventions do not need to be set out as part of the 10 year plan, however detail about investment and interventions must be included in the 3 year investment plan annex.

Tees Valley Investment Context

In January 2019, the Tees Valley Combined Authority agreed an Investment Plan for 2019-2029, which set out the focus for investments to create new jobs, grow the skills base and improve infrastructure across the 5 Local Authority areas in the region, including Hartlepool. TVCA's Devolution Deal with Government in 2015 provides for the transfer of significant powers for employment and skills, transport, and investment together with the first Mayoral Development Corporation outside London.

Through the deal, the Combined Authority has the power to create an Investment Fund, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £15m a year funding allocation over 30 years.

To maximise the amount of investment in Tees Valley, a Strategic Economic Plan (SEP) has been developed which sets out the steps that are being taken to overcome the barriers to business growth within Tees Valley, placing SMEs, innovation and individuals at the centre of our region's growth ambitions.

The SEP includes priorities to improve, diversify and accelerate growth in the local economy to benefit businesses and residents with the ambition to create 25,000 jobs and add £2.8bn to the economy by 2026. The aim is to become a high-value, low-carbon, diverse and inclusive economy, and therefore it has been identified that investment will be channelled into five main strategic priorities:

- Business Growth;
- Research, Development, Innovation & Energy;
- Education, Employment & Skills;
- Culture and Tourism; and
- Transport & Infrastructure

Hartlepool Destination Management Plan

The creation of a Hartlepool Waterfront Destination Management Plan (DMP) is a condition of the Hartlepool Waterfront Regeneration Programme funding from TVCA. This is to ensure the £50m public sector investment in the area delivers the visitor economy growth that is expected. By identifying a vision for the growth of Hartlepool's tourism economy and creating a strategic focus for the development of the town's tourism offer, a Hartlepool DMP is intended to support Hartlepool Borough Council and its partners to increase visitor numbers and to capture the economic benefits from those visitors.

The Hartlepool DMP identifies the following three core objectives for the visitor economy of Hartlepool:

- To create a coherent, distinctive proposition to take to market which supports the visitor economy in Hartlepool;
- To create a year-round, all-day destination offering high-quality (and active) experiences for local people and for leisure and business visitors; and
- To increase economic benefits through increased spend from more day visitors, staying longer – and, over time, more over-night staying visitors.

Hartlepool Development Corporation Masterplan

Established in 2023 the Hartlepool Development Corporation provides an opportunity to accelerate regeneration, influence government policy and leverage private investment to deliver a step change in the local economy and create jobs.

A Development Corporation Board has been established for Hartlepool Development Corporation (HDC). This is chaired by the Tees Valley Mayor and includes representatives from both the public and private sector. It will be responsible for overseeing the HDC to help it reach its goals.

A Masterplan has been developed to guide the transformation of the Hartlepool HDC area. The document is intended to function as a live investment guide and to define place-making objectives for the HDC area. A design guide is being developed to sit alongside the Masterplan providing detail about the quality and characteristics for development. The HDC Masterplan comprises three distinct areas: the town centre and the Oakesway and Queens Meadow Business Parks which exist to the north and south of the town. These areas have been chosen as they represent areas where the HDC, its partners and stakeholders, can accelerate and enhance development which overcomes key spatial, land use and connectivity challenges. The HDC aims to transform Hartlepool town centre and complement existing activity being undertaken by HBC. [Link here:](#)

More details can be found here;

[TV_Hartlepool-MDC-Report-13-Digital_Compressed.pdf \(teesvalley-ca.gov.uk\)](https://teesvalley-ca.gov.uk/TV_Hartlepool-MDC-Report-13-Digital_Compressed.pdf)

6. Investment priorities

Taken together with the vision set out in the Council Plan, the key strategic documents detailed in section 4 set the foundation, evidence and need for our investment priorities and articulate the pipeline of projects and programmes that need to be delivered to achieve our vision. They strongly shape, and provide the evidence for, our long term investment plans.

Hartlepool Borough Council approved its Capital and Indigenous Growth Investment Plan in 2020 with external grant funding taking the total potential investment to over £50m. The core of the programme will support the ambition for a compact and connected waterfront town. Prudential borrowing, Tees Valley Combined Authority co-funding and other secured grants are being directed towards new developments and enhancements of Hartlepool Waterfront to include:

- Expansion of the National Museum of the Royal Navy including new exhibits and exhibition halls;
- Council's new strategic leisure attraction, Highlight, including sports and leisure facilities; and
- Public realm and public art, including a new events space.

The priorities that the Town Centre Masterplan clearly articulates in establishing a new "Heart of Hartlepool" are:

1. Changes to usage and function of retail space in Middleton Grange Shopping Centre;
2. Redevelopment potential of the 'Civic Quarter';
3. Increased capacity and connectivity of Hartlepool Rail Station from 2023 through the re-commissioning of a second platform, new northern entrance and new pedestrian rail bridge;
4. Waterfront visitor and leisure destination; the new strategic leisure facility and events space for the Borough on Jackson's Landing and expansion and reconfiguration of National Museum of Royal Navy on adjacent site;
5. Continued growth of skills and education provision through Hartlepool FE College and Northern School of Art – including new film & TV studios in Hartlepool town centre; and
6. Redevelopment, growth and diversification ambitions of Hartlepool United Football Club.

Town Deal and Levelling Up

The investment plans also define our priorities that are being delivered under the governments Town Deal Fund and Levelling Up programmes.

In 2021 the Council secured £25m in capital funding under Town Deal to deliver five key priority capital projects with a range of delivery partners:

- £13.8m Re-imagining Middleton Grange Shopping Centre;
- £1.4m Wesley Chapel redevelopment;
- £6.2m Waterfront connectivity project;
- £1.25m Development of a Health and Social Care Academy; and
- £2.25m Development of a Civil Engineering Academy

These projects are demonstrating the ambition of the Council to deliver on its bold vision and Masterplans for the town.

The Council has also secured £16.5m from Round 2 of the governments Levelling Up Fund. The project will create a 'Screen Industries Production Village' in Hartlepool's extending Town Centre to engender a step-change in economic growth and development. More specifically, the project will comprise c. £16.5 million of regeneration activity to catalyse the development of a Production Village, including:

- Land assembly through targeted acquisition of property;
- Construction of flexible commercial/workshop/accommodation floor space;
- Restoration of strategic heritage assets; and
- Extensive public realm and amenity enhancements

The current economic environment of high inflation and funding uncertainty however is likely to impact on the Council's capital ambitions over the period. This will be kept under close review to ensure priority schemes are best placed to be delivered. Ultimately the size and scope of our capital ambitions is heavily reliant on our ability to lever in external funding sources.

The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project

In 2018 the Hartlepool Local Plan identified two main westward growth areas: the South West Extension and growth in the Elwick Road area. It was recognised that highway improvements to the Elwick Road corridor are necessary to support development of these growth areas to deliver future growth of the Borough. The junctions at Elwick Village and Dalton Piercy have, historically and on an ongoing basis, given rise to safety concerns.

The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project has developed through the Local Plan in conjunction with discussions between the Local Authority and Highways England (now National Highways). Safety and capacity issues resulted in planning conditions being imposed on planning permissions reflecting Highways England's concerns that the current road network could not fully accommodate all additional traffic movements, and which would otherwise adversely impact on Elwick Village.

Proposed road infrastructure improvements will accordingly address these concerns and improve the quality, safety and reliability of the network over the Local Plan period (2016-31) and beyond. The proposed highway network upgrade will also reduce traffic levels through Elwick Village and improve safety and amenity for residents. The application for Planning Approval went before Planning Committee on the 10th January 2023 where it was approved. A period of detailed design will now commence whilst the land acquisition continues.

Other Capital Priorities

In addition to the significant investment outlined above, the Council will continue to prioritise schemes that align with the vision in the Council Plan, maximising external funding opportunities to do so. Examples include, but are not limited to:

- Investing in schools and education through devolved funding, supporting our aim for resilient and resourceful communities with opportunities for all;
- Fully utilising Disabled Facilities Grants and investing in the drug and alcohol services to ensure those who are vulnerable will be safe and protected from harm and that people are enabled to live healthy, independent and prosperous lives; and
- Investing in our Housing provision and optimising warm home initiatives and grants to support a sustainable, clean, safe and green Hartlepool.

Given the extent of the capital programme, there is, however, a recognition that prioritisation is required in order to ensure successful delivery of key projects in the future.

7. Capital Programme

This vision and investment plan has led to an increasingly ambitious capital programme. The current approved on-going capital programme is for over £168m (2023/24 – 2026/27) with some significant regeneration projects. The capital programme will grow given approval of the recent Levelling Up submission.

The Capital programme, including new start schemes (appendix 2) for the period 2023/24 to 2026/27 is shown in the table below:

	Spend to 31 March 2023 £000	Current and Future Years £000
Major Regeneration Schemes	6,861	112,250
Adult and Community Based Services	1,538	8,166
Children's and Joint Commissioning	859	13,193
Development, Neighbourhoods & Regulatory	2,430	27,500
Corporate	43	904
Housing Revenue Account (HRA)	3,482	5,560
Total Capital Programme	15,213	167,573

The Funding of the above Capital Programme is summarised in the table below;

	Spend to 31 March 2023 £000	Current and Future Years £000
External Funding – Government Grants	3,860	56,784
External Funding – Other Grants and Contributions	7,493	57,142
Revenue Contributions	40	3,246
Earmarked Reserves	142	3,547
Capital Receipts	37	381
Prudential Borrowing	3,641	46,473
Total Capital Programme	15,213	167,573

8. Capital Governance

With increasing ambition and capital investment the need for strong governance of the capital programme is increasingly important.

At a strategic level the Capital Strategy provides members with the opportunity to consider and fully understand the overall strategy, governance arrangements and risk appetite underpinning it. The strategy and the accompanying detailed capital programme sit alongside the medium term financial strategy and inevitably can have a revenue implication. The strategy should therefore be

considered in conjunction with the budget proposals for the following year and over the MTFS period.

The annual capital programme sets the basis for monitoring arrangements in year, reported to Finance and Policy on a quarterly basis. The monitoring presented provides updates as necessary, as well as the financial position. In addition, the Audit and Governance receive quarterly reports to include an update on Treasury Management and Prudential Indicators as required by the Prudential Code.

Underpinning the monitoring being reported to Finance and Policy, there sits a formal governance structure, focused specifically on the major schemes, as detailed below:



These governance arrangements are nuanced by scheme to ensure high priority and high risk schemes are suitably supported and managed.

This governance initially considers any significant new schemes prior to going to relevant committee and finance and policy, before inclusion in overall programme. However, any schemes can be called into this governance arrangement if deemed necessary. For more routine capital financing, existing avenues via relevant Directorates, Programme Management Board, Executive Leadership Team and policy committees will still stand. This includes;

- Vehicle replacement;
- Highways maintenance;
- Disabled Facilities Grant; and
- Education spend fully funded by devolved capital grants or equivalent.

9. Housing Revenue Account

The Council began investing in social housing in 2010 and re-opened its Housing Revenue Account (HRA) on the 1 April 2016. The HRA is a separate ring fenced account and all costs, including capital debt servicing, have to be met from rental income. The Council has a current stock of just over 350 properties with further opportunities to purchase and build new homes in Hartlepool being explored.

Decisions on HRA investment plans are approved, through the annual Business Plan presented to Finance and Policy Committee.

The latest HRA Business Plan can be viewed at item 5.1:
[Agendas, reports and minutes | Hartlepool Borough Council](#)

10. Commercial investment

Commercial investment is an area of both contention and concern within Local Government. Given the reduction in local government grant since 2010, many local authorities have sought to mitigate that loss by increasing their property portfolio with the primary purpose being for financial return. In some instances this has been investments outside of their geographic area.

This practice has drawn concern from the Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA around both the risks and security of these funds. As a consequence CIPFA strengthened the Prudential Code that Local Authorities are required, by regulation, to have regard to. In doing so the Code explicitly requires that Local Authorities must not borrow to invest 'primarily for financial return'. Therefore, should the Council choose to invest primarily for financial return it will be required to set out how it has complied with or had regard to the Code.

To date the Council has not entered into any investment decisions (outside of Treasury Management transactions) that are primarily for financial return. There are no plans to do so.

However, there may be the requirement for Council funding in future regeneration that, as a consequence, provide a commercial return. The scenario may also arise whereby Council funding, with an associated return, is required to make a scheme financially viable. Should such occurrences be proposed, a clear regeneration, economic development or service requirement would be required and demonstrable. Fundamentally there would need to be a socioeconomic benefit for the people of Hartlepool, consistent with how this is defined in the Treasury's green book guidance.

In such instances the governance and approval process set out in Section 8 would be followed.

The Council is required to produce an annual Investment Strategy. This requirement is detailed within the annual Treasury Management Strategy.

11. Treasury Management and Affordability

Effective Treasury Management ensures that the Council keeps sufficient cash to meet the Council's spending needs whilst ensuring the risks involved are appropriately managed. On a day to day basis the Council tends to be "cash rich" as income (government grants, Council Tax etc.) tends to be received prior to expenditure. Whilst this excess cash is used to temporarily fund capital expenditure, over the medium to long term we are required to borrow to fund the capital programme. An effective Treasury Management strategy is therefore essential in the funding of the capital strategy and programme.

The Treasury Management strategy is approved by Full Council each year. The continuing objective of the strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate, thus ensuring costs to the revenue budget are minimised. In doing so the Council uses cash surplus to temporarily reduce overall borrowing, an approach known as internal borrowing.

Total borrowing therefore remains below our Capital Financing Requirement (CFR). The following table outlines the projection of debt to CFR.

Financing v Debt	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
CFR	118,340	138,591	151,626	151,859
Net Debt	94,745	110,607	126,967	129,920
(Under)/Over Financed	(23,595)	(27,984)	(24,659)	(21,939)

As previously set out, affordability, especially in the current environment, is critical to the Council's capital ambition. Any increase in the Council's revenue budget that is committed to capital financing limits the availability of funding for other services. However, clearly there are nuances to this – capital investment often has an Invest to save business case or levers in other investment / benefits for the revenue budget.

The indicator below sets out the gross capital financing budget as a percentage of the current net revenue budget and how this is projected to change over the period. Whilst no formal benchmarking exists, informal benchmarking suggests that this remains low. All capital financing is considered affordable prior to any borrowing taking place.

Gross Financing Costs v Net Revenue Budget	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
% Indicator	6.70%	6.58%	7.13%	7.94%

Treasury Investments are made where the Council holds an excess of cash and through cash flow management knows it can make short / medium term

investments to generate returns. Investments made for service reasons or financial return (e.g. commercial property) are not considered treasury investments.

The primary objectives of the Council's investment strategy in order of importance are:

- Safeguarding the re-payment of the principal and interest of its investments on time (security);
- Ensuring adequate liquidity; and
- Investment return.

12. Asset Management Planning

To ensure that capital assets continue to be of long-term use, the Council has developed and approved an updated Strategic Asset Management Plan. The plan sets out how the Council will effectively manage, use and review the assets it holds.

When a capital asset is no longer needed, we will seek to sale this asset, if appropriate, to generate capital receipts that can fund spend on new assets or used to repay borrowing.

13. Risk Management

Any capital programme carries risk. However risk should not prevent the progression of an ambitious capital strategy and programme. Instead there needs to be an understanding of the level of risk involved on projects and clear mitigation where possible. Risk comes in many forms, including financial, reputational, social, staffing, legal and environment. These all need managing as part of projects.

The financial position of the Council means that financial risk has to be a key consideration and area where mitigation is required.

Ultimately the risk is managed by the project boards and project manager/sponsor following the governance arrangements outlines in Section 8 above.

Key risks and associated mitigation are set out in the table below.

Risk	Detail and Mitigation
Funding	The Council's financial position necessitates that external funding opportunities are explored and maximised in order to ensure affordability of projects, particular major regeneration projects. The funding risk is mitigated by ensuring that external funding is confirmed or is highly likely prior to contract tender stage. Where conditions are attached these are clearly understood and adhered to.

Interest Rate	Where borrowing is required to finance the capital programme the Council is exposed to interest rate risk. An increase in interest rates would add an additional cost to the revenue budget. This risk is mitigated by pro-active Treasury Management and temporary use of cash reserves where available. For the Highlight development, future dated borrowing has been undertaken to fix the interest rate thus achieve a low rate of interest and removing this risk. Opportunities to do so in the future will continue to be explored.
Inflation	Delivering capital projects are vulnerable to inflation. This is particularly pertinent in the current circumstances as the economic recovery from Covid, and the wars in Ukraine and the Middle East pushes inflation higher, particularly within the construction sector. Project costs include a latest estimate of inflation as well as a contingency for major projects. For minor works there is often the ability to flex the programme to minimise this risk. In addition the Council has earmarked uncommitted capital receipts and temporary MRP savings to address any short term risk.
Legislation	Any changes in legislative requirements and regulations has the potential to impact on capital projects, given the need to comply with latest legislation. The Council ensures that capital schemes comply with current legislation and horizon scans to ensure that any likely future changes are fed into capital schemes as appropriate.
Cost Estimate	A significant risk on major schemes is project cost estimates. As more information comes to light, for example ground conditions, utility requirements or diversions, material requirements, cost estimates are revised accordingly. The Council mitigates this risk by ensuring appropriately qualified staff and external organisations are utilised, “optimism bias” is considered and external requirements are complied with, and a suitable contingency is held at the various design stage. Ultimately this risk is only addressed when contracts for works are tendered and let.
Project delivery / capacity	Successful delivery of major capital projects requires significant staff input that can lead to capacity constraints. The Council has increased capital capacity through the Assistant Director – Development and Growth and project team, in addition to bringing in external support as appropriate. Capacity issues will require careful monitoring to ensure any impact on delivery is mitigated.

Ultimately the risk is managed by the project boards and project manager and /or sponsor following the governance arrangements outlines in Section 8 above.

14. Skills and resources

Section 8 set out the governance arrangements underpinning the capital strategy, approval and monitoring arrangements. To support these arrangements, the Council ensures that all the respective disciplines involved in the process have the necessary qualifications, experience and skills to carry out their roles.

Officers are encouraged to undertake necessary training courses and Continued Professional Development so as to ensure qualifications and skills are up to date and emerging issues, regulatory changes and best practice are understood and implemented where necessary.

Where appropriate, external support is utilised to ensure the capacity and the capital programme can be delivered to the best possible outcome. These engagements may cover individual work packages for example business case development, project appraisal, regulatory compliance, as well as specialist technical advice and support.

Members are provided with financial overview training on induction. Where future gaps or demand for additional training are identified, this will be provided either in house or externally as appropriate.

FORECAST ADDITIONAL CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2024/25 TO 2026/27

	Forecast Resources 2024/25 (Grants Provisional)				Forecast Resources 2025/26 (Grants Provisional)				Forecast Resources 2026/27 (Grants Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Specific Capital Grants												
Devolved Formula Capital (Schools) - Note 1	0	0	86	86	0	0	86	86	0	0	86	86
Disabled Facilities Grant (Better Care Fund) - Note 2	0	0	1,222	1,222	0	0	1,222	1,222	0	0	1,222	1,222
Local Transport Plan - Structural Highways Maintenance - Note 3	0	0	1,526	1,526	0	0	1,526	1,526	0	0	1,526	1,526
Local Transport Plan - Integrated Transport Block - Note 3	0	0	725	725	0	0	725	725	0	0	725	725
Local Transport Plan - Pot Hole - Note 3			285	285	0	0	285	285			285	285
Schools Capital Programme - Note 4	0	0	614	614	0	0	614	614	0	0	614	614
	0	0	4,458	4,458	0	0	4,458	4,458	0	0	4,458	4,458
Departmental Prudential Borrowing - Funded from Specific Business Cases												
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Vehicle Procurement	3,436	0	0	3,436	2,851	0	0	2,851	77	0	0	77
	3,526	0	0	3,526	2,941	0	0	2,941	167	0	0	167
Total Forecast Resources	3,526	0	4,458	7,984	2,941	0	4,458	7,399	167	0	4,458	4,625

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2023/24 allocation. Government has stated that the 2024/25 allocations can be used as an indication of future allocations.

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

Note 3 - Allocations for 2024/25 and future years have not yet been confirmed. For planning purposes it has been assumed that LTP funding will remain at 2023/24 levels.

Note 4 - Schools Capital Programme includes an estimate of £0.614m Schools Condition Grant and £0 High Needs Provision Capital Allocation (HNPCA) - will be announced early 2024 for 2024/25. The forecasts from 2025/26 onwards are based on the 2023/24 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations.

Capital Programme - Summary

Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget Revised	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Regeneration	119,111	6,861	10,035	72,097	28,818	0	1,300
Adult and Community Based Services	9,704	1,538	3,437	2,285	1,222	1,222	0
Children's and Joint Commissioning	14,052	859	3,154	8,639	700	700	0
Development, Neighbourhoods and Regulatory	29,930	2,430	7,325	11,995	5,477	2,703	0
Corporate	947	43	150	754	0	0	0
Housing Revenue Accounts (HRA)	9,042	3,482	2,627	2,933	0	0	0
TOTAL Expenditure	182,786	15,213	26,728	98,703	36,217	4,625	1,300

Capital Programme Total 2023/24 - 2026/27 **167,573**

Funding							
Government Grants	60,644	3,860	10,982	33,675	10,205	1,922	0
Other Grants and Contributions	64,635	7,493	11,498	33,611	9,497	2,536	0
Revenue Contributions	3,286	40	605	2,641	0	0	0
Earmarked Reserves	3,689	142	705	2,842	0	0	0
Capital Receipts	418	37	29	202	0	0	150
Prudential Borrowing	50,114	3,641	2,909	25,732	16,515	167	1,150
TOTAL Funding	182,786	15,213	26,728	98,703	36,217	4,625	1,300

Capital Programme Total 2023/24 - 2026/27 **167,573**

Capital Programme - Major Regeneration

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
8958	The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project	24,497	1,347	393	11,532	11,225	0	0
7550	CIP - Highlight	34,650	952	3,000	23,088	7,610	0	0
9101	CIP - Borough Hall Improvement	3,000	103	164	2,233	500	0	0
9159	CIP - Wingfield Castle works	4,000	103	393	2,304	1,200	0	0
9161	CIP - NMRN & Museum of Hartlepool	8,500	3,658	790	4,052	0	0	0
9130	CIP - Business Park Investment	760	40	165	555	0	0	0
7536	CIP - SEMH Free School Access Road	857	51	471	335	0	0	0
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	600
TBC	CIP - Brierton Sports Complex	700	0	0	0	0	0	700
9165	Towns Fund - Middleton Grange	13,860	194	100	6,783	6,783	0	0
9231	Towns Fund - Waterfront Connectivity	6,200	91	319	4,290	1,500	0	0
7715	Towns Fund - Wesley Chapel	1,400	88	422	890	0	0	0
9234	Towns Fund - Health and Care Academy	1,250	86	509	655	0	0	0
9235	Towns Fund - Civil Academy	2,250	86	725	1,439	0	0	0
9247	Levelling Up - Production Village	16,587	62	2,584	13,941	0	0	0
Major Regeneration Schemes - Total		119,111	6,861	10,035	72,097	28,818	0	1,300
	External Funding - Government Grants							
	Towns Fund	24,960	545	2,075	14,057	8,283	0	0
	Levelling Up Fund	16,454	62	2,584	13,808	0	0	0
	DFE	516	0	0	516	0	0	0
	Sub Total	41,930	607	4,659	28,381	8,283	0	0
	External Funding - Other Grants and Contributions							
	TVCA	35,295	5,936	4,983	19,415	4,961	0	0
	Arts Council	1,800	0	0	1,800	0	0	0
	LTP	100	0	0	100	0	0	0
	Changing Places	65	0	0	65	0	0	0
	Sport England	2,500	0	0	500	2,000	0	0
	S106	1,795	7	393	1,395	0	0	0
	Sub Total	41,555	5,943	5,376	23,275	6,961	0	0
	Internal Funding							
	Revenue Contributions	2,500	0	0	2,500	0	0	0
	Earmarked Reserves	1,128	0	0	1,128	0	0	0
	Capital Receipts	207	0	0	57	0	0	150
	Prudential Borrowing	31,791	311	0	16,756	13,574	0	1,150
Major Regeneration Schemes - Funding Total		119,111	6,861	10,035	72,097	28,818	0	1,300

Capital Programme - Adult and Community Based Services

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7212	Capital Grants to Care Homes	46	17	29	0	0	0	0
7218	Disabled Facilities Grant	5,224	0	1,558	1,222	1,222	1,222	0
7522	Stranton Cemetery Flood Alleviation	600	507	93	0	0	0	0
7576	Seascapes - Seaton High & Lowlight	129	11	116	2	0	0	0
7711	Carlton Adventure Centre	434	0	34	400	0	0	0
7785	Burn Valley Garden Play Area 2022	28	26	2	0	0	0	0
7811	Summerhill Cycle Hub	514	496	9	9	0	0	0
7831	Community Hub South - Internal Alterations	77	77	0	0	0	0	0
8108	Centre for Independent Living	50	0	0	50	0	0	0
8393	Stranton Cemetery Cremators	255	239	16	0	0	0	0
9212	Relocate Cemetery Office	90	37	53	0	0	0	0
8088	Community Hub South - Kitchen Replacement	51	4	47	0	0	0	0
8088	Community Hub Central - Internal Alterations	61	34	16	11	0	0	0
8534	Church Street Townscape Heritage Project	511	21	490	0	0	0	0
9232	Playground Equipment - Levelling Up Parks Fund	92	21	71	0	0	0	0
Allot	Other Allotment Schemes	193	20	27	146	0	0	0
8700	Waverley Allotments - Adult Education Scheme	54	0	54	0	0	0	0
CR	Crematorium refurbishment	878	28	535	315	0	0	0
9310	Changing Places - Summerhill	62	0	62	0	0	0	0
9311	Changing Places - Community Hub Central	75	0	75	0	0	0	0
NEW	Changing Places - Other	25	0	25	0	0	0	0
7716	Seaton Library refurbishment	255	0	125	130	0	0	0
Adult and Community Based Services - Total		9,704	1,538	3,437	2,285	1,222	1,222	0

	External Funding - Government Grants							
	Disabled Facilities Grant	5,262	0	1,596	1,222	1,222	1,222	0
	External Funding - Other Grants and Contributions							
	Seascapes Grant	119	1	116	2	0	0	0
	Sport England Grant	347	329	9	9	0	0	0
	Heritage Lottery Fund	497	21	476	0	0	0	0
	Miscellaneous Grant	151	77	74	0	0	0	0
	Arts Council LIF	200	0	120	80	0	0	0
	Developers S106 Contributions	53	48	5	0	0	0	0
	Changing Places	75	0	75	0	0	0	0
	Sub Total	1,442	476	875	91	0	0	0
	Internal Funding							
	Revenue Contributions	252	40	201	11	0	0	0
	Earmarked Reserves	347	37	260	50	0	0	0
	Capital Receipts	66	37	29	0	0	0	0
	Prudential Borrowing	2,335	948	476	911	0	0	0
Adult and Community Based Schemes - Funding Total		9,704	1,538	3,437	2,285	1,222	1,222	0

Capital Programme - Children's and Joint Commissioning

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7384	Devolved Schools Capital	551	84	209	86	86	86	0
9238	Energy Efficiency Capital Funding	195	7	188	0	0	0	0
7355	CECA IT Infrastructure and Technology	42	18	24	0	0	0	0
7355	CECA TVCA Grant Unallocated	31	0	31	0	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions)	53	0	0	53	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	418	0	0	418	0	0	0
7142	Kingsley - Fire Safety Modifications	246	68	0	178	0	0	0
7142	Throston - Fire Safety Modifications	257	126	131	0	0	0	0
7474	High Tunstall 3G Pitch	23	22	1	0	0	0	0
7478	High Tunstall Grass Pitch	15	0	0	15	0	0	0
8906	Brierton Campus Windows	1	0	1	0	0	0	0
7521	Two Year Old FNE Capacity Funding	23	0	23	0	0	0	0
7786	St Helens Primary School Storm Damage to Conservatory	4	0	4	0	0	0	0
7770	St Helens Primary School Main Entrance Access	50	9	41	0	0	0	0
9148	Springwell Special School Increase Capacity	424	348	0	76	0	0	0
7661	Catcote Secondary Special School Alternative Provision 6th Form	323	36	287	0	0	0	0
9004	Schools General - Conditions unallocated	57	0	0	57	0	0	0
9004	Schools General - Contingency	45	0	-1	46	0	0	0
9004	Schools General - Suitability Unallocated (SEMH)	743	0	0	743	0	0	0
9004	Schools General - Special Provision	501	0	0	501	0	0	0
9004	Schools General - Basic Need	916	0	0	916	0	0	0
New	Schools General - Schools Condition - 24/25 onwards	1,842	0	0	614	614	614	0
7149	Create Children's Homes	238	141	97	0	0	0	0
7768	Supporting Treatment and Recovery Together (START) - Substance Misuse Service	3,027	0	100	2,927	0	0	0
8072	ICS Case Management Improvement	37	0	0	37	0	0	0
9246	Children's Centre - Family HUB	75	0	75	0	0	0	0
9295	Clavering Primary School - Refurbish Boys WC	47	0	47	0	0	0	0
	Clavering Primary School - Roofing Works	13	0	13	0	0	0	0
9295	Fens Primary School - Refurbish Boys WC	29	0	29	0	0	0	0
9311	Fens Primary School - Rewire Ph 4	99	0	99	0	0	0	0
9313	Golden Flatts Primary School - Demolish Caretakers Bungalow	32	0	32	0	0	0	0
9315	Horizons School - Replace Roof Lights	5	0	5	0	0	0	0
9314	Horizons School - Rewire	76	0	76	0	0	0	0
9295	Kingsley Primary School - Refurbish Boys WC	26	0	26	0	0	0	0
9292	Kingsley Primary School - Lighting	32	0	32	0	0	0	0
7725	Kingsley Primary School - Heating, DHW Boiler Plant Renewal	115	0	115	0	0	0	0
7313	Lynnfield Primary School - Roofing Works	50	0	27	23	0	0	0
9310	Lynnfield Primary School - Refurbish Boundary Wall	27	0	27	0	0	0	0
9315	Lynnfield Primary School - Heating Renewal	44	0	5	39	0	0	0

7717	Rift House Primary School - Heating, DHW Boiler Plant Renewal	94	0	94	0	0	0	0
9293	Rossmere Primary School - Fire Doors	35	0	35	0	0	0	0
9314	Springwell Special School - Oven and Induction Hob	13	0	13	0	0	0	0
9312	Throston Primary School - Heating, Pipework, Radiator renewal	52	0	52	0	0	0	0
	Throston Primary School - Heat Source	25	0	0	25	0	0	0
7724	Throston Primary School - Emergency Boiler Replacement	24	0	24	0	0	0	0
9324	Throston Primary School - Emergency Boiler Replacement 2	21	0	21	0	0	0	0
9244	High Tunstall - MLD ARP	968	0	968	0	0	0	0
9243	Rossmere Youth Centre Refurbishment	1,270	0	70	1,200	0	0	0
7727	Throston Youth Project Centre Refurbishment	96	0	11	85	0	0	0
9164	Youth Justice Vehicle	22	0	22	0	0	0	0
NEW	Star Centre Children's Home	700	0	100	600	0	0	0
Children's and Joint Commissioning - Total		14,052	859	3,154	8,639	700	700	0
	External Funding - Government Grants							#REF!
	DEVCAP	699	243	198	86	86	86	0
	Special Provision	1,833	346	986	501	0	0	0
	School Conditions	3,502	35	810	1,429	614	614	0
	Basic Need	1,300	38	270	992	0	0	0
	Other	270	7	263	0	0	0	0
	DFE	26	26	0	0	0	0	0
	Sub Total	7,630	695	2,527	3,008	700	700	0
	External Funding - Other Grants and Contributions							
	Misc Grant	131	0	105	26	0	0	0
	Youth Investment Fund	1,366	0	81	1,285	0	0	0
	Sub Total	1,497	0	186	1311	0	0	0
	Internal Funding							
	Revenue Contributions	164	0	163	1	0	0	0
	Earmarked Reserves	806	0	29	777	0	0	0
	Capital Receipts	0	0	0	0	0	0	0
	Prudential Borrowing	3,955	164	249	3,542	0	0	0
Children's and Joint Commissioning - Funding Total		14,052	859	3,154	8,639	700	700	0

Capital Programme - Development, Neighbourhoods and Regulatory

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
8306	Schools - Kitchen Refurbishment	261	0	34	227	0	0	0
S106	Developers Contribution Fund	4,859	0	179	4,680	0	0	0
7222	Sustainable Warmth LAD3	2,202	938	1,264	0	0	0	0
7272	Wheelie Bin Purchase (current year allocation only)	360	0	90	90	90	90	0
7333	EDM Seaton Additional Car Parking Facilities	0	0	0	0	0	0	0
7344	NIP - Brougham (was Hindpool Close) Play Area	77	3	22	52	0	0	0
7437	NIP - Sinking Fund	62	0	10	52	0	0	0
7440	NIP - Central Park	120	29	91	0	0	0	0
7466	DSO Vehicle Purchase (updated for revised programme)	7,909	0	1,545	3,436	2,851	77	0
7553	Seaton Toilets	460	105	303	52	0	0	0
7561	Green Homes Grant	663	641	22	0	0	0	0
7577	Hartlepool North NDIP Study	50	0	0	50	0	0	0
7878	Community Safety CCTV Upgrade	79	70	9	0	0	0	0
7900	EDM Hartlepool Marina - North Pier	179	4	175	0	0	0	0
7902	EDM Hartlepool Drainage Schemes	36	6	0	30	0	0	0
8444	EDM Town Wall Strengthening	46	25	21	0	0	0	0
8578	EDM Management Unit Study	28	0	0	28	0	0	0
8996	NIP - Improvements to Parks	276	241	25	10	0	0	0
9147	NIP - CCTV in parks	34	9	25	0	0	0	0
9170	HUG1 Sustainable Warmth LAD3	223	106	117	0	0	0	0
LTP	LTP Integrated Transport Block - Indicative	7,356	253	1,973	2,078	1,526	1,526	0
LTP	LTP Scheduled reconstruction - Indicative	3,573	0	1,398	725	725	725	0
LTP	LTP Potholes - Indicative	855	0	0	285	285	285	0
9233	Seascapes-Coast to ClaveringWk	22	0	22	0	0	0	0
New	Waste Transfer Station	200	0	0	200	0	0	0
Development, Neighbourhoods and Regulatory - Total		29,930	2,430	7,325	11,995	5,477	2,703	0
	External Funding - Government Grants							
	Changing Places Funding	126	101	25	0	0	0	0
	Department for Business, Energy & Industrial Strategy Grants	3,088	1,685	1,403	0	0	0	0
	Environment Agency	79	0	79	0	0	0	0
	Sub Total	3,293	1,786	1,507	0	0	0	0
	External Funding - Other Grants and Contributions							
	Thirteen Group Funding	76	3	21	52	0	0	0
	TVCA	12,098	502	3,328	3,196	2,536	2,536	0
	Developers Contributions	4,952	1	271	4,680	0	0	0
	Seascapes - Coast to Clavering	22	0	22	0	0	0	0
	Sub Total	17,148	506	3,642	7,928	2,536	2,536	0
	Internal Funding							
	Revenue Contributions	0	0	0	0	0	0	0
	Earmarked Reserves	696	75	197	424	0	0	0
	Capital Receipts	0	0	0	0	0	0	0
	Prudential Borrowing	8,793	63	1,979	3,643	2,941	167	0
Development, Neighbourhoods and Regulatory - Funding Total		29,930	2,430	7,325	11,995	5,477	2,703	0

Capital Programme - Corporate

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7036	Uncommitted CCF	222	0	0	222	0	0	0
7041	Corporate Planned Unallocated	238	0	0	238	0	0	0
7065	Fire Risk Assessments	100	15	0	85	0	0	0
7200	Civic Centre Capital Project	75	13	0	62	0	0	0
8970	Historic Quay Dilapidation Work	97	0	0	97	0	0	0
7771	Borough Hall - Lighting Replacement	60	15	45	0	0	0	0
New	Art Gallery - Roof Replacement	72	0	72	0	0	0	0
New	Art Gallery - Downcomer replacements	33	0	33	0	0	0	0
New	Exmoor Grove - Replace external windows and doors	50	0	0	50	0	0	0
CORPORATE- Total		947	43	150	754	0	0	0
	External Funding - Government Grants							
	Miscellaneous Grants	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0
	External Funding - Other Grants and Contributions							
	Miscellaneous Grants	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0
	Internal Funding							
	Revenue Contributions	150	0	150	0	0	0	0
	Earmarked Reserves	451	30	0	421	0	0	0
	Capital Receipts	145	0	0	145	0	0	0
	Prudential Borrowing	201	13	0	188	0	0	0
CORPORATE - Funding Total		947	43	150	754	0	0	0

Capital Programme - Housing Revenue Account (HRA)

Code	Scheme Description	Gross Budget	Actual to 31/3/23	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7182	Empty Properties Phase 3	1,167	103	0	1,064	0	0	0
7450	Hill View (Greatham) Development	2,240	2,182	58	0	0	0	0
7620	Brenda Road PHASE 1	2,133	1,196	937	0	0	0	0
8106	New Build	693	1	0	692	0	0	0
S106	Affordable Housing	1,183	0	346	837	0	0	0
8799	Major Repairs	210	0	210	0	0	0	0
7726	Resettlement Accommodation	855	0	855	0	0	0	0
9294	HRA Adaptations	10	0	10	0	0	0	0
9317	Social Housing Decarbonisation	451	0	193	258	0	0	0
7220	Private Sector Housing Grants	48	0	8	40	0	0	0
7066	Avondene	52	0	10	42	0	0	0
	HRA - TOTAL	9,042	3,482	2,627	2,933	0	0	0
	External Funding - Government Grants							
	Homes England Grant	2,529	772	693	1,064	0	0	0
	Sub Total	2,529	772	693	1,064	0	0	0
	External Funding - Other Grants and Contributions							
	Developers Contributions	2,073	567	669	837	0	0	0
	TVCA Brownfield Housing Fund	1	1	0	0	0	0	0
	TVCA SHW2 Decarbonisation Grant	241	0	112	129	0	0	0
	TVCA Resettlement Grant	630	0	630	0	0	0	0
	Other/Misc Grant	48	0	8	40	0	0	0
	Sub Total	2,993	568	1,419	1,006	0	0	0
	Internal Funding							
	Revenue Contributions	220	0	91	129	0	0	0
	Earmarked Reserves	261	0	219	42	0	0	0
	Capital Receipts	0	0	0	0	0	0	0
	Prudential Borrowing	3,039	2,142	205	692	0	0	0
	HRA - TOTAL FUNDING	9,042	3,482	2,627	2,933	0	0	0

COUNCIL REPORT

22 February 2024



Report of: Finance and Policy Committee

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2024/25 - STATUTORY BUDGET AND COUNCIL
TAX DETERMINATION

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- where people are enabled to live healthy, independent and prosperous lives
- where those who are vulnerable will be safe and protected from harm
- of resilient and resourceful communities with opportunities for all
- that is sustainable, clean, safe and green
- that has an inclusive and growing economy
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community

2. PURPOSE OF REPORT

2.1 The purpose of this report is:

- (i) to provide details of the final 2024/25 Local Government Finance settlement; and
- (ii) to enable Members to finalise the 2024/25 technical Council Tax calculations, which incorporate Council Tax levels independently set by precepting bodies.

3. BACKGROUND

- 3.1 In accordance with the Council's Constitution the 2024/25 Budget and Council Tax, including Adult Social Care precept, were approved by Council on 1 February 2024.
- 3.2 This report provides an update on the final 2024/25 Local Government Finance Settlement and also deals with the statutory arithmetic calculation of the overall level of Council Tax, which incorporates Council Tax levels set by individual 'precepting bodies' in accordance with the specific Government Council Tax referendum limits.
- 3.3 The 'precepting bodies' have set their own budgets and Council Tax requirements. The role of the Council as the 'billing authority' is to incorporate these figures into the overall Council Tax calculation and then collect these amounts.

4. FINAL 2024/25 LOCAL GOVERNMENT FINANCE SETTLEMENT AND IMPACT ON THE COUNCIL

- 4.1 The final Local Government Finance Settlement for 2024/25 was issued on 5 February 2024 and confirms the final 2024/25 funding position following the provisional settlement issued in December 2023.
- 4.2 The final government funding allocated to Hartlepool for 2024/25 has been adjusted in two areas;
- Social Care Grant – as noted in the tabled amendment to Council on the 1 February 2024, additional Social Care Grant funding was announced by government during January. The Council's allocation of this additional funding totaled £1.044m for 2024/25. This increases the Social Care grant allocation from £10.652m as at the provisional settlement to £11.696m at final settlement; and
 - Services Grant – an increase in Services Grant was notified in the final settlement, increasing the Council's 2024/25 allocation by £0.018m, from £0.181m to £0.199m.
- 4.3 The additional Social Care grant funding has been utilised as approved in the tabled amendment to Council on the 1 February 2024 and the additional Services Grant funding has reduced the required use of reserves by £0.018m, in line with the approach outlined in the MTFS report.
- 4.4 The statutory calculations therefore reflect the tabled amendment made 1 February 2024 and the additional £0.018m Services Grant referred to at 4.2.

5. LEGAL CONSIDERATIONS

- 5.1 The following issues are relevant to the 2024/25 budget and were addressed in previous reports to Finance and Policy Committee (22 January 2024) and Council (1 February 2024) when the budget was approved:-
- the Local Government Finance Act 1992 requires local authorities to set a balanced budget; and
 - the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of Finance, IT and Digital) when making budget decisions. This advice must include details of the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The minutes to the meetings referred to in paragraph 5.1 record the robustness advice given to Members.
- 5.2 The Local Government Act 1992 and relevant regulations also require the Council to approve the statutory Council Tax calculations incorporating the Council Tax levels set by individual precepting bodies i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual Parish Councils.
- 5.3 Individual precepting bodies are responsible for setting their own Council Tax levels in accordance with the specific government set council tax referendum limits and which meet their own budgetary requirements. The following table details the respective referendum limits for 2024/25 and the Council Tax increases approved by individual precepting bodies:

Type of Authority	Government Council Tax Referendum Limits 2024/25	Actual Band D Council Tax increase approved by individual precepting authority
Police and Crime Commissioners	Band D increase of £13	£13.00
Fire and Rescue Authorities	3% increase	3%
Town and Parish councils	No limits have been set	Various depending on Parish

- 5.4 The statutory Council Tax calculations are an administrative responsibility that the Council as the statutory 'billing authority' is required to undertake once the Council and the individual precepting bodies have set their own Council Tax levels.
- 5.5 The statutory billing authority calculations are not an opportunity to review the decision made by Council on 1 February 2024, or to challenge the Council Tax decisions of individual precepting bodies – which they are legally responsible for making. The statutory determinations are an arithmetic calculation.

- 5.6 A decision not to approve the statutory calculations could have serious consequences as the Council has scheduled the annual billing run around the dates of this council. This is a significant task that involves weekend working from internal staff, support from external software suppliers, in addition to scheduling in our external printing company. Given the volume of local authorities competing for this support the ability to reschedule would be challenging, i.e. we would slip to the back of the queue. This would likely mean we are unable to produce Council Tax bills and issue these to circa 44,000 households in sufficient time to collect the first direct debit payments. This would have a significant detrimental impact on collection during 2024/25.

Total Council Tax

- 5.7 For a Band A property (53% of Hartlepool households), without a parish council (92% of Hartlepool households), the overall Council Tax increase for 2024/25 reflecting the decisions made by individual precepting bodies is £48.81 (£0.94 per week) as follows:

	2023/24 £	2024/25 £	Annual Increase £
Hartlepool Council – Basic amount	1,122.73	1,135.45	12.72
Hartlepool Council – Adult Social Care precept	161.81	187.50	25.69
Total Hartlepool Council	1,284.54	1,322.95	38.41
Police & Crime Commissioner	193.82	202.49	8.67
Cleveland Fire Authority (CFA)	57.91	59.64	1.73
Total	1,536.27	1,585.08	48.81

- 5.8 The following table summarises the Council Tax for 2024/25, for areas without a parish. The Adult Social Care precept is the cumulative amount and in 2024/25 will provide £7.250m of funding.

	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hartlepool Borough Council Basic Amount without parishes or special items	1,135.45	1,324.69	1,513.93	1,703.17	2,081.65	2,460.13	2,838.62	3,406.34
Hartlepool Borough Council Adult Social Care Precept	187.50	218.75	250.00	281.25	343.75	406.25	468.75	562.50
Office of Police and Crime Commissioner	202.49	236.23	269.98	303.73	371.23	438.72	506.22	607.46
Fire Authority	59.64	69.58	79.52	89.46	109.34	129.22	149.10	178.92
TOTAL - Areas without a Parish Council	1,585.08	1,849.25	2,113.43	2,377.61	2,905.97	3,434.32	3,962.69	4,755.22

- 5.9 Appendix A details the Council Tax levels for all areas of the borough, including areas covered by the Parish Council.

6. RECOMMENDATIONS REFERRED BY FINANCE AND POLICY COMMITTEE FOR COUNCIL APPROVAL

- 6.1 That members note that the detailed 2024/25 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 for approval.

Statutory Council Tax calculations

- i) Approve the statutory budget calculation for the Council budget as detailed in **Appendix A** and approve the detailed supporting departmental budgets detailed in **Appendix B**;
- ii) Approve the statutory Council Tax calculations detailed in **Appendix A**, which includes the Council Tax increases approved by the individual precepting bodies.

7. REASON FOR RECOMMENDATIONS

- 7.1 To discharged the Council's statutory billing authority responsibilities.

8. BACKGROUND PAPERS

- Council Report - Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 – 1 February 2024;

9. CONTACT OFFICER

James Magog
 Director of Finance, IT and Digital
 Email: james.magog@hartlepool.gov.uk
 Telephone: 01429 523093

Paul Dixon
 Assistant Director - Corporate and Financial Services
 Email: paul.dixon@hartlepool.gov.uk
 Telephone: 01429 523188

Sign Off:-

Managing Director	Date: 13/2/24
Director of Finance, IT and Digital	Date: 13/2/24
Director of Legal, Governance and HR	Date: 13/2/24

SUPPORTING STATUTORY RESOLUTIONS - COUNCIL TAX INCREASE

- 1 Full Council needs to approve the following supporting statutory amounts which must be calculated by the Council for 2024/25 in accordance with the Local Government Finance Act 1992 and relevant regulations:

i) To note that on 27th November 2023 the Finance and Policy Committee approved the 2024/25 Council Tax Base for:

- The whole Council area as 25,780.0 Band D equivalents in accordance with Section 31B of the Local Government Finance Act 1992, as amended; and
- For dwellings in those parts of its area to which a Parish precept relates as follows:

Parish Council Tax bases (Band D Equivalents)

Dalton Piercy	134.8	Greatham	283.6
Elwick	239.6	Hart	404.9
Headland	800.5	Newton Bewley	34.2
Wynyard	977.2		

- 2 That the Council Tax requirement for the Council's own purposes (excluding Parish precepts) is £51,158,348.

- 3 That the following amounts be calculated by the Council for in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and relevant regulations:-

- (a) £89,012,362 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Local Government Finance Act 1992 and relevant regulations.

- (b) £37,783,388 Being the aggregate of the sums which the Council estimate will be payable to it in respect of Revenue Support Grant £9,855,048, Business Rates Baseline Funding of £15,217,876, Top up Funding of £12,586,464 and the estimate to be paid out of the Collection Fund of £124,000 as at 31st March 2024, in accordance with Section 97 (3) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.

- (c) £51,228,974 Being the amount by which the aggregate at 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (including Parish precepts).
- (d) £1,987.16 Being the amount calculated by the Council in accordance with Section 31B of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year (including Parish precepts).
- (e) £70,626
Parish
Precepts Being the aggregate amount of all special items referred to in Section 34 (1) of the Local Government Finance Act 1992.
- £16,089
Concurrent
Services Concurrent Services - as detailed in Table 1.
- (f) £1,984.42 Being the amount calculated by the Council in accordance with Section 34 (2) of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year 2024/25 (excluding Parish precepts).
- 4** The Basic Council Tax for 2024/25 calculated in accordance with Section 34 (3) for dwellings in those areas that have a Parish precept as set out in Table 2.
- 5** Approve in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the aggregate amounts shown in Table 3 the amounts of Council Tax for 2024/25 for each part of the Council's area and each of the categories of dwellings.
- 6** Approve that the Council's basic amount of Council Tax for 2024/25 of £1,984.42, detailed in 3 (f) above is not excessive in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.
- 7** Approve the amount of Council Tax including the Cleveland Fire Authority and the Office of the Police and Crime Commissioner precepts, in accordance with Section 40 of the Local Government Finance Act 1992 and the relevant inclusion of amounts of Council Tax for each category of dwelling in accordance with Sections 43 to 47 of the Act as set out in Table 3.

TABLE 1 - Council Tax For Parish Councils 2024/25

	Precept (1)	Parish Tax Base (2)	Parish Council Tax (3) [=(1)/(2)]	Basic Council Tax (4)	Billing Authority's Council Tax (5) [=(3)+(4)]	Precept met from Council Tax Support Scheme	Concurrent Services	Total Payment to Parish
Parishes	£		£	£	£		£	£
Dalton Piercy	13,051	134.8	96.82	1,984.42	2,081.24	584	2,783	16,418
Elwick	7,924	239.6	33.07	1,984.42	2,017.49	360	8,018	16,302
Greatham	2,870	283.6	10.12	1,984.42	1,994.54	330	1,482	4,682
Hart	8,159	404.9	20.15	1,984.42	2,004.57	263	3,806	12,228
Headland	19,330	800.5	24.15	1,984.42	2,008.57	2,400	-	21,730
Newton Bewley	100	34.2	2.92	1,984.42	1,987.34	6	-	106
Wynyard	19,192	977.2	19.64	1,984.42	2,004.06	98	-	19,290
	70,626					4,041	16,089	90,756

TABLE 2 - Council Taxes For Each Property Band 2024/25**(Including Parish Precepts but excluding Office of Police and Crime Commissioner & Fire Authority)**

Parishes	Council Tax Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Dalton Piercy	1,387.49	1,618.74	1,849.99	2,081.24	2,543.74	3,006.24	3,468.73	4,162.48
Elwick	1,344.99	1,569.16	1,793.32	2,017.49	2,465.82	2,914.15	3,362.48	4,034.98
Greatham	1,329.69	1,551.31	1,772.92	1,994.54	2,437.77	2,881.00	3,324.23	3,989.08
Hart	1,336.38	1,559.11	1,781.84	2,004.57	2,450.03	2,895.49	3,340.95	4,009.14
Headland	1,339.05	1,562.22	1,785.40	2,008.57	2,454.92	2,901.27	3,347.62	4,017.14
Newton Bewley	1,324.89	1,545.71	1,766.52	1,987.34	2,428.97	2,870.60	3,312.23	3,974.68
Wynyard	1,336.04	1,558.71	1,781.39	2,004.06	2,449.41	2,894.75	3,340.10	4,008.12
Areas without a Parish Council	1,322.95	1,543.44	1,763.93	1,984.42	2,425.40	2,866.38	3,307.37	3,968.84

TABLE 3 - Council Taxes For Each Property Band 2024/25**(Including Parish Precepts, Office of Police and Crime Commissioner & Fire Authority)**

Parishes	Council Tax Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Dalton Piercy	1,649.62	1,924.55	2,199.49	2,474.43	3,024.31	3,574.18	4,124.05	4,948.86
Elwick	1,607.12	1,874.97	2,142.82	2,410.68	2,946.39	3,482.09	4,017.80	4,821.36
Greatham	1,591.82	1,857.12	2,122.42	2,387.73	2,918.34	3,448.94	3,979.55	4,775.46
Hart	1,598.51	1,864.92	2,131.34	2,397.76	2,930.60	3,463.43	3,996.27	4,795.52
Headland	1,601.18	1,868.03	2,134.90	2,401.76	2,935.49	3,469.21	4,002.94	4,803.52
Newton Bewley	1,587.02	1,851.52	2,116.02	2,380.53	2,909.54	3,438.54	3,967.55	4,761.06
Wynyard	1,598.17	1,864.52	2,130.89	2,397.25	2,929.98	3,462.69	3,995.42	4,794.50
Areas without a Parish Council	1,585.08	1,849.25	2,113.43	2,377.61	2,905.97	3,434.32	3,962.69	4,755.22

REVENUE BUDGET BOOK 2024/25

February 2024

2024/2025 BUDGET SUMMARY

Department	Gross Expenditure	Gross Income	Use of Reserves	Net Budget
	£'000	£'000	£'000	£'000
Adult and Community Based	86,098	(44,673)	(162)	41,263
Children's and Joint Commissioning	124,763	(89,306)	(880)	34,577
Development, Neighbourhoods and Regulatory	55,476	(34,275)	0	21,201
Finance , IT and Digital	8,212	(4,093)	(66)	4,053
Legal, Governance and HR	2,511	(455)	0	2,056
Corporate	41,581	(25,173)	(650)	15,758
Total Departmental Budgets	318,641	(197,975)	(1,758)	118,908
<u>Funded by</u>				
<u>Specific Grants</u>				
Better Care Fund	0	(5,358)	0	(5,358)
Education Services Grant	0	(216)	0	(216)
New Homes Bonus	0	(1,224)	0	(1,224)
S31 Business Rates Grants	0	(8,037)	0	(8,037)
Services Grant	0	(199)	0	(199)
Social Care Grant	0	(11,696)	0	(11,696)
Use of Reserves - Budget Support Fund	0	0	(3,166)	(3,166)
Total Budget Requirement	318,641	(224,705)	(4,924)	89,012
<u>Grants & Business Rates</u>				
Revenue Support Grant	0	(9,855)	0	(9,855)
Business Rates	0	(15,218)	0	(15,218)
Top Up Grant	0	(12,586)	0	(12,586)
Council Tax Collection Fund Surplus	0	(124)	0	(124)
Council Tax Requirement including Parish Precepts	318,641	(262,488)	(4,924)	51,229

2024/2025 BUDGET - ADULT AND COMMUNITY BASED SERVICES

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Adult Social Care</u>				
Carers Support	367	(293)	0	74
Commissioning - Adults	6,188	(3,761)	0	2,427
Departmental Running Costs	231	(26)	0	205
Direct Care & Support Team	2,194	(1,980)	0	214
Learning Disability Teams	907	(218)	0	689
Locality & Safeguarding Social Work Teams	4,152	(1,616)	0	2,536
Mental Health Teams	1,272	(25)	0	1,247
Packages of Care	58,247	(29,121)	0	29,126
Special Needs Housing and Occupational Therapy	2,136	(710)	0	1,426
Transformation & Digital Inclusion	780	(565)	0	215
Working Age Adults Day Services	1,400	(59)	0	1,341
Adult Social Care Subtotal	77,874	(38,374)	0	39,500
<u>Preventative & Community Based Services</u>				
Adult Education	1,893	(1,781)	(45)	67
Allotments	165	(81)	0	84
Archaeology	119	(95)	0	24
Coast, Cemeteries & Crematorium, Countryside and Heritage	1,325	(1,597)	0	(272)
Community Hubs	1,255	(109)	0	1,146
Cultural Services - Events & Theatres	428	(350)	0	78
Cultural Services - Museums & Galleries	596	(19)	0	577
Sports, Leisure & Recreation Facilities	2,918	(2,267)	(117)	534
Preventative & Community Based Services Subtotal	8,699	(6,299)	(162)	2,238
Departmental Salary Abatement Target	(475)	0	0	(475)
Departmental Total	86,098	(44,673)	(162)	41,263

2024/2025 BUDGET - CHILDREN'S AND JOINT COMMISSIONING SERVICES

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Children's Services</u>				
Children in our Care	24,043	(2,510)	(683)	20,850
Children & Families - Other	3,030	(69)	0	2,961
Early Intervention Services	5,797	(5,679)	0	118
Housing, Hardship & Welfare Services	2,051	(1,614)	0	437
Safeguarding Children	7,071	(1,626)	0	5,445
Standards, Engagement & Development Team	515	(247)	0	268
Strategic Commissioning	2,948	(848)	0	2,100
Youth Justice Service	927	(632)	0	295
Children's Services Subtotal	46,382	(13,225)	(683)	32,474
<u>Education (excluding DSG)</u>				
Central Support Services	490	(333)	0	157
Other School Related Expenditure	5,935	(5,293)	0	642
Play & Care	167	(149)	0	18
Raising Educational Achievement	1,408	(869)	(90)	449
Special Educational Needs	5,693	(5,224)	(71)	398
Strategic Management	567	(136)	(11)	420
Youth Service	1,015	(642)	0	373
Education (excluding DSG) Subtotal	15,275	(12,646)	(172)	2,457
<u>Dedicated Schools Grant</u>				
Dedicated Schools Grant - Early Years Block	9,797	(9,797)	0	0
Dedicated Schools Grant - Schools Block	25,216	(25,216)	0	0
Dedicated Schools Grant - High Needs Block	16,356	(16,356)	0	0
Dedicated Schools Grant - Central School Services Block	595	(595)	0	0
Dedicated Schools Grant Subtotal	51,964	(51,964)	0	0
<u>Public Health</u>				
Public Health - Children's	3,937	(4)	0	3,933
Public Health - General	1,874	0	0	1,874
Public Health - Health Check Programme	56	0	0	56
Public Health - Mental Health	14	0	0	14
Public Health - Obesity	208	0	0	208
Public Health - Physical Activity	451	0	0	451
Public Health - Sexual Health	633	0	0	633
Public Health - Smoking Cessation	154	(129)	(25)	0
Public Health - Substance Misuse	4,169	(1,545)	0	2,624
Public Health - Grant	0	(9,793)	0	(9,793)
Public Health Subtotal	11,496	(11,471)	(25)	0
Departmental Salary Abatement Target	(354)	0	0	(354)
Departmental Total	124,763	(89,306)	(880)	34,577

2024/2025 BUDGET - DEVELOPMENT, NEIGHBOURHOODS & REGULATORY SERVICES

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Development & Growth</u>				
Economic Growth	754	(332)	0	422
Procurement and Reprographics	496	(458)	0	38
Strategic Asset Management	672	(796)	0	(124)
Strategic Development and Sustainability	345	(249)	0	96
Development & Growth Subtotal	2,267	(1,835)	0	432
<u>Neighbourhood Services</u>				
Building Design Team	1,302	(1,356)	0	(54)
Construction Support Service	807	(835)	0	(28)
Construction Team	4,149	(3,988)	0	161
Engineering & Design	1,107	(764)	0	343
Environmental Services	3,715	(665)	0	3,050
Highways & Transportation	3,785	(858)	0	2,927
Highways Trading	1,830	(2,003)	0	(173)
Passenger Transport	3,636	(1,476)	0	2,160
Planning & Development	1,167	(835)	0	332
Road Safety	1,624	(1,459)	0	165
Street Lighting	999	0	0	999
Sustainable Transport (inc Concessionary Fares)	2,561	(86)	0	2,475
Vehicle Fleet	4,632	(4,728)	0	(96)
Waste Services	8,133	(1,991)	0	6,142
Neighbourhood Services Subtotal	39,447	(21,044)	0	18,403
<u>Regulatory Services</u>				
Car Parking	1,019	(1,868)	0	(849)
Community Safety & Engagement	1,252	(342)	0	910
Facilities Management	8,211	(6,985)	0	1,226
Health and Safety	223	0	0	223
Public Protection	1,540	(943)	0	597
Regulatory Services Subtotal	12,245	(10,138)	0	2,107
<u>Strategic Management & Admin</u>				
Strategic Management & Admin	1,517	(1,258)	0	259
Strategic Management & Admin Subtotal	1,517	(1,258)	0	259
Departmental Total	55,476	(34,275)	0	21,201

2024/2025 BUDGET - FINANCE, IT AND DIGITAL SERVICES

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Communications and Consultation</u>				
Communications and Marketing	335	(111)	0	224
Consultation & Diversity	161	0	0	161
Development & Growth Subtotal	496	(111)	0	385
<u>Corporate and Financial Services</u>				
Central Administration Recharges	0	(1,047)	0	(1,047)
Corporate Finance	2,009	(665)	0	1,344
Corporate Management	285	(25)	0	260
Shared Services	1,330	(601)	(37)	692
Corporate and Financial Services Subtotal	3,624	(2,338)	(37)	1,249
<u>Customer Services and IT</u>				
Benefits	804	(499)	0	305
Corporate ICT	302	(34)	0	268
Customer and Support Services	1,195	(5)	(23)	1,167
Registration Services	6	(133)	(6)	(133)
Revenues	1,267	(14)	0	1,253
Revenue & Benefits Central	219	(923)	0	(704)
Customer Services and IT Subtotal	3,793	(1,608)	(29)	2,156
<u>Internal Audit</u>				
Internal Audit	299	(36)	0	263
Internal Audit Subtotal	299	(36)	0	263
Departmental Total	8,212	(4,093)	(66)	4,053

2024/2025 BUDGET - LEGAL, GOVERNANCE AND HR SERVICES

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Governance</u>				
Civic Attendants	54	(8)	0	46
Democratic Services	182	0	0	182
Municipal Elections and Registration of Electors	170	(2)	0	168
Other Office Services	83	(52)	0	31
Scrutiny Function	132	(24)	0	108
Support to Members	141	0	0	141
Governance Subtotal	762	(86)	0	676
<u>HR, Training and Equality</u>				
Human Resources	637	(167)	0	470
Training & Equality	2	0	0	2
Trade Union	32	0	0	32
HR, Training and Equality Subtotal	671	(167)	0	504
<u>Legal</u>				
Legal Services	885	(202)	0	683
Legal Subtotal	885	(202)	0	683
<u>Managing Directors Office</u>				
Managing Directors Office	193	0	0	193
Managing Directors Office Subtotal	193	0	0	193
Departmental Total	2,511	(455)	0	2,056

2024/2025 BUDGET - CORPORATE

Service Area	Gross Expenditure £'000	Gross Income £'000	Use of Reserves £'000	Net Budget £'000
<u>Corporate</u>				
Accommodation (including energy)	3,872	(89)	0	3,783
Audit Fees	331	0	0	331
Central Debt Charges	4,027	0	0	4,027
Centralised Pensions	438	0	0	438
Coroner Fees	300	0	0	300
Housing Benefits Subsidy	24,300	(24,143)	0	157
Investment Income	0	(500)	(650)	(1,150)
IT Infrastructure, Systems and Support	3,733	0	0	3,733
Levies	137	(7)	0	130
Members Allowances	366	0	0	366
Other	674	(434)	0	240
Provision for Pay Award and Other Contract Inflation	3,403	0	0	3,403
Departmental Total	41,581	(25,173)	(650)	15,758



Report of: Managing Director

Subject: BUSINESS REPORT

1. PAY POLICY 2024/2025

Under Section 38 of the Localism Act (2011), Full Council has to approve a Pay Policy Statement on an annual basis. The updated document for 2024/25 is attached at Appendix A for Council's consideration.

Full Council is requested to approve the Pay Policy Statement 2024/25 which is attached as Appendix A.

2. INDEPENDENT REVIEW OF THE DISCLOSURE AND BARRING SCHEME

The Authority recently received the attached letter from Simon Hoare MP which refers to the recommendation in Simon Bailey's Independent Review of the Disclosure and Barring scheme concerning the eligibility of councillors for criminal record checks.

Members' views are sought on whether to implement the recommendation and carry out criminal record checks on councillors sitting on Children's and Adult and Community Based Services Committees.

3. SPECIAL URGENCY DECISIONS

In accordance with the requirements of the Access to Information Procedure Rules included in the Council's Constitution, Full Council is informed that no special urgency decisions were taken in the period November 2023 – January 2023.



Hartlepool Borough Council

Pay Policy Statement 2024/25

Contents

	Page
1 Introduction	3
2 National and other Conditions of Service	3
3 Pay Structure	4
4 Remuneration on Appointment	5
5 Senior Management Remuneration	6
6 Additional Benefits	7
7 Changes to Salaries	10
8 Payments to all Employees upon Termination of Employment	10
9 Lowest Paid Employees	11
10 Employment or Engagement of Former Employees	12
11 Employment of Individuals under a Contract For Services	13
12 Income Tax and National Insurance	13
13 Use of Agency Workers	13
14 Apprentices	14
15 Use of Zero Hours Contracts	14
16 Contractors	14
17 Gender Pay Gap Information	14

1. INTRODUCTION

- 1.1 This Pay Policy Statement sets out Hartlepool Borough Council's policies in relation to the remuneration of its employees in accordance with Section 38 of the Localism Act 2011¹ and associated Government guidance.^{2 3} This Pay Policy Statement applies equally to all employees with the exception of those employed by schools with delegated budgets) regardless of status and seniority. This Pay Policy Statement is subject to annual review and must be approved by Full Council each financial year. The Pay Policy Statement will be published on the Council's website⁴ as soon as reasonably practicable after approval or amendment.
- 1.2 Hartlepool Borough Council (the 'Council') is committed to transparency and fairness in its payment and remuneration of all of its employees and will comply with all relevant employment legislation.
- 1.3 In 2024/25, the Council has an overall pay budget of £79.9m (excluding school staff) including on-costs for its workforce. It employs 2,044 people excluding those who are employed directly by schools in Hartlepool, in a variety of diverse roles.
- 1.4 The Council's values give us a desire to increase the standard of living for everyone. Given that the Council is the largest employer in Hartlepool and that approximately 77% of employees live in the town, it has a major influence on the economic wellbeing of the town and a direct impact on levels of inequality. The Council wants to do all in its power to make Hartlepool a fairer town and is committed to reducing inequality by leading by example and doing so through the way it operates as an organisation.

2. NATIONAL AND OTHER CONTITIONS OF SERVICE

- 2.1 The appropriate National Conditions of Service (as detailed in Table 1) are automatically incorporated into employee contracts of employment.

Table 1 – National Conditions of Service in use in the Council

Condition of Service	Type of Employees
Joint Negotiating Committee (JNC) for Local Authority Chief Executives	Managing Director
Joint Negotiating Committee (JNC) for Chief Officers in Local Authorities	Directors, Assistant Directors and some other senior managers

¹ Available at: <http://www.legislation.gov.uk/ukpga/2011/20/contents>

² Available at: [Openness and accountability in local pay: guidance - Publications - GOV.UK](#)

³ Available at: [Openness and accountability in local pay: supplementary guidance - Publications - GOV.UK](#)

⁴ Available at: https://www.hartlepool.gov.uk/downloads/download/305/pay_policy

The Soulbury Committee	Educational Improvement Professionals, Educational Psychologists and Young People's/Community Service Managers
Conditions Of Service for School Teachers in England And Wales ⁵	Head Teachers, Deputy/Assistant Head Teachers, all Leadership, Leading Practitioners, Teachers, Qualified and Unqualified Teachers
Joint Negotiating Committee for Youth and Community Workers	Youth and Community Workers
National Joint Council (NJC) for Local Government Services ('Green Book')– Part 2 only	All other employees

For legal and other reasons, some employees are employed on other conditions of service, for example as a result of TUPE transfers into the Council.

- 2.2 The Council's Single Status Agreement is automatically incorporated into the employment contract of NJC for Local Government Services employees.
- 2.3 Sections 1 (paragraphs 1.1.3 and 1.1.4 only), 3 (sub section 3.5 only), 5-9 and 12-16 of Part 2 of the Council's Single Status Agreement apply to all employees where their national conditions of service are silent.
- 2.4 For Youth & Community terms and conditions, an agreement was reached for an increase of £1,925 on all spinal column points applicable from 1st September 2023. For Soulbury the National Employers had not reached any agreement with the staff side for the last two years. An agreement was finally reached for an increase of £1925 for 1st September 2022 to 31st August 2022 and 4% on all spinal column points for 1st September 2023 to 31st August 2024.
- 2.5 NJC Local Government Services (Green Book) National Employers made an offer of £1,925 across all spinal column points relevant to Hartlepool Borough Council from 1st April 2023 which was agreed. Chief Executives and Chief Officer National Employers made a final pay offer of 3.50% which was accepted.

3. PAY STRUCTURE

- 3.1 The Council uses nationally negotiated pay rates included in the above national conditions of service as the basis for its local pay structure, which determines the pay bands of its workforce.

⁵ The Conditions of Service for School Teachers In England And Wales August 2000 is supplemented by the statutory School Teachers' Pay and Conditions Document available at <https://www.gov.uk/government/publications/school-teachers-pay-and-conditions>

- 3.2 National pay awards are automatically applied to the national and local pay rates where employees are employed under the national conditions of service detailed in Table 1. Employees who continue to be employed under their pre transfer conditions of service following their TUPE (or similar) transfer to the Council are:
- not entitled to receive 'green book' pay awards where the value of the maximum of the employees pre transfer pay band is greater than the pay they would receive at the maximum of the pay band if they were employed under the appropriate Council conditions of service and/or if the employees are entitled to increments within their TUPE pay band as they are not at the maximum of their TUPE (or similar) pay band.
 - entitled to receive 'green book' pay awards in all other circumstances.
- 3.3 All other pay-related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
- 3.4 In determining its grading structure and setting remuneration levels for any posts which fall outside the scope of nationally set pay grades, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. This is balanced against the need to recruit and retain employees who are able to deliver high quality services to the community and the need to comply with pay related legislation e.g. in relation to equal pay, national minimum wage and the national living wage.
- 3.5 In line with good employment practice, JNC for Local Authority Chief Executives and JNC for Chief Officers in Local Authorities jobs have been evaluated using the LGA Senior Managers job evaluation scheme and NJC for Local Government Services jobs have been evaluated using the bespoke NJC job evaluation scheme. This is to ensure that jobs are graded fairly and equitably. Both job evaluation schemes used are substantial schemes. For legal and other reasons, a limited number of employees pay is not consistent with the current grading structures, for example, as a result of TUPE transfers.
- 3.6 No job evaluation scheme exists for the remainder of jobs i.e. those on Teachers, Youth and Community workers and Soulbury conditions of service, however, those employees are placed within nationally defined grading structures.
- 3.7 As part of its overall and ongoing monitoring of alignment with external pay markets both within and outside the sector, the Council will use available benchmark information as appropriate.
- 3.8 Periodic equal pay audits will be undertaken and pay structures and allowances will be reviewed as necessary.

4. REMUNERATION ON APPOINTMENT

- 4.1 New appointments are subject to the Council's Recruitment and Selection Policy and will generally be made to the agreed pay structures at the bottom spinal column point of all pay bands unless there are special circumstances and payment at a higher level can be objectively justified. Appointment of all officer posts, with the exception of those identified in paragraph 5 below, is the responsibility of the Managing Director as Head of Paid Service or his/her nominee, and may not be made by Elected Members.
- 4.2 Where employees are redeployed into a lower graded post because of ill health (where this is supported by the Council's Occupational Health Advisor) or as an alternative to redundancy they will generally be appointed to the highest spinal column point within the lower grade so as to minimise financial loss and where eligible, receive salary protection in line with the terms and conditions of employment negotiated in the Council's Single Status Agreement. From time to time, it may be necessary to take account of external pay levels in the labour market in determining starting salary levels and the use of market forces supplements in order to attract and retain employees with particular experience, skills and capacity.
- 4.3 The Council does not make any "golden hello" payment or any other incentive payments at recruitment other than market forces supplements where these are determined in accordance with the provisions in Table 3.

5. SENIOR MANAGEMENT REMUNERATION

- 5.1 The definition of 'Senior Management' in this statement mirrors the definition of 'Chief Officer' as detailed in Section 42(2) of the Localism Act 2011 i.e.
- the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - its monitoring officer designated under section 5(1) of that Act;
 - a statutory chief officer mentioned in section 2(6) of that Act;
 - a non-statutory chief officer mentioned in section 2(7) of that Act;
 - a deputy chief officer mentioned in section 2(8) of that Act.

Within Hartlepool, the above definition includes employees on JNC for Local Authority Chief Executives, JNC for Chief Officers in Local Authorities and NJC for Local Government conditions of service plus employees employed on other terms and conditions of employment as a result of TUPE (or similar) transfers.

- 5.2 Appointments to the posts of Managing Director, Directors and other Chief Officer posts are subject to the Council's Officer Employment Procedure Rules.⁶

⁶ Available at https://www.hartlepool.gov.uk/info/20004/council_and_democracy/370/hartlepool_borough_councils_constitution

In accordance with Government guidance⁷ the Council has agreed a salary structure for its senior posts and will make any appointment to a vacancy on this structure at the salaries referred to in this statement. In the case of the appointment of the Managing Director/Head of Paid Service, the appointment is made by Full Council. Directors and other Chief Officers are appointed by the Council's Appointments Panel. The number of senior posts attracting salaries of £100,000 or higher will not be increased without the prior approval of full Council.

- 5.3 The 'Senior Management' salary bands for implementation as at 1 April 2024 are set out in Table 2 below.
- 5.4 Any increments due are implemented automatically on an annual basis.
- 5.5 In respect of Chief Officers (those posts below the Managing Director and Directors), the Council operates with a number pay bands to provide operational and strategic flexibilities, whilst providing a robust and competitive pay strategy to retain and attract high calibre staff.

Table 2 – Salary bands of 'Senior Management'

Role	Annual Salary Band as at 1 April 2024	No of Points in Pay Band
Managing Director	£162,375	1
Executive Directors	£116,552 - £128,007	6
Directors	£98,325 - £102,983	3
Director of Public Health	£90,398 - £96,714	3
Chief Officer – Band A	£90,398 - £96,714	3
Chief Officer – Band B	£80,928 - £87,242	3
Chief Officer – Band C	£68,298 – £77,771	4
Chief Officer – Band D	£62,407 - £65,045	3

- 5.6 Information on 'Senior Management' responsibilities and remuneration will be published on the Council's website⁸ in line with Local Government Transparency Code 2015⁹ and the Accounts and Audit Regulations 2015¹⁰.

6. ADDITIONAL BENEFITS

- 6.1 Employees receive/have access to additional benefits (in addition to basic salary) as outlined in the Table 3 below.

⁷ Link to [Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act](#) published in February 2012

⁸ Available at: https://www.hartlepool.gov.uk/info/20004/council_and_democracy/430/local_government_transparency_code

⁹ Available at: <https://www.gov.uk/government/publications/local-government-transparency-code-2015>

¹⁰ Available at: <http://www.legislation.gov.uk/uksi/2015/234/contents/made>

Table 3 – Additional Benefits

Employees	Additional Benefit
All officers involved in delivering local, Parliamentary and/or European elections and/or referenda	Duty payments in connection with elections as determined locally in consultation with the other Tees Valley Councils and/or by statute depending on the duties concerned.
Employees in Development Scheme posts	Progression through pay bands where pre-determined progression criteria are met.
All employees whose pay reduces as a consequence of organisational change, job evaluation or redeployment	The pay protection arrangements detailed in the Council's Single Status Agreement apply to all employees as a means of assisting employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment. At the end of the year protection period the standard pay arrangements apply.
All employees who are members of public sector pension schemes	<p>The Council operates the Local Government Pension Scheme (LGPS), the Teachers' Pension Scheme (TPS) and the NHS Pension Scheme (PHPS) and makes employer pension contributions, as required, for all employees who elect to participate in one of the above schemes.</p> <p>The employer pension contributions from 1 April 2024 are as follows:</p> <p>Local Government Pension Scheme -12.4% of pensionable pay</p> <p>Teachers' Pension Scheme - 28.68% of pensionable pay</p> <p>NHS Pension Scheme – 20.68% of pensionable pay</p> <p>The contribution rates are regularly reviewed and set by actuaries advising the various Pension Funds.</p>
All employees in posts where there are particular recruitment and/or retention difficulties	As a general rule, the pay bands provide relevant and adequate compensation to attract and retain employees for the vast majority of posts and the necessity to apply a salary supplement should not exist. There may be specific circumstances, however, where an additional market forces supplement may be required to either attract

	<p>hard to recruit categories of employees or to retain such employees within the employment of the Council.</p> <p>In all circumstances a business case will need to be developed (and reviewed regularly) to support the payment of market supplements which will be approved by members in relation to posts subject to the Council's Officer Employment Procedure Rules¹¹ and by the Managing Director in relation to all other posts.</p> <p>The market forces supplement arrangements detailed in the Council's Single Status Agreement apply to all employees.</p>
--	--

Table 3 (cont.) – Additional Benefits

Posts/Employees	Additional Payment
Employees registered and in receipt of Childcare Vouchers via the Council run Scheme on 5 April 2018.	Able to continue to access the Council's Childcare Voucher scheme through a salary sacrifice arrangement in accordance with His Majesty's Revenues and Customs (HMRC) rules and at no cost to the Council.
All employees who are members of the Local Government Pension Scheme	Able to access a Shared Cost Salary Sacrifice AVC scheme.
All employees (excluding those with less than 6 months service with the Council and those without the appropriate fixed term contract length)	<p>Able to access via Vivup, the Council's Employee Benefits Platform, a range of schemes through a salary sacrifice arrangement in accordance with His Majesty's Revenue and Customs (HMRC) rules and at no cost to the Council.</p> <p>Home and Electronics Cycle to Work Bike Shop</p>
All employees	The Council pay a range of allowances/premium payments as detailed in National Conditions of Service (see Table 1).
All employees employed under the National Joint Council (NJC) for Local Government Services conditions of service	The Council pay a range of allowances/premium payments as detailed in the Council's Single Status Agreement subject to employees meeting the criteria for payment.

¹¹ Available at https://www.hartlepool.gov.uk/info/20004/council_and_democracy/370/hartlepool_borough_councils_constitution

7. CHANGES TO SALARIES

- 7.1 Changes in salary for employees will occur only as a result of
- the application of the provisions in Table 3.
 - promotion.
 - significant changes to an employee's role which results in a different pay band being appropriate (as confirmed by the outcome of an appropriate job evaluation process, where appropriate).
 - an honorarium or ex-gratia payment being appropriate to recognise circumstances or events not covered by conditions of service.
 - progression of a maximum of one increment each year within previously agreed pay bands based on service.
 - changes in the working arrangements of employees. .
- 7.2 The Council does not currently award any performance related pay or bonuses to any of its employees or require them to have an element of their basic pay 'at risk' to be 'earned back' through meeting pre agreed objectives.

8. PAYMENTS TO ALL EMPLOYEES UPON TERMINATION OF EMPLOYMENT

- 8.1 Employees who cease to hold office or be employed by the Council will receive payments based on entitlement within their contract of employment, their general terms and conditions and existing policies in relation to the Local Government Pension Scheme¹², specifically the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011¹³.
- 8.2 In accordance with the Council's Constitution, the determination of voluntary redundancy or early retirement applications which do not generate sufficient savings to ensure that the costs of the application (including salary paid in lieu, redundancy compensation, strain on the pension fund, holiday pay and any bonuses, fees or allowances paid) are recovered within a pay-back period of 3.05 years or less are considered by members of the Personnel Sub Committee and only approved in exceptional circumstances. Officers determine all other early retirement applications in accordance with the pay-back period of 3.05 years. This arrangement complies with previous Audit Commission guidance, has worked very well for a number of years and is an effective and efficient way of dealing with early retirement applications.

¹² Available at: <http://www.lgpsregs.org/>

¹³ Available at: <http://timeline.lge.gov.uk/regidx.html>

- 8.3 The Localism Act 2011 and associated guidance, identifies that all severance packages for employees leaving the Council over £100,000 must be voted on by Full Council before they can be approved.
- 8.4 On 22nd May 2022 the Government published 'Statutory Guidance on the making and disclosure of Special Severance Payments by Local Authorities'¹⁴.

The wording of the guidance is based on a Leader and Cabinet System and therefore isn't wholly applicable/relevant to our Committee system of governance. In Hartlepool, Special Severance payments will be approved according to the following process:

- payments of £100,000 and above will be approved by a vote of Full Council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, will be personally approved and signed off by the Managing Director as Head of Paid Service, with a clear record of the Monitoring Officer and s151 Officers approval, in consultation with the Leader of the Council.
- payments below £20,000 will be approved according to the Council's scheme of delegation.

All payments will be recorded on an Officer Decision Record.

In accordance with the guidance, severance payments to the Head of Paid Service will only be made with the approval of a panel including two independent persons.

9. LOWEST PAID EMPLOYEES

- 9.1 The Council defines lowest paid employees from 1st April 2023 as employees remunerated at NJC for Local Government Services spinal column point 3 (equivalent to £22,737 per annum, £11.79 per hour) subject to any National Agreement on the pay award.
- 9.2 The Council introduced its Single Status Agreement on 1st April 2007. The lowest paid employees within the Council are appointed to jobs which have been evaluated using the NJC Job Evaluation Scheme and are remunerated accordingly.
- 9.3 The relationship between the rates of pay for the lowest paid and for senior management is determined by the processes used for determining pay and grading structures as set out earlier in this Policy Statement.
- 9.4 The Council's 'median pay multiple', which complies with the Local Government Transparency Code 2015¹⁵, is the ratio between the taxable earnings of the highest paid employee and the median taxable earnings of

¹⁴ Available at: <https://www.gov.uk/government/publications/special-severance-payments>

¹⁵ Available at <https://www.gov.uk/government/publications/local-government-transparency-code-2015>

the whole of the Council's workforce The Managing Director is the highest paid employee.

- 9.5 The 2023 'pay multiple' with comparative data is detailed in Table 5.

Table 5 – 'Pay Multiple'

Date	Taxable earnings of the highest paid employee	Median taxable earnings of the whole of the Council's workforce	Pay multiple based upon the taxable earnings of the highest paid employee
31 March 2019	£134,288	£19,325	6.95
31 March 2020	£138,855	£19,988	6.95
31 March 2021 *	£122,548	£20,487	5.98
31 March 2022	£137,173	£20,014	6.53
31 March 2023	£138,879	£22,659	6.13

N.B. The pay multiple changes each year as a consequence of a combination of the taxable earnings of the highest paid employee increasing due to incremental progression within the pay band, the time they are in post and the median taxable earnings of the whole of the Council's workforce changing.

* The pay multiple at 31 March 2021 reflects total taxable pay paid to the highest paid employee, which includes a part year impact at the Managing Director pay level. If the post holder has been Managing Director for the full year the pay multiple would be 6.6

- 9.6 The Council will aim to ensure that the basic pay 'pay multiple' does not exceed a value of ten.

10. EMPLOYMENT OR ENGAGEMENT OF FORMER EMPLOYEES

- 10.1 The Council will generally not re-employ or engage any individual under a contract of service or a contract for services whom has previously been employed by the Council and left that employment with the benefit of a severance, early retirement or redundancy payment under voluntary arrangements, unless it is in the best interests of the Council to do so or there are exceptional circumstances which would justify doing so.

The Council is mindful of its obligations under equality legislation and as such is limited in its ability to adopt a policy that it will not employ people of an age that has entitled them to pension access on leaving former employment in the public sector or to propose that such applicants be employed on less favourable terms than other applicants. It expects all applicants for any posts to compete and be appointed on merit.

Any proposed appointment under this provision will only be made following exhaustion of all recruitment policies and procedures and in accordance with

the Officer Employment Procedure Rules ¹⁶ Elected Members will approve all appointments for Head of Paid Service, Directors and Chief Officers reporting to a Director or Head of Paid Service. In respect of all other posts the Managing Director (in her/his role as Head of Paid Service) will formally approve any appointments.

- 10.2 The approach to the employment of individuals already in receipt of a local government pension is set by the Teesside Pension Fund.

11. EMPLOYMENT OF INDIVIDUALS ALREADY UNDER A CONTRACT FOR SERVICES

- 11.1 The Council does not generally support engaging individuals under a 'contract for services' where the Council is not required to make either pension or national insurance contributions for such individuals as it supports the Government's commitment to tackling all forms of tax avoidance and recognises that public appointments that involve arrangements whereby savings in tax and National Insurance contributions are made may be at the expense of other taxpayers or other parts of the public sector. However there may be exceptional circumstances where engaging an individual under these terms is the most effective and efficient way of meeting the Council's needs. If this situation applies formal approval will be sought from members in relation to posts subject to the Officer Employment Procedure Rules ¹⁸ and from the Managing Director (in his/her role as head of the paid service) in respect of other posts and individuals will be sourced through an appropriate procurement process, including IR35 checks, and in accordance with the Council's Contract Procedure Rules which ensure the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

12. INCOME TAX AND NATIONAL INSURANCE

- 12.1 The Council does not enter into arrangements with individual employees to minimise their tax and national insurance contributions other than via salary sacrifice schemes in accordance with His Majesty's Revenues and Customs (HMRC) rules.

13. USE OF AGENCY WORKERS

- 13.1 The Council does not generally support using agency workers. However there may be circumstances where engaging agency workers is the most efficient and effective way of meeting the Council's needs. If this situation applies, formal approval will be sought from the relevant Assistant Director. Agency workers operating in the Council will be remunerated on the pay of comparable employees after 12 weeks of qualifying service.

¹⁶ Available at:

https://www.hartlepool.gov.uk/downloads/file/5261/hartlepool_borough_councils_constitution_2019-20 Part 4, p109.

14. APPRENTICES

- 14.1 Apprentices are paid the appropriate national minimum wage (depending upon individual circumstances).
- 14.2 Employees with substantive jobs who undertake apprenticeships within their current duties and responsibilities will continue to be paid in accordance with their contract of employment.

15. USE OF ZERO HOUR CONTRACTS

- 15.1 The Council does not generally support the use of zero hour contracts and has acted to end such contracts, with the exception of where an individual employee has specifically requested to remain on such a contract. There may be circumstances where an individual employee requests the use of a zero based hour contract. The Director of Legal, Governance and Human Resources **must** consult with the Managing Director before the use of any such contracts are approved. Where employees are employed on a zero hour contract they are employed on a permanent or fixed term basis, are entitled to request a review of their contracted hours at any time after six months in post and are not prevented from working for other employers.

16. CONTRACTORS

- 16.1 The Council requires that contractors comply with the national minimum wage and national living wage legislation. All new and extended Council contracts are encouraged to pay NJC for Local Government Services spinal column point 3 (see 9.1 above) and avoid the use of zero hour contracts (see 15.1 above).
- 16.2 The Council will encourage all local employers employing 250 or more employees to publish their pay multiple.

17. GENDER PAY GAP INFORMATION

- 17.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires all local authorities with more than 250 employees to publish gender pay gap data based on a 'snapshot' date of 31 March of the previous year to the year in which the data is published. This is published annually on the Council's website.
- 17.2 The gender pay gap is defined as the average pay gap between male and female staff in hourly pay. The council is required to publish the mean and median differences between male and female employees and the proportions of each gender in each pay quartile.
- 17.3 Further requirements stipulate the need to publish information related to bonuses received by each gender, however the council does not pay bonuses, and as such the council does not report under these headings.



Department for Levelling Up,
Housing & Communities

Simon Hoare MP
Minister for Local Government
2 Marsham Street
London
SW1P 4DF

Leaders of Unitary and Upper Tier Authorities in
England

18 January 2024

Dear Leaders,

I wish to draw your attention to the recommendation in Simon Bailey's Independent Review of the Disclosure and Barring Regime (18 April 2023) concerning the eligibility of local councillors for criminal record checks. The review is available online at:

<https://www.gov.uk/government/publications/independent-review-of-the-disclosure-and-barring-regime>

The purpose of the review, commissioned by the Home Office, was to provide assurance to Ministers about the effectiveness of the disclosure and barring regime in safeguarding children and vulnerable adults. Part of the review considered the regime with regard to eligibility of local councillors for criminal record checks provided by the Disclosure and Barring Service ('DBS checks').

With specific reference to local authorities, the review made the following recommendation:

Recommendation 5: Local councillors

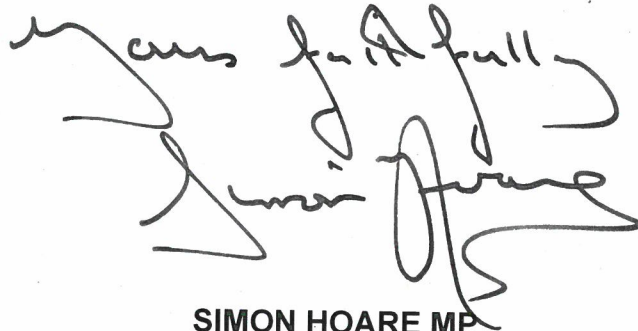
I recommend that an enhanced criminal record check is made mandatory for all councillors in Unitary and Upper Tier Authorities who are being considered for appointment to any committee involved in decisions on the provisions of children's services or services for vulnerable adults. I accept that this would require legislation and therefore some inevitable delay, so I further recommend that these authorities are encouraged to adopt this procedure as best practice pending legislation.

Government strongly supports the recommendation and I urge an enhanced DBS check to be adopted as best practice for all councillors being considered for appointment to any committee which discharges education or social services functions. Such roles are eligible for enhanced DBS checks, and it is within the power of relevant authorities to implement this best practice. My clear view is that there is reputational benefit in councils being both consistent and robust on adopting this best practice recommendation given the high profile of cases, rightly so, when things go wrong.

In the meantime, the Government will keep under review the case for mandating enhanced criminal record checks for all councillors falling into the categories identified by Bailey's recommendation 5 above.

I feel strongly that adopting as best practice enhanced DBS checks for all councillors serving on committees with responsibilities for children's services or services for vulnerable adults is important to ensure public confidence in political representatives. I would be grateful if the content of this letter could be brought to the attention of those officers with responsibilities for these matters.

This letter will be published on GOV.UK.

A handwritten signature in black ink, appearing to read 'Simon Hoare', written in a cursive style.

SIMON HOARE MP
Minister for Local Government

COUNCIL
22 FEBRUARY 2024



Report of: Managing Director

Subject: BUSINESS REPORT 2

4. ELECTIONS: 2 MAY 2024 – POLLING STATIONS

Council is informed that due to unavailability and to ensure compliance with the Elections Act 2022, a number of changes have been implemented to the locations of Polling Stations as set out on the table attached to this report.

ELECTIONS : 2 MAY 2024 – POLLING STATIONS

Members are requested to note that due to unavailability and to ensure compliance with the Elections Act 2022, the following changes have been implemented:

POLLING DISTRICT	POLLING STATION ELECTORATE (APPROX)	NEW POLLING STATION	PREVIOUS POLLING STATION	COMMENTS
DE BRUCE				
BB	1801	Space to Learn, King Oswy Drive	CECA, King Oswy Drive	CECA no longer available. Space to Learn previously used successfully as a Polling Station, only changed due to its closure.
HEADLAND & HARBOUR				
FD	781	Divers Club, Harbour Walk	Sea Cadets, Harbour Walk	Located next door to the previous polling station. Offers better accessibility for electors and improved facilities for polling station staff.
ROSSMERE				
HC	832	Rossmere Family Hub, Rossmere Way	Rossmere Youth Centre, Rossmere Way	Located next door to the previous polling station. Rossmere Youth Centre not available due to renovation work. Rossmere Family Hub offers better accessibility for electors and improved facilities for polling station staff.
HF	821	Newholm Court	Travellers Rest Public House	Travellers Rest not available. Newholm Court offers access for electorate and good facilities for polling station staff.

RURAL WEST				
ID	200	Portable Unit, Dalton Piercy Village	Dalton Piercy Village Hall	Dalton Piercy Village Hall no longer available. No other suitable premises available to host a polling station, therefore Portable Unit to be used.
SEATON				
JB	1124	Marine Hotel	Seaton Carew Branch Library	<p>Library not available due to planned refurbishment. Marine Hotel offers accessibility for electors and is a suitable venue for a polling station.</p> <p>NB. Upon completion of the refurbishment, the polling station will return to the Library.</p>

Members are also asked to note that following the elections on 2 May, 2024 a full review of Polling Districts, Polling Stations and Polling Places will be undertaken in accordance with:

- Section 1 - The Parliamentary Constituencies Act 1986
- Section 18B(4)(e) The Representation of the People Act 1983

Public questions for Council

Meeting Date: 22 February 2024

1.	From: Mr B Lloyd
	To: Chair of Neighbourhood Services Committee
	<p>Question</p> <p>Explain in detail HBC's recycling strategy</p> <p>Explain in detail how current arrangements at Burn Vale tip meet that strategy</p> <p>Also please advise of HBC's current star rating in recycling</p>