

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 19 February 2024

at 10.00 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors Boddy, Brown, Buchan, Feeney, Hall, Harrison, Lindridge, Little, Martin Wells, Morley and Young.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 22 January 2024.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Capital Programme 2024/25 to 2026/27 – *Director of Finance, IT and Digital*
- 4.2 Strategic Financial Management Report as at 31 December 2023 – *Director of Finance, IT and Digital*

5. KEY DECISIONS

- 5.1 Council Tax – Fraud Prevention Strategy – *Director of Finance, IT and Digital*
- 5.2 Long Term Plan for Towns – *Executive Director of Development, Neighbourhoods and Regulatory Services*

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.

6. OTHER ITEMS REQUIRING DECISION

No items.

7. ITEMS FOR INFORMATION

7.1 Council Plan 2021-2024 – Progress Update – *Managing Director*

7.2 Developing the New Council Plan 2024-2029 – Progress Update – *Managing Director*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

22 JANUARY 2024

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

Present:

Councillor Mike Young (In the Chair)

Councillors: Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall, Brenda Harrison, Jim Lindridge, Sue Little and Andrew Martin-Wells.

Also Present: Councillor Tom Cassidy as substitute for Councillor Paddy Brown in accordance with Council Procedure Rule 4.2.
Councillor Carole Thompson as substitute for Councillor Melanie Morley in accordance with Council Procedure Rule 4.2.
Councillors Gary Allen and Rachel Creevy.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Director of Legal, Governance and Human Resources
James Magog, Director of Finance, IT and Digital
Paul Dixon, Assistant Director, Corporate and Financial Services
Sally Robinson, Executive Director of Children's and Joint Commissioning Services
Craig Blundred, Director of Public Health
Jill Harrison, Executive Director of Adult and Community Based Services
Tony Hanson, Executive Director of Development, Neighbourhoods and Regulatory Services
Beverley Bearne, Assistant Director, Development and Growth
Tim Wynn, Strategic Asset Manager
Connor Kerr, Communications and Marketing Team
David Cosgrove, Democratic Services Team

56. Apologies for Absence

Councillors Paddy Brown and Melanie Morley.

57. Declarations of Interest

None.

58. Minutes of the meeting held on 27 November 2023

The Director of Legal, Governance and Human Resources referred to Minute 42 and stated that in respect of the reallocation of funding from the Borough Hall to the Wingfield Castle. The minutes refer to funding from the Arts Council, however, the funding was actually Treasury funding, through the Department of Digital, Culture, Media and Sport with Arts Council England as the fund holder on their behalf.

Members noted the clarification. The Minutes were thereby confirmed.

59. Medium Term Financial Strategy (MTFS) 2024/25 TO 2026/27 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to provide an update on the impact of the Provisional Local Government Finance Settlement for 2024/25 and to enable Members to approve the budget proposals to be referred to Council, including the level of council tax and adult social care (ASC) precept for 2024/25.

Issue(s) for consideration

The Director of Finance, IT and Digital gave an overview of the Council's financial position, as highlighted in previous reports to Members. The Director of Finance, IT and Digital stated that the financial settlement announced by Government was broadly as anticipated though there was an unexpected reduction to the Services grant, however, there was an unexpected increase in New Homes Bonus which went some way to compensating us for this loss. Overall the grant position as set out in the settlement was £157,000 lower than anticipated.

The Director of Finance, IT and Digital reported that as had been the case in previous years, the government used Core Spending Power as the method to describe the increase in Council funding. This included the government assumption that Councils increase council tax by the maximum allowable, which for a social care or Upper Tier authority was 4.99%.

The report also highlighted that at the time of writing all upper tier councils that had considered their Council Tax position were proposing the maximum increase, and that remained the case, save for one council proposing 4.9% and another 4.95%. A small number of councils had also been given permission by government for a higher increase – either 8% or 10%, and there were others having similar discussions with government.

The position nationally was, therefore, very clear and the Director of Finance, IT and Digital informed the Committee that in an individual discussion with officers at DLUHC, they had been clear that the ability to increase council tax had been provided by government and if 'we' fail to do so, this would be challenged if 'we' end up in the position in the future of seeking exceptional financial support through capitalisation.

The Director of Finance, IT and Digital reported the pressures outlined in the report reflected the most up-to-date position on Children's Social Care, but also revised pay and Adult Social Care inflation forecasts following the increase to the national living wage. There was no additional funding to address either of these pressures in the settlement. Generally, whilst inflation was easing, there were risks going forward, particularly with regard to energy.

The Director of Finance, IT and Digital stated that on the assumption that all of the savings proposals and an increase in Council Tax was agreed, the Council would still be using £3.478m of reserves (this being the £3.755m shown in the report, less the £277,000 on business rates to come in). Using such a level of reserves was over £2m more than the current year. It was not and it was in no way sustainable. By using one off reserves to fund recurring pressures, this increase the gap for 2025/26 to over £7.5m based on current forecasts. This was a significant sum, and posed a substantial challenge for the council to address, especially in the context of limited reserves.

The Director of Finance, IT and Digital highlighted his robustness advice set out in Section 11 of the report. The Director confirmed there were sufficient reserves to balance the 2024/25 budget position. However, there were significant concerns relating to reserves and the Director stated he was unable to provide assurance as to the adequacy of reserves over the medium term, given the considerable risks going forward and the budget position. On that basis, the Director stated he would only be able to agree that the financial reserves position was robust with the provisos set out in the report, namely;

- We continue to make every effort to reduce the 23/24 overspend;
- We maintain all cost control measures;
- We seek to bring forward or accelerate additional savings during 24/25; and finally
- Should we receive any unexpected additional funding in the final settlement this should be used to offset the use of reserves.

The Director of Finance, IT and Digital stated that, in his professional view, the recommendations set out in the report, however unpalatable, were required to avoid significant financial stress being placed on the Council.

A Member stated that he opposed all the recommendations set out in the report and moved that there be a Council Tax freeze and no increase in Adult Social Care Precept in 2024/25 and that all Elected Members Special

Responsibility Allowances be scrapped and that debate on the budget be deferred to full Council. The Chair supported the proposal contended that the people of Hartlepool should not be punished for service overspends in the Authority.

The Director of Legal, Governance and Human Resources stated that the Council had a legal duty to set a budget and that if the recommendations were not supported then alternative proposals needed to be put forward. The Director of Finance, IT and Digital indicated that his robustness advice was very clear and that Members must set reasons as to why they were not to follow that advice. The Managing Director added that Members would also need to provide details of how the budget was to be balanced. A Member suggested there were sufficient reserves to provide the necessary funding.

Members of the Labour Group stated that they would have wished to have had detailed discussions on how a budget could have been set not requiring a Council Tax rise. The Chair stated that there had been a number of Group Leader meetings with no suggestions forthcoming.

The Managing Director stated that it would not be possible to make budget recommendations to be forwarded to Council at this meeting and suggested that at the conclusion of the business on the agenda, the meeting stand adjourned to allow further consideration of the issues raised today to allow a reconvened meeting to consider appropriate proposals.

Decision

That the Medium Term Financial Strategy (MTFS) 2024/25 TO 2026/27 be deferred for further consideration at a reconvened session of this Committee meeting.

60. Future of Hartlepool Enterprise Centre *(Executive Director of Development, Neighbourhoods and Regulatory Services)*

Type of decision

Key Decision – General Exception Notice Applies.

Purpose of report

To provide an update as to progress made in relation to a proposed Community Asset Transfer (CAT) of the Hartlepool Enterprise Centre (HEC) in comparison to the possibility of marketing with a view to achieving a freehold sale.

Issue(s) for consideration

The Chair stated that the report would be deferred from consideration at this time as he wished to discuss the matter further with officers.

Decision

That the report be deferred.

61. Housing Revenue Account Business Plan 2024/2025

(Executive Director of Development, Neighbourhoods and Regulatory Services)

Type of decision

Key Decision (tests I and ii apply) (Forward Plan entry DNRS 10/23).

Purpose of report

The report provided an updated Housing Revenue Account (HRA) Business Plan, while reviewing the recent performance of the HRA. It proposed a rent increase for 2024/25 and sought approval to refer the decision to Council. The report also sought approval of the expenditure budget for the HRA.

Issue(s) for consideration

The Executive Director of Development, Neighbourhoods and Regulatory Services reported on the business plan covers our key council housing priorities, showing how HBC intends to develop our services to tenants, how key Government policy changes would be addressed and how it was intended to grow and develop the HRA portfolio. This year's plan provides an update on the key priorities for council housing and how these would be delivered and achieved over the coming years and an overview of the financial sustainability of the HRA.

The Executive Director of Development, Neighbourhoods and Regulatory Services highlighted the key challenges for the HRA moving forward and the issues around delivering an efficient repairs service and delivering responsive and major repair costs. Key to this was ensuring the right level of income for the HRA and this was mainly from tenants rent. The report set out some indicative rent rises for 2024/25. The Executive Director of Development, Neighbourhoods and Regulatory Services stated that a 5% rent increase would lead to the HRA Account being in deficit each of the following three financial years, a position which was unsustainable and could lead to government intervention.

Potential rent increases of 6.7% and 7.7% were also illustrated and the Executive Director of Development, Neighbourhoods and Regulatory Services recommended to the Committee a rent rise of 7.7% as it gave the HRA the most resilience moving forward, in particular in meeting its obligations to tenants around maintenance and repairs.

A Member commented on tenant's right to buy and whether there was a means of insulating the Council from this. The Strategic Asset Manager stated that the right to buy was a statutory facility that all social housing tenants had. The Council was insulated with a 10 year cost floor for older properties and a 15 year cost floor for new builds that meant that the property could not be sold for less than the cost of replacing it on the HRA stock. After those timescales, however, tenants were entitled to discounted purchase prices.

Members discussed the suggested rent increase with some Members concerned at imposing any increase on hard pressed tenants. The Executive Director of Development, Neighbourhoods and Regulatory Services stated that the Government would provide additional funding for those tenants receiving housing benefit and Universal Credit to meet the additional rent demand. Approximately two thirds of HRA tenants, therefore, would have all or part of their rent increase funded by the Government.

The Chair proposed the recommendations set out in the report and requested that a recorded vote be taken.

The following decision was reached by way of a recorded vote in accordance with Council Procedure Rule 15.5.

Those for: Councillors Tom Cassidy, Bob Buchan, Jim Lindridge, Sue Little, Andrew Martin-Wells and Mike Young.

Those against: Councillors Moss Boddy, Tom Feeney, Gerard Hall, Brenda Harrison and Carole Thompson.

Those abstaining: None.

The recommendations, therefore, were carried.

Decision

1. That a proposed rent increase of 7.7% for 2024/25 be referred to Council on 1st February 2024 for approval, noting the overall contents and strategy of the Housing Revenue Account Business Plan 2023/24.
2. That the full Housing Revenue Account expenditure budget for 2024/25 be approved, as detailed in Appendix 1 to the report.

62. Additional National Investment to Procure Stop Smoking Services and Additional Grant Funding to Deliver a Vape Pathfinder Project *(Director of Public Health)*

Type of decision

Key Decision, test (i) applies, Forward Plan Ref CJCS 145/23.

Purpose of report

To share the recent Prime Minister announcement to increase the investment into local stop smoking services and to seek approval from the Finance and Policy Committee to agree the procurement of a stop smoking service.

To also share additional grant funding available for Hartlepool to deliver a national vape pathfinder project to add to the stop smoking offer across Hartlepool.

Issue(s) for consideration

The Director of Public Health On the 4th October 2023, the Prime Minister announced new measures to create the first 'smokefree generation'. This will be one of the most significant public health interventions in a generation, saving tens of thousands of lives and saving the NHS billions of pounds. One of the proposals set out was to help current smokers to quit. Nationally there will be an increase in funding for stop smoking services locally investing an additional £70 million a year over the next five years (2024/25-2028/29).

The aim of the additional funding was to ensure there was a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking. Additional funding would be provided to local authorities with the highest smoking rates to level up the communities who need the support the most and to address health disparities. Early indications were that Hartlepool will receive £142,389 of additional investment for stop smoking services.

Hartlepool had been part of a vape pilot project delivered through the Navigators service which includes access to vapes and behavioural support. Hartlepool submitted a bid to be part of an extended national vape pathfinder project and was successful. Hartlepool will receive additional funding £20,446.40 for period 2023/24 and 2024/25 and permission to order the vape five quit kits.

The Director of Public Health's report outlined how these additional services would be procured over, what was expected to be, a five year period. There would also be an element of additional core Public Health grant

funding added to the new funding allocations. It was intended that this would be commissioned on a three year + plus one year + plus one year contract.

Members welcomed the additional government funding for the stop smoking services. Members commented that past service provision had been much more focussed and hoped the new services would provide that more focussed one to one service to help people stop smoking. Members questioned if there would be any prevention services directed towards schools to stop young people start smoking and using vapes. Members expressed concern at the level of vape use among young people and the availability of illegal vapes in the town.

The Director of Public Health indicated that the current services provided by FRESH did provide support to schools. The use of vapes by young people was proving to be a specific issue. Members questioned if alternatives to switching to vapes for smokers would also be considered. The Director of Public Health stated that at this time he could not define what methods would be used but did anticipate that all available methods, including nicotine replacement therapies would be in the mix. The Director of Public Health also assured Members that officers did work closely with Trading Standards colleagues on tackling the issues of dangerous and illegal vapes in the town.

Decision

That the funding proposals set out in the report be approved for the commissioning of a stop smoking service.

63. Adjournment

Decision

The meeting stood adjourned to be reconvened at a date and time to be communicated to Members by the Director of Legal, Governance and Human Resources.

The meeting stood adjourned at 10.40 am.

The meeting was reconvened at 2.00 pm on Friday 26 January 2024 in the Civic Centre, Hartlepool.

Present:

Councillor Mike Young (In the Chair)

Councillors: Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall, Jim Lindridge, Sue Little and Andrew Martin-Wells.

Also Present: Councillor Carole Thompson as substitute for Councillor Melanie Morley in accordance with Council Procedure Rule 4.2.
Councillors Gary Allen, Rachel Creevy, Matthew Dodds, Philip Holbrook, Karen Oliver and Cameron Sharp.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Director of Legal, Governance and Human Resources
James Magog, Director of Finance, IT and Digital
Paul Dixon, Assistant Director, Corporate and Financial Services
Sally Robinson, Executive Director of Children's and Joint Commissioning Services
Craig Blundred, Director of Public Health
Jill Harrison, Executive Director of Adult and Community Based Services
Tony Hanson, Executive Director of Development, Neighbourhoods and Regulatory Services
Connor Kerr, Communications and Marketing Team
David Cosgrove, Democratic Services Team

64. Apologies for Absence

Councillors Paddy Brown, Tom Cassidy, Brenda Harrison and Melanie Morley.

65. Declarations of Interest

None.

66. Medium Term Financial Strategy (MTFS) 2024/25 TO 2026/27 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to provide an update on the impact of the Provisional Local Government Finance Settlement for 2024/25 and to enable Members to approve the budget proposals to be referred to Council, including the level of council tax and adult social care (ASC) precept for 2024/25.

The meeting had been adjourned and now reconvened to consider further the report submitted by the Director of Finance, IT and Digital.

Issue(s) for consideration

The Director of Finance, IT and Digital referred to the report that had been initially considered by Members at the commencement of the meeting on Monday 22 January and highlighted the public consultation undertaken as part of the budget process which showed that an overwhelming number of respondents recognised the Council's financial pressures and the need to avoid a Section 114 situation.

The Director of Finance, IT and Digital also referred to the recent government announcement of an additional £500m for Adult Social Care. No detail of the settlement for Hartlepool had yet been given but it was anticipated to be just over £1m. The Government announcement also did not confirm if the funding was ongoing and this was unlikely to be confirmed until the Spring Budget on 6 March. The Government had also announced that Councils would be required to produce productivity plans. There was no detail of what would be required from these plans but a clear indication that future funding would be measured against performance against the plans. This simply placed greater pressure on local authorities.

The Director of Finance, IT and Digital stated that he had circulated additional details to all Members by email on his robustness advice ahead of the reconvened meeting. This highlighted that any additional monies from Government should be used to reduce the call on reserves as part of the budget proposals for 2024/25 and not simply to offset a Council Tax rise.

The Chair of the Neighbourhood Services Committee stated that while it was unpalatable, a Council Tax rise had to be approved to support front line services that supported the most vulnerable in the town and protect jobs within the Council. Services such as beach lifeguards, libraries grass cutting, pot hole repairs and street cleansing could all be cut back significantly or completely. A Section 114 situation had to be avoided and if it was not and Civil Servants were sent to intervene, service cuts could be wider and Council Tax rises even greater than what is being proposed today. The Chair of the Children's Services stated he also supported the proposed increases on Council Tax and the Adult Social Care precept to protect frontline services.

Labour Group Councillors stated they supported a Council Tax freeze and had offered to work with the Leader on a budget that would have allowed a Council Tax freeze but this had not been taken up. The Chair commented that there had been opportunities for that to happen but they had not been taken up.

The Chair highlighted that the proposed budget saving relating to the operation of CCTV would not be going forward to Council. The Managing Director stated additional funding had been identified from the 'Long-term plans for Towns grant' which could be utilised to support the operation of the CCTV Control Room over the next ten years.

The Chair put the recommendations set out to the Committee in the report but indicated that he would take the issues of the proposed Council Tax precept rise and the Adult Social Care precept rise as two separate recommendations. The Chair proposed that where votes were required, these would be by way of a recorded vote. (The recommendation numbers below relate to those set out in the report.)

Recommendation (i) "That the contents of the report, including that the Core Spending Power increase is based on government's assumption that Councils will increase council tax to the maximum allowable, be noted" was agreed without dissent.

The following decision was reached by way of a recorded vote in accordance with Council Procedure Rule 15.5.

Recommendation (iii) "That Council be recommended to approve the overall budget proposal set out in the report, including savings of £1.792m, use of one-off balances of £3.755m and use of temporary investment income of £1m".

Those for: Councillors Jim Lindridge, Sue Little, and Mike Young.

Those against: Councillors Moss Boddy, Tom Feeney, Gerard Hall, and Carole Thompson.

Those abstaining: Councillors Bob Buchan and Andrew Martin-Wells.

The recommendation, therefore, was lost.

In light of the vote, the Chair adjourned the meeting to allow further discussions between Elected Members.

Following the adjournment, the Chair requested that the vote on Recommendation (iii) be put again to the Committee.

The following decision was reached by way of a recorded vote in accordance with Council Procedure Rule 15.5.

Recommendation (iii) “That Council be recommended to approve the overall budget proposal set out in the report, including savings of £1.792m, use of one-off balances of £3.755m and use of temporary investment income of £1m”.

Those for: Councillors Jim Lindridge, Sue Little, and Mike Young.

Those against: None.

Those abstaining: Councillors Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall, Andrew Martin-Wells and Carole Thompson.

The recommendation, therefore, was carried.

The following decision was reached by way of a recorded vote in accordance with Council Procedure Rule 15.5.

Recommendation (ii) “Recommend to Council an increase to the Adult Social Care precept of 2%.”

Those for: Councillors Jim Lindridge, Sue Little, Andrew Martin-Wells and Mike Young.

Those against: None.

Those abstaining: Councillors Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall and Carole Thompson.

The recommendation, therefore, was carried.

The following decision was reached by way of a recorded vote in accordance with Council Procedure Rule 15.5.

Recommendation (ii) “Recommend to Council an increase to core council tax of 2.99%.”

Those for: Councillors Jim Lindridge and Sue Little.

Those against: None.

Those abstaining: Councillors Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall, Andrew Martin-Wells, Carole Thompson and Mike Young.

The recommendation, therefore, was carried.

Recommendation 2 “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 on 22 February 2024” was agreed without dissent.

Decision

That the following proposals be referred to Council on 1 February 2024:

1. Note the contents of the report, including that the Core Spending Power increase is based on government's assumption that Councils will increase council tax to the maximum allowable;
2. That an Adult Social Care precept increase of 2% be recommended;
3. That an increase to core Council Tax of 2.99% be recommended;
4. That the overall budget proposal set out in the report, including savings of £1.792m, use of one-off balances of £3.755m and use of temporary investment income of £1m be recommended to Council;
4. That the robustness advice, detailed in section 11 of the report, including the need to bring forward additional savings proposals during the year to protect the Councils reserve position be noted by Council.
5. 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.

67. Any Other Business the Chair Considers Urgent

None.

The meeting concluded at 2.40 pm.

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

PUBLICATION DATE: 31 JANUARY 2024

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

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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.

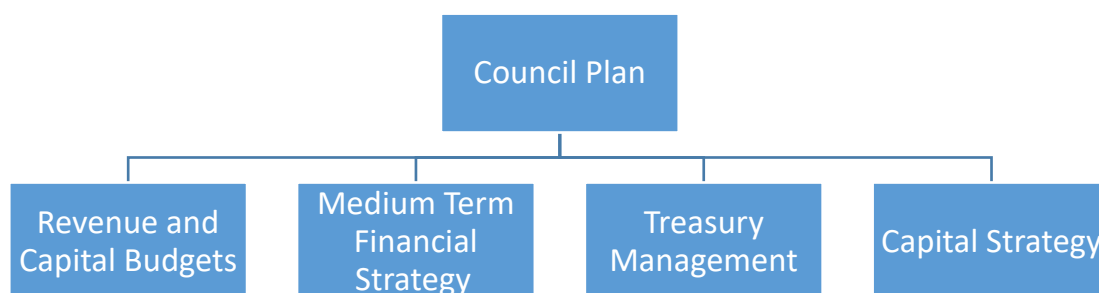
The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and 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://www.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
<u>Service Specific Capital Grants</u>												
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
<u>Departmental Prudential Borrowing - Funded from Specific Business Cases</u>												
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

FINANCE AND POLICY COMMITTEE

19TH FEBRUARY 2024



Subject: STRATEGIC FINANCIAL MANAGEMENT REPORT -
AS AT 31ST DECEMBER 2023

Report of: Director of Finance, IT and Digital

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 this report is to inform Members of:

- i) Forecast General Fund outturn for 2023/24;
- ii) Forecast Housing Revenue Account outturn for 2023/24;
- iii) Corporate Income Collection Performance; and
- iv) Capital Programme Monitoring 2023/24.

3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 The previous report to Finance and Policy Committee in November, highlighted the significant financial pressures being experienced by the Council from high general inflation, energy inflation, higher than anticipated pay awards and increased demand and significant cost rises for Children's Social Care external placements. These pressures have continued in to the third quarter of the 2023/24 financial year and are detailed further in this report.
- 3.2 General inflationary pressures have had a profound impact on the Council's budget position during 2023/24. Although rates have reduced from the 10%+ levels experienced during early 2023, they remain high, with December 2023's Consumer Price Index (CPI) recorded at 4%, a slight increase on the prior month. The Bank of England continue to keep interest rates at historically high levels, to support their primary objective of reducing inflation to their 2% target.
- 3.3 These inflationary pressures in conjunction with the inadequate funding settlement recently issued by Government for next financial year, means the number of Councils issuing warnings on the sustainability of their financial position continues to grow. Hartlepool's officers have engaged with DLUHC finance officials to outline the growing sustainability issues of the Council's finances as evidenced by the current years forecast overspend and reported Medium Term Financial Strategy (MTFS) funding shortfall.
- 3.4 Ultimately, the lack of an urgently required significant funding injection into Councils, coupled with the delay in a Fair Funding review first mooted in 2016, is having a growing detrimental impact on the sustainability of local government finance. Whilst there is no certainty, the Council has a reasonable expectation of additional funding through the Fair Funding review, not least owing to our relative position on Business Rates.
- 3.5 The latest 2023/24 budget forecast position for the Council is outlined below.

4. FORECAST GENERAL FUND OUTTURN 2023/24

- 4.1 The current forecast outturn position is summarised below and shows a forecast full year overspend of £2.616m as at the end of quarter 3, an improvement of £1.612m from the reported quarter 2 position. Should the continued in-year action not manage to mitigate this position further, this full overspend will need to be funded from the Budget Support Fund. This will significantly reduce one off resources available to support future years budget planning and also reduce the overall financial resilience of the Council. The position is detailed on **Appendices A to E**, with summary detail set out below.

Q1 Forecast Outturn - Overspend/ (Underspend) £'000	Q2 Forecast Outturn - Overspend/ (Underspend) £'000	Departmental Budget Area	Q3 Forecast Outturn - Overspend/ (Underspend) £'000
(300)	(100)	Adult & Community Based Services	(270)
3,390	4,263	Children's & Joint Commissioning	4,450
(50)	(60)	Finance, IT and Digital	(110)
40	(20)	Legal, Governance and HR	(20)
855	445	Development, Neighbourhoods & Regulatory Services	(45)
0	(300)	Corporate	(1,150)
0	0	Business Rates Levy Distribution	(239)
3,935	4,228	Total Forecast Budget Overspend	2,616

Adult and Community Based Services

- 4.2 The forecast net underspend of £0.270m is an improvement since the second quarter review and consists of a projected £0.485m underspend within Adult Social Care partly offset by a £0.215m projected overspend within Preventative & Community Based Services.
- 4.3 The forecast underspend within Adult Social Care remains in line with that forecast at the second quarter review and is based on current client numbers and costs. However, as the winter period has commenced these projections will be closely monitored for the remainder of the year.
- 4.4 The forecast overspend within Preventative & Community Based Services has reduced since the second quarter review mainly as a result of the receipt of outstanding TVCA grant income and the department proactively managing their budgets. The overall overspend in this area mainly relates to a combination of historic income pressures across a number of areas including Leisure Centres, Town Hall Theatre and the Borough Hall.

Children and Joint Commissioning Services

- 4.5 The forecast outturn overspend in this area has increased further since the second quarter review, from £4.263m to £4.450m. The number of children in our care requiring residential placements continues to increase which has contributed to the increased forecast overspend. As previously reported, the increased complexity of children's needs and significant placement fee increases charged by external care providers, in an extremely high demand market, is leading to unprecedented budget pressures in this area. Budget pressures also continue in relation to independent fostering agency placements, Special Guardianship allowances, direct payments and Section 17 payments.

- 4.6 In addition, the social care staffing budget, namely the area of social workers, is also forecast to overspend owing to the increased case load and also essential maternity and sickness cover requirements.
- 4.7 The Children's Social Care service area continues to be a significant risk for all councils owing to a range of external factors. The budget position will continue to be monitored closely during 2023/24 as demand and placement costs continue to increase. As such, at this stage, there is a real risk that the budget position could deteriorate further in the final quarter of the year.
- 4.8 Budget pressures relating to children in our care have been included within the 2024/25 MTFS budget. In addition, officers continue to seek to identify lower cost provision which will potentially include progressing further HBC owned and managed children's homes, seeking to increase foster carer numbers, to provide a placement solution where appropriate and to review all areas of staffing.

Development, Neighbourhoods and Regulatory Services

- 4.9 The projected outturn for the department has improved further since the second quarter review and a favourable variance of £0.045m is now forecast.
- 4.10 The department continues to face pressures in relation to Car Parking, Planning and increased referrals for children with SEND needs in the Passenger Transport service. However, in addition to the previously reported positive uptake of the green waste subscription service and an improved negotiated position in relation to concessionary fares, the department has continued to proactively manage budgets to offset pressures where possible. Work has also been undertaken in trading areas to review charges and overheads to improve income generation whilst remaining competitive with external providers. The department is also currently forecast to exceed its salary abatement target.

Finance, IT and Digital Services

- 4.11 The forecast outturn is an underspend of £0.110m. This has arisen owing to favourable variances from staffing vacancies and staff not being at the top of their grade, which is offsetting a pressure relating to housing benefit subsidy recovery.

Legal, Governance and HR

- 4.12 The projected outturn for the department remains unchanged from that reported at the second review, as budgets continue to be actively managed. The favourable variance of £0.020m relates to increased income generation and staff not being at the top of their grade, offsetting the additional cost of elections and other income shortfalls.

Corporate

- 4.13 The forecast outturn is an underspend of £1.150m, which is a significant improvement from the second quarter review. This has largely been achieved through additional investment return income, owing to proactive Treasury Management and the continued higher rates of return available in the investment market.

Business Rates Levy Distribution

- 4.14 On the 5th February 2024, the Department for Levelling Up, Housing and Communities (DLUHC), announced the one-off distribution of the national business rates levy account. The £100m account balance will be distributed via formula and the estimated sum to be received by the Council is £0.239m. This income will support the 2023/24 outturn position.

Energy

- 4.15 As set out in previous reports, the Council adopted a two-fold strategy to address the unprecedented increase in energy prices; increasing the revenue budget for anticipated long term prices, coupled with use of an energy reserve for the shorter term spike.
- 4.16 The Council purchases its energy via the regional North East Purchasing Organisation (NEPO), with a forward purchasing strategy in place where deemed prudent. Based on energy purchased to date and market forecasts, the energy base budget will be fully utilised and £0.800m drawn from the available Energy reserve.

National Pay Award

- 4.17 The national pay offer for 2023/24 was agreed with the trades unions during November 2023. The agreed offer equated to £1,925 per employee regardless of grade up to spinal point 43. An offer of 3.5% for Chief Officers had previously been accepted. This overall pay award equates to a blended rate of approximately 6%. The Council had allowed for 5% resulting in an in-year shortfall for 2023/24 which has been met from temporary savings within corporate budgets.

Budget Savings Monitoring

- 4.18 Progress in the implementation of the £1.707m approved savings plans for 2023/24 has continued. The position is positive given the demands and pressures services are experiencing. Directors continue to take the necessary action to mitigate any delays in implementation.
- £1.448m (85%) of the savings have been fully realised to date.
 - £0.199m (12%) of savings where good progress is being made, with a good prospect that full savings will be achieved.

- £0.060m (3%) is in respect of areas where delays and issues have been encountered, and at this stage it is deemed unlikely they will be delivered as planned. For budget monitoring purposes these are included as a forecast outturn pressure and further information noted below.
- 4.19 As reported to Finance and Policy in November, there has been a delay in the progression of the sale or asset transfer of the Hartlepool Enterprise Centre. As such the saving of £0.023m is on hold pending resolution, and is categorised as red in the above monitoring.
- 4.20 With regard to the saving associated with Post-16 SEND transport, work is on-going to confirm the exceptional circumstances whereby the Council would be required to provide such transport and any additional costs associated with independent travel training. Pending clarification, the saving of £0.037m is at risk and categorised as red in the above monitoring.

Dedicated School Grant

- 4.21 Up until 2022/23, the Council had successfully managed High Needs Block (HNB) costs within the available annual grant allocation and HNB reserves. This has been achieved despite a significant increase in demands on this service, including the impacts arising from COVID-19. Demands on the service in 2023/24 are forecast to exceed the grant allocation of £18.6m by £3.3m – a deficit of 17.7%.
- 4.22 The increase in cost is considered necessary to invest in Hartlepool provision and so avoid placement of pupils with SEND outside the town wherever possible. In time, this approach will reduce costs for independent and out of town provision and provide an improved outcome for Hartlepool children. Schools Forum have agreed to develop an action plan during 2023/24 to address this projected deficit in order to bring DSG HNB spend back in line with the budget over the next three years.
- 4.23 The current outturn projection is an overspend of £3.3m, an increase of £0.6m from second review. This is owing to an increase in funding for children with SEND being educated in mainstream schools in Hartlepool and growth in placements needed in out of town Independent Schools.
- 4.24 The position on the High Needs Block remains a concern. Whilst the DSG is not core council funding, councils have a responsibility for ensuring it is spent in line with grant conditions and hold any surplus or deficit on its balance sheet. The position has been well managed by Hartlepool in the past, with this being the first year a forecast deficit on DSG reserves has arisen. A significant number of Local Authorities have run up substantial deficits in this area and are now in various stages of government intervention through the safety valve programme.

5. ACTIONS TO ADDRESS FORECAST OVERSPEND

- 5.1 Members will recognise, that although there has been an improvement since quarter 2, the position highlighted within section 4 continues to be of significant concern. Despite positive improvements in a number of areas, the forecast overspend and volatility of Children's Social Care dominates the outturn forecast, and there is a risk that the outturn position could deteriorate as a result within the final quarter.
- 5.2 The Council's financial position has been prudently managed over the years providing for a Budget Support Fund and other earmarked risk reserves. As a very last resort these can be called upon should the position require. As previously advised the Council is not in the realms of a S114 notice. However, as has been seen at other Local Authorities the position can deteriorate rapidly, and strong and continued action is required to reduce the overspend, protect available reserves to support the Medium Term Financial Strategy, and ensure the Council does not progress on the path to a S114 notice within the next 2 to 3 years.
- 5.3 As outlined in the previous budget monitoring update reports to committee, a plan of action was developed and implemented with the aim of mitigating the financial pressures over the remainder of the financial year. The budget position reflects the impact of these actions across a number of service areas. Officers will strive to continue this positive impact over the remainder of the year.
- 5.4 These in-year actions are being taken alongside the more strategic approach to developing longer term plans to increase the sustainability of the council's budget. These plans are on-going.

6. HOUSING REVENUE ACCOUNT (HRA)

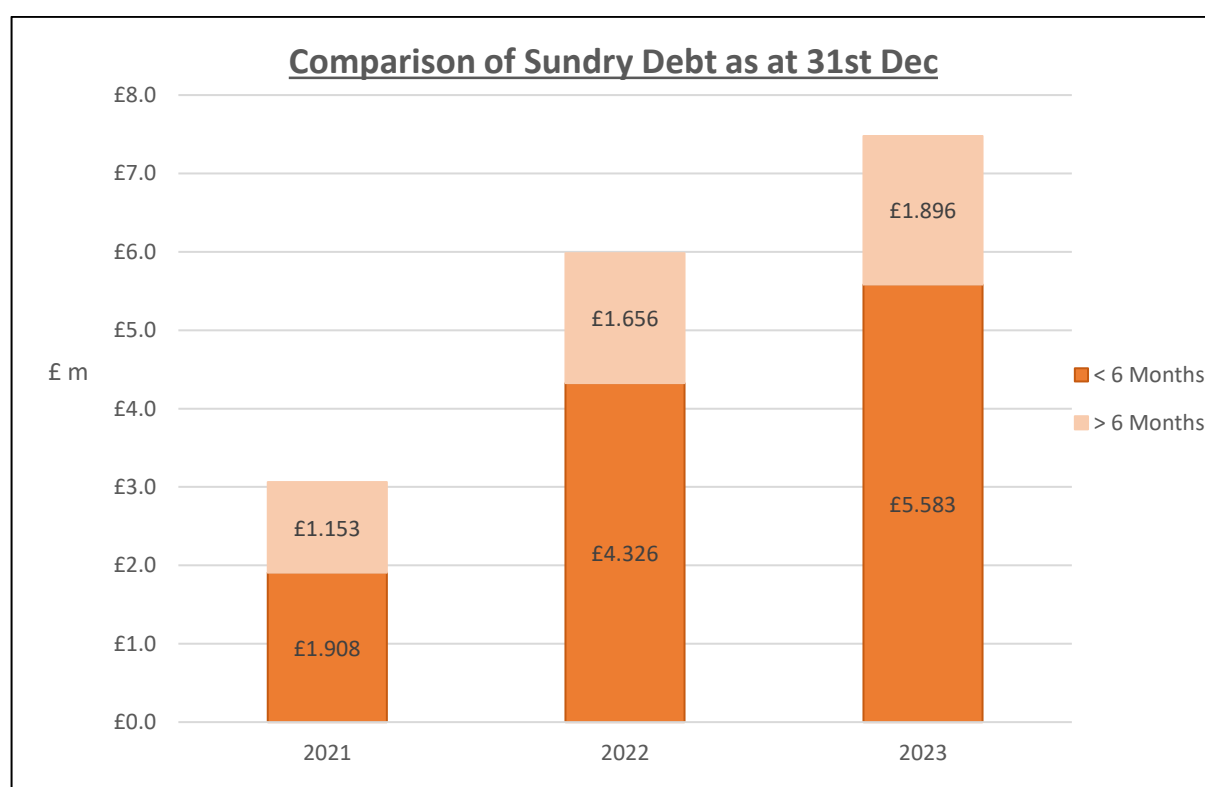
- 6.1 There is currently a forecast favourable variance of £0.011m in relation to the HRA. The position is summarised below with details reported on **Appendix F**.
- Income is forecast to be higher than budgeted as a result of new Brenda Road units coming on-line sooner than originally anticipated;
 - Borrowing costs are anticipated to be lower than originally budgeted owing to slippage on the capital programme. This has allowed an additional contribution to the Major Repairs Reserve to replenish reserves used to match fund the HUG decarbonisation scheme. This scheme will improve the carbon footprint and energy efficiency of a number of HRA properties; and
 - There is also an anticipated adverse variance in relation to repairs as these are expected to increase in volume.
- 6.2 The HRA reserve is forecast to increase by £0.011m to £0.511m.

- 6.3 **Appendix G** provides an update on the Capital Programme activity specifically supporting the HRA.

7. INCOME COLLECTION AND COLLECTION FUND

Sundry Debts

- 7.1 The Council collects significant Sundry Debts income for the payment of services provided by the Council. In total £29.100m sundry debts were raised in the first nine months of 2023/24. As at 31st December 2023, £23.200m (79.7%) of this amount had been collected.
- 7.2 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 31st December for the last three years for long term debt and current debt which has been outstanding for less than six months.



- 7.3 Debtors totalled £7.479m as at 31st December 2023, of which £5.583m (74.6%) relates to current debts (less than 6 months old). The value of current debt for 2023 is larger than in previous years. A significant element of this is invoices totaling £2.200m raised to the NHS in mid-December. Of this amount £1.900m has been received in early January.
- 7.4 Included within the debt are debts where the customer has been invoiced for the whole of 2023/24 but payment is to be received in instalments throughout this financial year.

- 7.5 Debts greater than 6 months old total £1.896m. 95.7% (£1.815m) of this amount is under recovery action or has a payment plan in place and 4.3% (£0.081m) is now considered unrecoverable and will be reported to Members for write off later in the year.

Council Tax

- 7.6 Collection figures for Council Tax are showing recovery from the pandemic particularly with regard to arrears collection. The in-year performance to the end of December showed an improvement on last year. As at the 31st December 2023 the Council had collected 77.40% of the 2023/24 liability, compared to 77.35% for the previous year. In addition £2.700m of arrears has been collected to the end of September, over £0.600m more than the comparable stage last year reflecting the on-going catch up, from the Covid-19 pandemic and the suspension of enforcement activity, which will continue for a number of years.
- 7.7 As at the end of September the Local Council Tax Support claimant count was 12,914 a continued reduction from the beginning of the year. There were 8,493 working age claimants.
- 7.8 The Collection Fund in respect of Council Tax continues to be closely monitored.

Business Rates

- 7.9 The government has continued to support businesses into 2023/24 in response to the Covid-19 pandemic with extended Retail, Hospitality and Leisure reliefs in place for the year. This relief results in a significant reduction in collectable business rates, but with full compensation by Government via a Section 31 grant.
- 7.10 At the 31st December 2023 the Council had collected 80.59% of the 2023/24 liability, compared to 80.19% for the previous year. However, business rate collection tends to be volatile during the year, and is also impacted by changes to liability for businesses.
- 7.11 The position continues to be closely monitored for signs of financial stress in the business sector. Where difficulties do arise, the team work with the business to tailor payments accordingly, whilst seeking to ensure full recovery of liability.

8. CAPITAL PROGRAMME MONITORING 2023/24

- 8.1 Individual schemes are detailed on **Appendices H to L** and in summary below:

Department	EXPENDITURE IN CURRENT YEAR					
	A	B	C	D	E	F
	2023/24 Budget £'000	2023/24 Actual as at 31/12/23 £'000	2023/24 Expenditure Remaining £'000	2023/24 Rephased into Future Years £'000	(B+C+D) 2023/24 Total Expenditure £'000	(E-A) 2023/24 Variance from Budget £'000
Major Regeneration Schemes	31,690	4,244	5,791	21,655	31,690	0
Adult & Community Based Services	4,501	2,887	551	1,063	4,501	0
Children's & Joint Commissioning Services	11,094	2,221	951	7,939	11,111	17
Development, Neighbourhoods & Regulatory Services	18,567	3,743	3,582	11,242	18,567	0
Corporate	904	16	134	754	904	0
Total Capital Expenditure	66,756	13,111	11,009	42,653	66,773	17

- 8.2 Actual expenditure to 31st December 2023 totaled £13.111m, compared to an original 2023/24 budget of £66.756m. Budget rephasing into future years of £25.838m was reported to Committee as part of the Quarter 2 review in November 2023. Since then a further £16.815m is to be rephased, resulting in a revised full year spend forecast for 2023/24 of £24.120m. Resources financing the rephased budgets will be adjusted accordingly.
- 8.3 The main sources of the additional reprofiling reported this quarter relate to; Wesley Chapel and Waterfront schemes within the Major Regeneration programme and DSO Vehicles and the Developer Contribution Fund with the Development, Neighbourhoods and Regulatory programme. More details are presented in **appendices H to L**.
- 8.4 As with revenue the capital programme is anticipated to come under pressure from the current inflationary pressures. These will materialise at different stages in the year as individual projects progress, and will be escalated prior to progression if required. An update will be provided to Finance and Policy Committee for individual schemes as or when required.

Star Centre – Children's Home Investment

- 8.5 Phase one works to the STAR Centre were completed before Christmas which facilitated the move of the child from one section of the building to the other. Phase two works commenced in the New Year, and although there was an initial delay to the programme due to the funding decision being deferred, this has since been recovered and now the project is back on programme. We anticipate that the phase two works will be completed by the end of quarter one of the financial year 2024/25 and as further updates are

provided, we will provide more detail to the works being carried out and completed.

Section 106 Developers Contributions

- 8.6 The level of contributions for housing and non - housing service areas as at 31st December 2023 is included in **Appendix M**.

9. RESERVES

- 9.1 The current reserves position and the assumed movement in reserves by year is summarised in the table below, with more detailed analysis included at **Appendix N**.

Reserve Area	Current Reserves 31/03/23	Forecast Usage		Forecast Balance 31/3/27
		2023/24	2024/25 to 2026/27	
	£'000	£'000	£'000	£'000
Unearmarked General Fund	5,500	0	0	5,500
Budget Support Fund	10,031	(4,087)	(3,166)	2,778
Budget Support – Capacity & Cost Savings	3,000	(300)	(2,200)	500
Other Revenue Reserves	22,173	(5,962)	(7,177)	9,034
Revenue Reserves Total	40,704	(10,349)	(12,543)	17,812
Capital Reserves	11,408	(3,419)	(4,483)	3,506
TOTAL	52,112	(13,768)	(17,026)	21,318

- 9.2 Members will note that, based on current forecasts, the Council expects to use 26% of its usable reserves during the current year, with approaching 60% usage over the period of the Medium Term Financial Strategy. This is of significant concern.
- 9.3 Please note the information provided excludes any ring-fenced School and unusable reserves given their restricted nature.

10. CONCLUSION

- 10.1 The forecast outturn reflects the best estimates from budget monitoring as at the end of the third quarter of the financial year. The financial position outlined in the report is improving, but remains a serious concern, with a risk of further deterioration.
- 10.2 The position will be closely monitored, in conjunction with actions agreed as part of the cost mitigation plans. A further update will be provided at financial year end.

11. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	No relevant issues.
FINANCIAL CONSIDERATIONS	The financial implications are fully set out in the main body of the report.
LEGAL CONSIDERATIONS	No relevant issues.
CHILD AND FAMILY POVERTY	No relevant issues.
EQUALITY AND DIVERSITY CONSIDERATIONS	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	No consultation required.

12. RECOMMENDATIONS

12.1 It is recommended that Members:

- i) Note the forecast revenue outturn position and accompanying financial performance for the quarter;
- ii) Recognise the seriousness of the financial position and actions being progressed to mitigate this as far as possible as set out in Section 5;
- iii) Note the Housing Revenue Account position detailed within Section 6 of the report;
- iv) Note the forecast capital outturn position detailed within Section 8 of the report, including any budget realignments;

13. REASONS FOR RECOMMENDATIONS

13.1 To keep Finance and Policy Committee updated on the Council's 2023/24 financial position.

14. BACKGROUND PAPERS

14.1 The following background paper was used in the preparation of this report:-

Finance and Policy Committee 27th November 2023
Strategic Financial Management Report as at 30th September 2023.

15. CONTACT OFFICERS

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

Sign Off:-

Managing Director	Date: 06/02/2024
Director of Finance, IT and Digital	Date: 06/02/2024
Director of Legal, Governance and HR	Date: 06/02/2024

ADULT & COMMUNITY BASED SERVICES

4.2 Appendix A

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2023/24 as at December 31st 2023

Approved 2023/24 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Adult Social Care		
8	Carers & Assistive Technology	0	
2,264	Commissioning - Adults	60	Forecast overspend mainly relates to the use of Hartfields for which a full year savings was included within the 2023/24 MTFS, however the actual rental agreement did not end until August 2023.
199	Departmental Running Costs	(35)	Mainly relates to reduced expenditure on supplies and services.
453	Direct Care & Support Team	0	
683	LD & Transition Social Work	(5)	Minor variances.
2,409	Locality & Safeguarding Team	(95)	Forecast underspend relates to staff vacancies and pay incremental drift.
1,094	Mental Health Services	(50)	Forecast underspend relates to staff vacancies and pay incremental drift.
1,406	OT & Disability Equipment	(20)	Forecast underspend relates to staff vacancies and pay incremental drift.
27,384	Packages of Care	(260)	Packages of Care forecast outturns are based on current projections, however the winter period has commenced so these projections will be closely monitored for the remainder of the year.
1,325	Working Age Adult Day Services	(80)	Forecast underspend mainly relates to reduced transport and supplies and services costs.
37,225	Adult Social Care Sub Total	(485)	
	Preventative & Community Based Services		
67	Adult Education	(55)	Forecast underspend mainly relates to a combination of one-off grant income and staff savings arising from secondments.
27	Archaeology	(15)	Minor variances.
(168)	Coast, Countryside, Heritage and Cemeteries & Crematoria	60	Forecast overspend mainly relates to a combination of increased expenditure across cemeteries, children's playgrounds and parks and reduced income from the outdoor markets.
1,352	Community Hubs	20	Forecast overspend mainly relates to the CECA which does not have a base budget. The CECA will transfer back to the Diocese from February 2024.
657	Cultural Services	100	Forecast overspend mainly relates to historic income pressures across the Town Hall and Borough Hall.
0	Employment & Skills	0	
84	General Allotments	0	
744	Sports, Leisure & Recreation Facilities	105	Forecast overspend mainly relates to income and other cost pressures across the leisure centres, Summerhill and Carlton.
2,763	Preventative & Community Based Services Sub Total	215	
39,988	Adult & Community Based Services Total	(270)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2023/24 as at December 31st 2023

Approved 2023/24 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Children's Services		
2,910	Children & Families	660	Forecast overspend relates to increases in the number of children subject to Child Arrangement Orders, Special Guardianship Allowances or receiving a Direct Payment.
16,508	Children in our Care	4,000	Forecast overspend mainly relates to an increase in the number of children in our care requiring residential and independent fostering agency placements. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market.
43	Early Intervention	(180)	Favourable variance on staffing mainly arising from incremental drift and receipt of 'one-off' and temporary grants.
415	Housing, Hardship & Welfare	(290)	Forecast favourable variance mainly relates to the receipt of a number of 'one-off' grants.
20	Play & Care	35	Forecast overspend mainly relates to historic income pressures.
5,264	Safeguarding Children	360	Forecast overspend mainly relates to increased temporary staffing costs and Section 17 related spend on supporting children and families.
268	Standards, Engagement & Development	0	
1,891	Strategic Commissioning	15	Minor variances.
300	Youth Justice Service	0	
27,619	Children's Services Sub Total	4,600	
	Education (excluding DSG)		
164	Access to Education	5	Pressure relates to reduced buyback income from schools.
158	Central Support Services	0	
487	Other School Related Expenditure	0	
436	Raising Educational Achievement	(48)	Favourable variance on staffing and consultancy costs.
400	Special Needs Services	(35)	Salary savings as staff not at top of grade and additional income from provision of staff.
470	Strategic Management	(39)	Supplies and services savings, including consultancy.
330	Youth Service	(33)	Savings from staff vacancies.
2,445	Education Sub Total	(150)	
30,064	Children's and Joint Commissioning Services Sub Total	4,450	
	Public Health Grant		
4,080	Children's Services	(5)	Minor variances.
2,611	Substance Misuse Services	(15)	Minor variances.
1,642	General Public Health Support Services	10	Minor variances.
634	Sexual Health Services	0	
0	Smoking Cessation	25	Planned spend was to be funded from the Public Health reserve but will now be funded from the in year Public Health outturn.
308	Physical Activity	0	
173	Mental Health	(10)	Minor variances.
115	Health Checks	(5)	Minor variances.
102	Obesity	0	
(9,665)	Public Health Grant	0	
0	Public Health Grant	0	
30,064	Children's and Joint Commissioning Services Total (inc Public Health Grant)	4,450	

	Dedicated Schools Grant	Actual Adverse/ (Favourable)	
0	Early Years Block	30	Higher attendance at Early Years settings compared to census funding is anticipated.
2,147	High Needs Block	3,380	Increased cost of supporting pupils with SEND in mainstream school settings and Independent Schools.
0	Schools Block	0	
2,147	TOTAL Dedicated Schools Grant	3,410	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2023/24 as at December 31st 2023

Approved 2023/24 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Neighbourhood Services		
(36)	Building Team Design	(50)	Rate changes and review of overheads has resulted in a forecast favourable variance.
146	Construction Team	20	Adverse variance reflects inflationary pressures, however new rates have been implemented to mitigate these costs which have reduced the forecast variance compared to previous quarters. The service will continue to work to reduce this adverse variance.
350	Engineering Services (including Coastal Protection and Contaminated Land)	0	
3,183	Environmental Services	(110)	Favourable variance owing to vacant posts and additional income.
2,751	Highways	(470)	Favourable variance is mainly owing to higher than anticipated grant funding, the service actively managing the budgets to offset pressures elsewhere and in relation to trading activity, rate changes and a review of overhead.
1,935	Passenger Transport	240	The adverse variance reflects a number of issues including an increase in SEND referrals, which require out of town transport, inflationary pressures in relation to fuel and the cost of external provision which typically has increased by 10%. There is currently a national shortage of qualified drivers owing to new licence requirements, which has meant external operators are having to pay more to attract and retain staff. There are also cost pressures as a result of increased Fleet recharges following acquisition of new vehicles, which have increased in price.
343	Planning & Development	345	Reflects shortfall in planning income, higher fee planning applications have reduced significantly resulting in an adverse variance.
189	Road Safety	0	
972	Street Lighting	110	Adverse variance reflects increased costs in materials and labour. The position has improved since quarter 2 and action will continue be taken to mitigate this issue and it is hoped that this variance will reduce further.
2,452	Sustainable Transport	(400)	Reflects favourable contract negotiations in relation to concessionary fares by TVCA on behalf of the Council.
(94)	Vehicle Fleet	(20)	Favourable variance relates to borrowing costs for vehicles owing to delays in acquiring new vehicles. At this stage maintenance costs are within budget but there is a risk that these could increase and therefore this position will continue to be closely monitored.
5,995	Waste Services	(150)	Favourable variance reflects positive uptake of the green waste subscription service. This is likely to be a one-off surplus owing to the implementation of year two savings targets, and increased step costs in relation to running the service are anticipated to be incurred next year that will off set this additional income.
18,186	Neighbourhood Services Sub Total	(485)	
	Regulatory Services		
(910)	Car Parking & Enforcement	335	The adverse variance is a result of a reduction in car parking income which reflects parking concessions and the residual impact of the pandemic, which has not only affected visitor numbers but also many workers who would have used the car parks but now work from home for part of the week. The reduction in car park usage is a national trend.
1,086	Community Safety & Engagement	(60)	Favourable variance is linked to vacancies and the service actively managing the budgets to offset pressures elsewhere.
1,219	Facilities Management	75	The adverse variance reflects a shortfall in income in relation to building cleaning as SLAs had to be put in place prior to the pay award being confirmed and hence don't currently reflect the full cost of delivering the service along with cleaning at Middleton Grange and Bevan House offices continuing beyond anticipated closure date. Action has been taken to further decrease cleaning in some Council buildings to mitigate the variance which has reduced since quarter 2, however an adverse variance is still anticipated.
220	Health & Safety	0	
1,015	Public Protection	90	Adverse variance reflects shortfall in license fee income.
2,630	Regulatory Services Sub Total	440	
	Development & Growth		
423	Economic Growth	0	
40	Procurement & Reprographics	0	
(79)	Strategic Asset Management	75	Reflects shortfall in fee income in relation to capital receipts.
99	Strategic Development & Sustainability	0	
483	Development & Growth Sub Total	75	
	Strategic Management & Admin		
265	Strategic Management & Admin	(75)	Reflects forecast overachievement of salary abatement target.
21,564	Development, Neighbourhoods & Regulatory Services Total	(45)	

FINANCE, IT & DIGITAL

4.2 Appendix D

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2023/24 as at December 31st 2023

Approved 2023/24 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Development and Growth		
188	Communications and Marketing *	20	Adverse variance owing to additional costs for Hartbeat and the advertising contract.
160	Public Consultation & Diversity *	0	
348	Development and Growth Sub Total	20	
	Corporate and Financial Services		
(1,027)	Central Administration Recharges	0	
1,383	Corporate Finance	(200)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
265	Internal Audit	0	
678	Shared Services	(35)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
259	Corporate Management Running Expenses	(15)	The favourable variance is owing to savings on the Corporate subscriptions budget.
1,558	Corporate and Financial Services Sub Total	(250)	
	Customer Services and IT		
211	Benefits	(70)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
(143)	Housing Benefits Subsidy	200	The grant generates £24m in subsidy, but the grant is reducing along with the current transfer rate of claimants across to Universal Credit. The anticipated variance is based on the Mid Year Review submitted to DWP.
284	Corporate ICT	0	
1,151	Customer and Support Services	(70)	Favourable variance owing to vacant posts, posts not being at the top of the grade and additional income.
(138)	Registration Services	20	The adverse variance is owing to a reduction in income generation on both birth and death registration resulting from services being transferred to North Tees Hospital.
1,121	Revenues	(10)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
(678)	Revenue & Benefits Central	50	An adverse variance on Court Costs collected.
1,808	Customer Services and IT Sub Total	120	
3,714	Finance, IT & Digital Total	(110)	

* These budgets report to the Managing Director via the Assistant Director for Development and Growth

LEGAL, GOVERNANCE and HR

4.2 Appendix E

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2023/24 as at December 31st 2023

Approved 2023/24 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Legal		
46	Civic Attendants	5	Minor variances.
176	Democratic	0	
498	Human Resources	0	
709	Legal Services	10	The adverse variance is owing to additional supplies and services costs and reduced income generation.
204	Managing Director's Office	(60)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
168	Municipal Elections and Registration of Electors	25	The adverse variance is owing to additional cost of elections.
6	Other Office Services	20	The adverse variance is owing to a reduction in income generated from Local Land Searches.
108	Scrutiny	0	
141	Support to Members	(5)	Minor variances.
32	Trade Union	(15)	The favourable variance is owing to less staff time recharged against Union duties.
2	Training & Equality	0	
2,090	Legal, Governance and HR Total	(20)	

HOUSING REVENUE ACCOUNT for 2023/24 as at 31st December 2023
Appendix F

2022/23 OUTTURN £'000		2023/24 BUDGET £'000	2023/24 FORECAST £'000	VARIANCE £'000	COMMENTS
	Income				
(1,399)	Dwelling Rents	(1,524)	(1,680)	(156)	Additional income from new Brenda Road units as a consequence of the scheme coming on-line sooner than originally budgeted. There is also a reduction in loss of income from void properties due to lease contracts negotiated in recent months.
(28)	Non-dwelling Rents - Other Income	(31)	(25)	6	
(5)	Charges for services and facilities	(3)	(2)	1	
(1,432)	Income sub total	(1,558)	(1,707)	(149)	
	Expenditure				
202	Repairs and maintenance	265	364	99	Adverse variance reflects expected increase in volume and type of repairs, and higher costs. Includes £27k additional costs relating to Golden Flatts.
397	Supervision and management	411	484	73	
27	Rents, rates, taxes and other charges	22	25	3	There is currently a high provision for bad debt and at present additional contributions are not required. This will be reviewed further at year end.
45	Provision for bad or doubtful debts	20	0	(20)	
406	Depreciation (Major Repairs Allowance)	370	470	100	Adverse variance reflects additional contribution to match fund the Social Housing decarbonisation scheme.
3	Discretionary Housing Payments	2	3	1	
10	Debt Management costs	12	12	0	Favourable variance reflects revised profile of capital schemes and additional borrowing costs now profiled into future years.
337	Net Interest payable	456	338	(118)	
1,427	Expenditure sub total	1,558	1,696	138	
(5)	HRA (Surplus) / Deficit for the year	0	(11)	(11)	
	Movement on the HRA Reserve				
(495)	HRA Reserve Opening Balance		(500)		
(5)	(Surplus)/Deficit for the year		(11)		
(500)	HRA Reserve Closing Balance		(511)		

HRA CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2023

Project Code	Scheme Title	A	B	C	D	E	F	G	Type of Financing	2023/24 COMMENTS
		Full Budget £'000	2023/24 Budget £'000	2023/24 Actual as at 31/12/23 £'000	2023/24 Expenditure Remaining £'000	Expenditure Rephased into Future Year £'000	(C+D+E) 2023/24 Total Expenditure £'000	(F-B) 2023/24 Variance from Budget £'000		
S106	Affordable Housing	1,183	1,183	246	100	837	1,183	(0)	GRANT	S106 Developer Contributions - see separate appendix M for further details and also schemes 7450 and 7726.
7182	Empty Homes - Phase 3	1,167	1,064	0	0	1,064	1,064	0	GRANT	Existing funding approval - individual business case approval required for scheme.
7450	Hill View Development	2,240	58	0	58	0	58	0	S106	Final account still to be confirmed. Funded from S106 contributions.
7620	Brenda Road - Phase 1	2,133	937	937	0	0	937	0	MIX	Scheme complete
8106	New Build	693	692	0	0	692	692	0	UDPB	Existing funding approval - individual business case approval required for scheme.
8799	Major Repairs	210	210	10	200	0	210	0	MIX	Forecast expenditure as per Q3 September 2023 HRA requirement.
7726	Resettlement Accommodation	855	855	609	246	0	855	0	MIX	Remaining purchases expected to complete in 2023/24. Possibly small amount of slippage depending on timing of refurbishment works.
9294	HRA Adaptations	10	10	0	10	0	10	0	RCCO	No planned adaptations, forecast as at Q3 September 2023 HRA requirement.
9317	Social Housing Decarbonisation	451	451	0	193	258	451	0	MIX	Profiled expenditure in line with latest multi-year scheme forecasts.
SOCIAL COUNCIL HOUSING - CAPITAL SCHEMES		8,942	5,460	1,802	807	2,851	5,460	0		
7220	Private Sector Housing Grants	48	48	(8)	16	40	48	0	GRANT	Self funded via recycled contributions.
7066	Avondene Student Accommodation	52	52	0	10	42	52	0	RCCO	Earmarked for major repairs.
CAPITAL SCHEMES - HOUSING		100	100	(8)	26	82	100	0		
DEVELOPMENT, NEIGHBOURHOODS & REGULATORY SERVICES, TOTAL HOUSING CAPITAL		9,042	5,560	1,794	833	2,933	5,560	0		

MAJOR REGENERATION SCHEMES

4.2 APPENDIX H

CAPITAL MONITORING REPORT PERIOD ENDING December 31st 2023

Project Code	Scheme Title	A Full Budget £'000	B 2023/24 Budget £'000	C 2023/24 Actual as at 31/12/23 £'000	D 2023/24 Expenditure Remaining £'000	E Expenditure Rephased into Future Years £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2023/24 COMMENTS
8958	A19/ Elwick Road/ North Lane Junction and Elwick Road/Hartlepool Western Link Project	24,497	694	193	200	301	694	0	MIX	Expenditure rephased reflects the latest position following granting of planning permission which was necessary to progress compulsory purchase orders.
7550	CIP - Highlight	34,650	4,747	171	2,829	1,747	4,747	0	MIX	Start on site date revised from November to January 2024 following letting of contract.
9101	CIP - Borough Hall Improvement	3,000	164	2	162	0	164	0	MIX	
9159	CIP - Wingfield Castle works	4,000	697	93	300	304	697	0	MIX	Still at the development stage and latest forecast for the year reflects the estimate of fees for Artelia and Beckett Rankine.
9161	CIP - NMRN & Museum of Hartlepool	8,500	1,442	2	788	652	1,442	0	MIX	Rephased expenditure reflects the latest estimate of spend in year.
7536	CIP - SEMH Free School Access Road	857	806	418	53	335	806	0	MIX	Rephased expenditure reflects the latest estimate of spend in year.
9130	CIP - Business Park Investment	760	720	146	19	555	720	0	MIX	Rephased expenditure reflects the latest estimate of spend in year.
TBC	CIP - Waterfront Public Art	780	0	0	0	0	0	0	MIX	Scheme reliant on securing external funding.
TBC	CIP - Business Loans Fund	500	0	0	0	0	0	0	MIX	Pending Mandate.
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	0	MIX	Pending Mandate.
TBC	CIP - Brierton Sports Complex	700	0	0	0	0	0	0	MIX	Pending Mandate.
9165	Towns Fund - Middleton Grange	13,860	8,789	8	92	8,689	8,789	0	GRANT	Project on hold until wider ownership / leasehold of full site is resolved.
9231	Towns Fund - Waterfront Connectivity	6,200	2,061	299	20	1,742	2,061	0	GRANT	Project manager post became vacant leading to a delay in the scheme until the post is filled.
7715	Towns Fund - Wesley Chapel	1,400	1,312	22	400	890	1,312	0	GRANT	Scheme is behind schedule due to the arson attack on 7 November 23, but reclamation has been concluded, construction work is already back underway and current estimate is a 3 - 6 month delay.
9234	Towns Fund - Health and Social Care Academy	1,250	1,164	9	500	655	1,164	0	GRANT	Contractor appointed and work commenced 8th January. Expenditure in year has been updated to reflect latest position.
9235	Towns Fund - Civil Academy	2,250	725	725	0	0	725	0	GRANT	Budget of £94k brought forward from 2024/25 to support accelerated spend on scheme.
9247	Levelling Up - Screen Production Village	16,587	8,369	2,156	428	5,785	8,369	0	GRANT	The budget has been rephased to reflect the extended output milestones agreed with DLUHC.
Major Regeneration Schemes		120,391	31,690	4,244	5,791	21,655	31,690	0		

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

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

ADULT & COMMUNITY BASED SERVICES

CAPITAL MONITORING REPORT PERIOD ENDING December 31st 2023

Project Code	Scheme Title	A Full Budget £'000	B 2023/24 Budget £'000	C 2023/24 Actual as at 31/12/23 £'000	D 2023/24 Expenditure Remaining £'000	E Expenditure Rephased into Future Years £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2023/24 COMMENTS
Adult & Community Based Services										
7212	Capital Grants to Care Homes	46	30	30	0	0	30	0	MIX	
7218	Disabled Facilities Grant	1,558	1,558	1,354	204	0	1,558	0	GRANT	
7522	Stranton Cemetery Flood Alleviation	600	93	76	17	0	93	0	MIX	
7576	Seascapes - Seaton High & Lowlight	128	118	90	26	2	118	0	MIX	Scheme complete, final accounts being agreed. Retention to pay in 2024/25.
7711	Carlton Adventure Centre	434	434	7	27	400	434	0	UDPB	Start date to be confirmed.
7716	Seaton Library refurbishment	255	255	75	50	130	255	0	MIX	Arts Council and LIF funding. Budget also includes provision for roof works.
7785	Burn Valley Garden Play Area 2022	29	2	2	0	0	2	0	MIX	
7811	Summerhill Cycle Hub	514	18	0	9	9	18	0	MIX	Balance of funding to support further cycling infrastructure improvements.
8108	Centre for Independent Living	50	50	0	0	50	50	0	UDPB	Funding retained as 'Sinking Fund' to maintain building.
8393	Stranton Cemetery Cremators	255	16	0	16	0	16	0	MIX	
9212	Relocate Cemetery Office	90	53	19	34	0	53	0	CAP REC	Fencing works delayed.
7831	Community Hub South - Internal Alterations	77	0	0	0	0	0	0	GRANT	Remaining budget moved to 8088.
8088	Community Hub South - Kitchen Replacement	52	47	49	2	0	51	4	MIX	
8088	Community Hub Central - Internal Alterations	61	27	0	12	11	23	(4)	RCCO	
8534	Church Street Townscape Heritage	511	490	490	0	0	490	0	GRANT	
9232	Playground Equipment - Levelling Up Parks Fund	92	71	52	19	0	71	0	GRANT	
9310	Changing Places - Summerhill	62	62	0	62	0	62	0	MIX	
9311	Changing Places - Community Hub Central	75	75	75	25	0	100	25	MIX	
NEW	Changing Places - Headland	25	25	0	0	0	0	(25)	MIX	Headland scheme not progressing, funder approval to reallocate grant as required across remaining schemes.
Allot	General Allotment Schemes	193	173	14	13	146	173	0	UDPB	Capital expenditure plan approved by A&CBS Committee 7th September 23.
8700	Waverley Allotments - Adult Education Scheme	54	54	51	3	0	54	0	GRANT	
CR	Stranton Chapel Refurbishment	878	850	503	32	315	850	0	MIX	Budget for roof included, moved from CPM and car park works previously transferred from DNR.
Total Adult & Community Based Services		6,039	4,501	2,887	551	1,063	4,501	0		

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

CHILDREN'S AND JOINT COMMISSIONING SERVICES

4.2 APPENDIX J

CAPITAL MONITORING REPORT PERIOD ENDING December 31st 2023

Project Code	Scheme Title	A Full Budget £'000	B 2023/24 Budget £'000	C 2023/24 Actual as at 31/12/23 £'000	D 2023/24 Expenditure Remaining £'000	E Expenditure Rephased into Future Years £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2023/24 COMMENTS
Children's and Joint Commissioning Services										
7384	Devolved Schools Capital	293	209	87	122	0	209	0	GRANT	Includes £94k 23/24 allocation.
9238	Energy Efficiency Capital Funding	195	188	62	126	0	188	0	GRANT	22/23 additional capital funding carried forward for use in 23/24.
7355	CECA IT Infrastructure and Technology	42	24	0	24	0	24	0	GRANT	
7355	CECA TVCA Grant Unallocated	31	31	0	31	0	31	0	GRANT	
7142	Schools General - Fire Safety Modifications (Conditions)	53	53	0	0	53	53	0	GRANT	Schemes to be identified.
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	418	418	0	0	418	418	0	GRANT	Schemes to be identified.
7142	Kingsley - Fire Safety Modifications	246	178	0	0	178	178	0	GRANT	Scheme on hold.
7142	Throston - Fire Safety Modifications	257	131	73	58	0	131	0	GRANT	
7474	High Tunstall 3G Pitch	23	1	0	1	0	1	0	UDPB	
7478	High Tunstall Grass Pitch	15	15	0	0	15	15	0	UDPB	
8906	Brierton Campus Windows	1	1	1	0	0	1	0	RCCO	Scheme works complete.
7521	Two Year Old FNE Capacity Funding	23	23	0	23	0	23	0	GRANT	
7770	St Helens Primary School Main Entrance Access	50	41	39	2	0	41	0	GRANT	Scheme works complete.
7786	St Helens Primary School Storm Damage to Conservatory	4	4	4	0	0	4	0	RCCO	
9148	Springwell Special School Increase Capacity	424	76	0	0	76	76	0	GRANT	Scheme works complete.
7661	Catcote Secondary Special School Alternative Provision 6th Form	323	287	287	0	0	287	0	GRANT	Scheme works complete.
9295	Clavering Primary School Refurbish Boys WC	47	47	45	2	0	47	0	GRANT	Scheme works complete.
	Clavering Primary School Roofing Works	13	13	0	13	0	13	0	GRANT	Awaiting start date from contractor. Expected in 23/24.
9295	Fens Primary School Refurbish Boys WC	29	29	28	1	0	29	0	GRANT	Scheme works complete.
9311	Fens Primary School Rewire Ph4	99	99	79	20	0	99	0	GRANT	Scheme works complete.
9313	Golden Flatts Primary School Demolish Caretakers Bungalow	32	32	8	24	0	32	0	GRANT	Scheme on hold.
9315	Horizons School Replace Roof Lights	5	5	4	1	0	5	0	GRANT	Scheme works complete.
9314	Horizons School Rewire	76	76	55	21	0	76	0	GRANT	Scheme works complete.
9295	Kingsley Primary School Refurbish Boys WC	26	26	25	1	0	26	0	GRANT	Scheme works complete.
9292	Kingsley Primary School Lighting Replacement	32	32	19	13	0	32	0	GRANT	Scheme works complete.
7725	Kingsley Primary School Heating, DHW Boiler Plant Renewal	115	115	89	26	0	115	0	GRANT	Scheme works complete.
7313	Lynnfield Primary School Roofing Works	50	50	27	0	23	50	0	GRANT	Phase 2 to be completed Easter 2024.
9310	Lynnfield Primary School Refurbish Boundary Wall	27	27	1	26	0	27	0	GRANT	Awaiting pre-start date with school.
9315	Lynnfield Primary School Heating Renewal	44	44	5	0	39	44	0	GRANT	Work to commence April 2024.
7717	Rift House Primary School Heating, DHW Boiler Plant Renewal	94	94	79	15	0	94	0	GRANT	Scheme works complete.
9293	Rossmere Primary School Fire Doors	35	35	35	0	0	35	0	GRANT	Scheme works complete.
9314	Springwell Special School Oven and Hob Induction	13	13	5	8	0	13	0	GRANT	Scheme works complete.
9312	Throston Primary School Heating, Pipework, radiators and fan replacement	52	52	14	38	0	52	0	GRANT	Scheme approved. Works to commence February 2024 (Half Term).
	Throston Primary School Heat Source	25	25	0	0	25	25	0	GRANT	Scheme in design stage.
7724	Throston Primary School Emergency Boiler Replacement	24	24	13	11	0	24	0	GRANT	Emergency works, used contingency unallocated funding.
9324	Throston Primary School Emergency Boiler Replacement 2	21	21	0	21	0	21	0	GRANT	Emergency works, used contingency unallocated funding.
9243	Rossmere Youth Centre Refurbishment	1,270	1,270	34	36	1,200	1,270	0	GRANT	Awaiting outcome of tender process.
7727	Throston Youth Project Centre Refurbishment	96	96	1	10	85	96	0	GRANT	Scheme in design stage.
9244	High Tunstall School MLD ARP	968	968	966	2	0	968	0	GRANT	
9004	Schools General - Conditions unallocated	57	57	0	0	57	57	0	GRANT	Unallocated Funding to be used for 24/25 Condition schemes.
9004	Schools General - Contingency	46	46	0	0	46	46	0	GRANT	Unallocated Funding to be used for 24/25 Condition schemes.
9004	Schools General - Suitability Unallocated (SEMH)	743	743	0	0	743	743	0	RCCO	Use of funding is being considered in the High Needs Block review.
9004	Schools General - Special Provision	501	501	0	0	501	501	0	GRANT	
9004	Schools General - Basic Need	916	916	0	0	916	916	0	GRANT	
7149	New Children's Homes	238	97	114	0	0	114	17	UPDB	Additional RCCO funding provided at Q2 to support minor cost pressure. Further RCCO provided at Q3 for final scheme costs.
8072	Integrated Children's Services Case Management Improvement	37	37	0	0	37	37	0	MIX	
7768	Supporting Treatment and Recovery Together (START) – Hartlepool's Substance Misuse Service	3,027	3,027	0	100	2,927	3,027	0	UPDB	Public Health funding transferred from Stepping Stones project into this scheme (£0.027m).
9164	Youth Justice Vehicle	22	22	22	0	0	22	0	RCCO	
NEW	The 'STAR' Centre	700	700	0	100	600	700	0	UPDB	Children's Home investment approved by Council December 2023.
9246	Children's Centre Family Hub	75	75	0	75	0	75	0	GRANT	2022/23 and 2023/24 allocation of Capital expenditure to support the development of Family Hubs. Schemes currently in development, to be delivered within grant timeframes.
Total Children's and Joint Commissioning Services		11,953	11,094	2,221	951	7,939	11,111	17		

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

DEVELOPMENT, NEIGHBOURHOODS & REGULATORY SERVICES

4.2 APPENDIX K

CAPITAL MONITORING REPORT PERIOD ENDING December 31st 2023

Project Code	Scheme Title	A	B	C	D	E	F	G	Type of Financing	2023/24 COMMENTS
		Full Budget £'000	2023/24 Budget £'000	2023/24 Actual as at 31/12/23 £'000	2023/24 Expenditure Remaining £'000	Expenditure Rephased into Future Years £'000	(C+D+E) Total Expenditure £'000	(F-B) Variance from Budget £'000		
Finance & Policy Committee										
8306	Schools - Kitchen Refurbishment	261	261	14	20	227	261	0	RCCO	Funds earmarked for replacement of equipment.
Finance & Policy Committee Sub Total		261	261	14	20	227	261	0		
Regeneration Committee										
S106	Developers Contribution Fund	4,859	4,859	67	112	4,680	4,859	0	GRANT	Further details are set out in Appendix M - also see schemes 7440.
Regeneration Committee Sub Total		4,859	4,859	67	112	4,680	4,859	0	GRANT	
7222	Sustainable Warmth LAD3	2,202	1,264	1,218	46	0	1,264	0	GRANT	Funding is for works on low income households heated by mains gas.
7272	Wheelie Bin Purchase	90	90	58	32	0	90	0	UDPB	Annual allocation
7344	NIP - Brougham (was Hindpool Close) Play Area	77	74	2	20	52	74	0	UDPB	Scheme will not complete in 23/24, contractor appointed for 1st phase but delay on start due to ground conditions.
7437	NIP - Sinking Fund	62	62	0	10	52	62	0	UDPB	Funds earmarked for replacement of play equipment.
7440	NIP - Central Park	120	91	90	1	0	91	0	MIX	S106 Funded - see appendix M.
7553	Seaton Toilets	460	355	253	50	52	355	0	MIX	
7561	Green Homes Grant - LAD2	663	22	19	3	0	22	0	GRANT	Retention.
7878	Community Safety CCTV Upgrade	79	9	9	0	0	9	0	UDPB	
8996	NIP - Improvements to Parks	276	35	11	14	10	35	0	MIX	Overall budget reduced to reflects transfer of Thirteen remaining contributions to Brougham Close Play Area scheme above Q2
9147	NIP - CCTV in parks	34	25	11	14	0	25	0	GRANT	
9170	Sustainable Warmth HUG1	223	117	117	0	0	117	0	GRANT	
9233	SEASCAPES - Coast to Clavering route	22	22	22	0	0	22	0	GRANT	
NEW	Waste Transfer Station	200	200	0	0	200	200	0	GRANT	Funding from redemption of SITA shares transferred to capital to support future capital scheme.
NEW	Grounds Commuted sum	22	22	0	0	22	22	0	GRANT	
7466	DSO Vehicle Purchase	11,111	6,832	161	1,384	5,287	6,832	0	UDPB	The expenditure remaining and rephased figures updated following a recent review and estimate of likely delivery dates.
7577	Hartlepool North NDIP Study	50	50	0	0	50	50	0	UDPB	Scheme pending announcement of additional funding.
7900	EDM Hartlepool Marina - North Pier	179	175	1	174	0	175	0	GRANT	Possible spend 2023/24, awaiting outcome of Environment Agency report.
7902	EDM Hartlepool Drainage Schemes	36	30	0	0	30	30	0	MIX	
8444	EDM Town Wall Strengthening	46	21	0	21	0	21	0	MIX	
8578	EDM Management Unit Study	28	28	0	0	28	28	0	GRANT	Potential for future spend if match funding identified for larger scheme.
LTP	Local Transport Plan (LTP) Schemes	4,176	3,923	1,690	1,681	552	3,923	0	GRANT	Various Highways & Traffic schemes.
Neighbourhoods Committee Sub Total		20,156	13,447	3,662	3,450	6,335	13,447	0		
Development, Neighbourhood & Regulatory Services Total		25,276	18,567	3,743	3,582	11,242	18,567	0		

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

CORPORATE

4.2 APPENDIX L

CAPITAL MONITORING REPORT PERIOD ENDING December 31st 2023

Project Code	Scheme Title	A Full Budget £'000	B 2023/24 Budget £'000	C 2023/24 Actual as at 31/12/23 £'000	D 2023/24 Expenditure Remaining £'000	E Expenditure Rephased into Future Years £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2023/24 COMMENTS
7036	Uncommitted Corporate Capital Fund	222	222	0	0	222	222	0	MIX	
7041	Corporate Capital Pot	238	238	0	0	238	238	0	RCCO	Funding transferred to A&CS for Crematorium roof and associated works.
7065	Fire Risk Assessments	100	85	0	0	85	85	0	MIX	
7200	Civic Centre Capital Project	75	62	0	0	62	62	0	UDPB	
8970	Historic Quay Dilapidation Work	97	97	0	0	97	97	0	RCCO	Budget relates to the lease to NMRM.
7771	Borough Hall - Lighting Replacement	60	45	16	29	0	45	0	RCCO	
NEW	Art Gallery - Roof Replacement	72	72	0	72	0	72	0	RCCO	
NEW	Art Gallery - Drainage Replacement	33	33	0	33	0	33	0	RCCO	
NEW	Exmoor Grove - Replace external windows and doors	50	50	0	0	50	50	0	RCCO	Scheme slipped to 24/25 owing to weather conditions.
Corporate Total		947	904	16	134	754	904	0		

Key

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

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

SECTION 106 DEVELOPERS CONTRIBUTIONS as at 31st December, 2023

	Affordable Housing Contributions ****	Cycleway	Highways	Highways General	Bus Stop	Green Infrastructure	Maintenance	Play	Off Site Recreational **	Public Art	Sports	Ecological Mitigation *****	Traffic Calming	Education	Coastal	Health	Restoration - Security Bond ***	Other Service Areas Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Balance brought forward (A+B-C) 1st April, 2023 *	1,269	732	1,320	0	0	178	0	132	154	5	139	124	9	1,275	38	41	100	4,247
Amounts Received in Year 2023/24 (B)																		
Wynyard	136							-3			-8							-11
Barratt			1,320								52			319				1,691
Bellway, Upper Warren				15							79	14		428		49		585
Duchy Homes	101	106												112				218
Vistry Homes														470				470
Port Homes - Seaton															62			62
Keepmoat												30			29			59
Acland Homes						3		3			6			55				67
Miller Homes, Phase 1B - Upper Warren				11							56	10		303		34		414
Placefirst - Land at Rodney Street												3						3
Magnum Investments												3						3
Methodist House												13						13
Other						7												7
Total income received	237	106	1,320	26	0	10	0	0	0	0	185	73	0	1,687	91	83	0	3581
Sub Total - revised Balance	1,506	838	2,640	26	0	188	0	132	154	5	324	197	9	2,962	129	124	100	7,828
Actual & Forecast Expenditure as at 31st March 2024 (C)																		
Affordable Housing Schemes	1,506																	0
Wynyard, South Pentagon						44												44
Ward Jackson Park								2										2
Seaton						10		7										17
Golden Flatts						3		6										9
North West area														63				63
Persimmon, Britmag												13						13
Saltaire Terrace								4										4
Brougham								3										3
Merlin Way						4												4
Walking Links						8												8
Bridleway						3												3
Four Winds						6												6
Summerhill						3												3
Sub Total Expenditure	1,506	0	0	0	0	81	0	22	0	0	0	13	0	63	0	0	0	179
Forecast Committed Balance Remaining (A+B-C) 31st March, 2024 *	0	838	2,640	26	0	107	0	110	154	5	324	184	9	2,899	129	124	100	7,649

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

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

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

**** All affordable housing contributions are earmarked for additional HRA houses.

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

Off Site - part of these contributions are included in the Capital NIP scheme Budget Project 7440

Sports also includes contributions for Playing Pitches, Tennis Courts and Bowling Greens

RESERVES FORECASTS (EXCLUDING SCHOOL BALANCES AND UNUSABLE RESERVES)

4.2 APPENDIX N

	Balance as at 31st March 2023	Forecast Use of Reserves				Forecast Balance as at 31st March 2027
		2023/24	2024/25	2025/26	2026/27	
		£'000	£'000	£'000	£'000	
Unearmarked General Fund	5,500	0	0	0	0	5,500
Budget Support Fund 22/23 to 26/27	10,031	(4,087)	(3,166)	0	0	2,778
Budget Support Fund- Capacity to Delivery Savings	1,000	(300)	(250)	(450)	0	-
Budget Support Fund- Costs associated with Savings	2,000	0	0	(1,000)	(500)	500
Investment Income	1,131	19	(650)	(500)	0	-
COVID 19 Recovery Reserve	0	0	0	0	0	-
Looked After Children Reserve	1,751	(655)	(655)	(441)	0	-
Revenue Grants Unapplied	3,336	(1,038)	(189)	(242)	(226)	1,641
Earmarked Revenue Reserves under £1m	4,452	(1,728)	(633)	(157)	(213)	1,721
Business Rates Risk Reserve	3,250	0	0	0	(1,100)	2,150
Treasury Management Risk Reserve	0	0	0	0	0	-
Insurance Fund Reserve	2,406	(50)	(50)	(50)	(50)	2,206
Energy Pressures Reserve	1,520	(800)	(500)	(220)	0	-
Events Reserve	1,285	(1,255)	(30)	0	0	-
Public Health Grant Reserve	1,346	(75)	(400)	(400)	(471)	-
Earmarked Revenue Reserves - Collection Fund	1,696	(380)	0	0	0	1,316
Revenue Reserves Total	40,704	(10,349)	(6,523)	(3,460)	(2,560)	17,812
Earmarked Capital Reserves	11,408	(3,419)	(4,223)	(130)	(130)	3,506
TOTAL	52,112	(13,768)	(10,746)	(3,590)	(2,690)	21,318

FINANCE AND POLICY COMMITTEE

19 FEBRUARY 2024



Subject: COUNCIL TAX – FRAUD PREVENTION STRATEGY

Report of: Director of Finance, IT and Digital

Decision Type: Key Test (i) and (ii)

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.

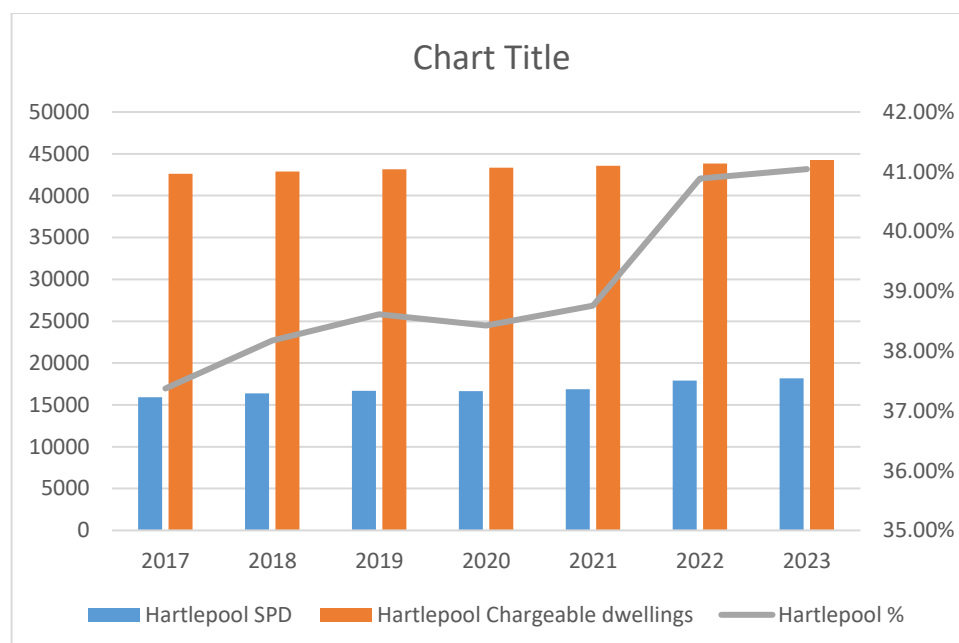
2. PURPOSE OF REPORT

2.1 The purpose of the report is to:

- i) Provide members with information as to additional steps the council proposes to take to reduce potential Council Tax fraud; and
- ii) Seek approval for a Council Tax and Local Council Tax Reduction Scheme Sanction and Prosecution Policy to be implemented on the 1 April 2024.

3. BACKGROUND

- 3.1 The Council has an overarching Anti-Fraud and Corruption Policy and this includes the provision that any fraud or theft against the authority will be investigated to a criminal standard where the option to prosecute the offender is always considered. Such cases are rare and the council has not prosecuted for council tax fraud for a number of years.
- 3.2 The commencement of managed migration to Universal Credit led to Housing Benefit (HB) claims being passed over and migrated to Universal Credit under the supervision of the Department of Work and Pensions (DWP). As part of this migration the council lost a number of benefit roles, including all but one fraud officer. That role has predominantly focused on residual cases of HB fraud, however, these are then referred to the DWP for action. Where an alleged HB fraud also results in a Local Council Tax Support (LCTS) fraud - since the two are often intrinsically linked - we generally have to wait on DWP action, which results in a delay and financial cost to the authority.
- 3.3 The National Fraud Initiative undertakes bi-annual data matching exercises and provides Local Authorities information to investigate for various types of fraud. For the period 2020-2022, for local government, the biggest fraud loss was actually Single Person Discount (SPD), with £17.2m identified through this data matching exercise, compared to £3.7m on LCTS.
- 3.4 Single Person Discount provides a 25% reduction to a households council tax bill if you are the only person 18 years or over living at a property as your sole or main residence. If someone visits temporarily whilst having a Sole or Main Residence elsewhere they are not classed as living at the property – you still qualify for SPD. Some households receive SPD where there are two adults living at the property, but where one is disregarded for council tax, for example as a student.
- 3.5 The fraud prevention service cifas undertook a national poll of 2,000 adults and found that one in 10 people admitted to knowing someone who had falsely claimed SPD over the past 12 months. Additionally 10% of those surveyed didn't view falsely claiming single person discount as illegal, while one in 13 believed it was a 'reasonable' thing to do.
- 3.6 Fraud against the council is never acceptable.
- 3.7 The council predominantly relies on an annual review using an external specialist company that matches to credit records. In 2023 this was an "enhanced" review which increased the number of claimants removed from receiving SPD discount. Despite this success there has been a gradual increase in SPD over recent years.



3.8 Based on the annual council tax base government return in October, the council had 18,162 single person discount households, representing 41% of all chargeable dwellings. The England average was under 34% of chargeable dwellings. It should be noted that following our annual review, the current SPD numbers as at 31 December 2023 are 17,400 or 39% of our chargeable properties. This remains significantly above the England average, albeit broadly in line with the North East average, and represents a 2,000 increase over 5 years.

3.9 Based on the current caseload should 10% of all Single Person Discounts be deemed fraudulent (either intentional or unintentional) this would mean that 1,740 households are incorrectly claiming a discount. Using Band A council tax as a reasonable proxy, this would amount to in excess of £500,000 of lost revenue.

4. PROPOSAL TO ADDRESS POTENTIAL COUNCIL TAX FRAUD

4.1 It is proposed to focus additional efforts into tackling SPD fraud given it is most likely to provide a positive return to the council. To supplement the annual SPD review a continuous year round approach is being proposed.

4.2 The council currently encourages completion of a claim form via the website for any SPD claims. This form has appropriate and clear disclaimers regarding fraudulent claims. These will be strengthened. However, in order to provide a supportive and accessible council tax service, we also allow applications by e-mail or over the phone. It is proposed to cease accepting any applications other than those made through the correct channel. Where claimants have no access to the online form, a hard copy will be provided for completion.

4.3 The council does not make routine use of reviewing claimant's social media as part of any investigation into alleged fraud or as part of the original

granting of SPD. It is proposed to introduce such review of social media where there is a reasonable allegation of fraud made or to validate other sources of information. This includes at the point of granting SPD if appropriate and any subsequent reviews.

- 4.4 A social media disclaimer will be added to new applications and we will seek, through publicity, to inform existing claimants. This will ensure that any checks are overt and not covert.
- 4.5 Following a review of team structures and roles, an additional fraud support post has been established in order to provide capacity to investigate SPD fraud. In doing so, it is proposed that we will commence a more active approach to prosecution i.e. we will prosecute if we can prove dishonesty in any failure to disclose information.
- 4.6 We will also make it easier for anonymous whistle-blowing of suspected fraud.
- 4.7 A new Council Tax and Local Council Tax Reduction Scheme Sanction and Prosecution Policy, attached at **Appendix 1** will be implemented on the 1 April 2024. This will ensure we have an up to date policy to underpin any prosecutions.
- 4.8 As part of raising awareness, it is proposed to promote these changes using Hartbeat and social media during March. We will also promote a grace period to 1 May 2024 for anyone who wishes to correct their SPD record i.e. we will not seek to prosecute anyone who comes forward before this date. We will however, continue to back date any changes to when a SPD was no longer applicable.
- 4.9 The council will continue to undertake an external annual review on SPD for so long as it is financially appropriate to do so.
- 4.10 As managed migration of HB continues, greater emphasis will be placed on investigating LCTS cases.

5. FINANCIAL IMPLICATIONS

- 5.1 Based on current caseload, national indicators suggest there could be in excess of £500,000 of fraud within our SPD caseload. This fraud will be a mixture of intentional and un-intentional fraud.
- 5.2 Whilst we aim to eradicate all fraud, realistically this is not possible and furthermore whilst national surveys suggest a 10% fraud rate, it isn't clear what the rate is in Hartlepool. However, an aim to reduce SPD numbers to under 17,000 over the 2024/25 financial year could save the council over £150,000 going forward, and this has been built into 2024/25 budget proposals.

- 5.3 An anti SPD fraud initiative at a similar sized district in 2023 netted £122,000 of on-going savings within the first three months. In part this was a result of the initial publicity drive that accompanied the initiative.
- 5.4 Should the approach be successful it will enable an increased council tax base to be agreed for the 2025/26 financial year.
- 5.5 The additional fraud officer has been funded from a small surplus on the Collection Fund forecast for 2023/24. The post will be mainstream funded from 2025/26 on the assumption that the initiative proves successful.

6. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	No relevant issues.
FINANCIAL CONSIDERATIONS	The financial implications are fully set out in the main body of the report.
LEGAL CONSIDERATIONS	These are reflected in the policy which will sit alongside and strengthen the Councils overarching fraud policy.
CHILD AND FAMILY POVERTY	An initial assessment has been undertaken at Appendix 2 . No detrimental impact is anticipated.
EQUALITY AND DIVERSITY CONSIDERATIONS	An initial assessment has been undertaken at Appendix 3 . No detrimental impact is anticipated.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	Not required

7. RECOMMENDATIONS

- 7.1 It is recommended that Members:
- i) Agree the more robust approach to tackling Single Person Discount fraud and support the active promotion of this initiative; and
 - ii) Agree the new Council Tax and Local Council Tax Reduction Scheme Sanction and Prosecution Policy.

8. REASONS FOR RECOMMENDATIONS

- 8.1 To support a more active and robust approach to Council Tax fraud, with increased focus on SPD fraud. In doing so generate additional income for the Council through an increased council tax base in future years.

9. BACKGROUND PAPERS

- 9.1 Council Tax Base 2024/25 – Report to Finance and Policy Committee 27 November 2023.

10. CONTACT OFFICERS

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

Sign Off:-

Managing Director	Date: 07/02/24
Director of Finance, IT and Digital	Date: 06/02/24
Director of Legal, Governance and HR	Date: 07/02/24

HARTLEPOOL BOROUGH COUNCIL

Council Tax and Local Council Tax Reduction Scheme: Sanction and Prosecution Policy January 2024



Council Tax Support Scheme

Council Tax is a tax on the occupation of a domestic property. It is a system of local taxation used to part fund the services provided by local government. The primary legislation for Council Tax is the Local Government Finance Act 1992. Operationally, the governing regulations are the Council Tax (Administration and Enforcement) Regulations 1992.

Tax payers can apply for various exemptions, discounts and reductions. They are dependent upon the circumstances of the tax payer / the people living in the household and with some being dependent upon the property. It is necessary for Local Authorities to regulate the discounts and reductions to ensure that they are only awarded under the circumstances to which they are eligible to be received.

Council Tax Support Scheme is a means tested Council Tax discount. It is intended to help people on low incomes meet their Council Tax costs. The primary legislation is the Local Government Finance Act 2012. Operationally the governing regulations are:

- For those who have reached the qualifying age for Pension Credit it is the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.
- For working age claimants, local authorities have been given the power to design their own schemes and accompanying rules.

Local Authorities need to guard against fraudulent applications for Council Tax Support to ensure that only tax payers eligible to receive support with their Council Tax liability actually receive assistance.

Single Person Discounts

Single person discounts of 25% are available where there is only one adult living within the property. Circumstance changes should be notified in the correct way to ensure correct charges can be levied.

Definition of Fraud

Fraud is a wrongful or criminal deception intended to result in financial or personal gain:

- Makes a false statement;
- Produces a false document; and / or

- Fails to promptly notify of a relevant change in circumstances which the person knows will affect the discount / exemption / relief / support they are entitled to / or are in receipt of.

Most local taxation fraud offences are prosecuted under the Fraud Act 2006:

- Section 2 – fraud by false representation
- Section 3 – fraud by failing to disclose information.

Council Tax Support fraud offences can also be prosecuted under section 14(3) of the Local Government Finance Act 1992.

Prevention, Detection and Investigation

Cases of suspected Council Tax fraud can be referred to the team by e-mail to either SPDinvestigations@hartlepool.gov.uk or Investigations@hartlepool.gov.uk they can also be made on-line via the Council's website or by letter. In a similar vein this can be used for reporting of any other suspected fraud.

The Team will investigate allegations of fraud to a criminal standard, i.e. evidence is collated and alleged offenders formally interviewed in accordance with the Police & Criminal Evidence Act 1984 / the Criminal Procedure and Investigations Act 1996. A case will only be deemed suitable for prosecution if it meets the requirements of the Code for Crown Prosecutors. There are two main requirements – The Evidential Test and The Public Interest Test.

Cases of suspected Housing Benefit fraud are now investigated by the Department for Work & Pensions. Local authorities no longer have any powers to either investigate allegations of Housing Benefit fraud or to prosecute instances of proven Housing Benefit fraud. Benefit fraud allegations can be reported on the Department for Work and Pensions National Benefit Fraud Hotline (0800 854 440) or via www.gov.uk/report-benefit-fraud.

Prosecution

The most appropriate sanction action will be applied in each case, on their merits. This can range from a Caution, to Civil Penalties, through Financial Penalties to ultimately criminal court prosecutions.

The most appropriate sanction action will be considered by reference to:

- The severity of the offence;
- The value and duration of the overpayment;
- The circumstances of the offender;
- The public interest test.

Alternatives To Prosecution

Cautions

A caution is a warning (of which a written record is made), given in certain circumstances to a person who has committed an offence.

A caution can only be considered when:

- There is sufficient evidence to justify instituting criminal proceedings;
- The person has admitted the offence during an interview under caution and agrees to the caution;
- There are no previous convictions for benefit fraud; and
- There was no other person involved in the fraud.

If the person refuses a caution, the Council's policy is to commence criminal proceedings. The court will be informed that proceedings have been brought because the person refused the offer of a Caution.

If the person is subsequently prosecuted for another benefit offence, the caution may be cited in court.

Financial Penalties

Council Tax Support came into existence on 1st April 2013 and replaced Council Tax Benefit. Council Tax Benefit was a fully subsidised scheme administered by Local Authorities on behalf of the Department for Work & Pensions. Council Tax Support is a discount awarded against the annual Council Tax liability, by Local Authorities, created by the Local Government Finance Act 2012.

Under amendments to Local Government legislation there are occasions when there is an option to consider financial / administrative penalties as an alternative to prosecution.

Section 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, introduced financial / administrative penalties as alternatives to prosecution in Council Tax Support cases. The penalty amounts to 50% of the gross overpayment

- with a minimum of £100, and
- up to a maximum of £1,000

It can be offered if the following conditions are met:

- There is a recoverable overpayment or excess award of Council Tax Support as defined by the relevant legislation;
- The cause of the overpayment is attributed to an act or omission on the part of the defendant;
- There are grounds for instituting criminal proceedings for an offence relating to the overpayment upon which the penalty is based;
- The person offered such a penalty has the ability to repay it within a reasonable timeframe and the imposition of such a penalty will not overburden them if they have existing priority debts; and
- A failure on the part of the customer to accept a Financial / Administrative Penalty will result in the case proceeding to prosecution.

Civil Penalties: Incorrect Statements

Regulation 12 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows HBC to impose a penalty of £70 where an incorrect statement or representation has been made.

The £70 penalty can only be imposed where a person has not been charged with a Local Council Tax Reduction offence or been offered a Caution or Financial Penalty under Regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Civil Penalties: Failure to notify change of circumstances

Regulation 13 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows HBC to impose a penalty of £70 where without reasonable excuse; there is a failure to report a relevant change of circumstances promptly.

The £70 penalty can only be imposed where a person has not been charged with a Local Council Tax Reduction offence or been offered a Caution or Financial Penalty under Regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Civil Penalties: Single Person Discount

Schedule 3 of the Local Government Finance Act 1992 allows Councils to impose a civil penalty of £70 in cases where a resident fails, without a reasonable excuse, to supply information (or negligently supplies incorrect information) which affects their liability or entitlement to a council tax discount or exemption. This is in addition to the recovery of the associated discount.

Evidential Test

The prosecuting authority must be satisfied that there is sufficient evidence to provide a 'realistic prospect of conviction' on each charge. Consideration should be given to what the defendant's defence may be and how it is likely to affect the prospects of conviction.

A realistic prospect of conviction is an objective test based solely upon the prosecuting authority's assessment of the evidence and any information that the authority has about the defence that the subject of the allegation may put forward. The authority must then decide whether, if properly directed in accordance with law, a jury (or magistrate) is more likely to convict than acquit a defendant of the charge(s) against them.

When deciding if there is sufficient evidence to prosecute the authority will consider:

- Can the evidence be used in court?
- Is it likely that the evidence will be excluded by the court? (For example, is it likely it may be excluded due to the way that it was obtained?)
- Is the evidence hearsay? If so, is the court likely to allow it to be represented under any of the exceptions which permit such evidence to be given in court?
- Does the evidence relate to the bad character of the suspect? If so, is the court likely to allow it to be presented?
- Is the evidence reliable?

- Does the suspect have a creditable explanation for their actions?
- Is there evidence which might support or detract from the reliability of a confession? Is its reliability affected by factors such as the suspect's level of understanding?
- Is the identification of the suspect likely to be questioned? and
- Are there concerns over the accuracy, reliability or credibility of any of the evidence of any witness?

Public Interest Test

When the prosecuting authority has deemed that the case has sufficient evidence to provide a realistic prospect of conviction it must then consider if it is in the 'public interest' for the legal action to progress. Every case is different and many will have mitigating aspects which will influence the authority's decision to either take legal action or refrain from instigating legal proceedings.

The public interest test requires prosecutors to consider wider factors tending for or against prosecution, for example the relative seriousness of the offence. Some common public interest factors tending against prosecution may be:

- The customer's mental or physical health would deter the authority from taking further action;
- The customer has repaid the discount / exemption in its entirety (balanced with the seriousness of the offence);
- It can be established that part or all of the original discount / exemption was awarded in error. It is established whether it is an official error at the start of an investigation – if it was official error then we would not undertake an interview under caution. If part of it was official error but part was customer fraud then consideration would be given to prosecuting the fraudulent element depending upon the amount;
- The investigation process contains unexplained long delays; and
- The customer's family circumstances or adverse recent events may deter the authority from taking the person to court.

Overpayment Recovery

Irrespective of whether criminal proceedings or other sanctions have been deemed inappropriate in accordance with this Policy, then recovery will be made through the Council Tax system for any LCTS / SPD overpaid.

Publicity

Since the principal objective of this policy is to deter fraud, then any successful prosecutions or other sanctions should be suitably publicised where appropriate. The Council also intends to positively promote this policy.

Policy Review

The Benefits Manager and / or Revenues Manager shall review the Policy with the Senior Fraud Officer. This will include:

- monitoring its effectiveness;
- taking account of any relevant changes in legislation and government guidance;
- taking account of any structural changes either within the Council or between the Council and external organisations;
- reviewing its relevance in view of changes in technology; and
- reviewing it in the light of comments received both inside and outside the Council.

This policy has been assessed for its impact on the diverse communities of Hartlepool in accordance with legal duties to promote equality of opportunity, combat discrimination and promote good race relations as set out in the Race Relations Amendment Act 2000.

Hartlepool Borough Council is committed to equality and will operate this policy fairly and in accordance with the legislative framework.

Poverty Impact Assessment Form

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

If YES please answer question 2 below

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

If YES please complete the matrix below

GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those who are disabled or suffer from illness / mental illness			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those with low educational attainment			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those who are unemployed			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those who are underemployed			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Children born into families in poverty			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those who find difficulty in managing their finances			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Lone parents			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Those from minority ethnic backgrounds			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.

Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Low Income Individuals, Families and Households			✓	Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.
Overall impact of Policy / Decision				
POSITIVE IMPACT		N/A	ADJUST / CHANGE POLICY / SERVICE	N/A
NO IMPACT / NO CHANGE		Yes	STOP / REMOVE POLICY / SERVICE	N/A
ADVERSE IMPACT BUT CONTINUE		N/A		
Examples of Indicators that impact of Child and Family Poverty.				
Economic				
Children in Low Income Families (%)				
Children in Working Households (%)				
Overall employment rate (%)				
Proportion of young people who are NEET				
Adults with Learning difficulties in employment				
Education				
Free School meals attainment gap (key stage 2 and key stage 4)				
Gap in progression to higher education FSM / Non FSM				
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)				
Housing				
Average time taken to process Housing Benefit / Council tax benefit claims				
Number of affordable homes built				
Health				
Prevalence of underweight children in reception year				

Prevalence of obese children in reception year
Prevalence of underweight children in year 6
Prevalence of obese children in reception year 6
Life expectancy

Equality Impact Assessment Form

Department	Division	Section	Owner/Officer
Finance, IT and Digital	Customer Services and IT	Benefits	Gillian Harvey / Michael Lavelle
Service, policy, practice being reviewed/changed or planned	Council Tax Fraud Prevention		
Why are you making the change?	Provide a clear statement of values in relation to these issues. Encourage prevention. Promote detection. Act as a deterrent.		
How might this impact (positively/negatively) on people who share protected characteristics?			
		<i>Please tick</i>	
		POSITIVELY	NEGATIVELY
Age			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Disability			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Gender Re-assignment			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Race			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Religion			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Gender			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Sexual Orientation			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Marriage & Civil Partnership			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			

Pregnancy & Maternity			
No impact is envisaged. Single Person Discount will still be applied if eligible. The only impact will be if fraudulently claimed.			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?		<p>The fraud prevention service CIFAS national poll shows that 10% of all SPD claims could be fraudulent and this, plus local knowledge has formed the basis of the proposal.</p> <p>There will be publicity around this policy change (Hartbeat and social media).</p>	
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?		<p>Local residents are likely to welcome work that protects public money. The outcome of this policy is likely to increase the income achieved by the council to help support the overall budget position and provide services, including to our most vulnerable.</p> <p>This new policy includes all types of households and is not just aimed at benefit customers, so is applied equally across the borough.</p>	
Describe how you will address and monitor the impact		1. No Impact - No Major Change No new specific impact expected.	
		2. Adjust/Change Policy N/A	
		3. Adverse Impact but Continue as is N/A	
		4. Stop/Remove Policy/Proposal N/A	
Initial Assessment	07/02/24	Reviewed	
Completed	07/02/24	Published	

FINANCE AND POLICY COMMITTEE

19TH FEBRUARY 2024



Subject: LONG TERM PLAN FOR TOWNS

Report of: Executive Director of Development, Neighbourhoods and Regulatory Services

Decision Type: Key Decision – General Exception Applies

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.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update Finance and Policy Committee on the government announcement of a new 'Long Term Plan for Towns' programme and the award of a £20m fund to the Council to provide long-term investment in local people's priorities.

3. BACKGROUND

- 3.1 On 30th September 2023, it was announced that Hartlepool was identified as one of 55 towns by the Government to be part of their Long Term Plan for Towns (LTPT). This is a Department for Levelling Up Housing and

Communities (DLUHC) programme aimed at supporting regeneration in town centres through providing greater stakeholder enjoyment, decision making and investment in local priorities. The LTPT provides £20m in capital and revenue funding as additional Levelling Up support to the investment already received through programmes such as Town Deal and Levelling Up Fund, and under new guidance must be managed and administered in a different way to other funding programmes.

3.2 Guidance was published on 18th December 2023 (see **Appendix 1**) setting out how the LTPT programme must be administered by the Local Authority as the accountable body for any funding and DLUHC are providing revenue support to establish the new programme and processes. In summary in order to access the long term funding, the Council must:

- Establish a Town Board to agree a new vision and plan for the town, and provide governance of the long term investment programme;
- Use data and intelligence to inform decision making on investment priorities over the long term;
- Develop and agree a Long Term Plan for Hartlepool, based on evidence, need, consultation and engagement; and
- Set out how funding will be allocated and spent against identified priorities under three main themes;
 - a) Safety and Security;
 - b) High Streets, Heritage and Regeneration; and
 - c) Transport and Connectivity.

3.3 A new endowment style fund will release funding to the Council over 7 years with flexibility to spend up to £20m (based on a 75% capital and 25% revenue allocation) over a 10 year period. A full funding profile for Hartlepool is expected to be announced shortly.

3.4 £50,000 of capacity funding has been provided to the Council on 22nd December 2023 to support the establishment of the programme and put in place a Board by 1st April 2024. The Board should be 'community led, including through membership, ways of working and distinction from the local authority and evidence of buy-in from local businesses, civil society and communities.' The Council is the accountable body for the funding and executing plans, however Town Boards will be responsible for developing the Long-Term Plan, working closely with local people and advising the Council on how best to use the money.

3.5 DLUHC are expected to release approximately £200,000 in further capacity funding in the Spring to support the development of the Long Term plan which should comprise:

- A 10 year vision and evidence led long-term strategy identifying longer-term priorities for the town; and
- A 3 year investment plan as an annexe to include the interventions and powers (**Annexes B and C (pages 30 – 43) of Appendix 1**) the Board wishes to use over the 3 years for each investment scheme it is proposing

to deliver, the proposed costs and how they will deliver outcomes and outputs.

- 3.6 There is flexibility for Town Boards to develop their Long Term Plans across 3 investment themes with an expectation that at least one intervention per theme is included in the Plan. Those themes are:
1. Safety and Security: including security infrastructure such as CCTV and street lighting, additional hotspot policing and Local Authority wardens;
 2. High Streets, Heritage and Regeneration: including preserving and improving heritage sites, creating and maintaining parks and green spaces, establishing Business Improvement Districts and running High Street rental auctions; and
 3. Transport and Connectivity: including new infrastructure schemes, road improvements, new programmes to encourage cycling, and improving town centre accessibility.
- 3.7 DLUHC are also providing a range of other resources to support Local Authorities to establish these new arrangements and plans which include spatial data packs (**Appendix 2**), policy toolkits outlining powers available, a list of policy interventions, dedicated support from the Towns Unit and regional DLUHC area teams, and an independent consultancy style High Streets and Towns task force to support towns after Long Term Plans have been submitted.
- 3.8 The timetable as set in the guidance for establishing a Town Board (by 1st April 2024) and a new Long Term Plan (by 1st August 2024) is extremely tight, and early discussions have been held with DLUHC lead officers, including the Deputy Area Lead (North East and Tees Valley), as our appointed lead on Town Deal and Levelling Up. These have informed the proposals set out in section 4 of this report.

4. PROPOSALS/OPTIONS FOR CONSIDERATION

- 4.1 In terms of establishing a new Town Board structure and membership it is proposed to create a new 'place-based' Board to govern the strategic direction of the programme and oversee delivery of the Long Term Plan for Towns. It is proposed the new Board would receive updates from the Chairs of the Town Deal Board, Hartlepool Development Corporation and the soon to be established Screen Industries Production Village Board. There is currently an effective Town Deal Board, which was restructured in 2023, to ensure its focus was overseeing the successful delivery of the five Town Deal Capital Projects. This Board has broad membership and a range of skills, but would risk losing focus on delivering the £25m programme with additional and significant LTPT responsibilities.
- 4.2 DLUHC would support the Town Deal Board to establish a programme in the short term while a new strategic place board was created. . This would allow the newly established Town Board to identify any gaps in interventions and

also to ensure there is no duplication of investment or delivery. Membership of the new Board will comply with the requirements set out in the guidance from DLUHC, be set up through Terms of Reference and with representation proposed as follows:

- Chair – to be nominated;
- Member of Parliament;
- Police and Crime Commissioner;
- NHS Foundation Trust;
- School Education;
- Further and Higher Education;
- Leader of the Council;
- Chair of Town Deal Board;
- Hartlepool Development Corporation;
- Production Village Board;
- Voluntary and Community Sector;
- Youth Parliament;
- Business and Tourism Forum;
- Sports Organisation;
- Civic Society;
- Historic England;
- Jomast;
- Homes England; and
- Faith Groups Representative.

- 4.3 The LTPT guidance is very clear in encouraging towns to use the LTPT as additionality to what has already been developed and is already being successfully delivered under other programmes. Town Boards are required to drive the priorities for investment and identify where the powers set out in the policy toolkit can be maximised to deliver change. However they should recognise and seek to build on the good work that is underway, alongside the strategies and plans for the town that align with the Long-Term Plan for Towns' objectives.
- 4.4 In terms of Long Term Plan project identification, it is important to highlight the range of masterplans and visions that have already been adopted by the Council, or are in the process of being delivered. This includes the Town Investment Plan, the Council's Town Centre Masterplan, Production Village vision and programme, the HDC Masterplan, and emerging place narrative work and significant consultation through the Big Conversation. It is proposed that our existing adopted masterplans and long term visions are sufficient to satisfy the 10 year vision and strategic document requirement of the programme and will underpin the new plan.
- 4.5 It is also proposed that the newly established Board revisit the detailed list of projects and proposals generated as part of the development of the Town Investment Plan in 2020/21 which underpinned the successful award of £25m Town Deal funding and to consider priorities that emerge from the Big Conversation, along with the work that is being undertaken as part of an

ongoing Place Narrative commission. This would also be prudent given the extremely tight timescales under which the programme must be established.

- 4.6 As accountable body for the funding and programme, the Council is responsible for providing a support structure, administration, monitoring and evaluation for the Boards programmes and projects. This will place an additional burden upon existing programme and project management teams, who currently provide these services for Town Deal, Levelling Up Fund and the Waterfront Regeneration Programme.
- 4.7 It is proposed to create a new full time Project Officer post dedicated to supporting the Board and overseeing delivery of the Long Term Plan and its interventions, which will be funded from the external revenue allocated by DLUHC for the administration of the programme.
- 4.8 It is also proposed that a proportion of the funding be allocated to cover the additional responsibilities to ensure no cost pressures arise from the delivery of the programme, including communications, marketing and engagement, technical expertise and subsidy control / legal costs. Legal costs will arise where any allocation of funding, as determined by the Town Board, is granted to third party organisations outside of the Council which will require 'passporting' through Grant Fund Agreements. It is recommended that 20% of the programme revenue budget be set aside to cover these costs over the lifetime of the programme, and this detailed financial profile will be developed once the funding profile has been provided by DLUHC.
- 4.9 The Council will be required to ensure that it is compliant with Subsidy Control legislation in receipt of the £20m grant. There will need to be an assessment of any proposed intervention to be funded by the grant before any project can be approved by the Town Board, Council and DLUHC, and this will need to be factored into the timetable of programme delivery. Therefore before the Council can:
 - a) Set up a scheme for giving out multiple subsidies; and
 - b) Approve a project to be given an individual subsidy.

It must consider 7 principles through an assessment process to ensure that the awarding of grant funding:

- has defined policy objectives and creates a change in the behaviour of beneficiaries
 - is as small as possible while still achieving the policy objective
 - avoids unnecessary harm to fair competition and trade
 - does not create harm that outweighs the likely benefits of the subsidy
- 4.10 The assessment template that will need to be completed for each proposed intervention is at **Appendix 3**.

5. OTHER CONSIDERATIONS / IMPLICATIONS

RISK IMPLICATIONS	There are no significant risks in accepting the award of the £20m funding and a risk register will be developed once an MoU is received from DLUHC. Risk assessment and registers will be required to be developed for each proposed intervention ahead of approval by a Town Board and the Council.
FINANCIAL CONSIDERATIONS	<p>The securing of the £20m grant over a 7 year period provides capital and revenue resources to support the regeneration of the town and provide a safer and more secure Borough. The funding will support major regeneration projects and contribute to longer term inclusive growth. There are no revenue implications to delivering the programme or its administrative and support functions as revenue funding has been provided by DLUHC of £50k initially, with a further £200k expected shortly to support the development of the plan.</p> <p>As set out in section 4.8 it is proposed to earmark 20% of the revenue element to support the councils administration costs over the lifetime of the project.</p> <p>Given the impending General Election, a future government may have differing priorities which may put future funding at risk, given the 7 year drawdown period.</p>
LEGAL CONSIDERATIONS	As described in section 4, independent legal advice will be sought on Subsidy Control due to the significant level of due diligence required to ensure compliance for the programme. A subsidy control report will be required for the overall programme, and individual assessments undertaken on any proposed intervention to be funded, which will require resource to be allocated.
CHILD AND FAMILY POVERTY	The programme principally aims to support the regeneration of the town, reduce crime and community safety, and improve accessibility and connectivity to a more vibrant town, providing wide ranging benefits and job opportunities for local people leading to reduction in unemployment and poverty.
EQUALITY AND DIVERSITY CONSIDERATIONS	To be prioritised as part of the consultation and engagement mechanisms
STAFF CONSIDERATIONS	A dedicated Project Officer will be appointed utilising the external revenue funding to manage the programme and form part of the existing Strategic Development and Sustainability Team.

ASSET MANAGEMENT CONSIDERATIONS	At the stage of accepting the grant there are no Asset Management considerations although each individual intervention proposed will need to assess whether there will be further impacts.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	At the stage of accepting the grant there are no Environment, Sustainability and Climate Change considerations, however each individual intervention proposed will need to assess whether there will be future impacts.
CONSULTATION	The outcomes of the Big Conversation will be used to inform the projects and priority interventions.

6. RECOMMENDATIONS

6.1 Members are asked to:

- a) Note the contents of the report
- b) Accept the £20m funding over the 7 year drawdown period.
- c) Agree the structure and proposed membership of the Board at para 4.2.
- d) Note the Board will put in place appropriate terms of reference in accordance with guidance
- e) Agree to the creation of new project officer post which will be funded from the external revenue allocated by DLUHC for the administration of the programme

7. REASONS FOR RECOMMENDATIONS

- 7.1 The Council has previously succeeded in securing significant investment under the Town Deal and the Levelling Up Fund Round 2 to improve the town, employment prospects and attract inward investment. Securing a further £20m to support the towns regeneration and wider economy will deliver significant employment opportunities, stimulate economic growth, and support the drive to tackle crime and community safety.

8. BACKGROUND PAPERS

- 8.1 None

9. CONTACT OFFICERS

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Sign Off:-

Managing Director	Date: 08/02/2024
Director of Finance, IT and Digital	Date: 08/02/2024
Director of Legal, Governance and HR	Date: 08/02/2024



Department for Levelling Up,
Housing & Communities

Long-Term Plan for Towns - Guidance for Local Authorities and Town Boards



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December 2023

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Foreword from the Prime Minister



In September, we launched our Long-Term Plan for Britain's Towns, a core part of the government's levelling up programme that has so far invested more than £13 billion to support projects in places that for too long have been taken for granted.

Towns are the places most of us call home, where most of us work, and where many of us grew up and want to raise our families. For too long politicians have focused on cities and businesses have been encouraged to invest elsewhere, local communities have been eroded, and too many young people have concluded that the only way to get on, is to get out.

The result, in too many places, has been run-down town centres, empty, boarded-up shops, discarded rubbish, appalling antisocial behaviour and people left angry and frustrated by the neglect. There is nothing inevitable about this. With the right plan, our towns can turn themselves around.

Our plan will complement our existing work and give towns the focus and attention they deserve. We're investing £1.1 billion in 55 of our towns and giving them the tools they need to help build a better future for their local people. We will do so in 3 important ways.

First, we're putting towns back into the hands of local people, so that they can decide on local priorities and what's best for the long-term future of the places where they live. Each town will have a new Town Board made up of local community leaders and employers, who will draw up their town's Long-Term Plan for the next 10 years. This work will be backed by up to £20 million of "endowment-style" funding and support to invest over the next decade.

Second, we're not wasting time. We want towns to set up their Town Boards as soon as possible. So we're providing £50,000 this year, and £200,000 the next – along with a dedicated data pack full of local insights and intelligence – so that towns can build their own local capacity, talk to local people about what they want from their town, and get going on their Long-Term Plans.

Third, we want to make towns places where people and businesses want to invest, creating new jobs and breathing new life into our high streets and town centres. And we believe that the government's local £20 million endowment-style funding and support in each town will be a catalyst for private investment and community capital too.

So, this is our plan to turn around Britain's towns: local people in charge, accelerating change, and bringing in new investment. This guidance sets out the next steps in delivering on that plan, and our support offer to you to ensure that Long-Term Plans are grounded in the best available evidence. In addition, our policy toolkit sets out the range of powers available to local areas.

It's time that we do away with the idea that some communities and some places can never and will never get better. They can – and they will. Our Long-Term Plan for Towns fundamentally changes the way politics works to support local communities – putting them in control. And it sets out a new direction for Britain's towns: one that is right for local people, and right for the future of the country.

Foreword from the Secretary of State for Levelling Up, Communities and Housing



Our Long-Term Plan for Towns is levelling-up in action. Communities driving progress so that towns can go further, faster than ever before. Councils allowed to be bolder, so that they can bring bustle and life back to rundown high streets. Residents encouraged to make the most of their can-do spirit so that prosperity returns to towns around the country.

The Long-Term Plan is centred on local stakeholders acting in the interests of local people. Why towns? Well, for the overwhelming majority of Britons, home is a town – the place where they live and an important part of their identity. Yet many towns are struggling.

Since the financial crisis of 2008, jobs growth in towns has been just half that in cities, and a quarter that in London. Whenever I visit one of our many great towns, I come away inspired by the passion and pride of the people. Yet I also share their anger and frustration over shabby high streets lined by empty shops, and their anxieties about antisocial behaviour and crime.

We have made great strides for towns and for cities, too, through the Levelling Up Fund that has so far awarded £4.8 billion to support regeneration. The Long-Term Plan for Towns is something distinct again: a way of doing local politics that draws on our experience with previous Funds and respects local feedback to take a different approach – one that captures and makes the best use of all that councils and communities already do for their area.

It means that Town Boards, the new decision-making bodies, will be run by local people for local people: bringing together residents, business and community leaders to devise and agree a shared vision for the future.

I look forward to working with Town Boards as partners in this new-style politics. I am excited by the prospect of the entrepreneurial, creative and forward-looking initiatives that will flow from the funding. And I know we all want to see the difference in lives and outcomes as we unleash a new era of regeneration, aspiration and pride in place in towns across England, Wales and Scotland.



Long-Term Plan for Towns summary

This guidance is relevant to Town Boards in England, Scotland and Wales. We will release dedicated Scottish and Welsh versions of the policy toolkit early in 2024, which will build on existing publications, and a Welsh language version of this guidance will follow.

Purpose: Regenerate local towns across England, Scotland and Wales over the next decade.

Type of fund: Allocative

Eligibility: Preselected local authorities via a methodology set out on GOV.UK.

Funding available: Towns will receive funding and support totalling up to £20 million.

Important dates:

Between 18 December 2023 and 1 April 2024:

- local authorities receive £50,000 of capacity funding
- local authorities receive a data pack for their town, with a local insight profile curated by DLUHC's Spatial Data Unit, to be shared with the Town Board once established
- where relevant, appoint a chair for Town Boards
- local authorities work with the chair to set up the Town Board or repurpose an existing Town Deal Board or equivalent relevant Board in Scotland/Wales
- Town Boards start planning and initiating community engagement

By 1 April 2024:

- all Town Boards must be established

From 1 April 2024 to 1 August 2024:

On April 1, DLUHC will release the next £200,000 of capacity funding to support the development of the Long-Term Plan, including additional community engagement activity.

Town Boards submit their Long-Term Plans (comprising their 10-year vision and 3-year investment plan) from 1 April and before 1 August. The Plan will set out how funding will be allocated and spent, with the local authority as the body ultimately accountable for funding.

We strongly encourage Town Boards to submit plans as early as possible – the earlier the Town Board is established, and Plan submitted, the quicker funding can be unlocked by DLUHC.

DLUHC assess plans as they come in, and release 2024 to 2025 capital and revenue funding once plans are approved.

We acknowledge that Scottish councils operate with different recess periods to their English counterparts. We will discuss the implications of this with the local authorities in Scotland.

Local authorities eligible for funding

ITL1/2 Region	Local authority	Town/Place
East Midlands	Mansfield	Mansfield
East Midlands	Boston	Boston
East Midlands	Bassetlaw	Worksop
East Midlands	East Lindsey	Skegness
East Midlands	Newark and Sherwood	Newark-on-Trent
East Midlands	Chesterfield	Chesterfield
East Midlands	Nottingham	Clifton
East Midlands	South Holland	Spalding
East Midlands	Ashfield	Kirkby-in-Ashfield
East of England	Tendring	Clacton-on-Sea
East of England	Great Yarmouth	Great Yarmouth
North East	Redcar and Cleveland	Eston
North East	South Tyneside	Jarrow
North East	Sunderland	Washington
North East	Northumberland	Blyth
North East	Hartlepool	Hartlepool
North East	County Durham	Spennymoor
North West	Blackburn with Darwen	Darwen
North West	Oldham	Chadderton

North West	Rochdale	Heywood
North West	Tameside	Ashton-under-Lyne
North West	Hyndburn	Accrington
North West	Wigan	Leigh
North West	Bolton	Farnworth
North West	Pendle	Nelson
North West	Knowsley	Kirkby
North West	Burnley	Burnley
South East	Hastings	Hastings
South East	Rother	Bexhill-on-Sea
South East	Isle of Wight	Ryde
South West	Torbay	Torquay
West Midlands	Sandwell	Smethwick
West Midlands	Walsall	Darlaston
West Midlands	Wolverhampton	Bilston
West Midlands	Dudley	Dudley
Yorkshire and The Humber	North East Lincolnshire	Grimsby
Yorkshire and The Humber	Wakefield	Castleford
Yorkshire and The Humber	Doncaster	Doncaster
Yorkshire and The Humber	Rotherham	Rotherham
Yorkshire and The Humber	Barnsley	Barnsley

Yorkshire and The Humber	North Lincolnshire	Scunthorpe
Yorkshire and The Humber	Bradford	Keighley
Yorkshire and The Humber	Kirklees	Dewsbury
Yorkshire and The Humber	North Yorkshire	Scarborough
West Wales and The Valleys	Merthyr Tydfil	Merthyr Tydfil
West Wales and The Valleys	Torfaen	Cwmbrân
East Wales	Wrexham	Wrexham
East Wales	Vale of Glamorgan	Barry
West Central Scotland	Inverclyde	Greenock
Southern Scotland	North Ayrshire	Irvine
Southern Scotland	East Ayrshire	Kilmarnock
West Central Scotland	North Lanarkshire	Coatbridge
West Central Scotland	West Dunbartonshire	Clydebank
Southern Scotland	Dumfries and Galloway	Dumfries
Highlands & Islands	Moray	Elgin

Funding available

As confirmed in our [Long-Term Plan for Towns guidance document](#), the Long-Term Plan for Towns takes a new endowment-style approach. This means that funding is released over a 7-year period and local authorities have the flexibility to spend it over 10 years, with light touch assurance from DLUHC – the full funding profile will be provided in early 2024.

Towns will receive funding and support totalling up to £20 million, delivered through the powers as set out in Section 50 of the United Kingdom Internal Market Act 2020.

Capacity funding

Lead local authorities in each of the 55 towns will receive £50,000 in capacity funding in the 2023 to 2024 financial year. This is paid as an RDEL grant.

We expect this funding to cover the upfront costs of setting up a Town Board by April 1 at the latest. While we will not ask local authorities to formally report on how this £50,000 is spent, where progress is slower than expected, DLUHC's area teams will offer support and advice.

Local authorities might want to use this money to:

- convene a Town Board
- run community engagement
- support the Town Board in developing Long-Term Plans
- provide technical expertise to the Town Board for project development including feasibility studies and business cases

Once Towns Boards are established we will release approximately £200,000 in RDEL capacity funding at the start of the new financial year 2024 to 2025. Town Boards should advise local authorities on how best to use this money, to support the development of their Long-Term Plan.

The process

Establishing a Town Board

While the local authority remains the accountable body for funding and executing plans, Town Boards are responsible for developing the Long-Term Plan, working closely with local people.

The independent chair of Long-Term Plan for Town Boards should be invited by the local authority, considering who is best placed to convene partners and is a respected figure in the community with an obvious passion for the place. The local MP should be engaged as part of the process. Further information on governance is available at Annex A. Consideration should be given to the length of tenure for the chair, given the nature of the Long-Term Plan including a 10-year vision, it may be the case that towns wish to consider succession planning, for example by appointing one or more deputy chairs. If a town already has a Town Deal Board in place, or a similar such structure – for example, an appropriate subset of a Community Planning Partnership in Scotland – we strongly encourage the utilisation of that forum to act as the Town Board, to avoid unnecessary duplication and allow towns to move quickly to draw up their Long-Term Plan. If an existing forum is to be repurposed, it is incumbent on the chair, supported by the local authority, to ensure the right people are around the table to fully reflect the priorities of the town - this may require further appointments, if deemed appropriate.

Town Boards must be chaired by a local community leader or local businessperson. The chair should act as a champion for the town and provide leadership for the Town Board, ensuring it is community-led and embedded within the local area. They can be anyone who holds a prominent role such as:

- a local charitable organisation
- a philanthropist
- the head of a Further Education College
- a director for the NHS Board or Trust
- a director of a football club

Elected representatives, such as MPs, MSPs, MSs or local councillors, must not chair the Town Board.

Town Board Membership

Having considered whether there is a suitable existing Board that can be utilised, or that it is necessary to establish a new Town Board, the chair should engage with the local authority to consider whether further appointments are necessary to the Town Board. Similarly, the chair may choose to appoint a deputy – although this is not a requirement.

As with appointing the chair, it is worth considering the length of membership when inviting members onto the Board, and whether the Board make-up needs to change over the duration of its lifetime.

The local authority, or an alternative organisation such as a community group if that is agreed between the chair and local authority, should act as secretariat to the Town Board.

Outside of the requirements around the inclusion of certain elected representatives and a senior representative from the police, this guidance is wholly non-prescriptive and membership will vary depending on the local context:

1. Parliamentary representatives

The relevant local MPs, for example, those MPs whose constituencies sit within the boundary of the town must sit on the Town Board. Councils in Scotland and Wales may wish to invite the local MSP or MS.

2. Local councillors

In areas where there are two tiers of local authorities, there should be one councillor from each tier of local government. In unitary authorities, there should be 2 councillors from the authority. Where relevant for the town, the chair may wish to invite parish, town, or community councillors, noting that total numbers of elected representatives should be limited to promote community leadership.

3. A senior representative from the police

Town Boards must have a senior representative from the police. In England and Wales, it is expected that this will be the Police and Crime Commissioner (PCC), though, subject to the agreement of the chair, a local senior representative from the police can act as an alternative. In Scotland, the chair may wish to invite a senior police officer. Where combined authority mayors exercise PCC functions, it is expected that the Mayor or their Deputy Mayor for Policing and Crime should be the representative, though, subject to agreement with the chair, a local senior representative from the police can act as an alternative. Should Town Boards feel that they require further contribution from the police, noting particularly the different skills and input that could be provided by an operational representative, then it is within their discretion to invite whomever they deem appropriate to sit on the Board.

Other membership should be tailored to local context and is at the chair's discretion, but might comprise:

4. Community partners, such as:

- community groups
- faith groups
- local charities
- neighbourhood forums
- youth groups
- the local Council for Voluntary Service (CVS) or Third Sector Interface (TSI) in Scotland

5. Local businesses and social enterprises, such as:

- the chair or board members for the Business Improvement District (BID) where these exist
- key local employers or investors in the town

Community and smaller businesses have been shown to be able to support regeneration and improve investment at a local level, and property owners have a major stake in how towns are repurposed.

6. Cultural, arts, heritage and sporting organisations, such as:

- local sports club directors
- local heritage groups

7. Public agencies and anchor institutions, such as:

- local schools, higher education and further education institutions
- relevant government agencies for that area, for example Integrated Care Boards or Community Planning Partnerships in Scotland

Town Boards should consider the size of membership and could convene smaller working groups to facilitate wider engagement in the themes of the Long-Term Plan for Towns. DLUHC will work with Town Boards, supported by local authorities, with contracting and commercial advice to ensure value for money, based on best practice from previous Levelling Up Funds. In the first instance, local authorities should get in touch with their existing area team leads.

Town Boards must be set up by 1 April 2024 at the latest, though we encourage earlier establishment wherever possible, to allow the Town Board to hold its first meeting and start drawing up Long-Term Plan as quickly as possible. The earlier the Board is established and Long-Term Plans are submitted, the sooner the funding can be confirmed by DLUHC.

DLUHC's offer

To enable the Town Boards - supported by the local authority - to develop and deliver their Long-Term Plan, the local area team lead will act as the first line of support across England, Scotland and Wales, drawing in help where appropriate (for example, engaging with the Scotland Towns Partnership in Scotland).

A Towns Unit has been set up within DLUHC to act as a cross-cutting hub that will work with other government departments to help Town Boards work with the local authority to use every lever at their disposal. It will seek to align cross-government activity to ensure that central government, local government and private resources are used most efficiently. Our offer includes:

- a data pack for each town, with a local insight profile curated by DLUHC's Spatial Data Unit
- a policy toolkit, outlining powers available to towns and partners across the town
- a list of policy interventions with an already agreed case for investment
- dedicated support from the respective area team to help guide the Town Boards and local authorities through the process

Additionally, an independent, consultancy-style High Streets and Towns Taskforce will be established in 2024 to support towns after their Long-Term Plan is submitted.

Engaging MPs

MPs play an important role in representing the views of their constituents, working collaboratively with local authorities and other local partners for the good of local places. They should be closely engaged in the design and delivery of the Long-Term Plan.

As well as being a member of the Town Board, MPs should be individually involved in reviewing the Long-Term Plan prior to submission to DLUHC. Each Long-Term Plan must list the MPs involved in the Town Board and whether each are supportive of the final Long-Term Plan submitted to DLUHC for consideration. Town Boards in Scotland and Wales may also wish to share their Long-Term Plan with the local MSP and MS, although there is no requirement to do so.

While one or more MPs not supporting the Long-Term Plan will not prevent DLUHC considering it, the government is keen to see broad local consensus for the interventions put forward. In the absence of such agreement, Ministers reserve the right to defer sign off until broad consensus is secured.

Ensuring the Town Board is a community-led institution

Town Boards should be community-led institutions that build civic capacity in the town, with the local authority, or an alternative organisation such as a community group, providing a secretariat function. The local authority will act as the accountable funding body.

We encourage local authorities to help empower the Town Board in realising this role and driving forward a community-led vision for change. This may include providing advice and support on legal duties like impact assessments, to help leaders with non-public sector backgrounds navigate those requirements they may be less familiar with.

The Town Board (or, if prior to establishment, the Town Board chair) and the local authority should also consider existing community organisations that might want to undertake work on behalf of the Town Board. Capacity funding could be used support this, or the recruitment by a third-party of an individual to lead the development of the Long-Term Plan full-time. Local Trust research shows that employing a single member of full-time staff from the community helps to build local capacity and resilience. If support is required to identify suitable community organisations, local authorities should speak to their respective area team leads in the first instance. Area teams will provide ongoing support for the duration of the programme, including helping local authorities and Town Boards to access the support they need, and acting as a focal point between them and central government, including the Towns Unit and the High Streets and Towns Taskforce.

Case study: The benefits of community driven vision

After almost fifty years of industrial decline, downtown Whytheville in rural Virginia (population of less than 10,000) sought to change its fortunes and appointed a 'people powered' governance organisation (Downtown Whytheville Inc.) with the explicit aim of revitalising and reenergising their local community.

By adopting a person-and-place-based approach, Whytheville was able to leverage local assets, build regional partnerships, encourage community capacity-building and, ultimately, revitalise its regional economy. It completed a major downtown streetscape renovation, improving sidewalks, lighting and pedestrian crossings on Main Street, creating a more inviting environment. Recognising the need to also address skills concerns, the Downtown Whytheville Inc. sought additional funding from private and public sources to start a small business design competition, building community capacity, delivering long-term investments and creating a self-sustaining entrepreneurial ecosystem.

Setting a strategy

Town Boards should drive the priorities for investment, identify where the powers set out in the policy toolkit can be maximised to deliver change and steer the long-term vision for their town, in conjunction with the local community.

Town Boards are responsible for developing the Long-Term Plan. This Long-Term Plan should recognise and seek to build on the good work that is underway, or has been undertaken already, in each town. In many places, there are strategies and plans for the town that align with the Long-Term Plan for Towns' objectives, and we hope the Long-Term Plans will build on those.

The programme has been designed to provide long-term certainty and facilitate strategic thinking. We know, however, that towns will want to retain flexibility and the ability to amend plans as they develop, as well as reflect the context and changing priorities of local people. We are therefore asking that Town Boards, supported by the local authority, develop a single Long-Term Plan to be submitted to DLUHC on, or before 1 August 2024. We acknowledge that Scottish councils operate with different recess periods to their English counterparts. We will discuss the implications of this with the local authorities in Scotland. Further detail on how Plans will be submitted will be provided in early 2024. The earlier the long-term plan is submitted, the quicker the funding can be unlocked by DLUHC.

The Long-Term Plan should comprise a 10-year vision, which clearly identifies the longer-term priorities for the town, and a 3-year investment plan as an annex. As with Town Deals previously, the Town Board should also use the Plan to confirm the area that will be covered. As a default, this should use the boundaries defined by the Office for National Statistics. This is important so that local communities and other bodies understand where the area of benefit will be. We expect that the geographical area should be contiguous. Any proposed changes to the ONS boundaries will need to be discussed with government to ensure it includes, as part of the area, the town that was originally selected.

10-year vision

The Town Board's 10-year vision should be a long-term, strategic document. It should be backed by insights gained through engagement with local people, to create buy-in with the public. It should include:

1. A 250-word vision statement that articulates, at a high level, the vision for the future of the town and how success will be judged.
2. The strategic case for change, building on the evidence in the pack provided by DLUHC with, where relevant, more granular local data and stories.
3. The outcomes and objectives the town is trying to meet and how these align with the priorities of the local community, including what local people think needs fixing, the opportunities the investment offers over the decade, and priority outcomes for 2034 and beyond.
4. The planned direction of travel for the regeneration of the town, across the 3 investment themes. It should detail the interventions that are available to achieve this:
 - a. The Town Board should seek to draw on the list of interventions and can also consider other, 'off-menu' interventions, provided they sit within the 3 investment themes.

- b. The Long-Term Plan does not need to go into detail on specific investments as part of the 10-year vision. Detail on investment and interventions only need to focus on the first 3 years and should sit within the 3-year investment plan annex.
5. Clear evidence that the Town Board is community led, including through its membership, ways of working and distinction from the local authority, and evidence of buy-in from local businesses, civil society and communities. It should describe how these stakeholders have been engaged to date, and how that engagement will continue going forward.
6. How the Town Board will attract and combine new and existing private, public and philanthropic investment, setting out the existing commitments and ambitions to secure further support going forwards.
7. High level delivery milestones over the 10-year lifespan of the programme, with an overview of potential future interventions and how the powers in the policy toolkit will be used in a way that best suits the town across the 3 investment themes.

The policy toolkit covers England in-full and, regarding the Safety and Security powers, Wales. We will provide additional guidance for towns in Scotland and Wales early in 2024.

The policy toolkit outlines the powers already available to towns to help make improvements. It also includes new powers, which are yet to be implemented, that were introduced through the Levelling Up and Regeneration Act 2023.

3-year investment plan annex

This should set out:

- the interventions and powers the Town Board wishes to use over the 3 years for each investment theme;
- whether the interventions are from the list of interventions or are 'off-menu';
- how the Town Board will use the interventions locally and how much they will cost; and
- how the interventions will address the outcomes set out in the 10-year vision, grounded in evidence and data.

Local authorities will receive the investment from the Long-Term Plan for Towns over the next 3 years to fund the Town Board's 3-year investment plan. We strongly encourage Town Boards to work with the local authority and other partners to consider how additional funding can be attracted from other sources. This could include new private investment, philanthropy or other public funding, particularly where there is scope for partnership working between bodies or agencies.

Local authorities should also be engaged throughout the development of the plan, including discussing the list of interventions and powers to be used from the toolkit. In many cases, the council will need to formally agree through its own structures to deploy powers or interventions where they interact with council responsibilities (for example, planning permission for a new cycle path). Where an intervention would commit the local authority to future expenditure beyond long term plan for towns fund (for example ongoing maintenance of a new leisure facility), Town Boards must engage with local authorities and ensure that this is agreed.

The list of interventions provided at Annex C are those which have already been assessed as having a strong case for investment, value for money and benefit-to-cost ratio. Should a Town Board wish to pursue one of these interventions, a business case will not be required as part of the assessment process – this is intended to simplify the process as far as possible and reduce

bureaucracy. Any interventions drawn from the list should be costed to a town's local context and the investment plan should describe how they reflect the distinct opportunities and challenges that different towns and communities face.

This list of interventions is not exhaustive - we encourage Town Boards to think creatively about what solutions will deliver the desired outcomes. Should it be agreed that other, 'off-menu' interventions better meet local needs, Town Boards should seek to pursue those. Where an 'off-menu' intervention is pursued, an outline business case will need to be provided, underpinned by insights from local stakeholders, agreement with the local authority where they are required to underwrite the risk, and – where possible – numeric evidence.



A toolkit for community engagement

Community engagement is at the heart of the Long-Term Plan for Towns, so plans should reflect local priorities and be co-designed with communities, businesses and residents, drawing on available evidence and data. Recognising the many examples of excellent community engagement already underway at a local level, this toolkit sets out further ideas that Town Boards may want to consider.

As set out in the Levelling Up White Paper, there have been numerous attempts at regeneration over a prolonged period. One of the reasons these have not always been consistently successful is a lack of community engagement, failing to build on existing partnerships, consultation and ongoing activity that mobilises local people. The think-tank [Onward](#) has set out why this is so vital:

“First, doing so helps to ensure regeneration is focused on the actual rather than perceived needs of the community. Second, because a community needs to be invested in an initiative for it to be sustained beyond the initial period of intervention. Third, because engagement helps to build the capacity for action that so many communities lack.”

Onward’s research on previous regeneration efforts and the government’s own engagement with local places have shown that upfront investment is essential to ensuring that places can conduct the necessary level of community engagement. This is why capacity funding will be provided from early 2024.

Some community engagement principles Town Boards might wish to consider when developing their Long-Term Plans:

1. Map the assets in the local area to build from existing strengths and work with community groups who have existing relationships and expertise in community development to design engagement and ensure sufficient reach. Consider using allocated development funding to invest in these organisations to support this work.
2. Engage early and identify priorities and ambitions to ensure the plans are co-created with the community from the start.
3. Use local knowledge to understand where engagement has typically been weakest and which groups have been underrepresented. Seek out relationships with community groups to establish how engagement can work better for these groups and overcome barriers such as income, ethnicity, age, disability and language.
4. Go to where the people are and be creative. Hold engagement events in the social spaces where people meet, for example, the local high-street, youth clubs, pubs, schools and community centres. Maximise the opportunity to get the view from as broader set of residents who may not typically attend consultation events.
5. Use participatory tools, such as participatory budgeting. This can act as a hook to engage residents, helping to identify local solutions and bring forward innovative ideas.
6. Identify opportunities for community ownership of plans and delivery. Consider how community partner members of the Town Board, such as community organisations, can have a clear role in the process. This could also include devolving budgets and delivery to community groups for neighbourhood priorities.

7. Commit to ongoing accountability. The Town Board should plan ongoing opportunities for engagement with the community at key milestones within plans. People like to stay informed of developments, share progress and how their input has fed in at regular stages throughout the process; this could be done through email, press release, exhibition or in-person events.
8. Seek opportunities for building the development of community leadership and capacity into delivery plans.
9. Don't over-complicate it.

[Create Streets](#), leaders in research, master-planning, design coding and community co-design, also recommend using:

1. Wide engagement. This typically involves asking simple, high-level questions across a broad range of audiences allowing people to have their say on a specific place, the good or bad, and to make positive suggestions to improve it. This could include:
 - online mapping platforms such as the Create Communities platform
 - 'come to the people' events. For example, setting up a stall at a community event or on the local high street
2. Deep engagement. This involves more in-depth analysis through asking key questions and issues explored through:
 - one to one interviews with key stakeholders
 - site walkarounds with residents and neighbours
 - co-design workshops or charettes (a public meeting with an interdisciplinary group, focused on solving a problem or planning the design of something)

There are several other useful organisations that publish guidance and can support Town Boards to ensure the local community is sufficiently engaged in the development and delivery of the Long-Term Plan, including [Power to Change](#), [Locality](#) and Heritage Action Zones. [The Local Government Association](#) has resources aimed at involving residents and voluntary and community sector organisations in local service delivery and decision-making. In Scotland, there are many examples of strong community engagement and plenty of resources available. Towns in Scotland may want to refer to examples set out through the Scotland Town's Partnership, as well as the national standards set by the [Scottish Development Community Centre](#).

Town Boards should be transparent with local people throughout the programme as to how they are investing money and using their powers, working closely with the local authority. We encourage Town Boards to run themselves in a way that facilitates community-led decisions and the space to think about things differently. Such as:

- having meetings in a community space or setting, instead of council offices or public sector premises
- holding open meetings for local people to observe and inviting those who aren't traditionally involved, including young people
- live streaming open meetings
- recognising routes for the Town Board to become a self-sustaining body over time

Case study: Chesham Design Code and Neighbourhood Development Orders

Create Streets worked with Chesham Town Council to develop Neighbourhood Development Orders (NDO) in the town and to inform an updated neighbourhood plan. Residents' views were sought through a combination of 'engaging wide' using online tools and 'engaging deep' through interviews with key stakeholders, hosting pop-up consultation sessions at community events and drop-in sessions. Residents were also asked what 'good looks like' for Chesham – and feedback was also requested on draft house types and site masterplans. Over 2,822 responses were received online and many hundreds in person, with the results used to inform the content of the design code and NDO sites.

Case study: Design Code Pathfinder Programme, Medway Council

Medway Council are developing a design code for Chatham, to contribute to the urban regeneration of the town centre and ensure the local character is better reflected, whilst also protecting the natural environment. The team carried out extensive engagement and consultation with the local community, key stakeholders, members and officers in the development of their code. A combination of two techniques were used – a digital platform and traditional face-to-face engagement - to ensure that as many people could engage in the design code process as possible. The digital platform focussed on 14 key places and gave users the ability to comment on buildings, streets or open spaces - producing 1,900 individual responses. The in-person events enabled people who were less tech-savvy, or did not have access to the internet, to share their views, with sessions held on weekends in busy locations for maximum reach.

Case study: Dunbarton, West Dunbartonshire

West Dunbartonshire Council will use its £19.9 million Levelling Up Fund allocation to help the town of Dunbarton become more attractive for residents and visitors. The successful bid was built on feedback from the community gained through extensive consultation and surveys, demonstrating how the Levelling Up Fund can meet the need of the community. The project includes the restoration of Glencairn House into a state-of-the-art library, museum and community facility, improve connections between the town centre and Dunbarton Central train station. The project improves active travel connections, attracting visitors and residents into the town centre, and making Dunbarton a more attractive destination.

Submit your Long-Term Plan to DLUHC

Town Boards should move as quickly as possible to engage the local community and work up their vision and Long-Term Plan. From 1 April 2024, Town Boards should submit their Long-Term Plan to DLUHC. The final deadline for submitting plans is 1 August 2024. We acknowledge that Scottish councils operate with different recess periods to their English counterparts. We will discuss the implications of this with the local authorities in Scotland. Further details on how to submit will be published in supplementary guidance in early 2024. The closer to 1 April 2024 the Long-Term Plan is submitted, the sooner the funding can be unlocked by DLUHC.

The 10-year vision and 3-year investment plan annex will be subject to a light touch assessment process by DLUHC. This will ensure towns' proposed interventions are aligned with the broader objectives of the Long-Term Plan for Towns and fit within the 3 investment themes. While we may seek clarification on some points, this is not a pass or fail gateway, unless there is substantial deviation from the 3 investment themes, or the requirements set out above.



The three investment themes

Towns across the UK will identify the measures that matter most to local people. By including a policy toolkit, a list of interventions and providing the opportunity for Town Boards to take bespoke, 'off-menu' approaches where such an approach can be justified, we are providing significant flexibility to tailor the Long-Term Plan across the 3 broad investment themes. There is no requirement as to how towns utilise the funding across the 3 themes. But we would expect to see at least one intervention per theme covered in the Long-Term Plan, unless towns justify an alternate approach.

SAFETY AND SECURITY

Tackling crime and anti-social behaviour is a priority for turning around local areas and ensuring business can thrive. It is impossible to level up a town if people do not feel safe to go into the town centre. Towns that feel unsafe:

- drive away shoppers
- deter investors
- undermine the norms and behaviour that underpin a thriving society

The increase in shop vacancy rate and decrease in footfall has resulted in high streets becoming prime locations for anti-social behaviour, diminishing pride in place. The [Anti-Social Behaviour \(ASB\) Action Plan](#) launched this year in England and Wales, to make our streets safer and treat anti-social behaviour with the urgency it deserves. To support this, towns can use the funding provided through the Long-Term Plan for Towns to help reduce crime and improve safety in the local area.

Interventions and the use of powers could include:

- new and improved security infrastructure, such as CCTV and streetlights
- additional hotspot policing
- local authority wardens

Recognising the scope for potential overlap between the role of the Town Board and a Community Safety Partnership (CSP), in England and Wales, who in some instances may already be carrying out interventions such as this, we encourage Town Boards to proactively engage with the relevant CSP in their town to ensure a consistent approach and avoid duplication. [See the Home Office's guidance on CSPs for more information.](#)

Case studies of safety and security interventions

Denbighshire - CCTV

Denbighshire County Council has used the UK Shared Prosperity Fund to purchase and place CCTV cameras in fly-tipping hot spot areas. The local authority has already identified people leaving items at locations and managed to speak with those individuals. The aim is to use the cameras to change people's behaviours as well as prosecuting further down the line. By monitoring and preventing antisocial activities this investment has led to increased confidence in public spaces and improved quality of life for residents.

Bloxwich and Walsall's Town Deal

Bloxwich and Walsall each received over £20 million from their respective Town Deals and have been working closely together ever since.

Local people from both towns said they wanted to walk more, but often felt unsafe because of traffic, pollution and fear of crime. The towns are now delivering new footpaths, cycle lanes and safer places to lock bikes, making it much easier to move around and between the two towns and surrounding area. Lighting and other improvements will mean people feel safer and more confident walking around and they will have more choice in how they travel. In the process, the Town Deal Board hopes that both air quality and local people's general health and wellbeing increases as they increasingly choose to leave their cars at home.

HIGH STREETS, HERITAGE AND REGENERATION

As research from [More in Common](#) and [Power to Change](#) has found, ‘for many people, nothing epitomises local neglect more than the state of their local high street’. Since the 1960s, our high streets have centred around retail, however, increasing overhead costs, an oversupply of retail space, the growth of out-of-town shopping centres and online shopping have created a challenging local retail environment.

A hollowing out of high streets and town centres can affect the liveability of a place. This makes it less attractive for, and harder to retain, skilled workers, often resulting in towns having an older population and creating an economic environment that exacerbates these demographic challenges.

To ensure they remain the beating heart of our towns and can offer opportunities to local people, traditional high streets need help to adapt and diversify their offer. Towns can use this funding to enhance their town centres, making them and their buildings more attractive and accessible to residents, businesses, and visitors. Interventions and the use of powers could include:

- preserving and improving heritage sites in the town
- creating and maintaining parks and green spaces
- establishing Business Improvement Districts
- running high street rental auctions.

Case studies of high streets, heritage and regeneration

Aberdare

Administered by Rhondda Cynon Taf Council, the Large-Scale Property Improvement Grant Programme – funded by UK Shared Prosperity Fund - provides financial support to bring vacant floorspace in key town centres back into economic use offering investment up to a maximum of £250k. The Former Trina’s Boutique is a vacant town centre property benefiting from this. The development will include a full internal refurbishment to accommodate a distinctive independent business on the ground floor leading to 151m² of commercial space completed, and three high quality residential units on the upper floors. Alongside internal works, a full external refurbishment will be undertaken which will have a positive impact of the street scape in Aberdare.



Lincoln Drill Hall, Lincoln

Lincoln's iconic Drill Hall has received £1 million from the Towns Fund. Located on the edge of one of the most economically deprived wards in Lincolnshire, the Drill Hall has reopened as a brand-new, multi-purpose, arts and entertainment complex. In the day, the Drill Hall is a leisure venue for local community groups to meet and provide adult training to help people into jobs. In the evenings it has a packed programme of concerts, comedy, plays and pantomimes. In collaboration with other arts venues, the Drill Hall is making the arts more visible within the community and easier to access. In addition, it will offer a mental health drop-in service that will be based in the community cafe. To date the project has created 929 square metres of quality commercial space, and 8 new permanent jobs. The venue is forecast to see an increase in visitor numbers of almost 50,000 visitors.

Farnworth (Bolton)

Farnworth's £13.3 million Future High Streets Fund grant is helping the town transform its centre, drive growth and ensure it can meet local people's needs far into the future. The market precinct is being redeveloped, transforming into a mixed-use, high-quality development, featuring a new public square. In addition, the funding has supported the expansion of Farnworth Leisure Centre, delivering an extended gym, new dance studio and additional car-parking spaces. The funding is also helping pedestrians, cyclists and people with mobility problems to use Market Street through a number of targeted improvements.

Altrincham

A 2010 survey by the BBC survey found that Altrincham had England's emptiest high street, with 29% of shops standing empty. Local retailers came together to form the 'Altrincham Partnership', with the aim of turning the high street around, and the town's Neighbourhood Plan Forum drove projects to increase parking; create additional housing in the town centre; and set up a loan scheme for small businesses to renovate unused retail space. In 2016, Altrincham's BID was set up. In combination with business leaders, it created a fund to support local projects and events like the annual Lantern Parade, Christmas Lights Switch-on and Trooping the Corgis. Transport in the town has been improved with new cycle lanes, pedestrianised areas and electric charging points, and leisure facilities made greener and more accessible.

Eight years later, in 2018, Altrincham was crowned Britain's best high street the Great British High Street awards. This accolade helped the town welcome high-profile events, including the final stage of the 'Tour of Britain' cycle championship, and Altrincham became the pilot town for the government's 'National High Street's Perfect Day'. Thanks to the work of the community, supported by local leadership, in 2022, the town was named one of the Sunday Times' best places to live in the UK for the fifth year in a row.

Cumbernauld, North Lanarkshire

This £9.2 million Levelling Up Fund project will enable North Lanarkshire Council to deliver an ambitious vision for establishing Cumbernauld as a 21st century new town which will bring education, employment and homes into the heart of North Lanarkshire's largest town. The project was designed upon extensive community consultation and will see the purchase and demolition of a failing shopping centre and surrounding buildings, to develop a new Town Hub acting as a catalyst for the wider regeneration of the town centre, unlocking investment and helping to realise Cumbernauld's potential.

TRANSPORT AND CONNECTIVITY

The ease with which residents can access high streets, jobs and local shopping centres is critical if towns are to thrive into the future. This means offering transport options, such as:

- linking different parts of the town with new infrastructure
- providing safe ways for people can walk or cycle into the centre
- ensuring public transport options are viable and accessible.

While improving transport connectivity is a critical component of levelling up, it alone will not turn around the economic fortunes of a place. Investment will need to be used alongside other themes, particularly safety and security, to ensure that transport options are seen as attractive and safe. Used well, this funding could make towns more connected and easier to find good quality and affordable parking - increasing footfall and viability – to high streets and local shopping centres, and accessibility to local employment opportunities.

Interventions and the use of powers could include:

- new infrastructure schemes
- road improvements, such as fixing potholes or improving congested junctions
- new programmes to encourage cycling
- making the town centre more walkable and accessible

Case studies of transport and connectivity

Leven, Fife

Fife Council secured £19.4 million from the Levelling Up Fund to support regeneration in Glenrothes and Leven. Extensive public consultation was conducted through the Levenmouth Connectivity Project which engaged with the local community. The project facilitated public events, online and social media events and collaboration with project partners which formed key part of the project development. This resulted in a successful application which drew on the feedback from community groups and local stakeholders. The funding will help deliver an ambitious long-distance footpath connecting Loch Leven, Kinross and Levenmouth and renovate Riverside Park with the aim to increase tourism and draw more interest to the area.



Porth Transport Hub

The Porth Transport Hub, which has been supported by over £3.5 million of funding from the government's Levelling Up Fund, will deliver a modern bus and rail interchange for the town, providing seamless travel across the network. This improved public transport provision is designed to give residents greater access to local services, employment and housing functions for residents.

The Porth Transport Hub will serve as a cornerstone for the comprehensive regeneration, development and investment across the town centre and its surrounding area. It will help to create sustainable and thriving communities.

Beyond its primary function of transport, the project is expected to drive an increase in visitor numbers to Porth, making it easier for people to get to the town and explore the local region. This, in turn, attracts greater investment into the local area.

Lincolnshire's A16 Corridor Improvements

Almost £20 million from the Levelling Up Fund has been used to improve the A16 corridor between Boston and Spalding. The funding will reduce congestion on the road, address connectivity and improve walking and cycling facilities.

As well as benefitting residents and visitors to the area, the investment is expected to open up the area for further investment. In particular, the A16 corridor is a key route for the agri-food sector, which is a prominent economic asset for South Lincolnshire.

Support from the High Streets and Towns Taskforce

In 2024, towns across Britain will also be able to access consultancy-style support through a new High Streets and Towns Taskforce (HSTTF). This support will come after Town Boards have submitted their Long-Term Plan, as the HSTTF is about providing hands-on place making assistance to deliver on those plans. The HSTTF will be available to all 55 towns, building on the success of the existing High Streets Task Force that has, to date, visited over 130 local places in England. It will use lessons learned from the successes of the High Streets Task Force to go further in convening experts skilled in regeneration to identify and disseminate best practice, sharing intelligence with the Towns Unit on the trends and innovations that could support regeneration and have wider potential benefits to the UK economy and society. It will also provide bespoke, hands-on support and training to places, providing access to guidance, tools and guidance, particularly where local authorities are experiencing capacity challenges. Once established, Town Boards should engage directly with the HSTTF, to understand how to best use the powers and flexibilities set out in the policy toolkit.

We will publish further information on the scope and aims of the HSTTF in early 2024.

How we'll monitor projects

Evaluation

Alongside future updates on the Long-Term Plan for Towns, we will set out our plans for an evaluation feasibility study and investigate whether evaluation work would be feasible and robust enough.

Assurance

Long-Term Plan for Towns funding will be assured in line with the requirements set out in the [Levelling Up Funds Local Authority Assurance Framework](#), using 3 lines of defence.

Where the grant is awarded via a non-Grant Funding Agreement (GFA) route, and the recipient is a local authority, the first line of defence is provided by the local authority and is the responsibility of the Chief Finance Officer (Section 151/127/114 in England & Wales, Section 95 Scotland, and Section 54 in Northern Ireland) as they act at an operational management level within the local authority in receipt of the funding.

The Chief Financial Officer will be required to submit a Statement of Grant Usage and an Assurance Letter to DLUHC. The Chief Finance Officer will be required to provide written confirmation that they have undertaken to actively apply all the necessary checks to ensure proper administration of its financial affairs regarding the funding programme, particularly in respect to financial administration and transparency of governance. The first line of defence will also include compliance checks to ensure the governance requirements around the Town Board are being met.

The second line of defence will be undertaken by the Assurance and Compliance Team within DLUHC. DLUHC will undertake a range of checks, on a risk and sample basis. Local authorities will be required to engage with and support this process.

The third line of defence will be carried out by the Government Internal Audit Agency (GIAA) and will take the form of a review of the activity completed by DLUHC for the second line of defence. GIAA will liaise with internal audit teams operating within devolved administrations as appropriate.

Subsidy Control Act 2022

All public authorities must comply with the Subsidy Control Act 2022 when giving a subsidy or making a subsidy scheme. Accountable bodies should refer to the Statutory Guidance for the United Kingdom Subsidy Control Regime. For more information, please refer to [Subsidy Control rules: Key requirements for public authorities](#).

If a subsidy is present, then accountable bodies must consider the principles of the subsidy control requirements set out in the subsidy control Statutory Guidance unless the funding can be given as Minimal Financial Assistance (MFA).

Where a subsidy will, or may, exceed the MFA limits (and does not fall within one of the exemptions permitted by the Subsidy Control Act 2022), or is not capable of being provided under a streamlined route (see [Subsidy Control Act 2022: Streamlined routes guidance](#) for more information), accountable bodies or other applicants will need to assess subsidies against the subsidy control principles and other requirements.

HOW ACCOUNTABLE BODIES SHOULD CONSIDER INFORMATION ON SUBSIDY CONTROL

Accountable bodies must work with all their stakeholders to understand how proposed projects can be delivered in compliance with subsidy control. Accountable bodies should use the assessment framework as well as drawing on their responses in the wider proposal (particularly any deliverability information) in assessing subsidy control.

Where an application presents an unacceptable risk of non-compliant delivery, then an accountable body may choose to either reject it or require adjustments to be made such that funding the project will not contravene subsidy control.

WHAT HAPPENS IF SUBSIDY CONTROL OR STATE AID LAW ARE NOT COMPLIED WITH

Accountable bodies may need to recover funding from project deliverers where subsidy control or State aid law has not been complied with.

Therefore, accountable bodies should ensure that any project deliverers manage subsidy control or State aid in line with their agreed approach and take steps to monitor this. They should ensure that project agreements are designed to enable the recovery of subsidy / State aid if it has been misused.

It is also recommended that project deliverers ensure that project partners are aware of their obligations and that they can recover funding from them if it is not compliantly managed or is misused.

Annex A: Town Board governance requirements

1. Transparency

In line with the principles of public life, the operations of the Town Board must be transparent.

The Town Board should publish membership and governance arrangements (including minutes of meetings and decision logs) on the lead council's website.

We expect Town Boards to meet quarterly and to publish:

- a documented decision-making process outlining the voting rights of the board
- profiles of board members
- all board papers in advance of the meeting within 5 working days
- draft minutes of meetings following the meeting within 10 working days
- final minutes, once approved by the board within 10 working days
- any conflicts of interest reported, within the published minutes

Town Boards should follow lead council governance and finance arrangements when considering private reports, with the default position being that all papers are open to the public.

2. Code of conduct

All Town Board members should sign up to a code of conduct based on the Seven Principles of Public Life (the Nolan Principles).

There should be clear processes for managing conflicts of interests (both commercial, actual, and potential) in decision making, which apply to all involved with the work of the Town Board.

3. Declaration of interests

The lead council should provide guidance on:

- the financial and non-financial interests individuals must declare
- the process Town Board members must follow for declaring interests
- the process for requesting an exemption

Town Board members must then complete a declaration of interests, which the lead council will then hold. This can be in a format the lead council already uses.

Town Board members are responsible for declaring their interests before the Town Board considers any decisions. The lead council must record:

- actions taken in response to any declared interest
- any gifts or hospitality given to the Town Board or individual members

Annex B: Policy toolkit

The Long-Term Plan for Towns is designed to help local areas make the most of all powers and tools at their disposal.

As part of designing an investment plan, we expect all Town Boards, supported by the local authority, to demonstrate how they are using powers, where they apply.

The policy toolkit extends to England in-full and partially to Wales (regarding the safety and security powers). It does not extend to Scotland. Town Boards in Scotland and Wales should consider the local and national levers available to them to develop their Long-Term Plan. We will provide additional guidance on these measures for towns in Scotland and Wales early in 2024.

Safety and security powers available

To tackle anti-social behaviour, there are several powers local authorities, the police and other responsible organisations can use in England and Wales.

POWERS IN THE ANTI-SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014

This is a summary of the powers introduced through the Anti-social Behaviour, Crime and Policing Act 2014. If local authorities are considering using these powers, [view the Home Office's Statutory Guidance for Frontline Professionals](#).

1. Public Spaces Protection Orders (PSPOs) are used to address persistent anti-social behaviour incidents, such as a group being drunk and disorderly or dogs fouling in a public park, by imposing conditions on the use of a certain area, which apply to everyone. Local authorities are responsible for issuing PSPOs, on any public space within their area, but they must do so in consultation with the police and appropriate community representatives.

PSPOs can be issued by the local authority if they are satisfied on reasonable grounds that the activity or behaviour concerned, carried out, or likely to be carried out, in a public space has:

- had, or is likely to have, a detrimental effect on the quality of life of those in the locality
- is, or is likely to be, persistent or continuing in nature
- is, or is likely to be, unreasonable and justifies the restrictions imposed
- PSPOs can last for a duration of up to 3 years

Local authorities could use Town Boards to agree PSPOs and involve them in public consultation. Alongside the required consultation set out in the legislation and the relevant bodies.

2. Civil injunctions are a tool that can stop individuals engaging in anti-social behaviour quickly. A civil injunction can also include positive requirements, such as requiring an individual to attend a drug rehabilitation course.

They are issued by a civil court following an application from agencies including - but not limited to:

- the police

- local authorities
- housing providers

The court must be satisfied on the balance of probabilities that the respondent engaged or threatened to engage in anti-social behaviour and that it is just and convenient to grant the injunction for the purpose of preventing the respondent from engaging in anti-social behaviour.

3. Community Protection Notice (CPNs) are designed to stop individuals, businesses, or organisations from committing anti-social behaviour. They are used to deal with ongoing problems or nuisances, which are having a detrimental effect on the community's quality of life by targeting those responsible. CPNs can be applied by police, local authorities and registered housing providers.

A CPN can only be issued if the offender has been given a written warning, in addition to being given enough time to make necessary changes. Failure to comply with a CPN can lead to a court summons and, on conviction, can result in a fine of up to Level 4, currently £2,500 for individuals, or £20,000 for businesses. A Fixed Penalty Notice (FPN) may also be issued for this behaviour.

4. Closure powers can prohibit access to licensed and non-licensed premises for a specified period. They are used to temporarily close premises where there is, or is likely to be, incidents of anti-social behaviour. The power is used in two stages; the first stage is the Closure Notice and the second is the Closure Order.

The Closure Notice can be used by the local authority or the police out of court and can be issued, in the first instance, for 48 hours or extended from 24 hours up to a maximum of 48 hours by the local authority's chief executive officer (head of paid service) or designate thereof, or by a police superintendent. Following the issuing of a Closure Notice, an application must be made to the magistrates' court for a Closure Order, unless the closure notice has been cancelled. The Closure Order, if granted by the Court, can last up to 6 months.

5. Criminal Behaviour Orders (CBOs) are orders made in the criminal court. They are aimed at preventing a person who has been convicted of another criminal offence, from committing anti-social behaviour (including threatening others in the community, persistently being drunk and aggressive in public). CBO prosecutions can occur following a request from the police or local authority. To issue a CBO, the court must be satisfied beyond reasonable doubt that the offender has engaged in behaviour that has caused or is likely to cause harassment, alarm or distress to any person. The court must also consider that making the order will help prevent the offender from engaging in such behaviour.

The terms of the CBO must include the duration of the order. For adults this is a minimum of two years, up to an indefinite period. For under 18s, the order must be between one and 3 years.

6. The Anti-Social Behaviour Case Review is an important statutory safety net for victims of anti-social behaviour, who believe they have not had a satisfactory response to their complaints about anti-social behaviour. Victims have the right to request an anti-social behaviour case review, where a local threshold is met. The review must involve all relevant parties including local authorities, police, integrated care boards, and registered providers to review a victim's case. The purpose is to bring agencies together to take a joined up, problem-solving approach

to find a solution for the victim. Town Boards could be involved in representing victims of their communities.

Case study: Sandwell Council

Sandwell Council worked with ASB Help to review its Anti-Social Behaviour Case Review process. The council consulted with its statutory partners, other stakeholders and the community during its review. They developed a revised policy which aims to improve the service for victims, including a 'triple package' offer of support, advocacy and representation at the case review for any victim where the threshold is met, as well as a new threshold allowing cases that don't meet the primary criteria to be referred to a case review by a senior manager from one of the statutory partners. They also created a suite of documents to provide greater clarity to victims and assist staff decision making.

7. A Community Remedy gives victims a say in the out-of-court punishment of perpetrators of anti-social behaviour when a community resolution, conditional caution or youth conditional caution is chosen as the most appropriate response. A "Community Remedy Document", produced by the Police and Crime Commissioner (in agreement with the local chief constable and after consultation with members of the public and community groups), includes a list of actions which may be chosen by the victim for the perpetrator to undertake.

POWERS IN THE ENVIRONMENTAL PROTECTION ACT 1990

8. Local authorities can issue Fixed Penalty Notices (FPNs) to take appropriate enforcement action against fly-tipping, illegal dumping and illegal waste. FPNs can range from £150 to £1,000, if settled out of court or an unlimited amount if taken to court.

ANTI-SOCIAL BEHAVIOUR ACTION PLAN

9. Building on existing powers, on 27 March 2023, the government published the [Anti-Social Behaviour Action Plan](#). The Action Plan sets out an ambitious new approach to working with local agencies to tackle anti-social behaviour in England and Wales.

As part of the Action Plan, we announced Hotspot Response and Immediate Justice trailblazers. For some towns on the Programme, Police and Crime Commissioners on their Town Board will hold responsibilities for these pilots. Town Boards could be used as a forum for discussion of how Hotspot Policing and Immediate Justice is deployed in a Town. Considering specifically Hotspot Policing, this should be based on data and analysis conducted by the Police, which may result in no hotspot being identified or prioritised. The deployment of Officers will remain at the direction of the local Force. Considerations may include (but are not limited to):

- how to deploy Hotspot Response funding for additional local authority wardens through Community Safety Partnerships
- if multiple hotspots are identified, the locations could be discussed and review in conjunction with the Police
- how anti-social behaviour offences and breaches of orders are referred into Immediate Justice or similar programmes of work, such as Youth Diversion.

PROPOSALS TO FURTHER STRENGTHEN EXISTING POWERS

On 14 November 2023, the government introduced the Criminal Justice Bill in Parliament. Through this bill, we are committed to strengthening and improving existing powers to reduce and prevent anti-social behaviour.

High streets, heritage and regeneration powers available

HIGH STREETS AND TOWN CENTRES

1. High Street Rental Auctions (HSRA) are a new power for local authorities in England, introduced through the Levelling Up and Regeneration Act 2023 (LURA). The government will prepare the necessary secondary legislation to implement HSRAs over the next year and will provide a separate toolkit for local authorities to support delivery. When implemented, landlords must rent out commercial property that has been vacant for over a year in a 24-month period in town centres on one-to-five-year leases that are auctioned through the local authority.

HSRAs will provide local authorities with a route to reduce vacancy rates, promote minimum letting standards for commercial units and flexible rent arrangements, and improve the use and perception of local high streets. They will also seek to increase cooperation between landlords and local authorities, and to make town centre tenancies more accessible and affordable for tenants, including small businesses and community groups.

2. In England, local authorities and Town Boards can encourage businesses to apply for pavement licences. These allow furniture to be placed outside the premises, creating outdoor dining spaces. A new application process will be introduced through the Levelling Up and Regeneration Act 2023. [Read the current guidance about pavement licences](#).
3. A Business Improvement District (BID) is an area in which local businesses have voted to invest together to improve their environment. In BIDs, eligible business rate payers are charged a levy on top of the business rates bill, to deliver projects and services to their collective benefit.

There is no limit on what projects or services can be provided through a BID, but it must be additional to services provided by local authorities. Improvements may include extra safety and security, cleansing and environmental measures. There are reported to be over 300 BIDS operating across the UK.

Case study: Ambassadors

BIDs can employ city ambassadors to act as a visible and welcoming presence in the area. Ambassadors can undertake a range of tasks as they patrol the area, including providing members of the public with directions to attractions and facilities and helping businesses to address and report incidents of anti-social behaviour.

As well as day-time ambassadors, Wolverhampton BID provide Night Guardians. These night-time ambassadors help to keep the city centre safe by providing a visible, reassuring presence in the area. According to Wolverhampton BIDs 2022 annual report, their Night Guardians now operate a 60-night service throughout the year, with the BID purchasing body-worn cameras to improve the level of information gathered from their patrols. The Night Guardian's patrols complement the Late Night Safe Haven and Late Night First Aid provision, supporting people to enjoy the nighttime economy.

REGENERATION AND NEIGHBOURHOOD PLANNING

4. Permitted development rights (PDRs) are a national grant of planning permission by the Secretary of State for Levelling Up, Housing and Communities that allow certain building works and changes of use to take place without having to submit a planning application. In England, PDRs can:
 - provide for the change of use of existing buildings such as offices, shops, and restaurants found in Town Centres to residential use
 - support businesses to grow by granting permission to extend their existing premises
 - allow local authorities to hold outdoor markets for unlimited time to support local communities and businesses and provide a boost to high streets
 - allow the temporary use of land for any purpose for up to 28 days per calendar year, of which 14 days can be used for markets. In July 2023, DLUHC launched a consultation on proposals to increase the number of days that markets can operate under this PDR. The consultation closed in September 2023, and we are currently analysing responses to inform next steps. Further announcements will be made in due course. [Read more about the consultation.](#)
 5. Local Development Orders (LDOs) are locally focused planning tools that local planning authorities can use to grant planning permission for specific types of development within a defined geographical area. LDOs can play an important role in incentivising development by simplifying the planning process and making investment more attractive. Local authorities could use LDOs for many reasons, including to regenerate high streets, incentivise development on stalled sites, deliver housing. The Planning Advisory Service has published [guidance for local authorities on LDO preparation](#), as well as [good practice case studies](#).
- Case study: Local Development Order, Grimsby**

A LDO has brought forward new housing development in Grimsby. North East Lincolnshire Council developed the Local Development Order for the site in 2016. The 4-hectare urban site had been vacant since 2005 and had become an eyesore. The council aimed to increase the likelihood that the site could be developed for a residential-led, mixed-use development. The reserved matters planning application for a mixed-use development comprising 184 houses, 76 apartments and 1000 metre squared of commercial floor space obtained consent in 2017. Local people are now benefitting from the homes delivered.
6. To bring forward quality residential development and regenerate commercial sites, Town Boards can work with the local planning authority to deliver local plan policies and LDOs. New-style Supplementary Plans (once introduced through the LURA 2023) will provide a more flexible way for planning authorities to react and respond to unanticipated changes in their area, separate from the local plan preparation process.
 7. Parish councils and neighbourhood forums, as “qualifying bodies”, can prepare a neighbourhood development plan or a neighbourhood development order.
 - Neighbourhood development plans can be used, for example, to allocate development sites, designate protected green space and set policies on design and to protect local

heritage. Once made, they form part of the local development plan, against which planning decisions are made by the local planning authority.

- Neighbourhood development orders grant planning permission for development in a neighbourhood area, for example, for housing development on allocated sites or for specified changes of use to support the regeneration of high streets. Where qualifying bodies are preparing or updating their neighbourhood development plans, they are encouraged to consider how policies in their plan can be aligned with the priorities set out in the Long-Term Plan.

8. Section 226 of the Town and Country Planning Act 1990 is a compulsory purchase power which enables local authorities to assemble land or acquire properties to deliver regeneration schemes, providing there is a compelling case in the public interest for use of the power. It can be used to acquire vacant or derelict land and properties in a high street (which are an eye sore and attract anti-social behaviour), to improve the well-being of the area and encourage greater economic activity.

The LURA 2023 contains a measure that clarifies that the section 226 planning compulsory purchase power can be used by local authorities to deliver regeneration in their areas. This will give local authorities more confidence to use their section 226 compulsory purchase order planning power for regeneration purposes. This measure is expected to come into force, and be usable by local authorities, in early 2024.

Case study: Compulsory Purchase, Sheffield

Sheffield City Council used their section 226 compulsory purchase order powers to acquire land on the northern edge of Sheffield city centre. Most of the land comprised vacant and derelict buildings from different eras, which resulted in the land having a run-down appearance. The compulsory purchase order meant they could acquire the land, so they could deliver a comprehensive redevelopment and regeneration scheme. The scheme comprised mixed use development including office, residential, hotel, retail and leisure uses.

9. Section 17 of the Housing Act 1985 is a compulsory purchase power that empowers local housing authorities (in England and Wales) to acquire land, houses or other properties for the provision of housing accommodation (providing there is compelling case in the public interest for use of the power). The acquisition must achieve a quantitative or qualitative housing gain.

Case study: High Street renewal, Shropshire

Shropshire Council recently purchased the White Lion Public House in Wem. This Grade II listed coaching inn occupies a prominent location in the town and had stood empty for 20 years. Purchasing the building for £92,000, the Council can now ensure it is restored in a sensitive manner, but will also be able to ensure it is brought into uses (potentially a mixture of homes and commercial uses that will draw footfall to this part of the high street) that will benefit the town.

10. Through the Town and Country Planning Act 1990, a local planning authority can serve a Section 215 Notice to require an owner to take steps to clean up land or buildings, when their condition adversely affects the amenity of an area. This notice must detail the steps to be taken and the associated timescales. Local planning authorities should consider how proactive use of this power could support local regeneration aims, identifying opportunities with their Town Board. Positive examples can be found in [the Town and Country Planning Act 1990 Section 215: best practice guidance](#).
11. The Housing Act 2004 introduced a power for local housing authorities to take over management control of a qualifying residential property, known as Empty Dwelling Management Orders.
12. The Law of Property Act 1925 allows a local authority with a debt on a vacant property to register the debt as a charge, registered in Part 2 of the Local Land Charges Register. The local authority has all the powers and remedies available to a mortgagee under the Law of Property Act 1925, which would include a power to force the sale of the property to recover the debt.

PROTECTING HERITAGE

13. Design guidance and design codes in England provide property owners, developers and investors with certainty about the requirements new developments will need to fulfil. These are key to securing investment and avoiding delay and provide local people with the reassurance that new developments will meet a known standard and character will be preserved. Once implemented through the LURA 2023, authorities will be able to adopt design codes as supplementary plans, which will have considerable weight in decisions. Design guides and codes do not have to cover every aspect of design but can be focused on aspects that are considered necessary to achieve acceptability and where a parameter can be established. See the [Newport and Ryde Commercial Frontage Design Guide \(Isle of Wight\)](#), as an example.

[View the national design guide.](#)

Case study: Kilmarnock, East Ayrshire

This £20 million Levelling Up Fund investment into Kilmarnock will create a theatre and concert hall that will attract high profile performers and make performing arts more accessible to local people. The project was scoped and defined following extensive stakeholder engagement through the development of the Kilmarnock Urban Integrated Development Plan and the Celebrate Kilmarnock Town Centre Community Action Plan, which identified the requirement for investing in the Palace Theatre and Grand Hall. It will transform the historic building into a visitor attraction, celebrating the unique heritage of the area. The project will deliver improved accessibility in customer and performance areas, create a new cafe and bar, allow the theatre to establish a new youth theatre company.

[View the National Model Design Code guidance.](#)

14. Local planning authorities have a duty to prepare proposals to preserve or enhance the character or appearance of their conservation areas from time to time, and to present these proposals through a public meeting within the area. These are called conservation area

management proposals, which can constitute a strategy or action plan that includes both planning and wider place investment and management measures, agreed by local stakeholders in partnership with the local planning authority. An example of this is Dudley Borough Council, who are working with the local community to improve the Brierley Hill Town Centre Conservation Area in the West Midlands, following the steps laid out in their management plan.

[See Historic England's advice on Conservation Area Appraisal, Designation and Management.](#)

15. Local Listed Building Consent Orders allow local authorities to grant listed building consent as a proactive blanket permission across all or part of their areas, for the alteration or extension of groups of listed buildings of a particular description. This can be used, for example, to grant permission for energy efficiency measures such as solar panels on listed buildings. [Read Historic England's guidance on Local Listed Building Consent Orders.](#)
16. Local planning authorities can prepare local lists to give locally important heritage assets some protection under the planning system. Where an asset is locally listed, it should be afforded weight within planning decisions. Local planning authorities should think about the role listing assets could play in protecting heritage, working with Town Boards to do so. Further guidance on this process is available from [Historic England: Local Listing Historic England](#).
17. Historic buildings that have fallen into disrepair can fuel a sense of decline, even where their condition is the responsibility of a single negligent owner. Section 48 of the Listed Buildings Act 1990 enables local planning authorities to serve a Repairs Notice on the owner of a listed building, specifying those works it considers reasonably necessary for the proper preservation of the building.
18. Section 78 of the Building Act 1984 relates to emergency measures. Before exercising their powers, however, the local authority must give notice of their intention to the owner and the occupier of the building. [Read about the guide to enforcement action to save historic buildings.](#)

COMMUNITY OWNERSHIP

19. Under the Assets of Community Value Scheme (ACV), under the Localism Act 2011, a building or piece of land can be registered as an "Asset of Community Value" if its principal use furthers a community's social wellbeing or social interests and is likely to do so in future. Community groups and parish councils can submit nominations for Assets of Community Value, which local authorities will then consider. If an Asset of Community Value comes up for sale, communities have a window of opportunity to raise finance for a bid to buy it, to protect it for community use (known as the Community Right to Bid). Local authorities could work with Town Boards to consider the role this process can play in identifying and protecting local assets.
20. Community Asset Transfer (General Disposal of Consent) allows local authorities to sell land and buildings at lower than market value when a local social, economic or environmental benefit can be realised. While this is a complex process, local authorities and Town Boards could consider whether this is an appropriate tool for supporting community ownership and protecting their town's heritage.

Case study: Community Ownership Fund, Harborough

The Hub was previously a derelict brick pavilion building owned by Harborough District Council. Over the years the building gradually fell into disrepair and with the high cost of maintenance and disrepair it had become economically non-viable to maintain and was at risk of being demolished. Through the agreement of a 125-year peppercorn lease to The Parochial Church Council of the Ecclesiastical Parish of St Luke and with £250,000 of grant funding from the Community Ownership Fund, the building will be refurbished to create a 'Community Centre and Café', serving as a meeting hub and helping to provide support services and other benefits to the local community.

Transport and connectivity powers available

STREET DESIGN AND ROAD IMPROVEMENTS

1. Local traffic authorities are responsible for managing their road network for the benefit of all traffic, including people walking and wheeling. Street design should aim to create a pleasant and attractive environment. Creating this sort of environment, which encourages people to linger and spend time, has been shown to create economic benefits, contributing to growth.

Measures that local traffic authorities can take include, but are not limited to:

- making sure footways are wide enough to enable access for everyone, particularly disabled people, and to cater for the expected demand.
- providing crossing places of the right type and at suitable intervals, with accessibility features such as dropped kerbs and tactile paving
- creating an attractive pedestrian environment, for example through planting, street art and use of sympathetic materials
- providing enough seating, shelter and other measures to ensure people can rest and enjoy the space as well as move around safely and accessibly
- ensuring fixed street furniture such as litter bins and electric vehicle charge points are placed appropriately and do not cause obstructions by narrowing the footway below the recommended minimum
- ensuring moveable street furniture such as advertising A boards and café furniture is placed thoughtfully and action is taken where it is not
- maintaining footways to make sure the surface is level, free of trip hazards, cleared of litter and gritted in cold weather

Local authorities have powers to make changes to road layouts, including footways, through various pieces of legislation including the Highways Act 1980, the Road Traffic Regulation Act 1984, and the Traffic Management Act 2004.

A range of good practice advice available to support local authorities. [Manual for Streets and Manual for Streets 2](#) set out principles of street design that aim to put consideration of the needs of people walking and wheeling first. [Inclusive Mobility](#) sets recommendations on minimum footways widths. Local authorities are also responsible for ensuring changes to their

roads are delivered in a way that enables them to comply with equalities legislation, particularly the Public Sector Equality Duty set out in the Equality Act 2010.

Local authorities are reminded that the pause on shared space that incorporates a level surface, announced in the Inclusive Transport Strategy, is still in place. Level surfaces remove the kerb distinction between the footway and the carriageway, and groups representing visually impaired people in particular have made clear that this can make it difficult for them to navigate independently and safely.

LOCAL TRANSPORT INFRASTRUCTURE

2. The Community Infrastructure Levy (CIL) is a charge that can be levied by local authorities on new development in their area. It can be used to fund a wide range of infrastructure to support the development on an area. This could include transport, schools, hospitals and green spaces.

Where all or part of a chargeable development is within the area of a parish council, the charging authority must pass a proportion of the CIL receipts from the development to the parish council. This is known as the neighbourhood portion. Communities without a parish council can still benefit from the neighbourhood portion. If there is no parish council, the charging authority will retain the CIL receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. [Read the guidance about CIL.](#)

We will update guidance to make clear that local authorities, and parish council where they exist, should engage Town Boards to determine priorities for how the neighbourhood portion is spent.

Case studies: Chalfont St Giles Parish Council and Bristol

Chalfont St Giles Parish Council used its allocation from the CIL to spend £8,650 on accessible paths within Chalfont St Giles Recreation Ground.

Bristol, an unparished area, used £25,000 of the neighbourhood portion of their CIL receipts to help fund a youth club and £17,000 for provision of improvements to the Blaise Nursery Glasshouses, which provides businesses and councils with high-quality plants and supplies throughout the year.

3. The LURA 2023 includes powers to introduce a new Infrastructure Levy, which will eventually replace the Community Infrastructure Levy in England (excluding Mayoral CIL which is charged by the Mayor of London). Under the Infrastructure Levy, local planning authorities will be required to prepare Infrastructure Delivery Strategies, setting out a strategy for how they intend to spend Levy proceeds. Through guidance, we will make clear that local authorities are expected to involve Town Boards in identifying investment priorities, including those for transport and connectivity, when development takes place in a town.

Annex C: List of policy interventions

We encourage Town Boards to engage communities and review the interventions below. They should submit the most appropriate interventions as part of their Long-Term Plan, following the above guidance. The case for support for the interventions has already been agreed, simplifying the Long-Term Plan process.

The interventions are flexible so places can focus on what best meets their local needs. Town Boards should consider how they can implement interventions to suit local characteristics, reflecting the opportunities and challenges that their communities face.

Town Boards can also take forward interventions outside of this list if they submit an outline business case to DLUHC as part of their Long-Term Plan. This should be based on numeric evidence where possible.

Safety and security interventions

S1: Design and management of the built and landscaped environment to 'design out crime'. This might include:

- promoting the active use of streets and public spaces throughout the daytime and evening
- improvements to streetlighting
- installation of new CCTV

S2: Engage with Police Force and together consider interventions to focus on visible crime prevention in defined areas places. Interventions could include:

- hotspot policing
- problem-oriented policing

S3: Measures to prevent anti-social behaviour, crime and reduce reoffending. These might include:

- sports programmes designed to prevent crime and reduce reoffending
- mentoring
- police-led pre-charge diversion models for young offenders
- focused deterrence strategies
- halfway house programmes

S4: Measures to reduce repeat burglary. These might include:

- Neighbourhood Watch
- provision of crime prevention advice
- property marking
- target hardening (increasing the security of a property)
- cocoon watch (provision of crime prevention advice, support and guidance to neighbours and surrounding addresses of burgled properties)
- alley gating

High streets, heritage and regeneration interventions

H1: Funding for place-based regeneration and town centre and high street improvements, which could include better accessibility for disabled people, including capital spend and running costs. This might include:

- regenerating a town square or high street
- public realm improvements, for example street furniture or other decorative improvements
- the delivery of outreach, engagement and participatory programmes for community spaces, including youth centres and public libraries

H2: Funding for new or improvements to existing, community and neighbourhood infrastructure projects and assets including those that increase communities' resilience to natural hazards, such as flooding, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs). This might include:

- building new or updating existing defences to increase communities' resilience to natural hazards like flooding or coastal erosion

H3: Creation of and improvement to local green spaces, community gardens, watercourses and embankments. Improvements to the natural environment and the incorporation of more of these natural features into wider public spaces. This might include:

- development of a new park, particularly in areas with the least access to greenspace
- development of a new park or community garden
- improvements to a canal towpath, particularly in more deprived neighbourhoods
- urban or riparian tree planting
- changes to management of green spaces and verges
- regeneration of existing parks or community gardens, particularly in areas with poor quality parks and gardens
- improving access to existing parks

H4: Enhanced support for arts, cultural, heritage and creative activities, projects and facilities and historic institutions that make up the local cultural heritage offer. This might include:

- the delivery of events programmes for community spaces, including youth centres and public libraries
- the development, restoration or refurbishment of local natural, cultural and heritage assets and sites

H5: Support for local arts, cultural, heritage and creative activities. This might include:

- funding for maker spaces
- funding for local art galleries, museums, libraries for exhibitions
- support for displays for artists to showcase work
- locally led music and theatre performances, tours, author events and film screenings
- funding for cultural, heritage and creative events

H6: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area. This might include:

- campaigns promoting the local area and its culture, heritage, leisure and visitor offer to residents and visitors
- campaigns to encourage visitors from further afield to visit and stay in the region, collaborating with other places where appropriate

H7: Funding for impactful volunteering and social action projects to develop social and human capital in local places. This might include:

- funding for local volunteering groups, such as youth charities and carer's groups
- support for people to develop volunteering and social action projects locally

H8: Funding for local sports facilities, tournaments, teams and leagues; to bring people together. This might include:

- renovation and maintenance of existing sports facilities
- support for community sports leagues
- regeneration of an unused area to build sports facilities
- creation of new 3G sports pitches and other sports facilities

H9: Investment in capacity building, resilience (which could include climate change resilience) and infrastructure support for local civil society and community groups. This might include:

- funding for community spaces, such as village halls, libraries or community centres for local civil society and community groups to use
- support for people to develop volunteering and social action projects locally

H10: Investment and support for digital infrastructure for local community facilities.

H11: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses. This might include:

- funding to support the establishment and ongoing running of a new open air market
- business support activity for entrepreneurs

H12: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally. This might include:

- development of local visitor trails and tours
- grants for the development, promotion and upkeep of local tourist attractions
- development of other local visitor experiences based around the local offer

H13: Grants to help places bid for and host international business events and conferences that support wider local growth sectors. This might include:

- grants to bid for, secure and hold a conference for a leading sector locally.

Transport and connectivity interventions

T1: Support for active travel enhancements in the local area. This might include:

- creation of new foot paths and cycle paths, particularly in areas of health need or social inequalities
- upgrading of existing foot paths and cycle paths, particularly in areas of health need or social inequalities

T2: Funding for bus infrastructure and connections to speed up journeys. This might include:

- traffic signalling improvements
- bus lanes and corridors
- improved passenger information

T3: England and Scotland Only: Additional revenue funding added to the Bus Service Improvement Programme Plus (BSIP+) funding model from June 2024 - that would award funding to LTAs based on a connectivity scoring so they could undertake activities that would boost economic growth.

T4: Funding for new, or improvements to road networks to improve access within and to the town. This might include:

- traffic management improvements to relieve congestion
- road safety
- highway maintenance (including potholes)

T5: Funding to improve rail connectivity and access. This might include:

- adding stations along existing lines
- improved accessibility and journey quality at and around stations
- improved passenger information

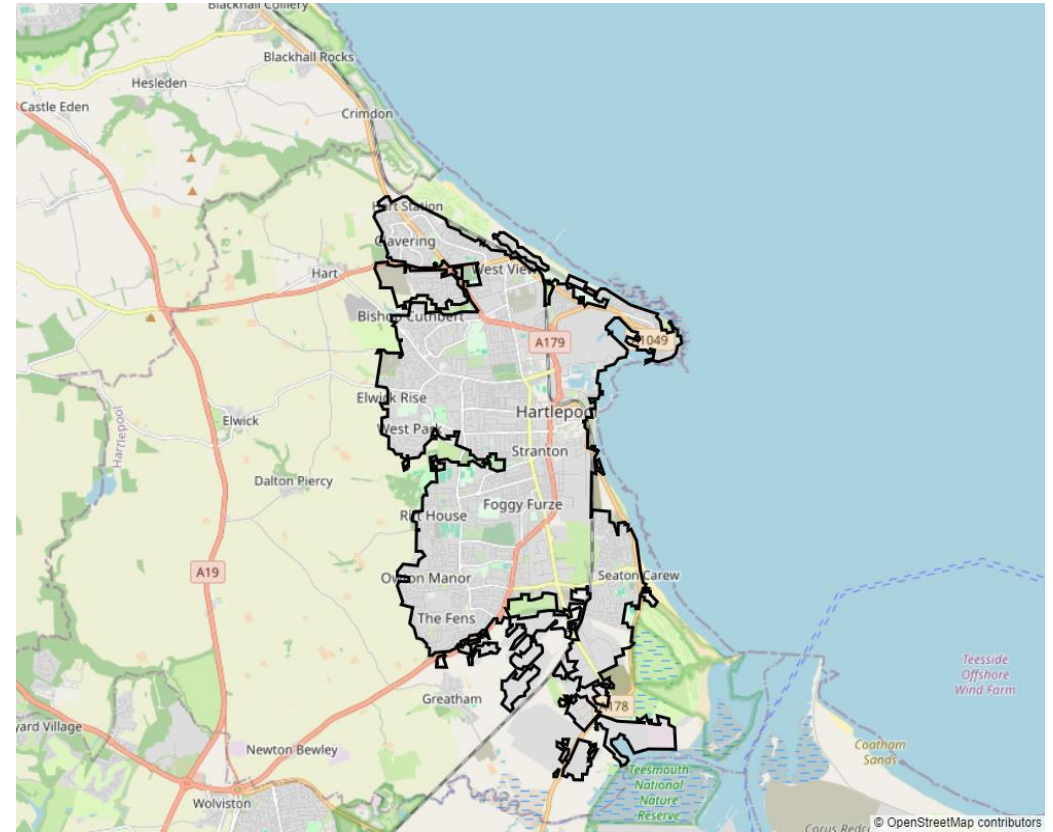
T6: Reducing vehicle emissions. This might include:

- EV charging facilities
- procuring zero emission buses

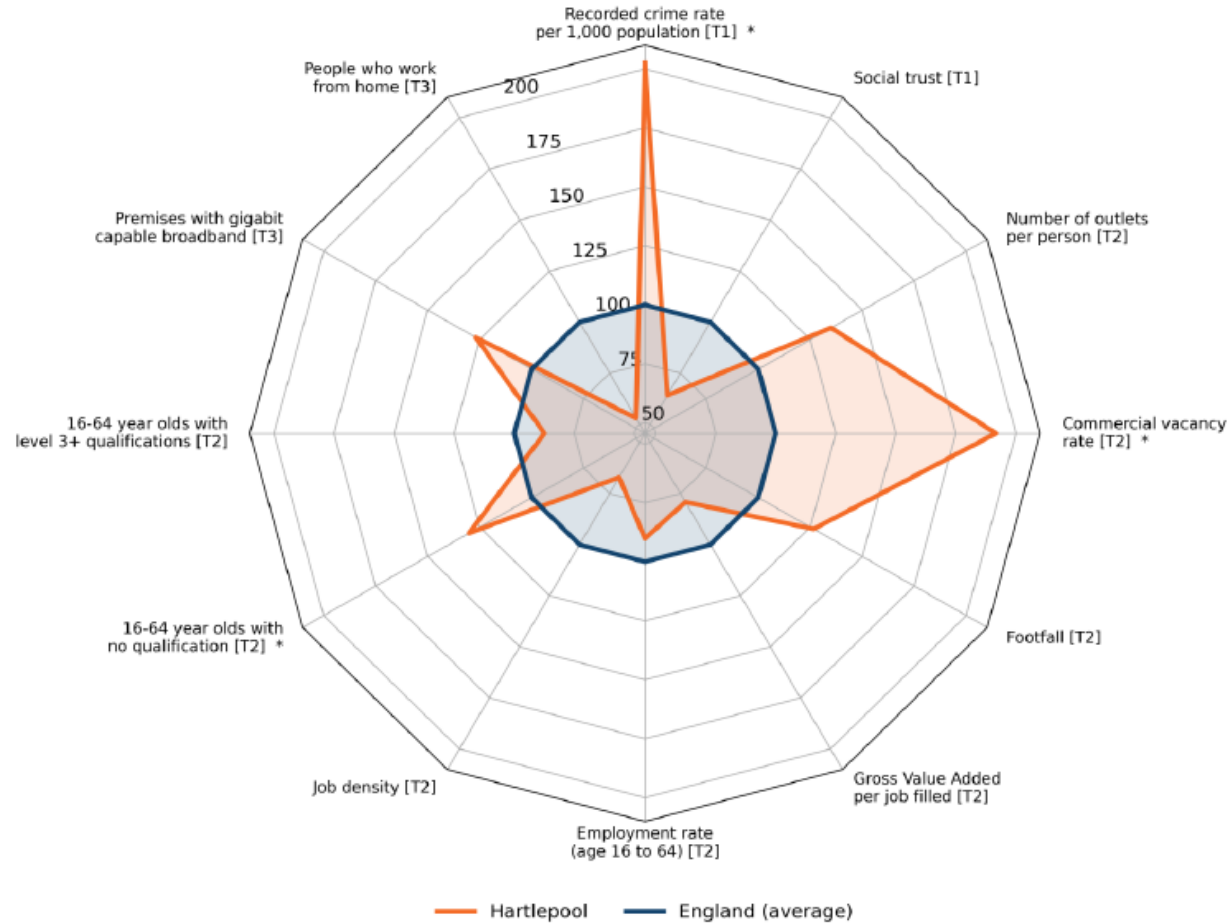
T7: Investment and support for digital infrastructure for local community facilities.

Background and map of Hartlepool Built Up Area

- DLUHC provided a data pack which used metrics and indicators across the three policy investment themes as detailed further in the guidance for local authorities and Town Boards.
- This data pack defines a town's boundary based on the definition of Built Up Area (BUA, 2022), unless stated otherwise. This reflects the approach set out in the Long-Term Plan for Towns guidance for defining the geographical area covered by the Town Board
- The following pages provide a summary of the key points and headlines from the data provided by DLUHC



Overview of “town indicators”



The chart on the left shows how Hartlepool town's indicators (orange) fare against national averages (dark blue). Town values have been scaled relative to the national averages which were set to 100.

The policy investment themes are listed below:

- [T1] Safety and Security
- [T2] High Streets, Heritage and Regeneration
- [T3] Transport and Connectivity

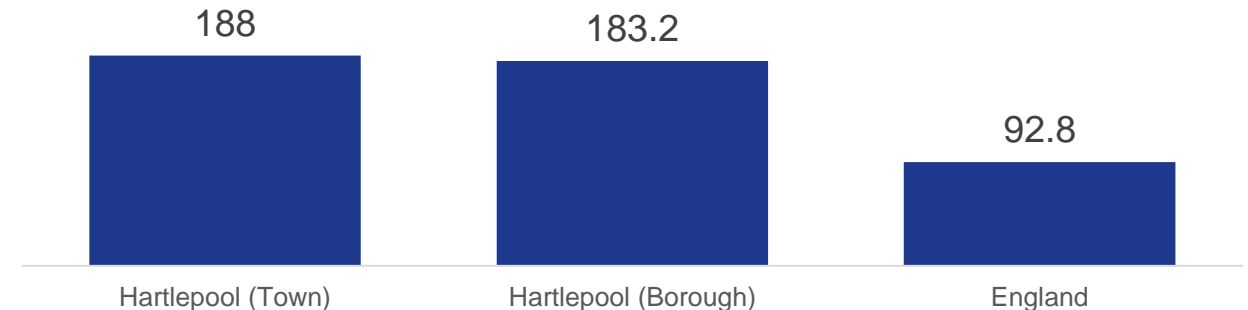
How to read the chart:

1. Compare the overall shape of the town data points to the national average shape.
2. The closer a town marker is to value 100 on the chart, the closer it is to the national average.
3. A town marker higher than 100 indicates better performance than the national average, except for the three indicators marked with an asterisk (*), where the opposite is true.

Safety and Security Investment Theme Key Points

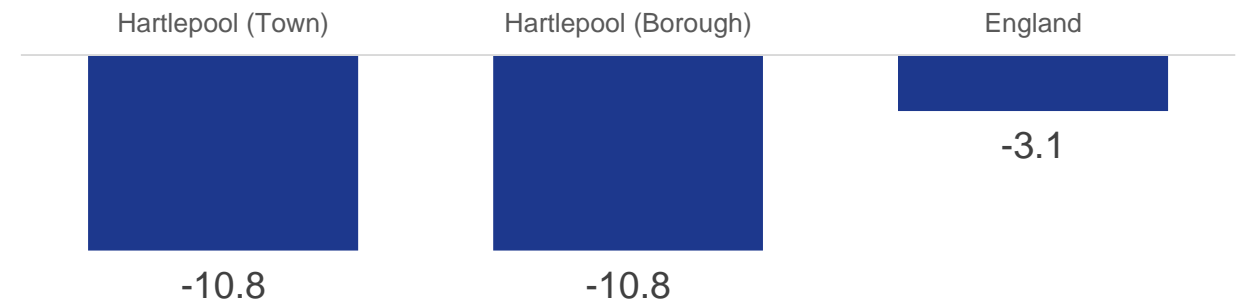
- Hartlepool's Recorded Crime Rate (188.0 per 1,000 population) is more than double the national rate (92.8)

Recorded crime rate per 1,000 population (2023)



- A survey which looked at “Social Trust”* showed lower levels in Hartlepool compared to national levels, particularly in deprived areas.

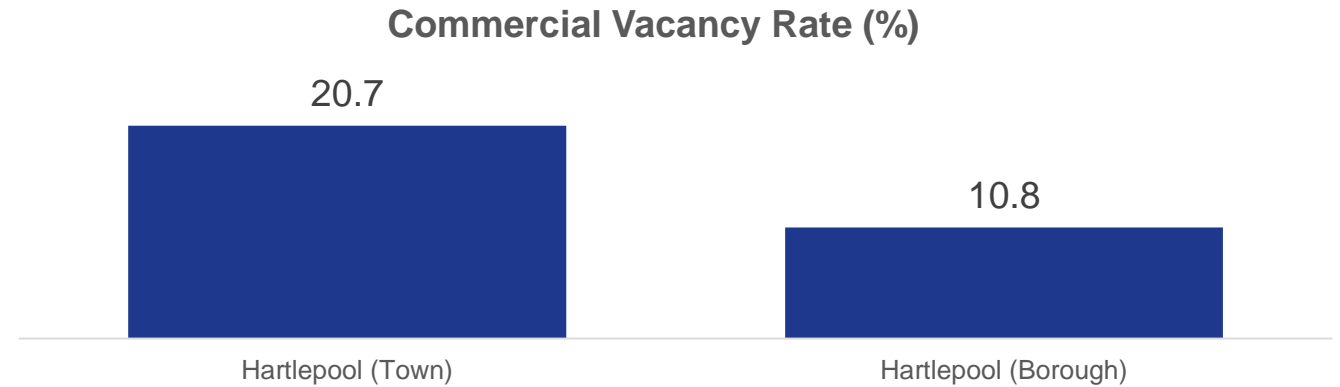
Social trust (%) (2023)



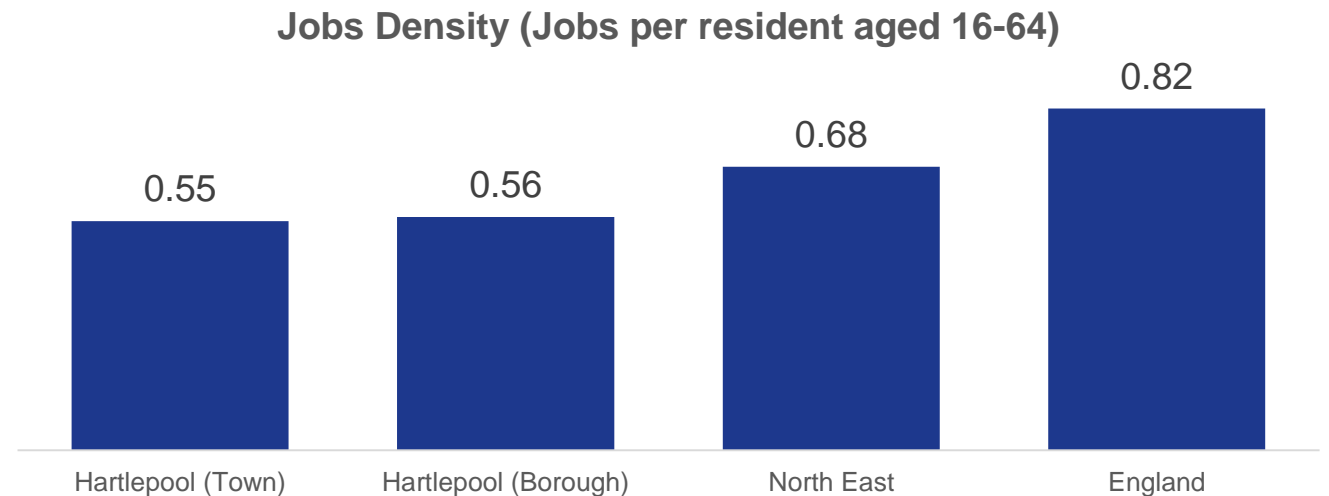
The survey asked the question “Generally speaking, would you say that people can be trusted or that you can’t be too careful in dealing with people?”. Hartlepool scored -10.8% compared to -3.1% nationally

High Streets, Heritage and Regeneration Theme Key Points

- Commercial Vacancy Rates (20.7%) were nearly double the national rate (10.8%)



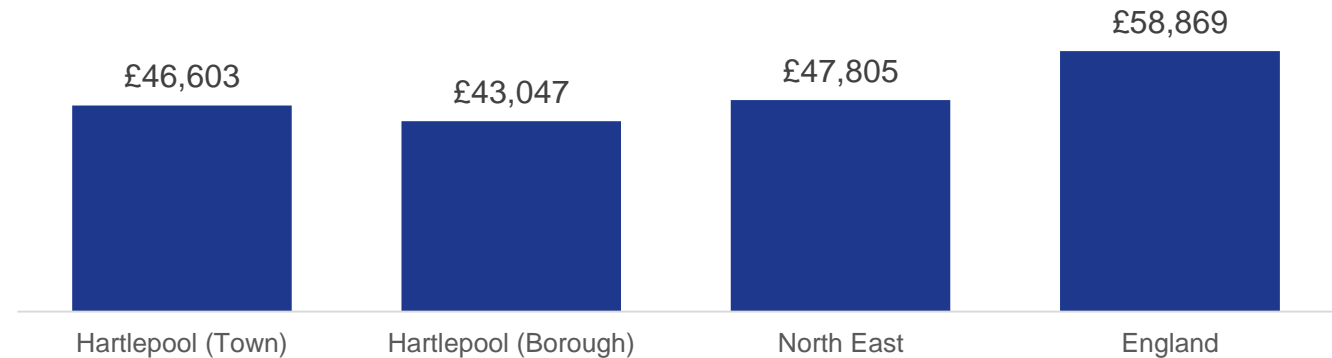
- There are 0.55 jobs in the built up area of Hartlepool for every working age resident compared to 0.68 regionally and 0.82 nationally.



High Streets, Heritage and Regeneration Theme Key Points (continued)

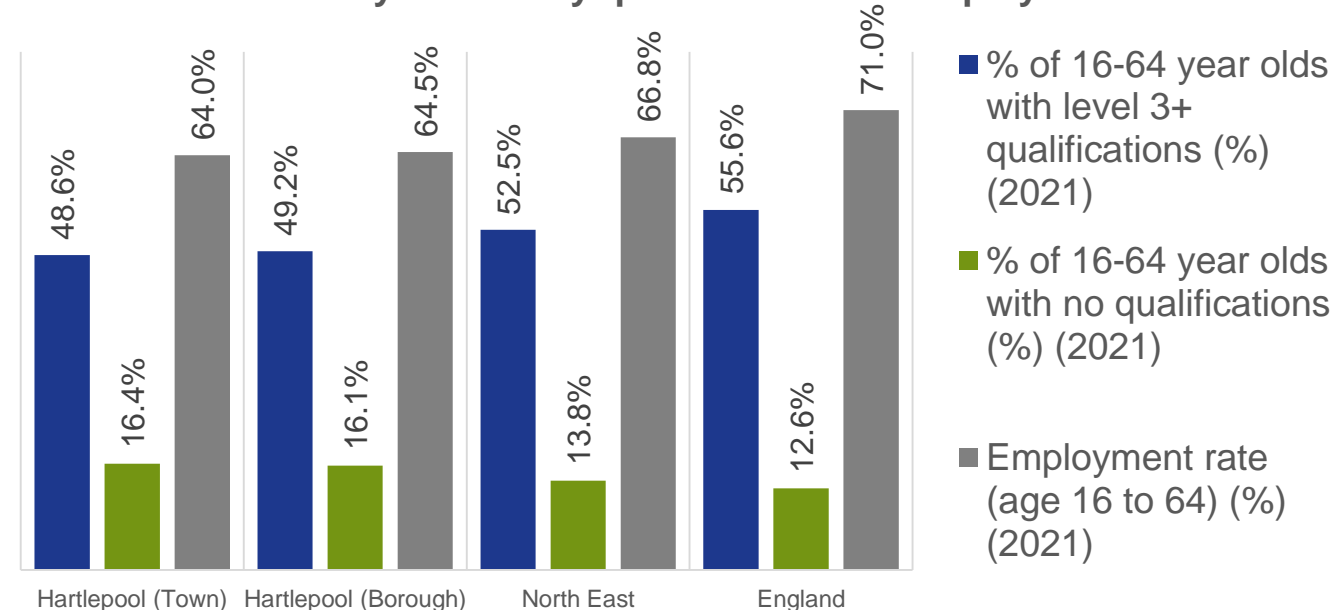
- Economic output per job (A measure of Productivity) is lower in Hartlepool (Built up area and wider borough) than the wider North East Regional and National figures

Jobs Density (Jobs per resident aged 16-64)



- Hartlepool (Built up area and wider borough) has lower rates of its working age population qualified to NVQ level 3+ compared to the wider region and national figures. The rates of the population with no qualifications are higher than regional and national figures.
- Employment rates in Hartlepool are lower than the regional and national figures

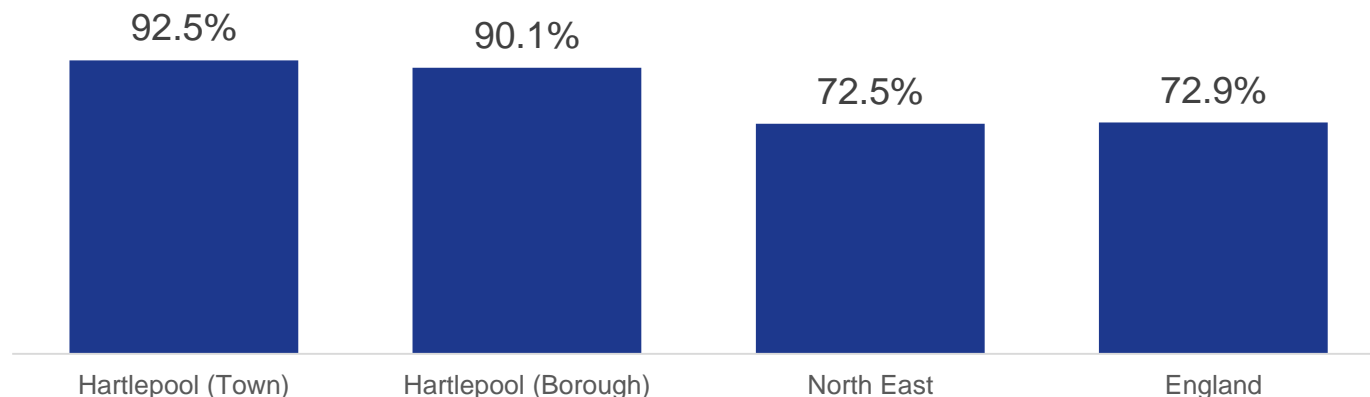
% of 16-64 year olds by qualification and employment



Transport and Connectivity Theme Key Points

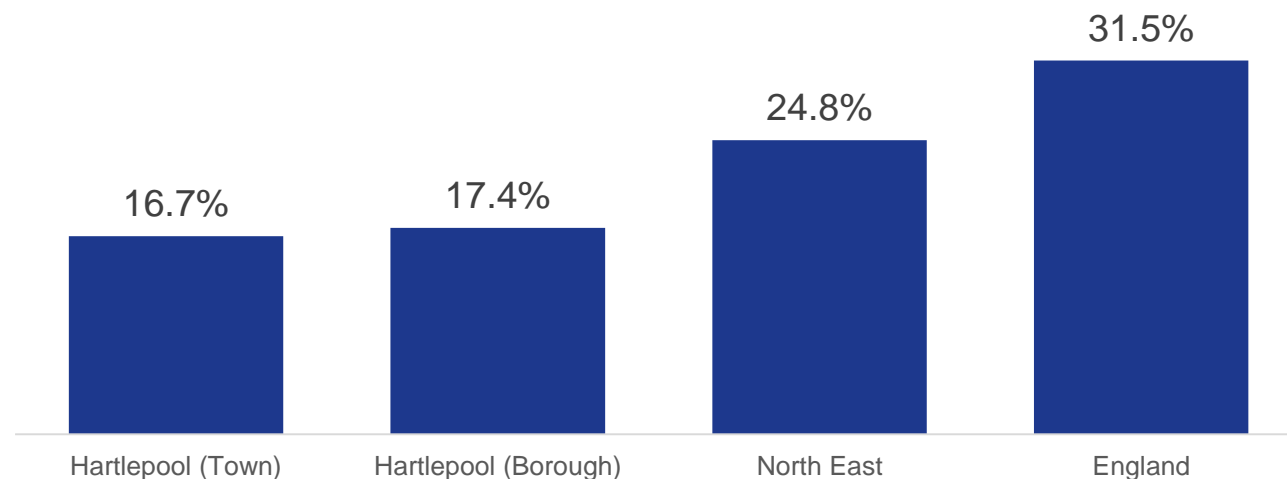
- 92.5% of premises in the Built up area of Hartlepool have a gigabit capable broadband connection. This compares to 91.0% for the wider borough, 72.5 % for the wider North East region and 72.9% nationally.

Premises with gigabit capable broadband (%) (2023)



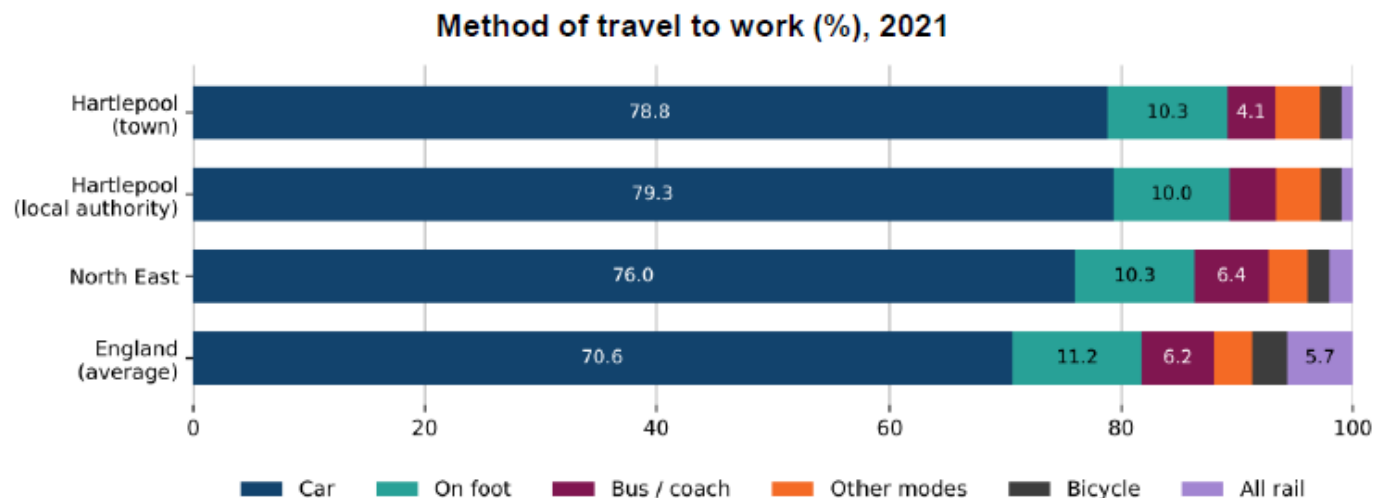
- Latest Census Data shows the proportion of people who work from home is 16.7% in Hartlepool (BUA) 17.4% in Hartlepool (Borough) which is lower than the North East region (24.8%) and much lower than nationally (31.5%)

People who work from home (%) (2021)

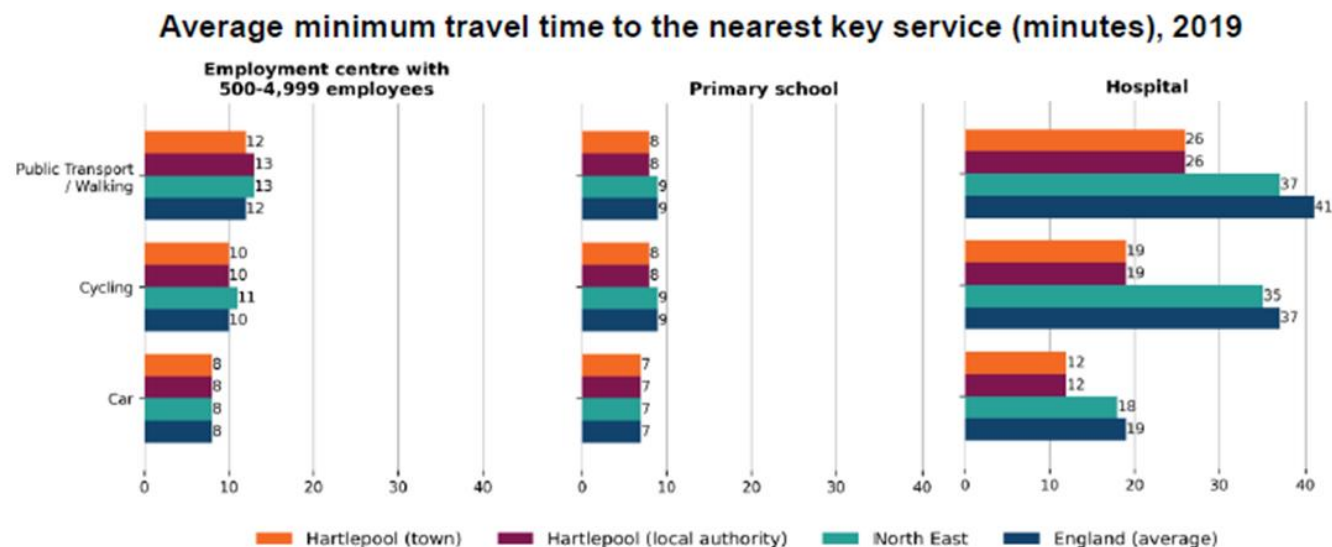


Transport and Connectivity Theme Key Points (Continued)

- More people travel to work by car in Hartlepool compared to the wider region and nationally with fewer travelling by bus/coach and significantly fewer commuting by rail.



- Travel times to key services tend to be lower in Hartlepool than the wider North East region and Nationally.



Subsidy Scheme: Identification and Principles

Project name:	
Project Scheme (if applicable)	
Applicant organisation:	Hartlepool Borough Council
Name of officer completing this form:	
Role of officer completing this form:	
Date:	

Section A. Identification of the Subsidy

1. Please set out the activities that will be funded by a subsidy. If your project involves more than one subsidy and this can be disaggregated please complete a separate template per subsidy. These will be treated as separate subsidies and should not be combined due to their differing.
2. Set out the total value of the subsidy. Please specify the value of funding that will go towards the subsidy and any other public funds that will be public funding towards the activity (including what the basis of the funding is i.e. a xx grant). Please ensure that the total value you enter here matches the value that you refer to in Principle B (and any other principles that apply) below.
If the total value of the subsidy exceeds £20m then please notify us immediately as the assessment structure will be more in-depth and the subsidy will need to be referred to the SAU.

Section B. Application of the TCA principles for each subsidy. Please complete a separate table per subsidy.

Principles	How does the subsidy comply with the principle?	Applicants Response to the principles (including references to supporting attachments)
A. The Policy Objective. The subsidy pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective").	<ul style="list-style-type: none"> • Provide details of specific policy objective • Establish the existence and significance of the market failure and/or the inequality the subsidy seeks to address • Identify how the subsidy will remedy the market failure (i.e. provide a more efficient outcome) and/or address the equity objective (reduce an inequality) • State the desired outcome(s) <p>Evidence may include:</p> <ol style="list-style-type: none"> 1. Confirm activities that are a subsidy. 	

Principles	How does the subsidy comply with the principle?	Applicants Response to the principles (including references to supporting attachments)
	<p>2. How does the activity link to the defined market failure or equity rationale. Evidence must be provided to demonstrate the market failure or equity principle i.e data on deprivation levels, worklessness, skills, etc</p> <p>3. Theory of Change or Logic chain, showing link from policy objective to outputs / outcomes</p>	
<p>B. Proportionality The subsidy is proportionate and limited to what is necessary to achieve the objective.</p>	<ul style="list-style-type: none"> • How is the subsidy or scheme proportionate to achieve the policy objective? • Demonstrated that the subsidy is limited to what is necessary to achieve the policy objective. • How is this specific level of intervention necessary? • Detail the impact of the subsidy on any areas outside the area of focus and explain how it will be negligible. <p>When reviewing the value of the subsidy in relation to developing or refurbishing an asset please note that such developments have a value. The subsidy provided should reflect the difference between the value of a completed development and the cost of the development. If the applicant can demonstrate a 'viability gap' – i.e. the difference between the value and the cost – there would appear to be grounds to award the subsidy. However, if there is no viability gap, a more appropriate funding instrument could be a loan.</p> <p>When reviewing the value of the subsidy in relation to land remediation activity please consider and demonstrate the value of the subsidy shall be the total of Land Remediation costs less the estimated uplift in land value of the remediated land. The estimated uplift in land value of the remediation land should be determined ex-ante by independent industry experts. Remediated land which has benefited from a subsidy should only be disposed of at market value. Please confirm that you intend to dispose of any land/ buildings at market value.</p> <p>Evidence may include:</p> <ol style="list-style-type: none"> 1. QS report identifying costs required to develop the subsidised activity. Evidence must demonstrate that costs are based on market rates and are based on industry standard and that costings are not generated in-house. Costs must be proportionate and relevant to the project. 	

Principles	How does the subsidy comply with the principle?	Applicants Response to the principles (including references to supporting attachments)
	<p>2. A financial viability test or financial analysis. This could be in the form of a development appraisal or cashflow forecast over a set period to identify the funding gap. The level of subsidy provided should plug the funding gap.</p>	
<p>C. Additionality - output The subsidy is designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.</p>	<ul style="list-style-type: none"> • Demonstrate how this behaviour would not be achieved in the absence of the subsidy? • Demonstrated that the subsidy enables a change of economic behaviour? • Set out the change of behaviour (by the beneficiaries) that the subsidy will bring about, how that will occur, and how it helps achieve the policy objective? • Would the project happen without the subsidy or a reduced subsidy? Why is the subsidy necessary to bring about the change in behaviour? What is the counterfactual and what relevant evidence and assumptions have been used to identify it? <p>Evidence may include:</p> <ol style="list-style-type: none"> 1 Theory of change. 2 Output from any public or industry consultation exercises. 3 The demonstration of a viability gap will also support the argument that the subsidy is incentivising behaviour. 	
<p>D. Additionality - input The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.</p>	<ul style="list-style-type: none"> • What are the types of costs the subsidy is to be used to support? • Have any of the planned activities physically started? • Have you reached the point of no return of any of the planned activities? <p>Evidence may include:</p> <ol style="list-style-type: none"> 1. A future options analysis identifying various scenarios if no funding was provided; i.e. site remain/deteriorate including social, environmental and economic impact including how the initial policy objective and or market failure will improve, remain or worsen 2. Procurement exercises are underway 3. Recent photographs of site yet to be developed. 4. Development programme to show that works have not commenced. 	<p>A full breakdown of the costs to be supported has been produced and is attached as [].</p> <p>No procurement exercises are underway (but will commence once funding is available)</p> <p>Recent photographs of the site are attached at [X, Y, Z]</p> <p>Therefore it is clear that the subsidy is not covering costs which will be incurred in any event.</p>

Principles	How does the subsidy comply with the principle?	Applicants Response to the principles (including references to supporting attachments)
<p>E. Appropriateness The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.</p>	<ul style="list-style-type: none"> Justify why a subsidy is the most appropriate instrument for addressing the identified policy objective and why other instruments have been set aside such as regulation, direct provision of the good or service by the authority, or loans or equity investment on commercial terms Why is the subsidy an appropriate policy instrument to achieve the public policy objective compared with other available instruments – e.g., a grant or loan/ loan guarantee compared with, for example, a tax rebate or tax credit market loan or guarantee. Detail other interventions which have been considered, demonstrating and that the policy objective cannot be achieved through less distortive means. <p>Evidence may include:</p> <ol style="list-style-type: none"> A funding options analysis identifying all options and why the full value of the grant is option of last resort. The viability gap may also support the argument that a subsidy is the most appropriate instrument. Consideration of other non-subsidy interventions such as infrastructure, place-making, or non-capital measures. 	
<p>F. Minimising distortion The subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the material effect on trade or investment between the Parties.</p>	<ul style="list-style-type: none"> Demonstrate how the subsidy could have an effect on trade or investment between the UK and the EU, but the positive contribution of the subsidy outweighs any negative effect of impact on trade or investment with the EU. To evidence this, set out the positive contributions of the subsidy and anticipated negative effects below, with comments as to why negative effects are outweighed. Explanation how a potential negative impacts have been fully explored and weighed should be included. Consideration should be given to regional impacts projects may have on trade and investment with the EU. Consider future benefits that could be accrued from the subsidy against the possible negative effects on competition or investment both in the United Kingdom and internationally. <p>Evidence may include:</p> <ol style="list-style-type: none"> An independent market review offering a quantitative analysis of the positive and negative impacts on trade/investments. Ensure the review identifies all 	

Principles	How does the subsidy comply with the principle?	Applicants Response to the principles (including references to supporting attachments)
	<div>competitors potentially affected to understand the net impact of the subsidy on all competitors or investors between the UK and the EU.</div> <div>2. Demand analysis to demonstrate where likely occupiers of the local infrastructure are likely to come from.</div>	

Section C. Declaration

Senior Responsible Owner Declaration	
As Senior Responsible Owner I hereby submit this document for review to UKG on behalf of Hartlepool Borough Council and confirm that I have the necessary authority to do so.	
Name:	Signed:

FINANCE AND POLICY COMMITTEE**19TH FEBRUARY 2024****Subject:** COUNCIL PLAN 2021-2024 – PROGRESS UPDATE**Report of:** Managing Director**Decision Type:** For information**1. COUNCIL PLAN PRIORITY**

Hartlepool will be a place:
<ul style="list-style-type: none">• where people are enabled to live healthy, independent and prosperous lives.
<ul style="list-style-type: none">• where those who are vulnerable will be safe and protected from harm.
<ul style="list-style-type: none">• of resilient and resourceful communities with opportunities for all.
<ul style="list-style-type: none">• that is sustainable, clean, safe and green.
<ul style="list-style-type: none">• that has an inclusive and growing economy.
<ul style="list-style-type: none">• with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

2. PURPOSE OF REPORT

- 2.1 To provide an update to Finance and Policy Committee on the progress made on the delivery of the Council Plan 2021/22 – 2023/24. The report also includes the latest version of the Strategic Risk Register.

3. BACKGROUND

- 3.1 The Council Plan 2021-24 was agreed by Council on 25th February 2021 and sets out a clear vision for Hartlepool and identifies what the delivery of that vision will mean. This reflects what was identified through consultation with residents, elected members and our public, voluntary, community and private

sector partners whilst also recognising the emerging and continually evolving challenges the Council faces as we continue to recover from the pandemic and manage the impact of inflation and cost of living crisis on Hartlepool residents and the authority itself.

4. PROGRESS UPDATE – JANUARY 2024

4.1 This update outlines the progress made on the delivery of the Council Plan since the last report to Committee in November 2023:

Hartlepool will be a place where people are enabled to live healthy, independent and prosperous lives.

Smoking

The Smoking Alliance for Hartlepool has been refreshed with positive attendance / contributions from partners to develop a tobacco control strategy and associated action plan for delivery with partners.

Strengthened joint working / joined up working with the Foundation Trust and their current stop smoking pathways to provide patients with continued support in the community. Positive evaluations and case histories collected from service users.

Development and roll out of Vape pilot:

- Four GP surgeries targeting people eligible for a healthy heart check and who live in areas in the 60% most disadvantaged according to the Index of Multiple Deprivation (IMD).
- Waiting well pilot – targeting patients who are awaiting elective surgery and are offered vapes and behavioural support to stop smoking.
- Lung Health pilot – patients in a GP surgery who have an underlying health condition are offered vapes and behaviour support to stop smoking.

Health Checks

Used the NHS Health Check to support the vape pilot scheme. If someone attends for health check, smokes and lives in an area in the 60% most disadvantaged according to the Index of Multiple Deprivation (IMD), they are eligible for vape to help stop smoking.

Tobacco Control

Continue to raise the profile of enforcement work in illicit tobacco and deliver keep it out campaigns.

Substance Misuse

There has been an increase in adult treatment numbers. The 12 month rolling figure is 1,128, up from 1,055 at the same point last year. The year to date figure is 924 compared to 834 last year.

Confirmation has been received of year 3 Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) funds, work began to start planning for year 3 with a focus on recovery within the community.

Continuity of care performance is good when compared to the national average. Hartlepool Supporting Treatment and Recovery Together (START) have visited all NE prisons to promote what we deliver. Our current figures are around the 70% mark whereas the England average is 48%.

The Behavioural insights (BI) report came to a conclusion in November in understanding the complex health needs of individuals associated with drugs or alcohol. This has allowed us to understand a service user perspective and staff perspective of people within or connected to drug and alcohol services, and recognise what they see as the barriers to accessing health care and substance treatment. From this report recommendations have been made and were discussed with the Integrated Care Board (ICB) and START as to how we move forward and look at service delivery and an action plan has been created to incorporate these recommendation in order to improve health inequalities and reduce drug and alcohol related deaths.

Work has already began in relation to these recommendations in the form of a stigma campaign across Hartlepool.

Worked together with the NHS to ensure drug and alcohol patients are incorporated into the wider respiratory offer which is part of the core 20 plus 5 offer (this is a national NHS England approach to inform action to reduce healthcare inequalities at both national and system level.)

Pharmaceutical Needs Assessment

An improved process for the management and review of the Pharmaceutical Needs Assessment 2023 is now in place with quarterly updates and publication where required of supplementary statements. This informs the Health and Wellbeing board who are responsible for ensuring that the Pharmaceutical Needs Assessment remains up to date.

Holiday Activities and Food (HAF) Programme

The Holiday Activities and Food Programme is now fully embedded and the offer was delivered over the school Christmas holiday period. The funding for the programme has been confirmed for 2024/25 and will continue to be delivered during the three main school holidays.

Highlight Leisure Centre

Approval for the Highlight development obtained at full Council. Funding strategy agreed and work has commenced on site.

Health and Social Care Academy (Towns Deal)

The £2.25 million Health and Social Care Academy project is progressing well. The Grant Funding Agreement is in place with the NHS, a steering group has been established and the contractor procurement completed.

Smart Infrastructure Pilot Project

The Council is working with Tees Valley Combined Authority (TVCA) to support development of the Smart Infrastructure Pilot Project which will compliment phase 2 of the Waterfront Connectivity project which is also in development and supports active travel.

Good Boost for Leisure Users

The implementation of Good Boost technology for leisure users is seeing a positive impact on long term health conditions and wellbeing. Good Boost is a social enterprise that provides affordable and accessible therapeutic exercise programmes, through cutting-edge technology. The programmes are designed to be beneficial and fun for people with a wide range of musculo-skeletal (MSK) conditions, including arthritis and back pain.

Cycling Developments

Agreement has been received from TVCA to undertake consultation on 3 proposed cycleway schemes early in the New Year.

Hartlepool will be a place where those who are vulnerable will be safe and protected from harm.**Free School**

Building work on the Free School for children with social, emotional and mental health needs is underway with an expected completion / opening date of September 2024. This project is led and delivered by the Department for Education.

Multi Agency Child Exploitation Hub

The contextual safeguarding hub remains fully operational to support children and young people at risk of exploitation. Hartlepool and Stockton on Tees Safeguarding Children Partnership has recently completed an independent review of the local multi agency child exploitation arrangements to ensure we deliver continuous improvement in safeguarding these vulnerable children.

Children's Home Development

Funding has been agreed to convert the Star Centre into a children's home. Phase 1 of the works have been completed and phase 2 of the works are on-site.

Adult Social Care

The Council has worked collaboratively with partners across the Tees Safeguarding Adults Board to complete a review of the Team Around the Individual approach and subsequently implemented a revised approach which has been re-launched as the High Risk Adult Panel (HRAP).

Commenced construction of a new Changing Place Toilet facility using capital funding from the Department for Levelling Up Homes and Communities.

Celebrated National Safeguarding Adults Week (20-24 November) by bringing together safeguarding champions for a development and wellbeing event.

Retained National Autistic Society (NAS) accreditation for services provided at the Centre for Independent Living and Waverley Terrace Allotment.

Established a Project Group to consider and implement a new approach to people who self-fund their care and support.

Hartlepool will be a place of resilient and resourceful communities with opportunities for all.

Civil Engineering Academy (Town Deal)

The Civil Engineering Academy project is progressing well with a steering group established and a Grant Funding Agreement in place between the Council, Seymours Civil Engineering and Hartlepool College of Further Education. Local Skills Investment Fund monies have also been secured and a Main Contractor Appointed.

Physical Activity

Public Health staff are supporting partners (sharing knowledge / evidence base) with community groups around physical activity. Work is underway to develop a 'Join the Movement' strategic forum a community-based project in Hartlepool aimed at promoting physical activity for individuals of all backgrounds and abilities.

In the early stages of development of a community champions volunteering network and work so far includes formation of a planning group to develop the Community Champions model. Representatives include Public Health, Community Hubs, the Health and Well-Being Alliance and Hartlepower. A mapping exercise of Hartlepool community champions has been undertaken, which includes mapping of existing champions from previous projects.

Tall Ships

Awarded 'Campaign of the Year' for Tall Ships Races Hartlepool 2023 at the North East Marketing Awards and 'Arts Council Award' for Tall Ships Cultural and Creativity Programme at the North East Cultural Awards.

Culture and Leisure

In quarter 3 there were 11,640 visits to the Museum of Hartlepool and 25,136 to the Art Gallery.

Successfully concluded design competitions for Museum of Hartlepool and the Art Gallery to support with the future redevelopment and sustainability of the assets and services.

Successful delivery of Hartlepool Fireworks Display and Christmas Light Switch on.

Work has commenced on the Wingfield Castle to secure the vessel before full restoration works can take place.

Crematorium Improvements

Improvements to Stranton Chapel have started and work is progressing on a Master Plan to support the future offer for death management services.

Hartlepool will be a place that is sustainable, clean, safe and green.

Council Housing

The last period has seen the Council's Housing Revenue Account (HRA) successfully let all 18 new units (10 houses and 8 bungalows) having been built by Keepmoat on Brenda Road. Bids for the properties were unprecedented.

Overall the HRA holdings now amount to 349 homes.

Afghan Resettlement Scheme

With one property already completed and a further 7 in progress, the Council is close to meeting its target of 9 homes for the Afghan Resettlement Scheme.

Road / Highway Improvement and Safety Schemes

Safety schemes in Grange Road and Mowbray Road to be implemented early 2024.

A new puffin crossing will be installed on Throston Grange Lane in early 2024.

2 new electronic variable message signs will be installed in the New Year, with the existing ones being located to alternative locations, funded by TVCA.

Agreement has been reached for a series of smart street lighting columns to be installed in the Marina area, which will also have CCTV, traffic/ pedestrian counters, visitor displays and speakers. These are being funded by TVCA and are due for installation by March 2024.

Hartlepool Railway Station

Works on 2nd platform at Hartlepool Railway Station nearing completion. Scheduled to be operational in March 2024, which will increase service frequency.

Net Zero

The Council's new Net Zero Strategy and Action Plan was adopted at Finance and Policy Committee on 27 November to underpin the pathway to decarbonisation and net zero emissions, and improved climate adaptation.

The Council has received its first-ever publically accessible Carbon Disclosure Project (CDP) score (a benchmarkable Local Authority climate assessment) and a response was also submitted under the European Covenant Of Mayors reporting

protocol. This is the first time that the Council has participated in Climate Scorecards.

Sustainable Warmth

The Sustainable Warmth project was completed which resulted in energy efficiency improvements and associated carbon reductions to 238 private homes at a value of around £2m.

Community Safety

ASB hot spot funding received to provide uniformed patrols in Victoria & Headland and Harbour wards.

The Safer Streets 5 funding bid for work in Victoria ward was successful and £333,333 of funding is now available across 2023/24 and 2024/25 towards security improvements and target hardening. The funding will provide 2 full time posts (Community Cohesion Officer and Environmental Projects Officer) who will support the delivery of the project.

Garden Waste

The first year of the garden waste collection service came to an end in November. Around 12,500 households signed up, which is more than double the anticipated number. Work is underway ready for the next season, which begins in April 2024.

Hartlepool will be a place that has an inclusive and growing economy.

Screen Industries Production Village (Levelling Up Fund)

The Council have completed the acquisition of 7 target properties necessary for the Levelling Up Production Village with the last property to imminently complete bringing overall purchases to circa £2.165m. Remediation work and survey work to some assets already underway. The Project Delivery Group inception meeting was held on 24 November.

Heritage

The Council welcomed expert panelists for a Historic Places Panel visit supporting the future planning for heritage across Hartlepool associated with regeneration, reimagining assets, conservation areas and ensuring a positive impact for people.

Business

Officials from HM Treasury visited the BIS in September to learn about Hartlepool Council's focus on the creative businesses.

The first Hartlepool Business Awards ceremony was held since 2019 celebrating the success of Hartlepool businesses.

The Official relaunch of the Grand Hotel took place in November to the business community after significant investment and refurbishment.

Hartlepool Restaurant Week

The latest Restaurant week was held in October with local eateries offering set price menus and plans are underway for the January Restaurant Week.

Creative Business Week

The first Hartlepool Creative Business Week was held in October offering a week long programme of events aimed specifically at supporting creatives businesses.

Wesley Chapel (Town Deal)

The Wesley Chapel redevelopment has progressed (despite a fire to the premises in November 2023) with installation of steel roof trusses, internal steel frame, stone cleaning and internal debris removal.

Hartlepool will be a place with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

Workforce

As part of the Workforce Strategy the Council has agreed a set of workforce values with underpinning positive behaviour standards that were launched and promoted across the Council in December 2023. They will be embedded over time in all appropriate employee policies, procedures and practices with the aim of setting standards of positive behaviours at work, driving behavioural change, creating the best work environments and improving performance.

The Employee Annual Survey was circulated in October 2023 with a 37% response rate which is the highest engagement the Council has achieved in recent years. The survey identified really positive responses from the workforce with 78% of respondents confirming that they feel positive working for the Council and 71% confirming that the Council is a great place to work. A “You Said We Will” action plan is being developed as a result of listening to our employees to improve their employee experience.

Local Government Recruitment Campaign North East Pilot

The Council has been engaged with a Government pilot scheme in the North East to promote job and career opportunities in Local Government in a bid to support recruitment and retention. The pilot launched in January 2024 and will run for 5 weeks. This is pivoted on a “Make a Difference” campaign linked to promoting careers in Local Government making a difference to communities and promoting family friendly/flexible ways of working. If successful this will be promoted nationally.

Consultation and Engagement

The Council’s Your Say consultation and engagement platform continues to develop and recent activity has included:

- Armed Forces Personnel and Veterans (staff survey)
- Stop Smoking Services
- Big Conversation
- Hartlepool Art Gallery Redevelopment

- Wrap-Around Childcare Provision
- Landlord Consultation Empty Homes
- Lunch and Learn feedback – Armed Forces and Veterans
- Hartlepool Creative Business Week 2023 Feedback Survey
- Hartlepool Restaurant Week 2023 Business Survey
- New Housing Strategy for Hartlepool
- Employee Annual Survey 2023
- Derelict Land Buildings in Hartlepool for Audit and Governance Committee's ongoing scrutiny investigation
- Infant Feeding Survey

Big Conversation

The Big Conversation consultation and engagement exercise launched in November 2023 and will run until 14th February 2024 (12 weeks). The underlying principle is to engage with people where they are rather than holding large scale events and expecting people to come to us. The exercise includes activities at Community Hubs, engagement through a range of groups and events that the Council is already involved with and opportunities to engage online through our Your Say platform. The findings from the Big Conversation will be used to inform the development of the new 5 year Council Plan.

Digital Progression

The Council continues to develop its digital offer and has been providing increasing opportunities for residents and customers to contact the Council through digital channels. At the end of quarter 3 there were 31,820 active HBC self-online accounts and there had been 269,296 transactions delivered digitally across the platform. Digital projects delivered during the quarter include:

- MyAccounts and e-billing project commenced – providing the availability for residents to view their Council Tax account and bill online (project completion date end of quarter 4).
- HEET – digital system enabling residents to apply online for energy efficiency solutions, including inbuilt workflows that direct applications to providers. HBC delivers this grant funded programme on behalf of the Tees Valley.
- Winter services – including book a Christmas tree collection online and report gritting requests.
- The Bis – booking and payment system allowing business owners to reserve a desk in the building.

Better Health At Work Award

The Council was successful in their annual assessment to Maintain Excellence and its Ambassador Status for the North East Better Health at Work Award 2023. The Better Health At Work Award (BHAWA) provides a framework to build healthy and happy workforce culture with an engaging health and well-being offer to help address health inequalities. Recent work includes:

- The launch of the Council's annual Employee Health and Wellbeing Programme to engage teams in four key wellbeing areas across each calendar quarter of 2024 – Q1 Alcohol and Substance Awareness / Q2 Healthy Eating / Q3 Getting Active / Q4 Mental Wellbeing.

- The recruitment of 3 new workplaces who have signed up to BHAWA framework for Hartlepool.
- Maintenance and support of 10 workplaces in Hartlepool at various levels of the framework and positive feedback has been received about the support given to those workplaces.
- Participation in Director of Public Health's Annual Report to showcase the benefits of BHAWA in improving health and well-being in the workforce.
- Health Advocate (HA) training, with Make Every Contact Count (MECC) training incorporated, supported / delivered to workplaces across Hartlepool

Masters in Public Health Students Placements

The Council hosted 5 Masters in Public Health students as part of their workplace placement. This has strengthened the Council's links with Teesside University and helped develop the knowledge and experience of future public health workforce. We have been able to align placement experiences with different topic areas and voluntary sector colleagues and the students have supported pieces of Public Health work whilst on placement. In addition this has helped to promote Hartlepool as a good place to live and work.

Corporate Peer Review

Delivery of the Peer Review Action Plan continues to progress. Plans to action feedback from Peer Review on more holistic use of data are in development including the development of a Data Strategy for the Council and a Virtual Data and Intelligence Hub.

Equality, Diversity and Inclusion (EDI)

Work to develop a new Single Impact Assessment (SIA) continues and it is intended that this new approach will be rolled out later this year along with training for elected members and officers across the Council. The SIA will bring together the current Equality and Child and Family Impact Assessments and will include consideration of care leavers, the Armed Forces Community (as established in our Armed Forces Covenant) and poverty and disadvantage as well as the nine protected characteristics set out in the Equality Act 2010.

4.2 Current areas of concern

Whilst good progress is being made on the delivery of the Council Plan there are a number of areas of concern that may impact on future progress including:

- Impact of cost of living pressures on residents and issues of poverty and deprivation across Hartlepool;
- Impact of inflation on council services and those of local partners in the public, private and voluntary sectors. Concerns may impact on future service delivery and may require further prioritisation of services and schemes;
- Difficulties in the recruitment and retention of employees being felt by both the Council and those who deliver commissioned services on our behalf.
- Ageing workforce and potential future knowledge and skills gaps if we are unable to recruit new talent as people retire from the Council;

- Impact of covid recovery and the cost of living crisis on achieving projected income targets across a range of service areas.
- Potential financial and operational impact of anticipated legislative changes (Mental Health Act, Mental Capacity Act and Liberty Protection Safeguards);
- Difficulties in maintaining service standards and managing expectations in the context of funding reductions, increasing demands and uncertainty around future funding stream availability;
- Increased incidence of unacceptable and unreasonable behaviour from members of the public across Council services.

4.3 Strategic Risk Register

The Strategic Risk Register sets out the key strategic risks that the Council faces and the areas of concern identified above are reflected within it. Risks within the SRR have been reviewed and the following changes have been made:

- **Workforce** - The skills, expertise, wellbeing, performance and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services. Change in score to Amber 6 (Minor / Probable) from Red 9 (Major / Probable).
- **Drugs and Alcohol** – Failure of the drugs and alcohol addiction services to prevent, treat and provide recovery for those with substance misuse problems in Hartlepool. Change in score to Amber 6 (Major / Possible) from Red 9 (Major / Probable).
- **Access to Leisure, Community and Preventative services** - Failure to engage the at risk population in preventative, cultural, leisure and community based activities could impact on demand led services. Change in score to Amber 6 (Major / Possible) from Red 9 (Major / Probable).
- **Inflation** - Increasing inflation leading to increased costs for goods and services resulting in overspend against allocated budgets, reduced level or standard of service delivery, longer waiting times for services or cuts to existing services. Risk deleted. The impact of general inflation is now reducing and is therefore sufficiently covered in the existing finance risk. Officers continue to keep this under review, including inflationary risks on energy budgets given the evolving situation in the Middle East.

- 4.4 The latest full version of the SRR is attached as **Appendix 1** for Finance and Policy Committee's information.

5. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	<p>The Council agreed the Risk Management Framework in June 2019 and this ensures that appropriate arrangements are in place for the management of the Council's key strategic risks. Embedding the identification and management of risk supports the achievement of our Council Plan and provides assurance to elected members that these risks are being appropriately managed.</p> <p>The Council Plan and Strategic Risk Register are monitored regularly to enable early identification and reporting to Members of any emerging risks which might prevent delivery of the strategic priorities identified in the Council Plan. The latest version of the Strategic Risk Register is included as Appendix 1 of this report.</p>
FINANCIAL CONSIDERATIONS	<p>The Council Plan was prepared alongside the Medium Term Financial Strategy and the 5 year Capital Plan as three parts of a single plan to ensure the links between the three are strengthened. In addition, effective risk management arrangements should help improve the use of valuable and limited financial resources.</p>
LEGAL CONSIDERATIONS	<p>Whilst there are no legal requirements to have a Council Plan it is good practice to have one in place.</p>
CHILD AND FAMILY POVERTY	<p>The priorities identified in the Council Plan include work to reduce child and family poverty within Hartlepool. There is no change to the Child and Family Poverty Impact Assessment included within the Council Plan 2021/22 – 2023/24 report to Council on 25th February 2021.</p>
EQUALITY AND DIVERSITY CONSIDERATIONS	<p>Since the first equality objectives were published in April 2012 the Council has based them on the strategic objectives set out in our Council Plan. By doing this the Council demonstrates that equality and diversity is a core part of what we do as an organisation and not an add on activity. The Council's vision as set out in the Council Plan sets out our equality objectives. The priorities identified in the Council Plan aim to have a positive impact on the whole population of Hartlepool and those with protected characteristics. There is no change to the Equality Impact Assessment included within the Council Plan 2021/22 – 2023/24 report to Council on 25th February 2021.</p>
STAFF CONSIDERATIONS	<p>No implications.</p>

ASSET MANAGEMENT CONSIDERATIONS	No implications.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No implications.
CONSULTATION	The Council Plan was informed by extensive consultation including a 4 week consultation exercise in September 2019, a further 5 week consultation starting in January 2020 and a wide ranging consultation over the summer of 2020. This consultation included Elected Members through Members Seminars on 27th November 2019, 29th January 2020 and 14th July 2020 and through reports to individual Policy Committees in January and February 2020.

6. RECOMMENDATIONS

6.1 Finance and Policy Committee are requested to:

- note the progress made on the Council Plan 2021-2024 by January 2024;
- note the updated Strategic Risk Register as set out in appendix 1, the changes to individual risk scores and the deletion of the Inflation risk.

7. REASONS FOR RECOMMENDATIONS

7.1 Finance and Policy Committee have overall responsibility for Performance and Risk Management and are the responsible Committee for a number of service areas contained within the Council Plan.

8. BACKGROUND PAPERS

8.1 Council Plan 2021/22 - 2023/24 report to Council on 25th February 2021.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 15th November 2021.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 14th March 2022.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 26th July 2022.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 12th December 2022.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 13th March 2023.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 3rd July 2023.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 27th November 2023.

9. CONTACT OFFICERS

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01429 523001

Sign Off:-

Managing Director	Date: 08/02/2024
Director of Finance, IT and Digital	Date: 08/02/2024
Director of Legal, Governance and HR	Date: 08/02/2024



Strategic Risk Register

January 2024

Risk Scoring Matrix:

	IMPACT			
LIKELIHOOD	1 NEGLECTIBLE	2 MINOR	3 MAJOR	4 CRITICAL
4 ALMOST CERTAIN	AMBER 4	RED 8	RED 12	RED 16
3 PROBABLE	GREEN 3	AMBER 6	RED 9	RED 12
2 POSSIBLE	GREEN 2	AMBER 4	AMBER 6	RED 8
1 HARDLY EVER	GREEN 1	GREEN 2	GREEN 3	AMBER 4

HBC Strategic Risk Register

No.	Risk Title	Risk Score	Risk Owner
1	Finance - Failure to deliver a balanced budget for 2024/25 and sustainable Medium Term Financial Strategy (MTFS) leading to a reduction in services provided, damage to reputation and negative impact on the community.	RED 12	James Magog Director of Finance, IT and Digital
2	Workforce - The skills, expertise, wellbeing, performance and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.	AMBER 6	Hayley Martin Director of Legal, Governance and HR
3	Communication and Engagement – Failure to deliver effective communication, consultation and engagement could impact adversely on the Council’s reputation and ability to deliver plans and strategies.	AMBER 6	Bev Bearne Assistant Director – Development and Growth
4	Health and Safety - Failure to comply with Health and Safety legislation and ensure appropriate risk controls are in place to ensure the health, safety and wellbeing of individuals at work and those who may be affected by our act or omission.	RED 12	Sylvia Pinkney Assistant Director – Regulatory Services
5	Information Governance and Cyber Security - Failure to comply with legislation and ensure appropriate system safeguards to ensure the confidentiality, integrity and availability of personal and corporate information and data leading to data loss, cyber-attacks, legal proceedings and significant financial penalties.	RED 8	James Magog Director of Finance, IT and Digital
6	Information Technology – Failure to provide a resilient and responsive ICT infrastructure leading to ineffective service delivery or the loss of services.	RED 8	James Magog Director of Finance, IT and Digital
7	Children and Young People – Failure to improve life chances, provide opportunities for education for children and young people particularly those whose circumstances make them vulnerable to poor outcomes.	RED 9	Sally Robinson Director of Children’s and Joint Commissioning Services

No.	Risk Title	Risk Score	Risk Owner
8	Drugs and Alcohol – Failure of the drugs and alcohol addiction services to prevent, treat and provide recovery for those with substance misuse problems in Hartlepool.	AMBER 6	Craig Blundred Director of Public Health
9	Safeguarding children – Failure to protect children and young people from harm and promote their welfare.	RED 12	Jane Young Assistant Director - Children and Families
10	Market failure and sufficiency of provision (Adults) – Provider failure within residential or non-residential care leading to insufficient capacity to support vulnerable adults appropriately.	AMBER 6	Danielle Swainston Assistant Director - Joint Commissioning
11	Adult Safeguarding – Failure to protect an adult's right to live in safety, free from abuse and neglect.	AMBER 6	John Lovatt Assistant Director - Adult Social Care
12	Access to Leisure, Community and Preventative services - Failure to engage the at risk population in preventative, cultural, leisure and community based activities could impact on demand led services.	AMBER 6	Gemma Ptak Assistant Director - Preventative and Community Based Services
13	Highways and Flood Defences – Failure to maintain the Borough Highway infrastructure and protect areas from flooding risks could impact on the economy and quality of life.	AMBER 6	Kieran Bostock Assistant Director – Neighbourhoods
14	Community Safety - Failure to provide a safer Hartlepool where residents and visitors can live free from crime, fear of crime and anti-social behaviour could impact on quality of life and tourism.	AMBER 6	Sylvia Pinkney Assistant Director – Regulatory Services
15	Waste Management - Council are unable to collect and dispose of all household waste within existing financial resources.	RED 9	Kieran Bostock Assistant Director – Neighbourhoods

No.	Risk Title	Risk Score	Risk Owner
16	Business Continuity - Failure to provide Council services as a result of disruption to the normal day to day activities.	RED 8	Sylvia Pinkney Assistant Director – Regulatory Services
17	Economic Regeneration – Failure to encourage regeneration, support enterprise, reduce unemployment and grow new and existing businesses could impact adversely on the sustainability of Hartlepool.	AMBER 6	Bev Bearne Assistant Director – Development and Growth
18	Housing – Failure to address the housing requirements of the borough and provide affordable, high-quality housing.	AMBER 6	Bev Bearne Assistant Director – Development and Growth / Kieran Bostock Assistant Director – Neighbourhoods / Danielle Swainston Assistant Director - Joint Commissioning
19	Adult Social Care - Workforce, system and financial pressures within the NHS may negatively impact on Adult Social Care and the broader Council by placing unrealistic expectations on Adult Social Care to assess and provide services to vulnerable and ill people earlier.	RED 8	John Lovatt Assistant Director - Adult Social Care
20	Market failure and sufficiency of provision (Children's) – Failure within the children's care or education sector to provide sufficient foster care, special school and residential care that can meet the needs of children leading to insufficient capacity to support vulnerable children appropriately.	RED 9	Danielle Swainston - Assistant Director - Joint Commissioning

RISK TITLE:	Finance - Failure to deliver a balanced budget for 2024/25 and sustainable Medium Term Financial Strategy (MTFS) leading to a reduction in services provided, damage to reputation and negative impact on the community.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Changes in government funding leading to the necessity to deliver savings, cuts and efficiencies.</p> <p>Council Tax not increased in line with government referendum limits including the Adult Social Care precept.</p> <p>Individual service pressures for example rising costs and numbers relating to looked after children; increasing demands on Adults' services.</p> <p>Higher national pay awards, interest rates and / or inflation than forecast.</p> <p>Permanent reduction in business rates base – e.g. Power Station and impact of current economic conditions.</p> <p>Impact of inflation on capital programme costs and other service delivery across the Council.</p> <p>Political uncertainty – national and local and associated short term funding decisions</p>	<p>Potentially a significant impact on service delivery and achievement of Council objectives.</p> <p>Loss of reserves leading to reduced investment income, increased borrowing costs and overall reduction in financial resilience.</p> <p>Potential redundancies and associated costs.</p> <p>Reputational damage with our communities and partners, but also regionally and nationally.</p> <p>Increased risk of Section 114 notice in the near term.</p>	<p>A three year Medium Term Financial Strategy including the Capital Strategy in order to demonstrate the financial position of the Authority.</p> <p>Ongoing monitoring and delivery of savings and efficiency targets.</p> <p>Maximise and safeguard income for the council, including effective treasury management strategy, debt recovery, maximise funding opportunities.</p> <p>Timely and effective financial performance reporting and monitoring.</p> <p>Good understanding and interpretation of changes to funding regimes and analysis of the Government annual budget statements.</p> <p>Robust governance framework.</p> <p>Compliance with relevant accounting principles and standards to satisfy legislative and regulatory requirements.</p> <p>Capital programme monitoring arrangements in place.</p> <p>Increased information to members to aid awareness and understanding of financial position.</p>

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	James Magog – Director of Finance, IT and Digital
DIVISION	Corporate and Financial Services
DEPARTMENT	Finance, IT and Digital Department
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Being prepared to respond quickly to future changes	Measures in place to mitigate the in year position as far as possible to safeguard reserves.	Director of Finance, IT and Digital	March 2024
	Agree savings programme for 2024/5.	Managing Director	February 2024
	On-going revenue budget monitoring, including the impact of inflation and the existing savings programme.	Director of Finance, IT and Digital	March 2024
	On-going capital budget monitoring, including of the impact of inflation pressures on the Capital programme and service delivery arrangements.	Director of Finance, IT and Digital	March 2024

RISK TITLE:	Workforce - The skills, expertise, wellbeing, performance, and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>The necessity to deliver savings and efficiencies has resulted in a reduced workforce.</p> <p>Loss of experienced staff due to retirement, ill health, lack of development opportunities or due to concerns about job security caused by continuing reductions in staffing levels.</p> <p>Recruitment and selection difficulties; attracting applicants to the public sector/Local Government.</p> <p>Recruitment and retention difficulties resulting from an inability to compete in the local/national labour markets if pay levels continue to be suppressed.</p>	<p>Failure to maintain staffing levels, and failure to develop staff performance/Council services, resulting in reduced service delivery impacting on the lives and wellbeing of the Hartlepool community.</p> <p>Increased workloads leading to inefficiencies, increased sickness absence and impact on staff wellbeing and general discontent.</p> <p>Reputational damage.</p> <p>Failure to attract and maintain external contracts resulting in reduced income generation.</p>	<p>Availability of up to date HR policies and procedures, in line with legislative requirements and the strategic aims of the Council.</p> <p>Recruitment and retention of quality staff ensures that the organisation has the necessary knowledge, skills and experience to achieve its objectives.</p> <p>Support the development of Apprenticeships, volunteering opportunities and work experience within the Council.</p> <p>Accurate and timely payment of all employee salaries and administration of all deductions from pay.</p> <p>Administration of pension service.</p> <p>Advisory services providing advice, guidance and support in all employment matters.</p> <p>Support provided to the programme of organisational and structural change being delivered to meet the financial challenge, including service reviews and redundancies.</p> <p>Trade Union negotiation and consultation.</p> <p>Absence management and reporting.</p> <p>Management of Health and Wellbeing contracts, including Occupational Health and Counselling to support the wellbeing of the workforce preventing and supporting the management of sickness absence.</p> <p>Management and administration of employee benefits.</p>

		<p>Workforce planning, including the Council's values and behavioural standards, succession planning, pay and reward.</p> <p>Employee development and engagement to further enhance the skills and capacity of our workforce.</p> <p>Support the development of the Council's Digital Strategy through My View and HR Dashboard for employee and managers to access and manage employee information.</p> <p>Support the health of the workforce through the Council's Health & Wellbeing of the Workforce Programme.</p> <p>Report on concerns and actions to monitor recruitment and retention across the Council to the Executive Leadership Team.</p> <p>Control measures are regularly reviewed to ensure effectiveness.</p> <p>Utilise market forces supplements where the criteria is met under the Council's terms and conditions of employment (in the absence of funding a full pay and grading review).</p> <p>Managers encouraged to review essential criteria in person specifications such as qualification level (possible JE implications to pay banding).</p> <p>Introduction of development schemes for career development to attract quality candidates.</p> <p>Development of recruitment platforms with NEREO and other partner agencies to reach a wider audience. Promote the NE Recruitment Pilot 'Make a difference'.</p> <p>Development of a HBC Jobs and Careers webpage to improve recruitment to difficult to fill vacancies.</p>
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE		AMBER 6		
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Hayley Martin - Director of Legal, Governance and HR
DIVISION	HR
DEPARTMENT	Legal Governance and HR
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Communication and Engagement – Failure to deliver effective communication, consultation and engagement could impact adversely on the Council's reputation and ability to deliver plans and strategies.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Failure to respond effectively to public relations / media.</p> <p>Poor partnership working and media relations.</p> <p>Lack of marketing and communication skills.</p> <p>Lack of correct equipment and technology.</p> <p>Not effectively engaging with the public so that their views are heard.</p> <p>Negative news stories coming from poor local performance.</p> <p>Failure of staff and elected members to uphold the Nolan principles (In particular the principle of accountability where holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.)</p>	<p>Poor image, public discontent and reputational damage.</p> <p>Failure to attract investment and visitors to the town leading to loss of jobs and/or economic hardship.</p> <p>Difficulties in attracting and retaining staff.</p> <p>Poor staff morale and employee engagement.</p> <p>Lack of engagement from media companies</p>	<p>Annual Communications Plan.</p> <p>Ongoing website and social media including Facebook, Instagram and Twitter development.</p> <p>Proactive communications.</p> <p>HR policies and procedures (Code of Conduct, Values).</p> <p>Internal communications and staff engagement work including development of the Staff Hub</p> <p>Public engagement and consultation activities including Face the Public events and the Your Say online consultation platform.</p> <p>Horizon scanning for key themes emerging from public and tackling through proactive communications.</p>

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Beverley Bearne - Assistant Director – Development and Growth
DIVISION	Development and Growth
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Health & Safety - Failure to comply with Health and Safety legislation and ensure appropriate risk controls are in place to ensure the health safety and wellbeing of individuals at work and those who may be affected by our by act or omission.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Non-compliance with legislation, government guidance and best practice standards</p> <p>Failure to maintain corporate Health and Safety Policy standards</p> <p>Poorly communicated policies and procedures leading to senior leaders, managers and employees not being aware of their individual Health and Safety roles and responsibilities</p> <p>Lack of incident reporting and a low near miss to accident reporting ratio</p> <p>Failure to correctly monitor employees health for those exposed to hazardous substances such as HAVS</p> <p>Lack of available resources to manage health and safety on day to day basis</p> <p>Lack of suitable training for staff appropriate to the level of the requirements to manage health and safety at work</p>	<p>Risk to life, including: Fatality, injury, ill health</p> <p>Prosecution under the Health and Safety at Work Act 1974, The Regulatory Reform (Fire Safety) Order 2005, the Occupiers' Liability Act for breach of statutory duty and accompanying regulations.</p> <p>Costs arising from other enforcement actions.</p> <p>Fees for intervention by enforcing authority, such as the HSE. Currently £154 per hour.</p> <p>Torte of negligence (Civil Claim).</p> <p>Fines from prosecution, maximum fine is unlimited; custodial sentences, up to a maximum of 18 years for gross negligence manslaughter; indirect incurred legal costs.</p> <p>Insurance costs; compensation award; excess payments, levied by the insurance company; raised insurance premiums.</p> <p>Costs to the reputation of Hartlepool Borough Council.</p> <p>Indirect costs such as costs arising from investigations, retraining and developing systems.</p> <p>Loss of income.</p>	<p>Corporate Health and Safety Policy</p> <p>Accompanying Health and Safety Policies</p> <p>Employing a qualified Health, Safety and Risk Manager and Health and Safety team to provide advice and assistance to ensure that directors, manager and employees are aware of their responsibilities under health and safety legislation and to ensure that health and safety standards are adequately maintained.</p> <p>Corporate and departmental H&S committees to ensure that managers and trade union representatives are consulted on matters of health and safety</p> <p>CMT oversight in place through quarterly reporting arrangements.</p> <p>An online incident reporting system including near miss reporting system</p> <p>H&S training catalogue, available through the workforce development programme and free to all employees</p> <p>Induction checklist with H&S instructions</p> <p>H&S audit programme conducted by the HS&R team to ensure that H&S performance standards are maintained</p>

Lack of suitable work place maintenance programmes and condition surveys	Costs arising from loss or damage of plant or property	Unannounced site safety inspections conducted by the H&S team to ensure compliance with safety legislation
Lack of suitable health and safety audits, fire risk assessment and inspection programmes to identify health and safety risks across the work force		Director appointed to provide resources for H&S safety
		Monitoring in place for high risk actions including HSE improvement notice actions.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Sylvia Pinkney - Assistant Director – Regulatory Services
DIVISION	Regulatory Services
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Risk Management Group that has been established to meet fortnightly is working well.	Review the Risk Management Group to ensure it has appropriate membership and is having a demonstrable impact on improving health and safety. Report to be presented to Executive Leadership Team (ELT).	Assistant Director – Regulatory Services	March 2024

RISK TITLE:	Information Governance and Cyber Security - Failure to comply with legislation and ensure appropriate system safeguards to ensure the confidentiality, integrity and availability of personal and corporate information and data leading to data loss, cyber-attacks, legal proceedings and significant financial penalties.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Non-compliance with legislation and best practice standards.</p> <p>Human error.</p> <p>Deliberate attack.</p> <p>System failure.</p> <p>Spoofing.</p>	<p>If the Council does not effectively manage personal data, a penalty of up to £17.5m or 4% of total annual worldwide turnover (whichever is higher) may be levied by the Information Commissioner.</p> <p>Detrimental impact on end user/customer.</p> <p>Service disruption.</p> <p>Potentially major reputational damage.</p>	<p>Compliance with legislation and information publication requirements.</p> <p>Information management policies, strategies, processes and procedures and associated staff training (mandatory).</p> <p>Data Security and Protection (DPS) Toolkit.</p> <p>Regular monitoring of information governance by Corporate Information Governance Group with all Department's represented and chaired by an Assistant Director.</p> <p>Mandatory for all staff to undertaken IG training once a year.</p> <p>Cyber Security Strategy in place.</p> <p>Automatic email encryption where TLS certificates exist.</p> <p>Encryption of removable media – laptops, tablets, USB devices.</p> <p>Security of our system monitored by NEC and reported to HBC monthly through Operations Board.</p> <p>Monthly meetings with NEC re cyber security.</p> <p>Monthly review of ICT risk register and threat landscape.</p> <p>Regular phishing campaigns for all staff and Members.</p>

		<p>Information security incident management process incorporating lessons learned improvement action plans.</p> <p>Internal arrangements for the secure disposal of information through shredding.</p> <p>Secure file transfer between HBC and its partner organisations.</p> <p>Robust security processes for the introduction and use of Microsoft 365 including Teams and SharePoint.</p> <p>Business continuity arrangements in place covering availability of information systems.</p> <p>Cyber security is a standing item on the agenda for the corporate Business Continuity Group.</p> <p>Regular application of security patches and updates to system with a monthly weekend window to carryout updates to the estate.</p> <p>Support accessed from external bodies (DLUHC and LGA) to review and ensure our approach to cybersecurity and information governance is up to date with current best practice.</p> <p>Annual PSN test, submission and associated accreditation.</p> <p>Adhere to NCSC guidance and best practice.</p>
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				

RESPONSIBLE OFFICER	James Magog - Director of Finance, IT and Digital
DIVISION	Customer Services and IT
DEPARTMENT	Finance, IT and Digital Department

	POSSIBLE				RED 8
	HARDLY EVER				

DATE OF ASSESSMENT	January 2024
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ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Cyber Security Response Plan agreed.	Agree draft cyber response security plan with Business Continuity Group and I.T. provider (NEC) once new contract is operational.	Director of Finance, IT and Digital	March 2024

RISK TITLE:	Information Technology - Failure to provide a resilient, flexible and responsive ICT infrastructure leading to ineffective service delivery or the loss of services.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Out of date equipment, software and technology.</p> <p>Lack of robust disaster recovery, business continuity and cyber-crime plans.</p> <p>Environmental threats.</p> <p>Power outages.</p> <p>Failure of Telco infrastructure.</p> <p>Lack of CICT staff knowledge and expertise.</p> <p>Lack of general ICT knowledge and expertise of all staff.</p> <p>Poor user awareness of threats.</p> <p>Failure to protect our ICT assets.</p> <p>Poor contract management of outsourced ICT service and/or collapse of provider.</p> <p>Lack of suitable ICT provider.</p>	<p>Negative impact on productivity and availability of services.</p> <p>Failure to ensure security of personal data.</p> <p>Failure to comply with legislation.</p>	<p>Relevant information security policies and training in place.</p> <p>Self-help/training videos on intranet support staff 24/7</p> <p>Monthly Operations Board meetings with NPS to monitor Contract and Service issues</p> <p>Dedicated and skilled CICT Team / NEC managed contract</p> <p>Implementation of Microsoft E5 licensing model to bring in further resilience and large suite of products.</p> <p>Cloud first, where appropriate, to move reliance from traditional data centre model to dedicated cloud services.</p> <p>Quarterly Contract Management Board - manages contract at strategic level</p> <p>Work with Combined Authority to review regional connectivity resilience.</p> <p>ICT/Digital Strategy and associated 3-5 Year prioritisation and financial plan in development.</p> <p>Monthly meetings with NEC re cyber security.</p> <p>Monthly review of ICT Risk register and threat landscape.</p>

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	James Magog - Director of Finance, IT and Digital
DIVISION	Customer Services and IT
DEPARTMENT	Finance, IT and Digital Department
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Children and young people - Failure to improve life chances, provide opportunities for education for children and young people particularly those whose circumstances make them vulnerable to poor outcomes
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Failure to promote life chances for a child or young person due to:</p> <ul style="list-style-type: none"> Lack of investment and/or public sector cuts impacting upon capacity of schools, health services and local authorities to deliver services that meet need and improve life chances. Lack of educational opportunities Lack of access to community health services Lack of opportunities to develop life skills 	<p>Ineffective support and opportunities for children can result in significant implications for the future life chances, increasing the risk of them being dependent on the state throughout their adult life, for example:</p> <ul style="list-style-type: none"> Worklessness Mental health needs Drug and alcohol dependency Entering the criminal justice system. 	<ul style="list-style-type: none"> Education Improvement Strategy and DfE Priority Investment Area Child and Family Poverty Strategy and Plan 0-19 service and pathways Early help offer Using all opportunities to influence policy makers on impact of austerity for children and young people in Hartlepool.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Sally Robinson
DIVISION	Children's and Joint Commissioning Services
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Education Improvement Strategy	Implement EIS Year 3 through Education Partnership Board Align and target resources to vulnerable children	Assistant Director Education	March 2024
SEND Improvement Plan	Remodel how funding is maximised to support inclusion and meet children with SEND needs in mainstream settings wherever possible Implementation of year three of SEND action plan Deliver SEND Regional Expert Partnership	Assistant Director Joint Commissioning	March 2024
Health and Wellbeing Strategy	Implement Starting Well (Health and Wellbeing Strategy) 0-19 pathways regularly reviewed	Director of Public Health	March 2024
Early Help	Remodel Early Help around Supporting Families and Family Hubs model Implement Workforce programme for Early Help workforce	Children's and Joint Commissioning Services Departmental Management Team	March 2024

RISK TITLE:	Drugs and Alcohol - Failure of the Drugs and Alcohol addiction services to prevent , treat and provide recovery for those with substance misuse problems in Hartlepool
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Failure to break intergenerational cycles of drug and alcohol misuse in Hartlepool Failure of the service to fully engage with the at a risk population Failure of the service to deliver an evidenced based model of treatment and addiction recovery Failure to increase capacity, resources and expertise to meet the level of need 	<ul style="list-style-type: none"> Continuing increase in the prevalence of substance misuse in Hartlepool leading to Increased prevalence of ACEs, children suffering significant harm and crime At risk population do not receive appropriate levels of treatment and behavioural support with increasing numbers failing to achieve a sustained recovery Increased incidence of drug related deaths. 	<ul style="list-style-type: none"> Health and Wellbeing Board Safer Hartlepool Partnership Systematic review of Drug Related Deaths (DRD) and ongoing review of the process with key learning reported to the strategic governance group 0 to 19 service and pathways Agreed strategy for substance misuse with clear vision, objectives and outcomes identified. This strategy is performance monitored and managed by the strategic governance group.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Craig Blundred – Director of Public Health
DIVISION	Public Health
DEPARTMENT	Children’s and Joint Commissioning Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE: TBC			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Outcome review for strategy	Monitor and review outcomes in the action plan associated with the strategy	Director of Public Health	March 2024

RISK TITLE:	Safeguarding children - Failure to protect children and young people from harm and promote their welfare
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Failure to protect a child or young person and promote their welfare due to:</p> <ul style="list-style-type: none"> Increased demand and consequent capacity within the services to respond. Failing in policies/ procedures Failure in partnership working Lack of the required skills, knowledge, expertise and resources within the service to meet need. 	<ul style="list-style-type: none"> Ineffective safeguarding leaves children at risk of harm. Children and young people do not experience safe, consistent, stable care, leading to increased risks of poor adult outcomes. Significant implications for reputation of the organisation. 	<ul style="list-style-type: none"> Policies and procedures in place Practice manual regularly reviewed and updated Performance Management and Quality assurance cycle Management oversight and supervision Workforce Development programme Staff Briefings HSSCP Tees Procedure meetings Effective commissioning arrangements with clear service specifications and robust and regular monitoring and review Ofsted Inspection of Local Authority Children's Services

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLECTIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Jane Young - Assistant Director Children and Families
DIVISION	Children and Families
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Continuous improvement in assessment planning, implementation and review of the needs of children and young people	Performance management in place with audits cycle to review practice	Assistant Director Children and Families	March 2024
	Managers oversee performance within their teams through PowerBI dashboard	Assistant Director Children and Families	March 2024
	Workforce development to maintain practice standards and continuous learning and development	Assistant Director Children and Families	March 2024

RISK TITLE:	Market failure and sufficiency of provision (Adults) - Provider failure within residential or non-residential care leading to insufficient capacity to support vulnerable adults appropriately.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Action taken by the regulator to stop a service from operating. • Provider decides to close or change focus of provision. • Provider cannot operate due to financial viability. • Provider cannot operate due to lack of appropriate workforce/ staffing. • Commissioned services not able to provide high quality services. 	<ul style="list-style-type: none"> • Service for vulnerable adults ceasing at short notice. • Services unavailable to meet assessed need placing people at risk of harm. • Vulnerable adults need to be moved to different provision which is detrimental to their health and wellbeing and creates significant pressure for operational services. • Insufficient provision for older people can result in increased Delayed Transfers of Care, creating pressures across the wider health and care system. • Increase in out of area placements if there is insufficient provision locally. • Non-residential provision is not able to meet need therefore vulnerable adults have to access residential care which would place significant pressure on existing provision. • Reputational damage to the Council if services cannot be provided within Hartlepool to meet local needs. 	<ul style="list-style-type: none"> • Regional agreement/ process to share information re: commissioned provision intelligence which highlights any emerging risks. • Regular contract meetings with providers to understand their current performance and business position. • Robust commissioning arrangements – financial checks undertaken. • Regional protocol for responding to market failure. • Good relationships with partners e.g. CCG for information to be shared to highlight any early issues that can be planned for. • Commissioning link officers for all providers – regular visits from link officers. • Good relationship with CQC – regular updates. • Bi monthly regional commissioning meetings – share best practice and intelligence on providers across the region • Regular committee reports to inform members of market position • High quality data and information available which if a provider closes can be used to ensure that the best provision is identified

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Danielle Swainston - Assistant Director - Joint Commissioning
DIVISION	Joint Commissioning
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Adult safeguarding - Failure to protect an adult's right to live in safety, free from abuse and neglect.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
Failure to protect an adult from death or serious harm as a result of increased referral activity and workload pressures, leading to either a failing in policies / procedures, personnel or partnerships.	Ineffective safeguarding has potentially critical implications for individuals (vulnerable adults, responsible officers/Members), and the reputation of the organisation.	<p>Adult safeguarding alerts / referrals are managed in a timely manner. Head of Service role has been created and there is a fully staffed, dedicated Adult Safeguarding Team. Relevant training is provided to all staff involved in adult safeguarding, including Advanced Safeguarding Training and legal literacy training.</p> <p>The Teeswide Safeguarding Adults Board (TSAB) is the statutory body that sets the strategic direction for safeguarding and approves and updates all policies and procedures. HBC is represented on the Board and all sub groups.</p> <p>The Quality Assurance Framework (QAF) is completed by a number of peers from other local authorities and other statutory bodies, e.g. the Police. This is linked to the guiding principles of the Care Act.</p> <p>New legislation (Domestic Abuse Act) is now in place to help deal with the increase in domestic abuse.</p> <p>There are a range of multi-agency arrangements in place across Tees and at a local level to share information and support the safeguarding of vulnerable adults including:</p> <ul style="list-style-type: none"> • Multi Agency Risk Assessment Conference (MARAC) • Multi Agency Tasking & Coordination (MATAC) • Multi Agency Public Protection Arrangements (MAPPA) • Tees Exploitation Group • Anti-Slavery Network • Vulnerable, Exploited, Missing, Trafficked (VEMT) • Integrated Community Safety Team • Ensure all providers have up to date training for their staff in identifying, dealing with and reporting Safeguarding issues

		<p>We have recently taken a Teeswide Safeguarding Adults Board (TSAB) report to Adult Services Committee (25/01/2024) to provide assurance about our adult safeguarding arrangements.</p> <p>We have updated our High Risk Adults Panel (HRAP) procedures with the TSAB Statutory partners and implemented a new approach to supporting people with complex presentations.</p> <p>Following a review in March 2023 by Partners in Care & Health (Local Government Association / ADASS) we have strengthened our safeguarding offer to respond to increased activity and demand on services.</p> <p>HBC currently chairs two sub groups of the TSAB arrangements - Communication & Engagement and Safeguarding Adults Review(s).</p> <p>In December 2023, we went live with our Power BI Safeguarding Adults dataset, which supports officers to analyse and visualise raw data and present actionable information. This will provide greater reassurance to the TSAB and help us better understand our strengths and areas for improvement.</p>
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	John Lovatt – Assistant Director - Adult Social Care
DIVISION	Adult Social Care
DEPARTMENT	Adults and Community Based Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Access to Leisure, Community and Preventative Services – Failure to engage the at risk population in preventative, cultural, leisure and community based activities could impact on demand led services.		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?	
<ul style="list-style-type: none">• Unable to operate buildings due to lack of financial resource including capital investment.• Unable to operate buildings due to lack of staff resource.• Insufficient investment in the redevelopment of leisure and community assets.• Lack of investment in preventative services and financial resource being allocated to treatment/crisis/social care services.	<ul style="list-style-type: none">• Lack of investment could result in moth balling facilities or selling/leasing to other organisations.• Unable to retain high quality staff to support long term delivery of services.• Existing assets are ageing and in need of investment or replacing. Without investment it will be increasingly challenging to maintain an offer for the whole population.• Demand will increase and further resources will be committed to treatment / crisis responses rather than investing in prevention.	<ul style="list-style-type: none">• Planned maintenance programme.• External funding opportunities are being explored.• Social Capital opportunities are being explored• Empowering communities to create their own opportunities.• Working with VCS organisations to support the delivery of community priorities.• Demonstrating to internal and external partners the difference preventative work can make to the economy.	

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Gemma Ptak – Assistant Director - Preventative and Community Based Services
DIVISION	Preventative and Community Based Services
DEPARTMENT	Adult and Community Based Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Highways and Flood Defences – Failure to maintain the Borough Highway infrastructure and protect areas from flooding risks could impact on the economy and quality of life.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Lack of investment in infrastructure. • Deterioration of the highway due to extreme weather. • Escalating costs for schemes. • Loss of key personnel. • Quality of work issues. • Storm intensity exceeding the design capacity of the drainage network. • Climate Change leading to more unexpected and severe weather events such as storm surges, heavy rainfall, etc. 	<ul style="list-style-type: none"> • Financial. • Reputation. • Legal. • Health and safety issues where infrastructure cannot be fixed or upgraded. 	<ul style="list-style-type: none"> • Established inspection regimes and policies for both highways and flood/coastal protection assets. • Regular monitoring meetings with insurance officers to assess position. • Regular review on inspection frequencies in conjunction with insurance section to determine policy outcomes. • Use HBC procurement process to ensure robust costs estimates. • Work closely with contractors to ensure deliverable schemes are developed. • Existing Transport Policy in Local Transport Plan. • Programme of installation of dropped kerbs. Programme of installation of low floor bus infrastructure. • Weather warnings provided by Met Office enabling advanced planning to be undertaken.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE		AMBER 6		
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Kieran Bostock – Assistant Director - Neighbourhoods
DIVISION	Neighbourhoods
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Community Safety - Failure to provide a safer Hartlepool where residents and visitors can live free from crime, fear of crime and anti-social behaviour could impact on quality of life and tourism.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> CCTV service unable to operate without access to Civic Centre. Lack of partnership approach by agencies. Reduced resources within the police and fire authority. Lack of scrutiny from Safer Hartlepool Partnership. 	<ul style="list-style-type: none"> Financial. Reputation. Legal. 	<ul style="list-style-type: none"> Other services could function with remote access to systems. Footage could be viewed from other locations however cameras would be static. Regular liaison with Police and Fire Brigade. Joint working regularly carried out through the Hartlepool Community Safety Team. All partner agencies work to same strategies in Safer Hartlepool Partnership. Audit and Governance community safety statutory role.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLECTIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Sylvia Pinkney - Assistant Director - Regulatory Services
DIVISION	Regulatory Services
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Waste Management - Council are unable to collect and dispose of all household waste within existing financial resources.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Increased costs relating to waste disposal. Provision of new contract or re-negotiation of existing contract. Lack of contractors willing to remove certain waste products. Current Government consultation relating to waste and future implications of findings. Existing plant/equipment insufficient to meet current needs. Announcement of government's Simpler Recycling strategy, which will require HBC to introduce food waste collections to all properties by April 2025, amongst other requirements. Uncertainty around future of the proposed Energy Recovery Facility, which will replace Suez's Haverton Hill Energy from Waste (EfW) facility as HBC's main waste disposal route. 	<ul style="list-style-type: none"> Financial. Reputational. Legal. 	<ul style="list-style-type: none"> Ongoing discussions with existing contractor. Procurement options being considered. Consultation response sent to Government on their proposed new strategy and the possible implications for Councils that may need further consideration. Contractors appointed to produce long term strategy and business case for Tees Valley future waste provision. Waste Management and Officer Groups established across Tees Valley. Availability of ear-marked reserves to cover budget overspend. Government will provide some funding to assist with implementation of its Simpler Recycling strategy, though details of this funding (how much, how and when allocated, etc.) have not yet been announced. Contingency planning ongoing to secure future waste disposal options.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Kieran Bostock – Assistant Director - Neighbourhoods
DIVISION	Neighbourhoods
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Business Continuity - Failure to provide Council services as a result of disruption to the normal day to day activities
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Disruption to normal day-to-day activities as a result of a major incident affecting employees, accommodation, IT services or vehicles. Service delivery partners withdrawing contracted services. Pandemic Flu. Major Incident declared affecting the wider community of the town. 	<ul style="list-style-type: none"> Reputation. Legal. Financial. Health and Safety 	<ul style="list-style-type: none"> Business Continuity group coordinating arrangements for reviewing, planning and testing. Business Continuity plans in places for services and functions. Exercising of Business Continuity plans to ensure fit for purpose.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	Executive Leadership Team - ELT (Sylvia Pinkney - Assistant Director - Regulatory Services)
DIVISION	All
DEPARTMENT	All
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Effective Business Continuity Group in place with regular reporting to ELT and escalation of concerns as required.	Review the effectiveness of the feedback mechanism between the Business Continuity Group and ELT. Report to be presented to Executive Leadership Team (ELT).	Assistant Director – Regulatory Services	March 2024

RISK TITLE:	Economic Regeneration: Failure to encourage regeneration, support enterprise and improve development opportunities for new and existing businesses across the borough.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Failure to secure capital/revenue funding to deliver future regeneration projects • Failure to deliver existing and future regeneration projects on time/budget • Impact of inflation on capital programme costs. • Failure for the BIS/HEC to meet their business/income targets and remain economically viable. • Failure of the Council to effectively engage with local businesses and offer appropriate advice and financial assistance. • Failure of the Tees Valley Combined Authority to effectively engage with local businesses and offer appropriate advice and financial assistance. • Failure of other publicly funded business support organisations to effectively engage and deliver appropriate advice and financial assistance. • Failure of the Council to develop and deliver activities, events and projects that directly contribute to the growth in the economy. 	<ul style="list-style-type: none"> • Legal and financial impacts relating to Council capital/revenue and external funding of regeneration projects and assets. • Reputational damage to the Council. • Adverse effect on local economy. 	<ul style="list-style-type: none"> • Ensuring the Council teams have adequate staff and resources to undertake duties effectively. • Close monitoring of the current Regeneration Programme to identify issues/constraints/obstacles and look to positively remedy. • Capital programme monitoring arrangements in place and capital contingency built in to 2022/23 MTFS. • Continued close working relationship with the Tees Valley Combined Authority and other business support organisations. • Yearly plan of economy related interventions/activities to be undertaken.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Bev Bearne - Assistant Director - Development and Growth
DIVISION	Development and Growth
DEPARTMENT	Development, Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Housing - Failure to address the housing requirements of the borough and provide affordable, high-quality housing.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none">• Imbalance in the current housing stock with existing provision skewed towards terraced/low quality dwellings.• Lack of Council owned land that can be developed for additional affordable housing provision.• Non or stalled delivery of the allocated housing sites and associated infrastructure provision identified in the Local Plan.• Downturn in the local, regional, national housing market due to economic/political changes.• Developments in the Teesmouth and Cleveland Coast Special Protection Area (SPA) not being approved for planning because they cannot demonstrate that they are nutrient neutral.• Housing Needs of the population cannot be met through current provision	<ul style="list-style-type: none">• Inability of the Council to benefit from additional New Homes Bonus (subject to Government changes of this regime).• Inability of the Council to capture additional and higher value Council Tax.• Negative economic impact in terms pf physical job creation in the construction phase but also in providing attractive living environment for economically active people.• Reduced inward migration of economically active people and the risk of outward migration to more attractive settlements.	<ul style="list-style-type: none">• Adopted Local Plan which seeks to specifically address the current and future housing requirements of the Borough via allocating appropriate land and policies that control development.• Adopting a Housing Strategy which seeks to address the housing requirements of the borough and provide affordable, high-quality housing.• Memorandum of understanding agreed with Natural England on a range of mitigation for waste water discharges which will allow developments to proceed.• Undertaking a review of all local intelligence re: housing stock/ housing quality and housing needs

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Bev Bearne - Assistant Director - Development and Growth Kieran Bostock - Assistant Director – Neighbourhoods Danielle Swainston Assistant Director – Joint Commissioning
DIVISION	Various
DEPARTMENT	Development, Neighbourhoods and Regulatory Services t, Children’s and Joint Commissioning
DATE OF ASSESSMENT	January 2024

RISK TITLE:	Adult Social Care - Workforce, system and financial pressures within the NHS may negatively impact on Adult Social Care and the broader Council by placing unrealistic expectations on Adult Social Care to assess and provide services to vulnerable and ill people earlier.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Continued operational pressures linked to Covid, especially long term Covid, affecting the public and the workforce. Significant number of flu cases affecting the public and the workforce. Further changes to the regulatory framework we operate in linked to hospital discharges, Mental Capacity Act. Further pressures impacting on services to people with a mental health need. Further pressures on the ambulance service and bed availability for people experiencing a mental health crisis. Any further pressures on funding of Adult Social Care. Recent developments such as the introduction of the 'Virtual Ward' may increase demand beyond our ability to respond in a timely way. Industrial action by Health and Care Bodies. 	<ul style="list-style-type: none"> Adult Social Care being expected to act beyond the scope of our legal powers (<i>ultra vires</i>). Adult Social care being required to manage clinical interventions rather than social care issues. If the performance of Adult Social Care was negatively affected by the causes as outlined, the impact would be significant on acute hospital availability and the availability of beds to meet crisis interventions for people with a mental health need. Increased pressure on family carers, leading to carer breakdown with the potential to lead to more placements required in care homes. Leading to greater expenditure for Adult Social Care. Increased waiting times for an assessment of need, leading to greater risk to 'life and limb' regarding the people we serve and their family carers. Negative implications on the finances of Adult Social Care with increased expenditure for the provision of domiciliary care expenditure as we may have to meet people's needs earlier when they are frailer and requiring more care. Increased stress on the workforce because of the a requirement to work quicker, especially in relation to hospital discharges and deal with patients and their family members with more complex needs. This increased stress may lead to staff absence regarding short term and long term unplanned leave. 	<ul style="list-style-type: none"> We have regular, scheduled meetings with our Health colleagues to reflect on the health and social care systems response to the recovery phase following the Covid pandemic and pressures caused by the expansion of elective surgical operations to reduce NHS waiting lists, which inevitably increases activity across the whole system. We have agreed contingences in situ if there is a prolonged period of inclement weather, whether this be a heat wave or a 'cold snap'. We are close to finalising a workforce strategy for Adult Social Care to enable the staff to access training and develop skills that will enable them to transfer to different parts of the Department in the event of a crisis situation. We have highlighted the potential financial pressures linked to the provision of health and social care services to the Executive Leadership Team and agreed a short term financial strategy with the Pooled Budget Partnership Board. With regard to the Better Care Fund (BCF) the joint priorities for the provision of health and adult social care across Hartlepool has been agreed, as has the associated funding linked to the BCF for the period 2023 – 2024. In relation to the

	<ul style="list-style-type: none"> Delay in planned admissions leading to complications and increased anxiety, physical and mental distress. Further social care pressure on supporting people in the community. 	<p>period 2024 – 2025 we are awaiting further detail from the Government before confirming.</p> <ul style="list-style-type: none"> Integrated Single Point of Access, regular stress testing of the system.
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	John Lovatt
DIVISION	Adult Social Care
DEPARTMENT	Adult and Community Based Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Monitoring of BCF expenditure 2023-2024	Activity and related expenditure needs monitoring to identify pressures within the health and adult social care system to mitigate risks to the Department's and broader Council's financial position.	Assistant Director – Adult Social Care Head of Strategic Commissioning – Adult Social Care Head of Finance	March 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
'Virtual ward'	A proposal has been agreed with the NHS in relation to this development which will need monitoring operationally via the Head of Service and via the Commissioned Services Team.	Assistant Director – Adult Social Care Head of Service – Early Intervention Head of Strategic Commissioning	March 2024
Extending the function of our Direct Care and Support Service to provide planned care overnight to reduce reliance on residential care	Further negotiations with the NHS, HBC staff, funding to be identified from BCF and resilience funding to implement.	Head of Service – Early Intervention Services Head of Service - Strategic Commissioning	March 2024

RISK TITLE:	Market failure and sufficiency of provision – Failure within the children’s care or education sector to provide sufficient foster care, special school and residential care that can meet the needs of children leading to insufficient capacity to support vulnerable children appropriately.		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?	
<ul style="list-style-type: none">• Insufficient local provision available to commission places• Insufficient places regionally and nationally to meet need and demand• Action taken by the regulator to stop a service from operating.• Provider decides to close or change focus of provision.• Provider cannot operate due to lack of appropriate workforce/ staffing.• Commissioned places not able to provide high quality services.• Complexity of need for some children is so great all providers unable to offer place as unable to meet need• Regulatory framework makes providers reluctant to offer placements to the most challenging children as worried providing placement may affect their Ofsted judgement.	<ul style="list-style-type: none">• Placements for vulnerable children ceasing at very short notice with no available alternative placements sourced.• Services unavailable to meet assessed need placing children at risk of harm.• Vulnerable children need to be moved to different provision which is detrimental to their development, education, health and wellbeing and experience repeated placement disruption.• Increase in out of area placements if there is insufficient provision locally.• Increase in need to commission places from the independent sector which creates additional budget pressures for both care and education• Reputational damage to the Council if services cannot be provided within Hartlepool to meet local needs.• Increasing number of unregulated or alternative provision packages for children.	<ul style="list-style-type: none">• Opening additional children’s homes and special school to ensure more children’s needs can be met in Hartlepool• Continued fostering campaign to increase number of foster carers able to offer homes for children in our care• Increasing school place capacity in special schools in Hartlepool• Robust exploration of extended family members who can care for children within their family network• Strong relationships with providers in local area who know organisation and will seek to meet our placement needs• High level of support to children placed in independent provision including additional support to fragile placements to prevent breakdown• Quality assurance of independent provision• Annual sufficiency assessments are completed to identify where there are emerging gaps in provision and work with providers to develop provision	

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Danielle Swainston - Assistant Director - Joint Commissioning
DIVISION	Joint Commissioning
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	January 2024

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Undertake High Needs Block Review to ensure that local provision is in place to meet children's education needs (SEND)	Implement recommendations as per HNB report	Assistant Director - Joint Commissioning	March 2024

FINANCE AND POLICY COMMITTEE**19TH FEBRUARY 2024**

Subject: DEVELOPING THE NEW COUNCIL PLAN 2024-2029
– PROGRESS UPDATE

Report of: Managing Director

Decision Type: For Information.

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 update Finance and Policy Committee on the Big Conversation, the Borough-wide consultation and engagement exercise which will inform the development of the new Council Plan 2024/25 – 2028/29.

3. BACKGROUND

- 3.1 Finance and Policy Committee at their meeting on 18th September 2023 agreed the process for developing the new Council Plan 2024/25 – 2028/29 including a Borough-wide Big Conversation consultation and engagement exercise. The final survey and the detailed consultation and engagement plan were developed by a Steering Group of Officers from across the Council and were agreed by the Executive Leadership Team on 24th October 2023.
- 3.2 The start of the Big Conversation was therefore delayed but launched on 22nd November 2023. Although it was initially intended that the Big Conversation would run for 8 weeks it was agreed that due to delay which meant that the exercise would run through December including over the Christmas period it would be extended to 10 weeks and close on 31st January 2024. This was in anticipation of lower engagement rates during the festive period. Towards the end of the exercise it was also agreed to extend it by a further 2 weeks until 14th February 2024 so that a final push could be undertaken and to enable other consultation activities to be incorporated into the findings report including the Annual Business Survey.

4. UPDATE ON THE BIG CONVERSATION

- 4.1 At the time of publication of this report the Big Conversation was due to close on 14th February 2024. Over the course of the 12 week exercise there were a range of different ways that people could get involved including:
- Online – survey, quick poll and questions
 - Paper – survey and postcards (featuring 1 of the core questions)
 - In person – events and drop in activities
- 4.2 As stated at the outset of the exercise the intention was to go and engage with people where they already were rather than holding large events and expecting people to come to us. Officers from across the Council have hosted Big Conversation activities with those that they work with including:
- Children in Care Council
 - Asylum seekers, refugees and resettlement families
 - Youth Service
 - Holiday Activity Fund (HAF) projects
 - Community Hubs.
- 4.3 In addition specific sessions were arranged for the Voluntary, Community and Social Enterprise Sector (VCSE), Head Teachers, Public Sector Partners and the Economic and Business Forum Steering Group.

4.4 As of 7th February 2024 the number of engagements were:

Survey responses	590
Quick Poll responses	113
Postcard responses	332
Event attendances	261
Online Questions asked	1
Total engagements =	1,297

4.5 Analysis of the responses received and preparation of the Findings Report are underway and the final report will be shared with Finance and Policy Committee alongside the proposed draft Council Plan 2024/25 – 2028/29 at their meeting in June / July 2024. The exact date will be confirmed once the Council diary is set following the elections in May.

5. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	<p>The Big Conversation consultation and engagement exercise will inform the development of the new Council Plan and other strategies and plans across the council. This will minimise the risk that these strategies and plans are developed without reflecting the needs of the borough or views of key stakeholders.</p> <p>Health and safety risks related to the consultation exercise will be considered and managed as appropriate.</p>
FINANCIAL CONSIDERATIONS	<p>Undertaking such a significant consultation exercise will require some expenditure but this has been carefully managed and funded from existing budgets. The intention to utilise existing staff and resources as much as possible and to go to where people are rather than holding large scale events has assisted in minimising costs. Also, using this consultation exercise to inform the development of other strategies and plans and for future funding bids will ensure that we get the best value out of this consultation exercise.</p>
LEGAL CONSIDERATIONS	<p>No related issues.</p>

CHILD AND FAMILY POVERTY	The new Council Plan will continue to work to reduce child and family poverty within Hartlepool and a Child and Family Poverty Impact Assessment will be developed alongside the draft Plan. In addition, the 'Big Conversation – Your Say, Our Future' consultation plan will consider and reflect the needs of children and families in poverty.
EQUALITY AND DIVERSITY CONSIDERATIONS	The new Council Plan will aim to have a positive impact on the whole population of Hartlepool and will articulate the Council's Equality Objectives as required through the Public Sector Equality Duty. An Equality Impact Assessment will be developed alongside the draft Plan. In addition, the 'Big Conversation – Your Say, Our Future' consultation plan will consider and reflect the needs of those from the protected characteristics.
STAFF CONSIDERATIONS	Delivering the proposed consultation exercise will require support from staff across the Council.
ASSET MANAGEMENT CONSIDERATIONS	No related issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No related issues.
CONSULTATION	This report provides an update on the Big Conversation consultation and engagement exercise which will be used to inform the development of the new Council Plan.

6. RECOMMENDATIONS

- 6.1 Finance and Policy Committee is requested to note the progress made on the Big Conversation the Borough-wide consultation and engagement exercise which will inform the development of the new Council Plan 2024/25 – 2028/29.

7. REASONS FOR RECOMMENDATIONS

- 7.1 Finance and Policy Committee is the responsible committee for the Council Plan.

8. BACKGROUND PAPERS

- 8.1 Developing the new Council Plan 2024-2029 – Proposed timetable and first stage consultation process report to Finance and Policy Committee on 18th September 2023.

9. CONTACT OFFICERS

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01429 523001

Sign Off:-

Managing Director	Date:
Director of Finance, IT and Digital	Date:
Director of Legal, Governance and HR	Date: