

PLEASE NOTE VENUE AND TIME

SCRUTINY CO-ORDINATING COMMITTEE AGENDA



Friday 2 November 2007

at 3.30 pm

at Ow ton Manor Community Centre, Wynyard Road, Hartlepool

MEMBERS: SCRUTINY CO-ORDINATING COMMITTEE:

Councillors Akers-Belcher, Brash, R W Cook, S Cook, Fleet, Flintoff, James, Laffey, A E Lilley, G Lilley, A Marshall, Plant, Preece, Shaw, Simmons and Wright.

Resident Representatives:

Linda Shields, Iris Ryder and Vacancy

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 14 September 2007.

4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE

No items.

5. CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS

No items.

PLEASE NOTE VENUE AND TIME

6. FORWARD PLAN

No Items.

7. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS

7.1 Scrutiny Involvement in the Budget Setting Process for 2008/09 – Proposed Timetable – *Scrutiny Manager*

7.2 Budget and Policy Framework 2008/2009 to 2010/11 – Initial Consultation Proposals – *Chief Financial Officer*

8. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

No items.

9. ITEMS FOR DISCUSSION

No items.

10. CALL-IN REQUESTS

11. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

ITEMS FOR INFORMATION

Date of Next Meeting – Friday 9 November 2007 at 2.00 pm in the Main Hall, Owton Manor Community Centre, Wynyard Road

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

14 September 2007

The meeting commenced at 2.30 pm at Belle Vue Community,
Sports and Youth Centre, Hartlepool

Present:

Councillor: Marjorie James (In the Chair)

Councillors: Stephen Akers-Belcher, Jonathan Brash, Rob Cook, Shaun Cook,
Mary Fleet, Pauline Laffey, Geoff Lilley, Ann Marshall, Michelle
Plant, Jane Shaw, Chris Simmons and Edna Wright.

Resident Representatives:

Linda Shields and Iris Ryder

Officers:

Graham Frankland, Head of Procurement and Property Services
Chris Little, Assistant Chief Financial Officer
John Mennear, Assistant Director, Adult and Community Services
Christine Armstrong, Central Services Manager
Bart Johnson, Principal Economic Development Officer (Europe)
Peter Turner, Principal Strategy Development Officer
Karen Burke, Senior Procurement and Finance Officer
Charlotte Burnham, Scrutiny Manager
Angela Hunter, Principal Democratic Services Officer

34. Apologies for Absence

Apologies for absence were received from Councillors Alison Lilley and
Arthur Preece.

35. Declarations of interest by Members

None.

36. Minutes of the meeting held on 3 August 2007.

Confirmed.

37. Responses from the Council, the Executive or Committees of the Council to Reports of the Scrutiny Co-ordinating Committee – Portfolio Holder's Response to the 'Withdrawal of European Structural Funding to the Voluntary Sector within Hartlepool' Scrutiny Referral Final Report *(Joint Report of Director of Adults and Community Services/Director of Regeneration and Planning and the Portfolio Holders for Regeneration and Liveability, Neighbourhoods and Communities, Culture, Leisure and Tourism)*

The Scrutiny Manager introduced the report which provided Members with feedback on the recommendations from the investigation into the Withdrawal of European Structural Funding to the Voluntary Sector within Hartlepool, which was reported to Cabinet on 30 April 2007. Following consideration of the Final Report, Cabinet approved the recommendations in their entirety. Details of each recommendation and proposed actions to be taken were provided in the Action Plan attached at Appendix A.

The Assistant Director of Adult and Community Services added that the report would be submitted to the Local Strategic Partnership and was on target for completion by March 2008.

Clarification was sought on the involvement of Scrutiny Co-ordinating Committee in the future. The Assistant Director indicated that representatives from this Committee would be sought as part of the membership of the Working Group when appropriate.

Recommendation

Members noted the proposed actions within the Action Plan.

38. Forward Plan

None.

39. Consideration of progress reports/budget and policy framework documents

None.

40. Consideration of financial monitoring/corporate reports – Revenue Outturn Report 2006/07 *(Chief Financial Officer)*

The Assistant Chief Financial Officer presented a report which provided details of the Council's 2006/07 Revenue Outturn. This report had been submitted to Cabinet on 28 August 2007 and was attached as Appendix 1. It was added that there had been no changes to the provisional figure examined by this Committee in June 2007.

A discussion ensued which included the following issues.

- Had there been any funds identified for inclusion within the reserves? The Assistant Chief Financial Officer responded that no funds had been identified for inclusion within the reserves from the outturn figures. However, there had been £1.3m surplus identified and Cabinet had taken the decision to place this money into the budget support fund as a short-term measure. This would then be included within the budget proposals for 2007/08 and be examined by Scrutiny as part of the budget consultation process prior to approval by Council.
- Clarification was sought on the items identified as miscellaneous in Appendices A-I. The Assistant Chief Financial Officer advised that this covered support and back office functions. Members requested that all items identified as miscellaneous be listed and despatched under separate cover to Members of this Committee.
- Members questioned the overspend by the Neighbourhood Services Department. The Assistant Chief Financial Officer indicated that the overspend within the Neighbourhood Services Department had been challenged and it was acknowledged that there had been a number of one-off costs including bonus buy-out payments and a loss in car parking income. Clarification was sought on bonus buy-out payments and the process for dealing with any surplus funds which remain in this budget. The Assistant Chief Financial Officer indicated that any surplus funds would be returned to the General Fund and this was currently being processed.
- Members sought clarification on the acronym 'DSG'. The Assistant Chief Financial Officer advised that this was a Dedicated Schools Grant provided by the DfES and ring-fenced to schools. It was managed within very complex rules with limited flexibility. It was noted that the Schools Forum was examining any underspends within schools with a view to addressing this issue. Members requested for information purposes a copy of the DSG spending criteria under separate cover from the Assistant Chief Financial Officer.
- Members suggested that officers examine the wording used within the appendices with a view to clearer identification of subject areas in future reports.

Recommendation

- (i) That the report be received;
- (ii) That the Assistant Chief Financial Officer provide Members of the Committee with the following information under separate cover:-
 - (a) a breakdown of the functions grouped under the heading of 'miscellaneous' as outlined in Appendices A-1 within the submitted report; and
 - (b) a copy of the Dedicated Schools Grant spending criteria.

41. Consideration of financial monitoring/corporate reports – Quarter 1 – Corporate Plan Progress and Revenue Financial Management Report 2007/08 *(Chief Financial Officer)*

The Principal Strategy and Development Officer presented a report which provided details of :-

- the progress made towards achieving the Corporate Plan Service improvements (SIPS) in order to provide timely information and allow any necessary decisions to be taken;
- to provide details of progress against the Council's overall revenue budget for 2007/2008.

This report had been submitted to Cabinet on 28 August 2007 and was attached at Appendix 1. Members' comments on the presentation of the report had been taken into account when preparing the report. In response to a Member's question the Principal Strategy Development Officer indicated that any areas highlighted as red within the first quarter would be focussed on with a view to achieving the target by the end of the year.

Recommendation

Members noted the report.

42. Scrutiny Investigation into the Authority's Postal Service *(Scrutiny Manager/Head of Procurement and Property Services)*

The Scrutiny Manager presented the report which introduced Members to the presentation of the work of the Authority's Corporate Efficiencies Group to be delivered by the Head of Procurement and property Services as part of the Committee's review of the Authority's postal service.

The Head of Procurement and Property Services gave a comprehensive and

detailed presentation which identified the National Procurement Strategy and how this was recognised within the regional and local context. It was noted that the procurement of postal services was a huge issue and that the Council had massive buying power which could lead to collaboration or partnership arrangements with other Local Authorities, local PCTs, Health Trusts and housing associations.

A discussion ensued in which the following issues were raised.

- Members were keen to see this issue progressed within a timescale that would enable any savings identified to be included as part of the budget process for next year.
- It was suggested that different service providers could be utilised for postal delivery for deliveries within the town and outside of the town. The Head of Procurement and Property Services indicated that although this could be looked at there was a licensing issue that would need to be resolved. It was noted that the Authority was constrained to some extent within Government procurement procedures but that helping local businesses was always a consideration.
- Members sought clarification on why there were so many different processes used for both internal and external post. The Head of Procurement and Property Services responded that the different ways of processing post had built up over time and that this needed to be examined with a view to streamlining processes and sharing good practice.
- It was questioned whether any cost-benefit analysis had been carried out with a view to increasing electronic delivery. The Head of Procurement and Property Services indicated that the costs in relative terms were small but with department's under pressure to identify savings everything was being looked at, including the printing service.

Recommendation

Members noted the content of the report and presentation and agreed that the Scrutiny Manager reflects such discussions within the Draft Final Report to be considered at the next meeting of this Committee.

43. Consideration of request for scrutiny reviews from Council, Executive Members and Non Executive Members – Consultation on Post Office Closure Programme *(Scrutiny Manager)*

The Scrutiny Manager presented a report which informed Members about the proposed intention to consult this Committee as suggested by the Elected Mayor, as part of Postwatch's consultation with the Council over the national post offices closure programme.

Members requested that a preliminary report be submitted to the Committee to enable identification of the location of post offices within the town, the demographic of the clientele and the catchment areas, prior to consideration consultation process commencing in February 2008.

Recommendation

- (i) That the report be received and the consultation of the post office closure programme be built into the Committee's work programme for February 2008.
- (ii) That a report be submitted to this Committee prior to the consultation process commencing in February 2008 to outline a brief overview of the location of the post offices in the town as detailed above.

44. Consideration of request for scrutiny reviews from Council, Executive Members and Non Executive Members – Scrutiny Topic Referral from the South Neighbourhood Consultative Forum – 'Sustainability of Externally Funded Community Initiatives in Schools' (Scrutiny Manager)

The Scrutiny Manager presented a report which informed Members of the recent scrutiny topic referral from the South Neighbourhood Consultative Forums to the Overview and Scrutiny Function. The referral related to concerns expressed about community spaces within schools and the sustainability of these facilities once the capital investment ended.

A discussion ensued which included the following issues.

- It was suggested that as this issue was cross-cutting across the Scrutiny Forums, the investigation be managed by the Children's Services Scrutiny Forum, however, where appropriate invitation be extended to Members of the Neighbourhood Services Scrutiny Forum where appropriate
- There were some concerns about increasing the workload of the scrutiny forums in light of the challenging work programmes already agreed. However, it was noted that this was a huge issue that could run into next year's work programme if necessary and that it should be looked at in conjunction with Building Schools for the Future.

Recommendation

That the investigation into this issue be lead by the Children's Services Scrutiny Forum with invitations extended to Members of the Neighbourhood Services Scrutiny Forum where felt appropriate.

45. Call-In Requests

None.

MARJORIE JAMES

CHAIR

SCRUTINY CO-ORDINATING COMMITTEE

2 November 2007



Report of: Scrutiny Manager

Subject: SCRUTINY INVOLVEMENT IN THE BUDGET SETTING PROCESS FOR 2008/09 – PROPOSED TIMETABLE

1. PURPOSE OF REPORT

- 1.1 To provide Members with the proposed timetable for the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' involvement in the budget setting process for 2008/09.

2. BACKGROUND INFORMATION

- 2.1 Building upon the success of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' involvement in last year's budget setting process, it is now time to establish the timetable for the 2008/09 budget setting process.
- 2.2 In consultation with the Chair of the Scrutiny Co-ordinating Committee, attached as **Appendix A** is the proposed timetable for the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' involvement in the budget setting process for 2008/09.
- 2.3 In order to meet the statutory timescales of approving the Authority's budget for 2008/09, Members are asked to kindly note that it has been necessary to schedule additional meetings of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' where necessary.
- 2.4. Arrangements have also been made for the relevant Director(s) and the appropriate Cabinet Member(s), subject to their availability, to attend those scrutiny meetings which fall under their area(s) of responsibilities.

3. RECOMMENDATION

- 3.1 It is recommended that Members note the proposed timetable for the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' involvement in the budget setting process for 2008/09.

Contact Officer:- Charlotte Burnham – Scrutiny Manager
Chief Executive's Department - Corporate Strategy
Hartlepool Borough Council
Tel: 01429 523 087
Email: charlotte.burnham@hartlepool.gov.uk

BACKGROUND PAPERS

No background papers were used in the preparation of this report.

APPENDIX A

PROPOSED 2008/09 BUDGET AND POLICY FRAMEWORK TIMETABLE OVERVIEW AND SCRUTINY COMMITTEES' INVOLVEMENT

TIMESCALE / DATE OF MEETING	TO CONSIDER
<p>Scrutiny Co-ordinating Committee (Additional Mtg) 2 November 2007 – 3.30 pm V: Owton Manor Community Centre <i>(Paper deadline – 22 Oct 07)</i></p>	<p>Budget and Policy Framework 2008/09 - Initial Consultation Proposals</p> <p>Invitation extended to Elected Mayor and Finance and Efficiency Portfolio</p> <p>Relevant sections of the Initial Consultation Proposals are then to be considered by the relevant Scrutiny Forum to enable Scrutiny Members to have a more holistic view of the whole budget.</p>
<p>ADDITIONAL MEETINGS OF THE 4 SCRUTINY FORUMS TO BE HELD w/c 12 November 2007 :</p> <p>Neighbourhood Services Scrutiny Forum (Additional Meeting) 12 November 2007 – 4.30 pm V: Owton Manor Community Centre <i>(Paper deadline – 31 Oct 07)</i></p> <p>Adult & Community Services & Health Scrutiny Forum (Diaried Mtg) 13 November 2007 – 3.00 pm V: Owton Rossmere Resource Centre <i>(Paper deadline – 31 Oct 07)</i></p> <p>Regeneration & Planning Services Scrutiny Forum (Additional Mtg) 14 November 2007 – 3.30 pm V: Owton Manor Community Centre <i>(Paper deadline – 1 Nov 07)</i></p> <p>Children's Services Scrutiny Forum (Additional Mtg) 19 November 2007 – 5.00 pm V: Avondale Centre <i>(Paper deadline – 7 Nov 07)</i></p>	<p>Purpose of additional meetings to consider on a departmental basis the pressures and priorities, grant terminations and contingencies.</p> <p>Relevant Director and Portfolio Holder((s) subject to availability)) to be in attendance.</p>
<p>Scrutiny Co-ordinating Committee 23 November 2007– 2.00 pm (Diaried Mtg) V: Owton Manor Community Centre <i>(Paper deadline – 12 Nov 07)</i></p>	<p>To consider the Chief Executive's pressures and priorities, grant terminations and contingencies.</p> <p>Nominated Chief Officer(s) on behalf of the Chief Executive's Department to be in attendance along with responsible Portfolio Holder((s) subject to availability)).</p> <p>To consider the responses to the budget proposals from the four Scrutiny Forum and to formulate the SCC's formal response for consideration by the Cabinet on 17 Dec 07 (introductory report to be compiled by Charlotte with verbal/written evidence being circulated/presented at the meeting from the Scrutiny Chairs).</p> <p>Delegated Authority to be given to the Chair of SCC to agree the content of the formal response to Cabinet.</p>

APPENDIX A

PROPOSED 2008/09 BUDGET AND POLICY FRAMEWORK TIMETABLE OVERVIEW AND SCRUTINY COMMITTEES' INVOLVEMENT

TIMESCALE / DATE OF MEETING	TO CONSIDER
Cabinet (Special Mtg) 17 December 2007 – 9.00 am <i>(Paper deadline – 28 Nov 07)</i>	SCC to feedback to Cabinet on their initial consultation proposals
Scrutiny Co-ordinating Committee (Diari ed Meeting) 4 January 2008 - 2.00 pm V: Owton Manor Community Centre <i>(Paper deadline – 13 Dec 07)</i>	To consider the finalised (second round) budget proposals of the Cabinet agreed on 10 Dec 07, with particular focus being placed upon the Chief Executive's Department Invitation extended to Elected Mayor and Finance and Efficiency Portfolio Nominated Chief Officer(s) on behalf of the Chief Executive's Department to be in attendance along with responsible Portfolio Holder((s) subject to availability)).
ADDITIONAL MEETINGS OF THE 4 SCRUTINY FORUMS TO BE HELD EARLY JANUARY 2008 : Children's Services Scrutiny Forum (Additional Meeting) 7 January 2008 – 4.30 pm V: Avondale Centre <i>(Paper deadline – 14 Dec 07)</i> Neighbourhood Services Scrutiny Forum (Diari ed Meeting) 9 January 2008 – 4.00pm V: Belle Vue Community Sports & Youth Centre <i>(Paper deadline – 18 Dec 07)</i> Adult &Community Services & Health Scrutiny Forum (Additional Mtg) 10 January 2008 – 3.00 pm V: Avondale Centre <i>(Paper deadline – 19 Dec 07)</i> Regeneration & Planning Services Scrutiny Forum (Diari ed Mtg) 17 January 2008 – 2.00 pm V: Belle Vue Community Sports & Youth Centre <i>(Paper deadline – 4 Jan 08)</i>	Purpose of additional meetings - to consider the Executive's finalised budget proposals on a departmental basis in relation to pressures and priorities, grant terminations and contingencies. Relevant Director and Portfolio Holder((s) subject to availability)) to be in attendance.

APPENDIX A

PROPOSED 2008/09 BUDGET AND POLICY FRAMEWORK TIMETABLE OVERVIEW AND SCRUTINY COMMITTEES' INVOLVEMENT

TIMESCALE / DATE OF MEETING	TO CONSIDER
Scrutiny Co-ordinating Committee (Additional Meeting) 18 January 2008 – 2.00 pm V: Owton Manor Community Centre <i>(Paper deadline – 7 Jan 08)</i>	To consider the formal responses of the SCC and the 4 Scrutiny Forums and to agree the formal response on the Executive's finalised proposals for submission to Cabinet on the revised date of 11 February 2008
Cabinet (Special Mtg) 11 February 2008 – 9.00 am <i>(Paper deadline – 30 Jan 08)</i>	Cabinet to consider feedback from formal scrutiny and finalisation of Budget and Policy Framework to be referred to Council SCC to submit and present formal response in relation to the budget proposals to this special meeting of Cabinet.
Council 14 February 2008 – 7.00 pm	Council to consider the Cabinet's Budget and Policy Framework Proposals

ENDS (as at 22 October 2007)

SCRUTINY CO-ORDINATING COMMITTEE

2nd November 2007



Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK
2008/2009 TO 2010/11 - INITIAL
CONSULTATION PROPOSALS

1. PURPOSE OF REPORT

- 1.1 To enable Scrutiny Co-ordinating Committee to consider the Executive's initial Budget and Policy Framework consultation proposals.

2. BACKGROUND

- 2.1 In accordance with the requirements of the Council's Constitution the Executive is required to consult on the draft Budget and Policy Framework for the coming year.
- 2.2 This initial consultation is achieved by submitting this report to your Committee to enable Members to express their initial views on the initial Budget and Policy proposals. These comments will then be taken into account by the Executive before they determined the draft Budget and Policy proposals to be referred for formal Scrutiny, in late December, 2007, or early January 2008, depending on when details of the Local Government grant settlement are announced by the Government.
- 2.3 To enable this Committee's comments to be considered by Cabinet this stage of the consultation needs to be completed over the next few weeks. This will then enable your Committee to report back to Cabinet on 17th December, 2007. Cabinet will then finalise its draft Budget and Policy proposals on 17th December, 2007, subject to the timing of Local Government grant settlement announcement. These proposals will then be referred to this Committee.

3. CONSIDERATION OF ISSUES

3.1 At its meeting on 15th October, 2007, Cabinet considered a detailed report (**copy attached as Appendix 1**) which covers the following areas:

- Outturn Strategy 2007/2008;
- Capital Programme 2008/2009 to 2010/11;
- General Fund and Council Tax 2008/2009 to 2010/11.

3.2 As Members will appreciate the development of initial budget proposals at this earlier stage is difficult. This is particularly the case in relation to the 2008/09 forecasts which is the first year covered by the Government's 2007 Comprehensive Spending Review (2007 CSR). Whilst, details of the 2007 CSR were announced by the Government on 9th October 2007, detailed grant allocations for individual councils will not be known until late November, or early December. It is hoped that the grant announcement will cover a three years period, which will provide greater certainty for planning services. In addition, detailed proposals for implementing Equal Pay have not yet been finalised or considered by Members. The attached report therefore includes an initial assessment of these issues and updated figures will be reported when they are available.

3.3 The Cabinet report also provides initial forecasts for 2009/2010 and 2010/2011. Again these forecasts will need to be reviewed once details of the grant allocations for these years are known and proposals for implementing Equal Pay have been approved.

3.4 At its meeting on 15th October Cabinet determined to seek this Committee's views on the following detailed issues:

2007/2008 Provisional Outturn Strategy

Cabinet determined to seek Scrutiny Co-ordinating Committee's views on the:

- Proposal to use the 2007/2008 corporate underspend to support the Children's Services and Neighbourhood Services forecast overspend; and
- The proposals to earmark any uncommitted corporate underspend for the Tall Ships.

2008/2009 Capital Proposals

Cabinet determined to seek Scrutiny Co-ordinating Committee's views of the proposals to:

- maintain service based capital expenditure at the level of Government allocations;
- continue to support locally funded Prudential Borrowing projects at current levels as detailed in paragraph 5.2;

- continue to provide £0.1m within the revenue budget to support additional unsupported Prudential Borrowing of £1.2m per year in 2008/2009 and 2009/10, and to consider proposals for utilising this funding at a future meeting. To note that as a minimum £0.362m will be needed in 2008/09 for the second phase of repairs to the multi-storey car park.
- to defer a decision on the continuation of the above initiative in 2010/11 until the revenue budget position is clearer?

2008/2009 General Fund and Council Tax

Cabinet determined to seek Scrutiny Co-ordinating Committees views of the:

- Budget Pressures identified in Appendix A;
- Contingency items identified in Appendix B;
- Terminating Grant Regimes identified in Appendix C;
- Budget Priorities identified in Appendix D and to note that Cabinet expressed support for Sportability Club priority of £7,500 and wish to fund this item;
- The proposed 2008/09 Council Tax increase of 4.9% and to note that Cabinet will review this proposals once details of the 2008/09 grant allocation are know ;
- The overall value of reserves to be used to support the 2008/09 budget as identified in paragraphs 7.1 to 7.9;
- The proposal to earmark the £1.2m the Council has received from the final distribution of LABGI monies to meet potential one-off costs detailed in paragraph 6.20.

- 3.5 The Mayor also indicated he would attend your meeting, with Councillor Payne, to explain Cabinet's position in relation to the issues detailed in the attached report.

5. RECOMMENDATION

- 5.1 That Members determine how they wish to undertake this stage of the budget consultation to enable comments to be feed back to Cabinet on 17th December 2007.

CABINET REPORT

15th October, 2007



Report of: Corporate Management Team

Subject: BUDGET & POLICY FRAMEWORK 2008/2009 TO
2010/11 – INITIAL CONSULTATION PROPOSALS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide the Executive with a comprehensive report on the issues surrounding the initial Budget and Policy Framework proposals for 2008/2009.

2. SUMMARY OF CONTENTS

- 2.1 The report provides a detailed overview of the financial issues affecting the Council in relation to:
- the development of the 2007/2008 Outturn Strategy;
 - Capital expenditure issues;
 - The development of the 2008/2009 Budget and Policy Framework

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

4. TYPE OF DECISION

- 4.1 Key

5. DECISION MAKING ROUTE

- 5.1 Cabinet, Scrutiny Co-ordinating Committee, Scrutiny Forums, Council.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

Report of: Corporate Management Team

Subject: BUDGET & POLICY FRAMEWORK 2008/2009
TO 2010/11 – INITIAL CONSULTATION
PROPOSALS

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

2. BACKGROUND

- 2.1 The Government have recognised that Local Authorities need greater financial certainty to enable authorities to plan services effectively. Therefore, from 2006/2007 the Government began to issue multi-year grant settlements. The first multi-year settlement covered two years, 2006/2007 and 2007/2008. The Government have previously indicated that future settlements will cover three-years. It is expected that the first three year settlement, which will cover 2008/2009 to 2010/2011, will be released as part of 2007 Comprehensive Spending Review (CSR07), which is now expected on 8th October 2007. However, details of individual authorities grant allocations will not be known until late November or early December. If the Government call an election this is likely to delay the detailed grant announcement.

- 2.2 It is clear from announcements by the Chancellor that the current period of growth in total public sector expenditure will not be maintained beyond 2007/2008. This restraint will apply to Government priority services i.e. health and education, which will see much lower levels of growth than in recent years. Other services, including those provided by councils, will face a tougher financial settlement over the next three years. In addition, the Government continues to be concerned that Council Tax levels cannot continue to increase. These factors are covered in greater detail later in this report, together with the following issues:

- Policy Drivers
- Outturn Strategy 2007/08
- Capital Programme 2008/2009 to 2010/2011
- General Fund and Council Tax

3. POLICY DRIVERS

3.1 Previous budget reports have advised Members that the development of the Budget and Policy Framework reflects various national and local service priorities and are underpinned by a range of service expenditure and corporate policy drivers. These issues are detailed in various strategy documents prepared by the Council, which set out the Council's key objectives. The documents include:

- The Corporate (Best Value Performance) Plan;
- The Efficiency Strategy;
- The IT Strategy;
- Departmental Service Plans

3.2 The Budget and Policy Framework details the financial implications of the various strategies and the issues affecting financial sustainability of services. This latter issue is driven by the Council's policy for uplifting base budgets to reflect the impact of inflation, with additional top ups for specific policy driven service priorities. This policy reflects Members' views and feedback during the 2005/2006 budget consultation process that the overall balance of the budget is "about right" and should be maintained if resources were available. Clearly in the current financial climate this will not be possible. Therefore, the Budget and Policy Framework enables Members to determine those areas it wishes to prioritise.

3.3 Following changes to the Local Government Grant System last year 45% of the Council's budget is now funded from Council Tax. Therefore, the level of Council Tax increase is a significant policy driver owing to the impact on the Council's available resources. This factor will become increasingly important in a period of below inflation grant increases, as the current funding system requires a 4.5% Council Tax increase to set a stand still budget. This position is based on the following principles:

- | | |
|-------------------------------|---|
| • 3% Inflation on expenditure | = £2.45m |
| • 2% Grant increase | = (£0.87m) |
| • Budget shortfall | = £1.58m |
| | this equates to a 4.5% Council Tax increase |

3.4 At this stage it is anticipated, for planning purposes, that the grant the Council receives from the Government will be limited to a 2% increase. The above table demonstrates that even if the Government increase the grant allocation by more than 2% then this will not have a

major beneficial impact on the Council, as each 1% change in grant only amounts to £435k. Conversely, should the Government impose a lower increase then this will not have a significantly detrimental impact on the Council's overall financial position

4. OUTTURN STRATEGY 2007/2008

4.1 A detailed budget monitoring report for the first six months is being prepared and will be submitted to your meeting on 26th November, 2007. The report will include the first forecast outturn for this year's budget.

4.2 On the basis of the initial work undertaken it is anticipated that there will be underspends against the following corporate budget:

- **Centralised Estimates**

Following actions taken during last financial year the majority of the Council's borrowing, including funding for the Capital Programme through to 2008/2009, has been locked into historically low long term fixed interest loans. This secured the £1m saving built into the base budget.

The Council is also benefiting from lower interest costs from using LOBO loans (Lenders option, buyer option) and from higher than expected investment income on its reserves and cash flows. As reserves are committed to supporting one-off commitments and supporting future years budgets these trends will not continue, although they provide a one-off benefit in the current year.

On the downside there is increasing uncertainty about the direction of future interest rates. This position reflects the recent liquidity problems in the banking system and banks realisation that their balance sheets aren't as robust as they thought. Consequently, banks are reviewing their balance sheets and as a result there is an increasing risk that they will exercise their option to review the interest rate payable on LOBO's. At that time we will exercise our right to repay these loans, without incurring any penalty.

This will mean we will need to refinance this borrowing and this is likely to be at a higher interest rate than the current LOBO's. It was previously suggested that the savings achieved from using LOBO's be set aside to establish an "Interest Risk Reserve" to manage this position. It was also suggested that this reserve be capped at 0.5% of the Council's outstanding debt, which equates to a figure of £0.4m. This reserve will provide twelve months protection in the event that the Council needs to refinance the LOBO's at 0.5% higher than the current rates. It is suggested that

this reserve be established as part of the 2007/08 closure strategy.

After reflecting the above factors it is anticipated that there will be a net underspend of £0.6m.

It is anticipated that interest will continue to be earned on reserves in 2008/09. Therefore, a temporary benefit of £0.75m is reflected in the budget forecasts detailed later in the report.

- 4.3 On the downside Members were advised in the quarter 1 monitoring report that adverse variances were expected on the Children's Services and Neighbourhood Services revenue budgets. These trends are currently being assessed.
- 4.4 As proposal for funding these commitments had not previously been identified it would be prudent to earmark the anticipated corporate underspend to meet these additional costs. On a worst case basis it was previously anticipated that Children's Service overspend would be £0.35m and Neighbourhood Services £0.2m, which largely commits the corporate underspend.
- 4.5 It is also suggested, should these costs be less than anticipated, or the final corporate position is more favourable, that any uncommitted resources be allocated for the Tall Ships.

5. CAPITAL PROGRAMME 2008/2009 TO 2010/2011

- 5.1 The availability of resources for the Capital Programme will continue to be affected by the level of supported capital allocations provided by the Government. These allocations take the form of specific capital grants, or supported prudential borrowing allocations, which must be repaid from the Council's revenue budget. These allocations cover key Government priorities, which are closely aligned to the Council's own priorities and objectives. As these areas account for the majority of available capital resources, Members need to reaffirm their commitment to using these allocations as summarised below :

	<u>2007/2008 Allocations</u>	
	Grant	Supported Borrowing
	<u>£'000</u>	<u>£'000</u>
Housing	5,480*	0
Local Transport Plan	445**	1,511**
Education	1,641**	1,030**
Adult Social Services	<u>0</u>	<u>206**</u>
	<u>7,566</u>	<u>2,747</u>

* Forecast Allocation

** Indicative allocations announced in February 2007.

- 5.2 Cabinet has previously determined to use unsupported borrowing to finance a number of small initiatives, detailed in the following table. Members will need to determine if they wish to continue to support these initiatives.

	<u>Budget</u>	<u>Proposed Allocations</u>		
	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Community Safety Initiatives	150	150	150	150
Disabled Adaptations	50	50	50	50
Neighbourhood Forum				
Minor Works	156	156	156	156

- 5.3 The Capital Strategy and Asset Management Plan approved by Cabinet on 31st July, 2006, indicated that Government capital allocations will not fund all capital expenditure priorities, particularly areas with a high local priority which do not fall within the areas which attract Government funding. Therefore, Members determined to use Unsupported Prudential Borrowing to fund local priorities. As the cost of using unsupported Prudential Borrowing needs to be met from the revenue budget annual revenue provisions of £0.1m were included in the budget forecasts for 2007/2008 to 2009/10. This supports annual capital expenditure of £1.2m.
- 5.4 Members need to re-affirm their commitment to the above proposals. At this stage it is not suggested that the existing strategy be extended to 2010/11 owing to the deteriorating revenue position outlined later in the report.
- 5.5 Assuming Members determine that they wish to maintain the budget provision for 2008/09 they will need to develop a strategy for using these resources, which will then be included in the draft Budget and Policy Framework proposals which Cabinet will put forward for formal scrutiny later in the year. Cabinet is reminded that when they approved proposals for the current year it was determined to fund the cost of works to the multi-story car park over 2007/08 (£300,000) and 2008/09 (£362,000). Therefore, provision for the year 2 costs will need to be made to enable these works to be completed.

6. GENERAL FUND AND COUNCIL TAX

6.1 Background

- 6.2 As indicated earlier in the report details of the overall level of funding for local authorities will not be known until after the CS07 announcement, which is expected on 8th October 2007. Details of

individual authorities grant allocations for 2008/2009 to 2010/11 will not be known until late November, or early December. There is also a risk that the Government will only provide a one-year settlement owing to the uncertainty surrounding the timing of a general election. This position makes financial planning, particularly for periods of more than one financial year, much more difficult. However, it would not be prudent to wait for certainty on the grant allocation for 2008/09, as there are a large number of local issues which need to be considered and these are detailed later in the report. The position will need to be reviewed when details of the overall grant allocation are known, although it is not expected that this will fundamentally affect the Council overall financial position.

6.3 For planning purposes, it was assumed in February 2007 when rolling forward the budget forecasts that the Council will receive a grant increase of 2%. As indicated early in the report the level of grant increase is less important than in previous years, as each 1% variation only equates to £435,000. The base budget forecasts also reflected the following key issues:

- A 3% inflation increase in departmental resource allocations;
- Provision for Equal Pay costs of £2m, plus a further £0.3m for increments;
- The use of £2m of reserves to support the budget in 2008/09 and 2009/10, and £1m in 2010/11;
- Annual Council Tax increases of 4.9%.

6.4 At that time no provision was made within the forecasts for 2008/09 and future years for pressures, terminating grants or priorities.

6.5 **Budget Issues 2008/2009**

6.6 An initial examination of the issues facing the Council for 2008/2009 has been completed. These issues fall into the following broad categories, which are considered in more detail in the following paragraphs:

- Corporate Budget savings
- Job Evaluation
- Budget Pressures
- Contingency
- Terminating Grant Issues
- Budget Priorities
- Revised Budget Position 2008/09 to 2010/11
- Review of Reserves

6.7 Corporate Budget savings - £2.110m

A review of the corporate budget position has identified a number of factors which could be used to reduce the initial budget gap, as follows:

Permanent Savings

- Bonus Saving - £0.8m
After the 2007/08 budget was set it was determined to buy-out bonus payments to protect the Council from further equal pay claims, pending the implementation of an Equal Pay agreement during 2007/08. Therefore, the previous budget forecasts were based on bonus payments continuing. This amount can now be taken as a saving in 2008/09 and effectively offsets the increased costs of implementing Job Evaluation detailed later in the report. The saving in 2007/08 has been earmarked to repay General Fund reserves, which were used to temporarily fund the costs of buying out bonus payments in 2006/07.
- Interest Saving - £0.2m
In accordance with the approved Treasury Management Strategy the Council has used "Lenders Option, Buyers Option" (LOBO) bonds to achieve interest savings, which could not be achieved from using traditional Public Works Loans Board (PWLB) loans. These savings have been achieved because LOBO's can only be repaid at specific times, whereas PWLB can be repaid at any time (subject to prevailing interest rates being advantageous for the Council). As a result LOBO's have lower interest rates.

As Members will recall the Council previously achieved significant one-off benefits from repaying PWLB loans and has been able to take these amounts straight to the revenue account. From 1st April 2007 such benefits must be taken to the revenue account over either 10 years, or the life of the new loan, whichever is the longer. This change in regulations makes LOBO a more attractive option as they have lower interest rates.

The interest rates on LOBO are fixed for defined periods and to manage risk we have arranged loans with fixed periods of between 1 and 5 years. However, as indicated earlier in the report there is, as a result of the recent liquidity problems in the banking system, an increasing risk that banks will exercise their option to review interest rates on LOBO's. The establishment of an "Interest Risk Reserve", as part of the 2007/08 Outturn Strategy, will help manage this risk and enable this saving to be taken in 2008/09.

Temporary Savings

- Investment Income £0.740m
It is anticipated that the Council will benefit from increased income on reserves and cash flows during 2008/2009. This income is not sustainable as reserves will reduce during 2007/2008 and 2008/2009, as they are used to support the revenue budget and to meet one-off commitments, such as the Equal Pay protection payments. In addition, cash flows will move back to normal levels as the level of funding of future capital expenditure requirements unwinds.
- 2006/07 LABGI Income - £0.370m
As reported in the final 2006/07 Outturn Report the Council received an allocation from the Government's LABGI (Local Authority Business Growth Incentive). This was unexpected as the Council had not benefited from this scheme in first year of its operation. Cabinet determined that this amount should be allocated towards reducing the 2008/09 Budget deficit.

6.8 Job Evaluation - £1.110m

An initial assessment of the costs of implementing Job Evaluation was included in the original budget forecasts. Since that time significant progress has been made with regard to the completion of detailed job evaluations and the development of a new pay and grading structure. This work is nearing its conclusion and a detailed report will be submitted to Cabinet in the near future.

In financial terms this work indicates that additional resources will need to be provided to implement Job Evaluation, as detailed below. The table shows that in total the implementation of Job Evaluation will increase the total pay bill by approximately 10% and an additional cost of £1.1m will arise in 2008/09. The main reason for this increase is owing to an increase in the cost of increments as a greater proportion of the workforce will receive increments under the new pay and grading structure. This is particularly the case for employees at the bottom of the current grading structure who have previously been appointed on spot salaries. Under the proposed grading structure these employees will receive one increment on the 1st April 2008 and may receive further increments in future years depending on the grade they allocated to in the new pay and grading structure.

2007/08 £'000		2008/09 £'000	2009/10 £'000	2010/11 £'000
	<u>Latest Estimates</u>			
2,500	Basic year 1 cost (including appeals)	2,670	2,750	2,830
0	Increments	1,000	1,700	1,900
2,500		3,670	4,450	4,730
	<u>Existing Budget Provision</u>			
(2,000)	Basic year 1 cost	(2,060)	(2,120)	(2,190)
0	Increments	(300)	(610)	(910)
(200)	2007/08 Pay Award Saving	(200)	(200)	(200)
(2,200)		(2,560)	(2,930)	(3,300)
300	Budget Shortfall for JE costs	1,110	1,520	1,430

6.9 Budget Pressures - £2.493m

These items represent the additional costs of continuing to provide existing services and/or address requirements placed on the Authority by Central Government. These items are detailed in Appendix A. Cabinet needs to determine if these items are a higher priority than existing services and which items they wish to fund. These decisions will help to determine the level of budget reductions which need to be identified to balance the budget.

6.10 Contingency - £1.0m

As part of the review of budget pressures it has been determined that a number of pressures are not certain to arise, or the value of the pressure is not certain. These items have therefore been classified as "contingency" items. The total value of these items is £1.339m. A detailed risk assessment of these items has been completed and this indicates that a budget provision of £0.9m is needed to underwrite these risks.

In addition, it suggested that a provision of £0.1m be included within the contingency provision for potential costs in relation to the CJC site. A detailed report on this issue needs to be prepared before the Council is committed to a specific course of action. However, it would be appropriate to make some provision for costs which may be incurred by the Council in either undertaking remedial works, or works to secure the site, pending recover of these costs from the owners of the site. This provision would cover the interest costs of the Council pursuing such an option and begin to establish a bad debt provision to protect the Council if monies expended aren't recoverable. This would increase the overall contingency to £1m.

6.11 Terminating Grant Issues - £0.445m

The position in relation to Terminating Grants is more uncertain than in previous years as detailed grant announcements for 2008/09 and future years will not be known until after the Government release details of CSR07. This issue is particularly relevant to Adult Social Services and Children's Services, which currently receive significant grant funding in line with Government's current priorities. For planning purposes it is assumed that current grant regimes in these areas will continue at broadly similar levels to the current year. If this proves not to be the case then Members will need to review the position.

Similarly, the Government have now indicated that Neighbourhood Renewal Funding (NRF) will continue, although the scale and form of this is not yet clear. For planning purposes it is assumed that current projects that are high priority to the Council will continue to be eligible for funding and will be funded. If this proves not to be the case the position will need to be reviewed later in the budget process. There is also a risk that there may be a "funding gap" between the end of the current NRF programme and the determination of detailed allocations under the new programme. It is currently anticipated that new NRF funding allocations will apply from 1st April 2008, which may eliminate the "funding gap". Although, if this is not the case it may be appropriate for the Council to fund this gap as this may be a more cost effective option than making Council funded NRF staff redundant. Further work is needed to assess this risk and details will be reported to a future Cabinet meeting if appropriate.

There are however a number of grant funding streams which will terminate at the end of the current year. These items are detailed in Appendix C and total £0.445m. Cabinet will need to determine if they wish to mainstream these initiatives.

6.12 Budget Priorities - £0.694m

These items are similar to budget pressures, but relate to areas where the Council has a greater choice. These items are detailed in Appendix D. Cabinet needs to determine which items they wish to fund.

6.13 Revised Budget Position 2008/09 to 2010/11

The budget forecasts for 2008/09 to 2010/11 have been updated to reflect the above issues and in summary the revised deficit for 2008/09, assuming a 4.9% Council Tax increase and the use of £2m of reserves is £5.88m, as detailed below :

	£'m	£'m
Budget Gap (February 2007 - before Ctax increase)	3.980	
<u>LESS</u>		
Bonus and LOBO savings	(1.000)	
Temporary Investment income and year 1 LABGI	(1.110)	
Budget Gap		1.870
<u>PLUS</u>		
Job Evaluation	1.110	
Pressures	2.493	
Contingencies	1.000	
		4.603
<u>PLUS</u>		
Terminating Grants	0.445	
Priorities	0.694	
		1.139
		7.612
<u>LESS</u>		
4.9% increase in Council Tax		(1.732)
Revised Budget Gap		5.880

- 6.14 The revised 2008/09 budget gap equates to a budget reduction of 8%, which can be broken down as follows:

	Savings
Job Evaluation	1.50%
Pressures	3.60%
Contingencies	1.40%
Terminating Grants	0.60%
Priorities	0.90%
	<u>8.00%</u>

- 6.15 Assuming the 2008/09 budget gap is bridged on a sustainable basis it is currently forecast that there will be a deficit in 2009/10 of £1.9m and in 2010/11 of £0.8m. These deficits assume annual Council Tax increases of 4.9%, but are before any new pressures, terminating grants or priorities which may arise in those years.

6.16 Review of Reserves

- 6.17 As Members will be aware the Council has, over a period of time, established a variety of reserves to meet one off commitments and to support the revenue budget over a number of years. The resources set aside to support the budget have come from a variety of one-off factors. The main items are debt rescheduling savings, income received from the RTB sharing agreement with Housing Hartlepool and investment income earned from holding reserves. These factors are not sustainable. Reserves will fall significantly over the next few years as resources are released to support the budget, to meet one off Equal Pay costs and one off issues, such as the Tall Ships visit.
- 6.18 At this stage a fundamental review of reserves has not yet been completed. However, there are a number of strategic issues to bring to Members attention.
- 6.19 The Council will receive a one off benefit in the current year from the final distribution of LABGI monies and this will amount to £1.2m. This amount was unexpected and is the 6th highest allocation in the country. It is also significantly more than the amounts received in 2006/07 of £0.369m and the zero allocation in the previous year. The latest allocation reflects changes in rateable values over the last two years of the LABGI scheme. The Government have not determined how, or if, the LABGI scheme will continue. However, as the current scheme has had significant difficulties, including legal challenge from a number of authorities, it is anticipated that the Government will want to review the existing arrangements. As LABGI monies are also allocated a year in arrears it is unlikely that details of any replacement scheme will be announced until the end of 2008/09. As this amount was not expected it will increase the value of reserves held at the end of the current year.
- 6.20 A number of potential one off costs have been identified during the budget process and need further investigation before they are reported to members for consideration. This includes one-off investment to enable efficiencies to be achieved and redundancy/early retirement costs to achieve sustainable efficiencies and savings. These costs will need to be quantified once Cabinet have determined the level of pressures etc. they wish to fund and the resulting level of efficiencies/savings which will be required to balance the budget. It is therefore suggested that the LABGI monies be allocated to meet these commitments. Details of the proposed costs to be funded from this resource will be included in the December budget report.
- 6.21 There will also be a contribution of £0.8m to General Fund balances for the repayment of monies used to temporarily fund the costs of the

4bonus buy-out in 2006/07. This amount will be funded from the base budget saving in 2007/08.

- 6.22 With regard to commitments against existing reserves a longer term view is needed as detailed in Appendix E. This analysis indicates that over the next three years reserves will reduce significantly and scope for further support of the budget is limited. The only area where Members could increase support is the use of the £1.3m one-off discount which was generated in March 2007. This issue is considered in more detail latter in the report.

6.23 **Budget Support Fund**

The Budget Support Fund is committed to supporting the revenue budget over the five years commencing 2007/08 as follows:

	<u>£'000</u>
• 2007/08	2,760
• 2008/09 (includes £0.369m LABGI allocation and £0.2m Stock Transfer reserve)	2,569
• 2009/10	2,000
• 2010/11	1,000
• 2011/12	500
Total	<u>8,829</u>

The actual level of the Budget Support Fund as at 31st March 2007, excluding the £1.3m March 2007 discount, was £7.051m (£8.351m less £1.3m). Therefore, there is currently a cash shortfall in the resources available to support the budget over the next five years of £1.778m.

It is anticipated that this amount will be funded from the remaining share of RTB income which will be payable to the Council. The Council is due to receive a total of £7m under this arrangement, although the timing of receipts cannot be guaranteed. As at the 31st March 2007 the Council had received £3.9m of this amount. The flow of these funds has reduced each year, which is in line with expectations and experience in other authorities. However, it is currently anticipated that over the next 5 years sufficient receipts will be generated to bridge the current cash shortfall of £1.778m. This position will need to be monitored closely over the next few years.

6.24 **Equal Pay Protection**

As part of the final 2006/07 Outturn Strategy £0.4m was set aside towards meeting the cost of Equal Pay Protection. As indicated earlier in the report it is anticipated that the ongoing costs of implementing Equal Pay will be more than previously anticipated. In addition, there will be a cost of protecting staff which will lose out

under the new pay and grading system. Work completed to date indicates that this could amount to £4m. The final figure will be subjected to detailed negotiation on the basis for providing protection and the overall Job Evaluation package. These details will be reported to Members and they will need to determine to what extent they protect pay, or jobs.

It would be prudent to supplement the initial provision of £0.4m from the following sources:

- | | £'000 |
|--|--------------|
| <ul style="list-style-type: none"> • Release of Stock Transfer Warranties Reserve
The Council is indemnified from the costs of potential land contamination claims from the first 10 years of Housing Hartlepool's existence. Thereafter, the Council may be liable for such claims. Therefore, this amount was set aside to meet such liabilities. It is now suggested that this amount can be released. | 1,000 |
| <ul style="list-style-type: none"> • Release of General Fund Reserves
Uncommitted specific reserves of £2.197m were previously transferred into the General Fund to address Equal Pay risk. Only some of these resources have been committed. It is therefore, proposed that £1m be released to help fund Equal Pay protection costs. If Members approve this proposal uncommitted General Fund Reserves will be 3% of the General Fund budget, which is the minimum recommended level. | 1,000 |
| <ul style="list-style-type: none"> • Insurance Fund
A review of the insurance fund and outstanding claims indicates that this amount could be taken without jeopardising the medium term financial position of the fund. Ideally this amount should be treated as a loan and repaid over a number of years. However, this may be difficult in the current financial climate. Therefore, Members need to be aware that if this amount is not repaid there is a future risk that insurance costs may exceed the available fund. | 1,600 |

The above proposal will need to be approved by Council as part of the 2008/09 Budget and Policy Framework proposals. For planning purposes it is assumed that these proposals will be approved. The analysis of reserves detailed at Appendix F assumes this is the case.

6.25 Ring-fenced and Departmental Reserves

These reserves have arisen from management of departmental budgets in accordance with the Council's Managed Revenue Underspend arrangements. These reserves are set aside for specific proposals. In some cases these plans may need to be reviewed to reflect decisions Members make with regard to pressures, terminating grants and priorities.

7. STRATEGY FOR MANAGING BUDGET POSITION 2008/2009 TO 2010/2011

- 7.1 The previous forecasts assume that each year's budget is balanced independently on a sustainable basis. On this basis the current forecasts indicate that 2008/2009 will be particularly challenging. The actual positions for 2009/2010 and 2010/11 are likely to be worse than currently forecast as no provision has been made for future pressures/priorities/terminating grants.
- 7.3 In view of the magnitude of the 2008/09 budget deficit Members may wish to balance the budget over a longer period. This will require the Council to review its services, balances and strategies.
- 7.4 One option would be to allocate the £1.3m discount achieved in March 2007 to reduce the 2008/09 budget gap. This would increase the use of the Budget Support Fund and defer part of the budget problem until 2009/10, thereby providing a longer lead time for considering the future shape of the authority and reviewing services which are provided.
- 7.5 Another alternative would be to alter the phasing of the Budget Support Fund and allocate the whole amount to support the 2008/09 budget. This is not an option I would recommend as it results in a significantly greater problem in 2009/10.
- 7.6 These options are summarised in the following table:-

Before new pressures					Reserves used over 3 years	Increasing savings required in 2009/10
	2008/09	2009/10	2010/11	Savings over three years		
	£'m	£'m	£'m	£'m		
AS IS Forecast Deficit - based on using reserves of £2m in 07/08 and 09/10 and £1m 10/11.	5.880	1.928	0.797	8.604	£5m	
	8.0%	2.7%	1.1%	11.8%		
USE OF £1.3M DISCOUNT Forecast Deficit - based on using reserves of £3.3m in 07/08, £2m in 09/10 and £1m 10/11.	4.580	3.267	0.797	8.643	£6.3m	
	6.2%	4.5%	1.1%	11.8%		
REPHASED USE OF RTB SUPPORT TO YEAR 1 Forecast Deficit - based on using reserves of £6.3m in 07/08 and zero in 09/10 and 10/11.	1.580	8.357	(0.263)	9.673	£6.3m	
	2.1%	11.5%	-0.4%	13.2%		

- 7.7 Alternatively, Members may wish to review the budget pressures, contingencies, terminating grants and priorities to identify those items which they deem to be a lower priority than existing services.
- 7.8 In view of the above uncertainty it is not possible at this stage to identify detailed efficiency and saving proposals for Members consideration and referral for consultation. However, given the magnitude of the current budget deficit it is anticipated that these reductions will impact on staffing levels. An initial analysis indicates that the following numbers of jobs are potentially at risk:

Efficiency	Savings	Total Efficiency plus Savings	Jobs at Risk
3%	0%	3%	55
3%	3%	6%	103
3%	6%	9%	131

- 7.9 Detailed proposals will need to be considered once Members have determined a broad strategy for bridging the budget gap.

8. CONSULTATION AND BUDGET TIMETABLE

8.1 In previous years consultation on the draft Budget and Policy Framework proposals has included:

- Scrutiny Co-ordinating Committee
- Trade Unions
- Hartlepool Business Sector
- Neighbourhood Forums
- Joint consultation event with representatives from the six strands Hartlepool has incorporated into the implementing Equality Standard for Local Government Strategy (race, gender, disability, age, sexual orientation and religion and beliefs).

8.2 Members are requested to determine if they wish to adopt similar arrangements for 2008/2009.

8.3 Details of the budget timetable for the next phase of the budget process are detailed in Appendix F.

9. CONCLUSION

9.1 The report outlines the financial issues affecting the 2008/2009 Budget and Policy Framework proposals and Cabinet needs to determine the specific proposals it wishes to refer for Scrutiny in relation to the following items:

2007/2008 Provisional Outturn Strategy

- Do Cabinet wish to earmark the anticipated 2007/2008 corporate underspend to support the Children's Services and Neighbourhood Services forecast overspends?
- Do Cabinet wish to earmark any uncommitted corporate underspend for the Tall Ships?

2008/2009 Capital Proposals

- Do Cabinet wish to maintain service based capital expenditure at the level of Government allocations?
- Do Cabinet wish to continue to support locally funded Prudential Borrowing projects at current levels? (Paragraph 5.2).
- Do Cabinet wish to continue to provide £0.1m within the revenue budget to support additional unsupported Prudential Borrowing of £1.2m per year in 2008/2009 and 2009/10, and to consider proposals for utilising this funding at a future meeting? As a

minimum £0.362m will be needed in 2008/09 for the second phase of repairs to the multi-storey car park.

- Do Cabinet wish to defer a decision on the continuation of the above initiative in 2010/11 until the revenue budget position is clearer?

2008/2009 General Fund and Council Tax

- Determine which Budget Pressures they support: (Appendix A).
- Determine which Contingency items they support (Appendix B).
- Determine which Terminating Grant Regimes they support (Appendix C).
- Determine which Budget Priorities they support (Appendix D).
- Confirm the indicative 2008/09 Council Tax increase of 4.9%?
- Determine the overall value of reserves they will use to support the 2008/09 budget (paragraphs 7.1 to 7.9)
- Do Cabinet wish to adopt the suggested consultation arrangements? (Paragraphs 8.1 to 8.3).

12. RECOMMENDATION

- 12.1 It is recommended that Cabinet determines their views on the issues identified in Section 10.

ADULT & COMMUNITY SERVICES DEPARTMENT – SCHEDULE OF BUDGET PRESSURES 2008/2009

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Mental Health Agency Budget	Increasing number of residential placements in 2006/07 – 4 placements on average. Managed through vacancies previously however long term problems around recruitment have been addressed and vacancies are in the process of being filled.	R	The pressure would build as these vital posts are filled. May therefore be a part year effect	100		Statutory duty to meet assessed need. Budget pressures have been raised in previous financial monitoring. Pressure to meet increased demand for service.	H
Learning Disability Transitions Cases	Complex packages 2008/09 – School leavers. 3 Very complex individuals with autism and challenging behaviour @ £60K per package, a further 5 young people with learning disabilities requiring day opportunities @ £15K per individual	R	Failure on Statutory duty to meet assessed need.	255		Meets recognised demographic pressures on LD services	D
Learning Disability (previously SP funded)	Ineligible for continued SP funding therefore shortfall at Supported Living Scheme @ King Oswy Drive - must be maintained to meet demographic pressures	R	Statutory duty to continue to meet assessed need for care and support as now not eligible for SP funding. This has been a recommendation from SP inspection.	33		Continuation of supported accommodation for 8 learning disabled adults	D
Adult Education/Day Opportunities	Withdrawal of LSC funding for a course at Stockton Riverside College - approx 34 adults currently attend as alternative to day centre - cost to replace course	R	College course would cease and individuals would return to day services at an increased cost as additional staffing would be required to support the individuals.	37		Replacement of course	S

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Older People's Day Care (Blakelock Re-provisioning)	Blakelock Day Services currently pay a 'peppercorn rent, as the building is no longer fit for purpose it is proposed that the service is transferred to rented space at Hartfields. The cost of the social care housing and accommodation at Hartfields has been offset by the contribution from HBC of £750,000 to the capital costs of the overall scheme.	R	Current building is unfit for purpose - Blakelock site would not be released	50		Development improves and increases the service provision for older people. Also releases capital for LA via release of Blakelock site.	S
IT costs	A large number of departmental PCs were obtained on an annual rate, but this has expired, also pressure on other IT budgets	R	Current overspendings would continue, or equipment would have to be removed.	50		Maintenance of current service standards	S
Childrens Playgrounds 11602	The funding for the playground inspector will end in 2007/2008 and the salary and running costs will need to be found. This post is vital to the maintenance and safety of children's play areas. This pressure is linked to £60K of efficiency savings around weekend maintenance of parks, lifebelt checks, paddling pool maintenance and staffing levels at Summerhill. Post 1 is a full time post (23.1K inc on costs) and Post 2 is a part time post (30hours - 19k inc on costs)	R	Health and Safety Issue - the playgrounds would deteriorate and be in many cases unusable - Linked to efficiency saving	42		Satisfaction with play areas is currently 57%. This is an improvement from recent years where the satisfaction level was as low as 29%. The loss of playground inspection service would severely reduce the level of satisfaction and increase the risk of injury to children playing. The proposed service would increase from 5 to 7 days inspections and improved effectiveness of maintenance of play areas.	S

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Headland Sports Hall Rates	Rating estimates now received indicate a shortfall in available budget	R	Fixed costs, so would overspend	10		Rates for new building	S
Telecare - Personal Care response	To continue to provide the service and meet additional demand from vulnerable adults. Necessary to meet government directives and support the up and coming Extra Care models. The service requires a physical response from registered provider of personal care	R	Risk to vulnerable adults of inadequate response to emergency care situation	50		In excess of 100 people are already receiving Telecare services and help to keep people out of residential care. This service works to support prevention and respond to crisis situations. Telecare is an integral part of the way future service provision will operate across the country. Funding of staffing over a 24/7 Rota.	D
			TOTAL RED PRESSURES	627			
			TOTAL ALL PRESSURES	627			

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		

CHIEF EXECUTIVES DEPARTMENT – SCHEDULE OF BUDGET PRESSURES 2008/2009

Registrars	Based on underachievement of current income budget largely because of falls in marriage income and repeat birth certificates. The latter is because changes to passport regulations requiring a full certificate introduced 2 years ago have now worked through and income levels have dropped but hopefully will stabilise. There is also a fall in first time birth registration and requests for subsequent certificates which will result when the maternity hospital is expected to lose 80+% of its business to Stockton. This change will start to impact from November 2007. Increases to income above inflation and a limited number of new income streams have been factored in to give net pressure figures	R	The budget is a balance of income and expenditure. Core provision of statutory service will be affected by reduced income	17	0	Allows the maintenance of service levels. Registrars function is determined by Registrar General but hosted by Council. Further significant changes are due in the next 12 to 18 months which will need to be considered in the next budget round.	L
HR	Increased costs of JE appeals/running system	R		50			S
			TOTAL RED PRESSURES	67	0		

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		

CHILDREN'S SERVICES DEPARTMENT – SCHEDULE OF BUDGET PRESSURES 2008/2009

Children and Families - placements	Costs of increased numbers of Looked After Children. (NB This funding is required for the additional net costs of children currently in care following the increase experienced at the start of the year. Due to the volatility of LAC numbers it may be prudent to provide contingency funding for further possible increases).	R	Since the 2007/08 budget was set the department has experienced an unprecedented increase in the number of children coming into care. Based on current projections of costs, which are expected to continue throughout 2008/09, additional funding will be required to cover the additional costs of these known children. The Departments placement strategy has effectively reduced reliance on external provision but additional costs are envisaged as follows; . a) In house fostering allowances - £100,000 b) External foster placement costs - £307,000 c) External residential placements - £100,000	507	0		D
--	--	---	--	-----	---	--	---

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Children and Families - Preventative Care	Many new cases of children coming into care are linked to drug issues within families. This priority would provide one social work post in an intensive support team to be joint funded to work with high risk families in line with the "Hidden Harm" initiative.	R	Although costly this initiative is aimed at preventing children coming into care and therefore avoiding high costs in future years.	40	0	This initiative is aimed at preventing children coming into care	D
Children and Families - placements	Shortfall in Special Guardianship Order Savings (2007/08 budget)	R	Savings envisaged from the reduction in payments to independent agencies arising from long term matched foster carers obtaining SGO's have yet to fully materialise. A significant shortfall of £140,000 is projected in the current year. A number of cases are however being progressed although this involves a lengthy legal process which will delay the savings materialising. In addition the full year savings potential appears to have been overstated and for 2008/09 a £60,000 shortfall is anticipated.	60	0		L

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Children's and Families - Placement Team staffing	Additional Social Care staffing in the Placement Team to maximise the capacity and effectiveness of in house fostering provision. Additional staffing required (Manager, 2 x Social Workers plus 0.5 admin) at an annual cost of £133,000. There would also be one off costs of £40,000 to relocate the Leaving Care Team at the Connexions office to accommodate extra staff.	R	To avoid continued reliance on the independent sector a further 30 foster carers are required but there is no capacity to recruit, train or support any further carers without additional resources as the Social Care Placement Team has reached capacity. In addition there are limits on the number of children that can be placed with individual carers without detrimentally affecting placement stability. If staffing levels are not increased recruitment will not be possible resulting in heavy reliance on the independent sector as experienced following the recent increase in the number of Looked After Children. The departments placement strategy is currently being reviewed and depending on options emerging from that review, capacity might be forthcoming in a different way e.g. via a partnership agreement but in either case additional funding will be required.	133		The National Fostering Network recommend a maximum Foster Carer to Social Worker ratio of 15:1. The local Independent Sector ratio is 12:1 whilst the Children's Services department ratio is currently 20:1 having historically been approx 18:1. Additional funding would allow 30 extra foster carers to be recruited bringing the total up to 120. This will generate capacity to improve placement stability for existing children in care and provide new short term placements in house which is substantially cheaper than external provision.	D
			TOTAL RED PRESSURES	740			
			TOTAL ALL PRESSURES	740	0		

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		

NEIGHBOURHOOD SERVICES – SCHEDULE OF BUDGET PRESSURES 2008/2009

	Legislative requirement of the Energy Performance of Buildings (Certificates and inspections) Regs 2007. Requirements are survey, data collection, certification, reporting, training, software. Gas Inspections (post previously frozen) – need to comply fully with Gas Safety Regulations. Regular inspection regime, production of risk assessments, log books and monitoring of contractors. Legionella management – New national guidance as a result of the outcome of the Barrow.	R	Non compliance with legislation, potential prosecution and damage to reputation, health and safety risks to staff and public.	65		As part of new legionella policy, training awareness to be introduced together with design checks and contractor management to meet new Health & Safety guidelines. Introduction of regular inspection and monitoring of contractors who work on heating systems. All public buildings and schools will have an energy survey and report and an energy efficiency certificate. This will be used to target energy efficiency measures and reduce our Carbon Footprint as part of the Climate Change Action Plan. Performance will be measured by completion of tasks such as inspections, certification and contractor compliance.	L
	Service charge on shopping centre car parks.	R	This is part of the leasing arrangements so this cost must be paid to the shopping centre.	47		There would be no service improvement as this is a contractual payment.	S

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
	Waste management/ refuse collection - introduction of a new refuse round by developing the shuttle service into a standard collection round to service the expansion of the town and new housing developments. Refuse and recycling rounds are servicing 6,800 premises per round, national average is 6,000, anticipated growth is between 375 to 500 dwellings per annum over the next 4 years.	R	To be reviewed.	60			D
	Waste management/ recycling collections - we have recently retendered the dry recyclable kerbside collection service, tenders have returned £200,000 over and above existing revenue budgets.	R	Recycling target will not be met. Additional landfill costs. Two thirds of town on alternate collectins, one third not.	80		Recycling targets met. Increase in L.A.T.'s.	S
	Waste management/increased recycling - When AWC was approved by cabinet 12.4.06 there was a funding gap for 2007/8 of £140,827, where it was agreed this would be funded by £93k WPEG and selling of LATS to the value of £50K, unfortunately the LATS market is stagnant.	R	The service will overspend by £55K.	55			L
	Waste disposal - increase in landfill tax by £8.00/te.	R	Legislative rise, therefore unavoidable	164			L

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
	Coast Protection.	R	Continued deterioration of coast protection structures leading to a breach and loss of land behind the structures	250		Improvement in the coast protection assets and decreasing risk of major breaches	O
			TOTAL RED RISKS	721			
	Street cleansing - adoption of new developments such as Drakes Park, Relton Way, Bakers Mead, Hart Lane, Elwick Rise, Seaton.	A	Reduction in cleansing standards throughout the borough due to increased work load on existing services, resulting in a detrimental effect on BV119 indicator.	45		Increased cleansing provision would maintain current standards and assist in achieving BV119 targets.	D
	Building cleaning - the addition of council admin buildings on the service continues to place a strain on existing resources, whilst some monies were received last year this was insufficient. A breakdown per building is available. If this cannot be sourced, resources will have to be cut and redundancies made.	A	Reduction in basic standards and frequencies of cleaning will lead to a fundamental erosion of the service. This will impact on hygiene standards and will necessitate a reduction in staffing levels leading to potential redundancies.	26		Standards and levels of hygiene maintained at acceptable levels. Averts the need for staff redundancies.	O
	Grounds maintenance / grass cutting - the grass cutting season has lengthened over the years due to the changes in weather conditions, we have seen an increase from 15 cuts to 20 cuts per annum.	A	No increase in grass mowing frequency will result in customer dissatisfaction with the service as a result of long grass, increased grass on paths, unkempt appearance of town and increase in machinery failure and repairs due to machinery not being able to cope with increased work load of mowing long grass.	56		Will be able to maintain the standard of grass cutting as required and expected by our service users and visitors.	O

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
	Grounds maintenance/commuted sums - commuted sum monies finished 2006/7, no increase in revenue budgets creating a pressure on existing budgets. Middle Warren £48k and Relton Way £10k.	A	Decrease in standard of maintenance carried out throughout the town due to increased work load on existing resources.	56		Will enable new developments to be maintained to an acceptable standard without deflecting resources from existing provision.	O
	Operating budgets for admin buildings:- Windsor Offices - rent to be paid to shopping centre.	A	Reduction of maintenance to public buildings to fund the unavoidable pressure	15		Ensure all fees in respect of Windsor Offices are budgeted and ensure maintenance funds are used for that specific purpose.	S
			TOTAL AMBER RISKS	198			
			TOTAL ALL RISKS	919	0		

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		

REGENERATION AND PLANNING DEPARTMENT – SCHEDULE OF BUDGET PRESSURES 2008/2009

Development of Housing Options Centre Services	The development of a Housing Options centre with Housing Hartlepool is a necessary step to maintaining housing services and will be necessary to meet expectations for customer focussed and accessible services and to help meet the government's target for the introduction choice based lettings by 2010. This will be the case whether the Council decides to join the Tees Valley Sub Regional Choice Based Lettings (CBL) Scheme or not. Existing services within the Housing Advice Team and Housing Hartlepool's lettings team will need to be reconfigured to provide an Housing Options approach from a highly visible central location. This will enable a more customer focussed statutory service, providing choice, meeting service standards and supporting those in need	R	Without support the statutory housing service could not change effectively to meet government and service expectations. CBL and the involvement or not of Hartlepool in the Tees Valley CBL scheme is currently under consideration and a decision is expected towards the end of the year. The estimate of cost of the Council's contribution is tentative at this stage.	75	0	The development of a Housing Options Centre will facilitate the Council's work in statutory homelessness prevention and advice, will enable the Council as Housing Authority to maintain and continue to improve BVPI performance, meet service standards and is essential to providing an excellent service to the residents of Hartlepool. Funding this pressure will maintain statutory services and performance.	L
--	---	---	--	----	---	--	---

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Supported Housing Co-ordinator	The need for this service was identified within the Homelessness Strategy Review and by the Supporting People Service Strategy and the need for this was recognised in the Supporting People Inspection and a report to Cabinet. The role of this post is to coordinate the most effective use of the existing supported housing services within the town, help facilitate 'move on' and successful outcomes for residents, to monitor and evaluate referrals for support and to identify any gaps in service provision. The post is currently being funded by Housing Hartlepool until April 2008	R	Without replacement funding this post could no longer be provided. The risk impact would be that the existing resources for supported housing and floating support services were not effectively coordinated or made best use of. PI's for statutory services to the homeless and tenancy sustainment would be at risk and recent improvements in service delivery and outcomes for residents would be lost. Not providing the funding for this post to continue would also have a negative impact on our effective partnership working with Housing Hartlepool and future Supporting People & Housing Inspections.	35	0	Performance in associated PI's for statutory services to the homeless and tenancy sustainment should be maintained and enhanced, gaps would be identified in service provision to those in need of supported housing. It would help to ensure the achievement of good outcomes for service users.	S

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
Townwide CCTV	CCTV - to meet deficit on the maintenance, electricity and signal transmission costs of the existing CCTV camera system	R	There are some 70 cameras sited across the town, which are managed and maintained by HBC. They have an age ranging from few months old to 10 years old or more in few cases. Some cameras have been refurbished during their lifetime. Electricity costs and BT line rental costs have increased significantly during past 2 years. Repairs and maintenance costs continue to rise, as the cameras age. Gross CCTV budget is £131,000, income generated £25,000, therefore net cost to HBC is currently £106,000, with £70,000 being monitoring charges, thus leaving £61,000 to cover all other costs. The estimated maintenance cost for 2007/08 and 2008/09 is £83,000 (ie £41,500 per annum). Signal transmission costs (BT line rental £43,500 per annum) and electricity costs(approx £8,000per annum) must be added to this cost. Estimated potential overspend £30,000 in 2007/08. Risk could only be managed by prioritising most strategically important cameras for repairs and maintenance, and not repairing others when they fail.Impact could be vital evidence is not available.	30	0	Additional funding will enable the existing townwide CCTV system to be maintained meeting a projected deficit recognising a review of the system which is underway which is likely to require reconfiguration investment. CCTV is popular and indeed residents continually ask for further cameras in their neighbourhoods and there is much evidence nationally that cameras deter criminal activity and on occasions, provide vital evidence for criminal prosecutions.	S

Appendix A

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Classification (L/D/S/O)
				£'000	£'000		
			TOTAL RED PRESSURES	140	0		

TOTAL PRESSURES	2493
------------------------	-------------

ADULT & COMMUNITY SERVICES DEPARTMENT – SCHEDULE OF 2008/09 BUDGET PRESSURES TO BE TREATED AS CONTINGENCY ITEMS

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
Hartfields	Shortfall in funding to develop extra care village including domiciliary care/health and wellbeing services for 300+ people residing in the village. Revenue costs for domiciliary care in original bid insufficient to meet need identified.	R	The overspend would develop as the contracted service is established. Timing is not certain yet.	60		Future budgetary pressures as a result of an ageing population will be managed more efficiently by developing an active ageing model of care at Hartfields. Less reliance on residential care to meet assessed needs.	H
Self Directed Support	Parallel running costs across all adult social care areas may be required whilst modification of daycare, respite and domiciliary contracts is progressed to reflect new direction. We envisage this will be a 2 year transitional cost only.	R	This is a timing difference, but the change is already committed. Cost of the pressure in 2008/09 is an estimate	100		As a Total Transformation site the way in which social care is delivered will fundamentally change. There will be parallel costs as services currently provided/contracted for by the department are decommissioned. This pressure is likely to exist for 2 years and flexibility will be required in access this funding.	M

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
Housing Hartlepool - Extra Care Developments @ Bamburgh Court/Bramley Court	Re-modeling sheltered housing schemes to deliver extra care. Will require additional funding to provide a small care team, after telecare overlays go in. Phased development over 2 - 3 years. Estimated pressure £50K yr 1, £50K yr 2 and £100K final year. Development of the scheme is subject to voids in current schemes and needs of particular individuals. Will be necessary to access funding flexibly over the three year implementation period.	A	Extra Care delivers better value than sheltered housing in dealing with demographic pressures.	50	100 rising to £200k in 10/11	Wider provision of more appropriate housing. Less use of residential care. Potential financial savings going forward in relation to home care and residential care as 'critical' mass of vulnerable people are accommodated together in flexible accommodation. Housing Needs survey has identified the lack of this type of housing for the older population in Hartlepool.	M
Adult Education Service	Possible staff redundancy costs for any tutors who may need to be made redundant in July 08.		Redundancy likely as LSC funding shifts and shrinks	20		Adult Education is fully grant funded, however, when employees gain employment rights the associated costs fall to the Local Authority.	
				230			

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		

CHIEF EXECUTIVES DEPARTMENT – SCHEDULE OF 2008/09 BUDGET PRESSURES TO BE TREATED AS CONTINGENCY ITEMS

AS400 Running Costs	AS400 running costs cannot be reduced as earlier as anticipated owing delay in replacement of existing payroll and R systems and cost of alternative arrangements. Other alternative are being pursued, but this we take time to implement.	R	Expenditure will exceed available budget as AS400 cannot be decommissioned until replacement system is implemented.	50		Maintain existing service level.	H
Shopping Centre	Reduction in Shopping Centre Income	R	Income will be less than budget and this amount cannot be offset by reducing other budgets without having an adverse impact on services.	250		Maintain existing service level.	H
HR	Loss HR income	A		50		Maintain existing service level.	M
Procurement Function	Development of Procurement Function (note also the current funding arrangement for procurement needs to be confirmed)	R	Failure to produce the savings required in the Council's Efficiency Strategy	20	0	The addition of professional procurement resources will deliver key projects such as the spend analysis and subsequent contractual supplier engagement	M
				370			

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		

CHILDREN'S SERVICES DEPARTMENT – SCHEDULE OF 2008/09 BUDGET PRESSURES TO BE TREATED AS CONTINGENCY ITEMS

Performance and Achievement	School Improvement Partners	A	School Improvement Partners (SIP's) were introduced into secondary schools in 2006 and primary schools in 2007 as part of the DCSF "New Relationships with Schools" requirement. Grant funding support (£37k) does not meet actual costs. School Improvement services are being reconfigured to accommodate changes in the longer term but pressure exists for 2008/09. Risk of not funding includes service disruption and reducing front line support to schools.	20	0		H
			TOTAL AMBER PRESSURES	20			

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		

NEIGHBOURHOOD SERVICES – SCHEDULE OF 2008/09 BUDGET PRESSURES TO BE TREATED AS CONTINGENCY ITEMS

	Increase in building energy costs (nominal value to highlight potential).	R	Risk is unavoidable and is red. Depends on scale of increase - to be dealt with at outturn.	150		Energy prices have been rising in the past although 2007/08 has seen some stabilisation. There is a need to fund any increases.	M
	Under recovery of parking fines and car parking charges.	R	If car parking income plus the set revenue budget did not match the cost of running the service, then there would have to be redundancies in the service.	131		Staffing for service provision would remain at current levels.	VL
	Concessionary fares (estimate).	R	This is a statutory obligation imposed on all Local Authorities by the Government.	46		There would be no service improvement as this is a contractual obligation.	H
	Waste management/ collection service - replacement blue box collection containers, Wheeled bins and Poly bags.	R	Ongoing pressure on current budgets. Will overspend.	50		Efficient service. Responsive to customer needs.	H

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
Street Lighting	Increase in energy costs (maybe included corporately).	R		112			M
	Additional budet for work done on corporate property (e.g. accommodation strategy etc).	R	Key work on accommodation and disposal strategies and the future shape of the authority will not be completed. Under recovery of Technical Officer's salaries.	100		Staff undertaking corporate work will be resourced to eliver on key areas of the Council's development and efficiency strategy.	H
Customer Services (36741)	Additional work for EHO's re inspections under the ships sanitation regulations. All ships sanitation inspections must now be undertaken by qualified EHO's.	A	Request for ships sanitation inspections must be undertaken whilst ship is in port. Knock on effect on other workload e.g. food inspections. Service possibly called in for audit.	5		Compliance with statutory obligations.	VL

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
Customer Services (36741)	Enforcement of home information packs will result in problems as additional work with no additional resources. Government have provided funding to authorities as from 2005/06 in grant settlement, but no additional funds have been allocated to the Trading Standards Service.	A	Not responding to complaints. No proactive work on encouraging sellers and agents to comply with statutory requirements. Avoidance of services being called for audit.	5		Compliance with obligations to enforce statutory requirements.	VL
	Removal of toxic waste.	R	This is a statutory function under the Highways Act so HBC must arrange for the removal of toxic waste.	15		There would be no service improvement as this is a contractual payment.	H
	Neighbourhood action/ collection of stray dogs - Provision of 24/7 facility for collecting stray dogs, once the Police relinquish their responsibility.	R	Under the CNEA 2005, the Council will have a statutory duty to provide this service once Ministers agree a date. Failure to provide this service is therefore not an option, but without additional funding other aspects of environmental enforcement will have to be rationalised to the detriment of the team and its users.	10		It is envisaged the service will involve stray dogs being collected from members of the public - a clear improvement on the present system where the public have to take them to the central police station. As an entirely new service, response times have yet to be determined, but these will form the basis of any future PI's.	L

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
	School catering - The banning of certain items of food in both primary and secondary schools has seen an increase in food costs, since the restrictions have been implemented we have seen a rise of 16% in food costs, whereas previously it was 3%.	A	Without assistance it is likely that the service will not make it's rate of return, but will in fact finish the year end in deficit.	35		Will assist the service implement the Government's new standards and will ultimately improve the long term health of the children of Hartlepool. Should the service cease it is likely that the current health & obesity problems will escalate.	M
				659	0		

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		

REGENERATION AND PLANNING DEPARTMENT – SCHEDULE OF 2008/09 BUDGET PRESSURES TO BE TREATED AS CONTINGENCY ITEMS

LAA Delivery	The delivery of Hartlepool's Local Area Agreement has placed an unsustainable pressure on the Community Strategy division to deal with additional financial and performance reporting requirements. The team's work has significantly increased from managing 1 funding stream, NRF (aprox £5 million per annum) in 2005/06 to the 2007/08 LAA with 15 funding streams across the Council and its partners with a value of over £9m. This is now a highly complex programme to coordinate and a specification is being prepared of the financial monitoring requirements which will need to be addressed preferably through adjustment of the existing financial system and new accountancy instructions and input. The cost estimate is provisional at this stage and therefore a contingency.	R	The risk in not recognising this pressure is that the LAA will not have appropriate financial controls in place and that the Council will not be able to adequately demonstrate spend and associated performance outcomes.	40	0	Recognising the pressure will ensure that LAA delivery is managed and that the appropriate finance and performance reporting mechanisms are in place. The performance of the LAA will be a key element of the Comprehensive Area Assessment and the retention of its current excellent rating.	H
--------------	---	---	--	----	---	--	---

Appendix B

Budget Heading (including Cost Centre cost if possible)	Description of Budget Pressure	Risk - Red, Amber, Green	Risk Impact of not funding Pressure	Value of Budget Pressure in 2008/19	Value of additional Budget Pressure in 2009/10	Service improvement to be achieved by funding pressure (including details of current performance and target for 2008/2009 performance)	Risk Probability (VL/L/M/H)
				£'000	£'000		
Conservation Area Appraisal	Continuation and expansion of work in undertaking Conservation Area appraisals/assessments with independent advice to provide up-to- date basis for policy re planning applications, preservation and enhancement of conservation areas to meet expected standards and recognising controversy	R	Up-to-date date appraisals essential for a consistent and informed planning policy in a contentious area of activity. Danger that character, appearance and community support for conservation areas will suffer if appraisals are not undertaken and expected service standards will not be met.	20	0	Carrying out appraisals of conservation areas is a best value performance indicator (BVPI 219 a & b). Appraisals will assist in defining the character of Conservation Areas. This is required for consideration of planning applications within the conservation areas. The information gathered will be fed into the current conservation policy review.	M
				60	0		

Total	1339
--------------	------

ADULT & COMMUNITY SERVICES DEPARTMENT – SCHEDULE OF GRANT REGIMES TERMINATING DURING 2007/2008 - PROBABILITY 3

Appendix C

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
Physical Activities Officer (Active England)	Yes - essential post to encourage uptake of sport & physical activity				0	0				
Swim Development Coordinator (LPSA1 Reward Grant & CS Dept). Post ceases Jan 2009. Grant loss identified in 09/10 may be less if CS Dept continue to part fund on the same basis	Yes - Part funded by CS Dept - essential post particularly linking to H20 Development & delivery of swim strategy				0	0				
Football in the Community (NDC & Football Foundation). Ends August 2009 - full year grant £53k	Yes - Essential component of the development & delivery of football in Hartlepool. Linked to Grayfields development				0	0				
Community Sports Coach - Multiskills (Sport England via CSP). Ends April 2009	Yes - essential post to encourage uptake of sport & physical activity				0	0				
Community Sports Coach - Disability Sports (Sport England via CSP). Ends June 2009 - full year grant £2k	Yes - essential post to encourage uptake of sport & physical activity				0	0				

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
Walking the Way to Health (Countryside)	Yes - funds extensive walks programme sustained largely through volunteers. Important element of physical activity program for older people	R	3	Severe curtailment of walks programme	10	10				Maintain walks programme - KPI of attendances
Supported Employment	Yes, to maintain people in supported employment	R	3	To fund on going cost of transport and support beneficiary's currently supporting 13 individuals in employment.	20	20				Cost effective method of supporting social care needs in real jobs.
Home Library Service LPSA (Reward)	Yes	R	3	High. This is a high profile service to people with particular need. Service is statutory	10	10	3	12.5	0	Development of this service was key to recent substantial efficiency savings within vehicle library service. This is a service to an expanding area of population
				SUB-TOTAL - ADULT & COMMUNITY	40	40	3	12.5	0	

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
-------------	---	--------------------------	---	-------------------------------------	--	--	---	---	---	---

CHILDREN'S SERVICES DEPARTMENT – SCHEDULE OF GRANT REGIMES TERMINATING DURING 2007/2008 - PROBABILITY 3

Grants Terminating during 2007/2008										
Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 = Unlikely grant may	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
Human Resources & Developing Services (HRDS) Grant	Yes - to maintain services	R	3	Supports workforce planning for Social Care Workers in Local Authority and Independent Sector	40	40	0	0	NA	To recognise the shortfall in training and support for Social Care Staff and to
Parenting Commissioners Grant	Yes - This is a role that is now expected of the Council. Set up grants have been available in 06/07 and 07/08. No ongoing funding has been identified.	R	3	This role is part of the government's wider strategy. We have been able to integrate the role with other duties but a budget will be required to continue service development.	14	14	0	0.0	NA	This is an expanding area of work and commissioner's role is important to ensure co-ordination of various parenting initiatives to ensure efficient use of resources.

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
				SUB-TOTAL - CHILDREN'S	54	54				

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/ permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
-------------	---	--------------------------	---	-------------------------------------	--	--	--	---	---	---

NEIGHBOURHOOD SERVICES – SCHEDULE OF GRANT REGIMES TERMINATING DURING 2007/2008 - PROBABILITY 3

Grants Terminating during 2007/08										
Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/09 £'000	Total number staff employed (permanent contract/ permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
NDC Environmental task force	Yes	R	3	The NDC have funded the ETF for 5 years now, employing 6 operatives together with vehicles and appropriate equipment focusing on residential areas within the NDC area. The loss of this team will have a substantial impact on the cleanliness of the town. NDC may provide £45k in 2008/09.	188	143	6	33.0	0.0	Has now run for 5 years focusing on residential area within the NDC area. This valuable asset has enabled the authority to improve on BV199, an area which has been picked up by CPA inspectors, ENCAMS and the Performance Management Portfolio holder as an area of concern.
Climate change Officer Post	Yes	R	3	The govt stated that 'Climate Change is considered to be the biggest challenging facing the global community today' and the issue has risen to the top of the Government's agenda over the last twelve months. HBC has Climate Change identified as a strategic risk.	25	25	1	0.0	0.0	In order to meet the growing expectations of members, colleagues and residents a Climate Change Officer post is considered to be the most efficient way of developing and implementing the Climate Change Strategy & Action Plan for Hartlepool.

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/ permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
				SUB-TOTAL - NEIGHBOURHOOD	213	168	7.0	33.0	0.0	

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/ permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
-------------	---	--------------------------	---	-------------------------------------	--	--	--	---	---	---

REGENERATION AND PLANNING DEPARTMENT – SCHEDULE OF GRANT REGIMES TERMINATING DURING 2007/2008 - PROBABILITY 3

Grants Terminating during 2007/08										
Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 Unlikely grant will	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/09 £'000	Total number staff employed (permanent contract/ permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
Family Intervention Project	YES - The FIP provides intensive support to the most challenging families in the town in order to address their anti social behaviour activities and family behavioural issues. Existing funding pays for the Coordinator's post along with various commissioned services to families GONE NDC	R R	3 3	Though difficult to measure, the success of this programme will generate potential savings in other parts of the Council by potentially keeping children out of care as well as reducing social worker time input and maintaining tenancies. Without mainstream funding and the continuation of this 'invest to save' approach, costs may increase elsewhere within the council and incidents of anti social behaviour are likely to rise	100 25	100 0	1 ftc	0.0	n/a	The 2 mandatory LAA indicator relating to residents perceptions of ASB and parental responsibility may be adversely affected. Indicators in relation to crime statistics eg BV126, 127a, 127b may also worsen if this targeted approach to these challenging families is not maintained

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Risk - Red, Amber, Green	Probability 1 = Likely to continue, 2 = may continue, 3 =	Risk Impact of not funding Pressure	Value of Grant terminating in 2007/2008 £'000	Value of resulting budget pressure in 2008/2009 £'000	Total number staff employed (permanent contract/permanent owing to roll forward of contract/fixed term)	Provisional estimated cost of making staff redundant based on HBC employment £'000	Funding available to fund redundancy costs £'000	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
Regeneration Programmes	YES - The Regeneration Team is supported by approximately £60k of NDC grant under a SLA arrangement and for additional work managing Commercial Area Grants and Voluntary Sector Premises Pool	R	3	Failure to find replacement funding for this and the £40k NAP development (NRF) item would put extreme pressure on the ability to maintain the Regeneration Team in its current form and any rationalisation would reduce the capacity to participate and develop the regeneration agenda for the town and contribute to emerging opportunities eg Tall Ships	60	60	2 staff (1 ftc to Mar08, 1 permanent employee)	3.0	Earmarked reserves will be used to maintain the employment of the permanent staff member into 2008/9	
NDC community safety premises	The community safety office at 173 York Rd accommodates staff who work entirely in the NDC area, as well as Police and Council officers who work across the central neighbourhood area.	R	3	Initial approval of the NDC project covering this office base ends in 2010/11. However, the project approval has always indicated a desire to start mainstreaming the costs before NDC ceases. The Police already contribute £23,000 towards overall annual building budget of £69,000. The project appraisal seeks an annual contribution of £23,000 from the Council. There are 31 members of staff from Council, Police and NDC based at this office. This is well used office for residents in the NDC area to drop-in for advice from Police or other team members. 30% all crime recorded in the Town in first quarter of 2007/08 occurred in the NDC area. Less NDC funding will be available for other projects if this is not supported.	23	23				Continuation of existing services, measured by crime and anti-social behaviour indicators
				SUB-TOTAL - REG. & PLANNING	208	183	8.0			
TOTAL - PROBABILITY 3					515	445	18	46	0	0

ADULT & COMMUNITY SERVICES DEPARTMENT – SCHEDULE OF BUDGET PRIORITIES 2008/2009

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Sports Development Team	The sport, physical activity and well-being agenda is massive and reliance cannot continue to be placed on short-term, externally funded posts. Introduction of a Sc3 post (an Assistant Development Officer post) into the team, would help enormously with the range of initiatives we are expected to deliver.	R	Many short-term funded posts are due to cease in 08/09 and will impact considerably on our ability to deliver	22		Over the last 3-4 years, the service has been faced with not only developing sport in its purest sense but increasingly delivering on the whole physical activity/well-being agenda. Instead of just delivering sport, there is an expectation for us to deliver "softer", more informal recreation/participation initiatives and this is becoming more and more difficult to resource. Currently, over 50% of the Sports Development Team are made up of short-term, externally funded posts and an additional permanent post is needed to provide some sustainability. Without any additional resource, there is a concern that service delivery within the area of Public Health initiatives will suffer having a knock-on effect on performance and targets set.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Hindu and Sikh Cultural Society	Required to meet the needs of this BME community. Will provide opportunities for day care, meals and information service. To commission from an already established service in Middlesbrough will minimise costs	R		10		Required to ensure the needs of this community are met in a culturally sensitive way
Grayfields Operation - Parks & Countryside budgets and Community Services maintenance budgets	Development of activity and the need for dedicated management at Sports Ground site. Currently, there are no permanent members of staff based at the site and if the investment made is to be protected and the site developed to its full potential, extra staffing resource must be provided. (£25K). Cyclical maintenance costs associated with the upkeep of the new pavilion have also increased significantly leaving a shortfall on the current budget. (£5K)	R	The potential for Grayfields as a premier site for football development would be extremely compromised	30		There is a need for staffing to be in place at Grayfields to increase revenue and use of the 3rd Generation pitch and ensure the site is properly managed and maintained.
Headland Sports Hall Staffing Operation				10.2		
			TOTAL RED PRIORITIES	72.2		

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Public Health/Participation	Whilst short-term funding to provide free swim initiatives is welcome, it is not sustainable. Junior Admission 07/08 £55K.	A.	One off initiatives are not providing wholesale changes in the lifestyles of young people	55		Attendances will ultimately increase. Health improvements achieved although harder to evidence. May also see a reduction in anti-social behaviour
Sports Development	Ongoing funding support of Hartlepool Sportability Club. Now highlighted as a budgetary pressure, this was agreed to be funded and reviewed on an annual basis at Mayors Portfolio in July 2003. This is now not sustainable such is the pressure on Sports Development budgets and the increase in associated costs has to be diverted to fund participation initiatives linked to CPA indicators.	A	Withdrawing support could impact on the Club unless other funding can be sourced.	7.5		Will allow for the ongoing support of the important work of this club.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Sport & Recreation	A review of all concessionary charges within Community Services was undertaken this year. The key finding was that in terms of the application of concessionary charges to pensioners, Sport & Recreation was the only service out of alignment with everyone else. Whilst a decision is yet to be made on whether to adopt this approach or not, any change implemented will impact on income generation. It is estimated that this will be in the region of	A	Dependant upon changes implemented	20		Retirement population in Hartlepool expect to grow. Older people more vulnerable to ill health. Links between sport & physical activity and health & well-being well documented. Low levels of participation in Hartlepool (Active People participation survey) - this would be a means of addressing some of these issues and increase participation rates within this age group.
			TOTAL AMBER PRIORITIES	82.5		
			TOTAL ALL PRIORITIES	154.7		

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	

CHIEF EXECUTIVES DEPARTMENT – SCHEDULE OF BUDGET PRIORITIES 2008/2009

Members ICT	2nd phase roll out.	R		30		
Equality Budget	TDDCS admin. Costs and publicising accessible channels	R		20		
			TOTAL RED PRIORITIES	50		
Corporate ICT	Corporate ICT Technical Developments and Support (as capital pot to be topped up at year end as spend allows).	A	No corporate funding for critical systems could result in an inability to continue the ICT service and consequent knock on effects on front line service delivery.	100	0	As we encourage more cross- departmental, integrated systems and more reliance on ICT, there are occasions when corporate investment is needed to ensure continuation of service. Examples include increased storage capacity, recabling of the civic centre, improved back up facilities to speed up systems.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Business Improvement Districts	The Longhill and Sandgate Business Improvement District (BID) Partnership are committed to operating a BID scheme to improve security, reduce crime and ensure sustainability of the industrial estate. Given a positive ballot of businesses in Nov 07 the Council will then be responsible for billing and collecting the BID levy and for being the accountable body for the scheme.	A	Failure to effectively support regeneration and development initiatives within the Borough.	35	20	Corporate investment is required to ensure an effective administrative infrastructure for the BID initiative covering the implementation / support of an additional module to the I World Business Rates System, billing, recovery and accounting arrangements.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Financial Inclusion Developments with Hartlepool Credit Union	From April 2008 the Local Housing Allowance scheme will require the Council to pay housing benefit directly to a benefit claimant's bank account. To facilitate this change and allow the disadvantaged to access inclusive banking facilities, a stakeholder contribution is required towards the costs of developing banking facilities via the Credit Union with technical input from the Co- Operative Bank.	A	Failure to effectively implement statutory responsibilities under the Welfare Reform Act 2007, negative impacts on Benefits CPA service assessment score.	45	15	Investment is required to enable the Council to effectively participate in the Hartlepool Financial Inclusion Partnership, to support those that are disadvantaged to be more financially literate, to allow them to access banking facilities and to allow the Council to effectively pay benefit under the new arrangements
			TOTAL AMBER PRIORITIES	180		
			TOTAL ALL PRIORITIES	230	0	

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	

NEIGHBOURHOOD SERVICES – SCHEDULE OF BUDGET PRIORITIES 2008/2009

	The Council needs to replace the Corporate Property Database. There will be an ongoing maintenance and licence cost	R	The Council will have difficulty in fulfilling new property performance requirements in CPA use of resources. Asset management development will be severely constrained	22		The adoption of the CIPFA IPF system brings modernisation, functionality and expansion to provide Council wide access (via an authority wide licence) and links to Integra
	Increase in hanging and barrier baskets provision. (no budget ever provided).	A	Removal of all hanging and barrier baskets due to lack of funds to maintain and service.	25		Maintain and increase present floral displays to enhance the appearance of the town for both residents and visitors alike which would contribute to greater tourist satisfaction.
			TOTAL RED PRIORITIES	47		
Environmental Standards (10189)	Out of hours noise service (following summer pilot). Value based on an 8 hour 3 day service	A	There is increasing pressure to provide an out of hours service for noise complaints	37		A four weekend pilot has been very successful, approximately five complaints per night were addressed and a substantial number (approximately 35) of outstanding noise complaints were resolved as a result of the additional monitoring and action.
			TOTAL AMBER PRIORITIES	37		
			Total	84	0	

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	

REGENERATION AND PLANNING DEPARTMENT – SCHEDULE OF BUDGET PRIORITIES 2008/2009

Private Sector Housing	Funding required to adopt Selective Licensing with the aim of reducing anti social behaviour caused by poor tenants within a targeted area	R	The council is considering its participation in the selective licensing scheme which would promote and potentially enforce good landlord standards in a designated area where anti social behaviour is a significant problem. This is seen as a measure to tackle problems caused by poor tenants and is a high political priority and is a recommendation from Scrutiny. The specifics of such a future scheme cannot yet be determined. Although some income from licences would be generated it is anticipated that this would not fully cover the authority's costs of implementation and any budget gap would need to be met. At this early stage a figure of £40,000 is suggested.	40	0	The number of anti social behaviour referrals in the designated area would be a measure
------------------------	--	---	--	----	---	---

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Sustainable Development	Resource needed to coordinate strategic HBC response to Government's Sustainable Development including the Climate Change programme. Currently no dedicated officer time for strategic Sustainable Development within Community Strategy Division and no scope to reconfigure current work programmes.	R	Unable to respond to agenda - failure to meet 2 proposed Climate Change PIs and a number of other associated PIs	50	0	Currently unable to quantify Council's response to Climate Change and Sustainable Development as there is no officer time available to do this. By funding the pressure the Council will be able to effectively prioritise strategic activity to improve performance on Climate Change and demonstrate this to residents, funders and inspectors.
			TOTAL RED PRIORITIES	90		

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Domestic Violence	Domestic Violence Prevention Co-ordinator (increase of 1/2 post)	A	As a town, Hartlepool suffers from high levels of domestic abuse. We currently share a DV co-ordinator with Stockton BC. She is funded by the pump -priming element of Local Area Agreement reward element (previously LPSA2). Besides Police enforcement to bring perpetrators of DV to justice, progress in tackling this crime needs to commence with education and prevention programmes in schools and other youth settings. An extra half post would enable Hartlepool to develop the work within schools etc, as well as co-ordinating activities to help victims and training front-line staff. These more pro-active, preventative activities can not be carried out unless extra resource is available.	20	0	Currently councils must aim to achieve compliance with BVPI 225, which comprises 11 separate elements. We are currently failing to achieve four of these, namely 1) multi-agency training, 2) information sharing protocol, 3) sanctuary scheme for victims, 4) reduction in repeat rehousing of victims due to them becoming homeless again within 2 years.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Addressing Alcohol Abuse	Development and provision of prevention and education services for those at risk of, or abusing alcohol	A	Alcohol consumption is recognised as a significant public health challenge, as well as contributory factor in many crimes and anti-social behaviour. The Primary Care Trust has allocated some funding for developing specialist local alcohol treatment services in 2007/08, but further funding is needed to provide preventative services and education in schools etc. Appointment of an officer would enable Hartlepool to develop training for front-line staff such as social workers and housing advice staff, so that they can give informed advice to their clients, provide advice to teenagers who may already be drinking, and extend programmes in schools for younger pupils. These more pro-active, preventative activities can not be carried out unless extra resource is available.	30	0	No service exists at present and staff in various organisations are increasingly faced by clients who have alcohol problems, which they are unable to deal with. Residents continually complain about ' drunk and rowdy ' behaviour and under-age drinking. This project would aim to have long term impact on the health of individuals and improve the quality of life for communities.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Economic Development Marketing	Expand budget for marketing Hartlepool and its specific investment opportunities for commercial/industrial development and new businesses	A	The risk is that marketing will rely on non guaranteed free PR and that Hartlepool does not maximise the economic benefit of key new developments such as Queens Meadow ,Central Area and the Southern Business Zone and therefore loses out on the attraction of inward investment, business start up and sme growth with the associated benefits of private sector investment and job creation. As an example of opportunities that we need to capitalise on are two new key developments at Queens Meadow, with 80,000 sq ft of speculative development underway and 156,000 sq ft office development [subject to planning approval].	40	0	The marketing activity directly supports the following performance indicators-Business enquiries, Business assisted. These are key activities in the process of encouraging inward investment ,business start up and sme growth supporting private sector investment and job creation.

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
Conservation Grants	The conservation grant scheme is currently receiving a high number of applications. Increase budget to meet more of unmet demand	A	Strong demand for conservation grants: 60% of current year's budget committed in first 4 months and current applications would utilise bulk of the remainder. Further applications in the pipeline. Strong feedback from residents that grant aid is needed to assist in meeting standards appropriate for listed buildings/conservation areas and danger of deterioration of condition/appearance/character if such work cannot be supported.	25	0	The increased grant budget would assist in supporting more residents who own listed buildings or live in a conservation area. The number of grants which are offered are currently recorded at Departmental level as a performance indicator, this would continue.
Housing Needs	The establishment of a base budget is required to meet the cost of ongoing research activities and specialist studies on housing	A	Ongoing research and studies are required to assess housing needs for the council's housing strategy and to support its future bids for funding. Although there is some opportunity to work with other authorities at a sub regional and regional level, contributions are nevertheless required to fund these joint projects. No ongoing base budget currently exists. Affordable Housing is a 'red red' risk for the authority and is a high Government and local priority. The council needs to ensure it is effectively responding to this issue and positively influencing the local housing market	20	0	Various indicators measure performance in housing and the council overall strategies to meet need

Appendix D

Budget Heading (including Cost Centre cost if possible)	Description of Budget Priority	Risk - Red, Amber, Green	Risk Impact of not funding Priority	Value Budget Priority	Value of additional Budget Priority in 2009/10	Service improvement to be achieved by funding priority (including details of current performance and target for 2008/2009 performance)
				£'000	£'000	
			TOTAL AMBER PRIORITIES	135		
			TOTAL ALL PRIORITIES	225		

693.7

Reserve		Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves					Estimated Balance at 31/3/2011 £'000
			2007/08	2008/09	2009/10	2010/11	Total	
			£'000	£'000	£'000	£'000	£'000	
Budget Support Fund		8,351	(1,560)	(3,770)	(2,000)	(1,000)	(8,330)	21
Equal Pay Protection		4,000	(1,400)	(1,300)	(1,300)	0	(4,000)	0
Ringfenced Reserves - Schools		3,050	0	0	0	0	0	3,050
Capital Reserves		1,179	(1,094)	0	0	0	(1,094)	85
General Fund Balances		2,709	800	0	0	0	800	3,509
Insurance Fund		3,211	0	0	0	0	0	3,211
Sub-total A		22,500	(3,254)	(5,070)	(3,300)	(1,000)	(12,624)	9,876
Ringfenced Reserves - Other		4,438	(1,667)	(249)	20		(1,896)	2,542
Departmental Reserves		5,255	(2,589)	(1,187)	(267)		(4,043)	1,211
Sub-total B		9,693	(4,256)	(1,436)	(247)	0	(5,939)	3,754
Total - A + B		32,193	(7,510)	(6,506)	(3,547)	(1,000)	(18,563)	13,630

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Budget Support Fund LABGI Reserve	370	0	(370)	0	(370)	0	The Council has received a payment under the Government's Local Authority Business Growth Incentive Scheme. Members have determined to earmark this amount to support the 2008/2009 Budget and Council Tax Strategy.	To be determined	
LABGI Year 2 Grant	0	1,200	(1,200)	0	0	0			
Budget Support Fund	7,581	(2,560)	(2,000)	(2,000)	(6,560)	1,021	To support the overall budget. (FBR Reserve has been consolidated into this reserve)	The balance shown uncommitted as 31/3/2010 is allocated within the existing budget strategy to support the 2010/11 budget	
Stock Transfer Reserve	400	(200)	(200)	0	(400)	0	The reserve will be earmarked towards diseconomies of scale over 3 years commencing 2006/07.	Proposal approved by Cabinet	
Total Budget Support Reserves	8,351	(1,560)	(3,770)	(2,000)		1,021			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
<u>Equal Pay Protection</u>									
Balance at 31/3/2007 from transfer of following Reserves:									
General Fund Balances	1,000	(1,000)	0	0	(1,000)	0	To fund costs of protecting	Protection arrangements subject to	
Job Evaluation Protection Reserve	400	(400)	0	0	(400)	0			
Insurance Fund	1,600	0	(1,300)	(300)	(1,600)	0			
Stock Transfer Warranty Reserve	1,000	0	0	(1,000)	(1,000)	0			
<u>Total Equal Pay Protection Costs Reserve</u>	4,000	(1,400)	(1,300)	(1,300)	(4,000)	0			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Ringfenced Reserves - Schools	3,050	0	0	0	0	3,050	To enable individual schools to manage their budgets over more than one financial year in accordance with the implementation of multi-year budgets.	Individual schools determine usage as part of their detailed budget plans either to support general running costs or to fund specific projects. A forecast movement in reserves is not provided as it is uncertain what the outturn position will be.	Procedures determined by individual schools. Overall level of balances are monitored by the Children's Services department to ensure individual school balances are not excessive and plans are developed for using balances. The November 2006 Schools Forum agreed i) for the Forum to receive regular updates on school balances and ii) the Head of Finance to draft a 'clawback' scheme for inclusion in the Scheme for Financing Schools
Total Ringfenced Reserves - Schools	3,050	0	0	0		3,050			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Capital Reserves									
Capital Funding	1,094	(1,094)	0	0	(1,094)	0	This reserve is fully committed to fund rephased capital expenditure.	It is assumed that this reserve will be used in 2007/08. Although if capital expenditure is rephased the reserve will be carried forward to match these commitments.	Through the overall management and control of the capital programme and the annual capital closure process.
Maritime Av Remedial	85	0	0	0	0	85	For road maintenance responsibilities within the Marina inherited from TDC.	Reserve will only be used available if works become necessary.	Ongoing review as issues arise.
Total Capital Reserves	1,179	(1,094)	0	0		85			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
General Fund Balances									
General Fund Balances	2,709	800	0	0	800	3,509	Previous reports have recommended that this reserve should be maintained at 2 or 3% of the Revenue Budget. Assuming Members approve the proposal to release part of this reserve for Job Evaluation Protection costs the net uncommitted General Fund Balances equate to 3%. Given the increasing nature of volatility and the planned use of other reserves this level is not inappropriate. Reserve will only be used to meet expenditure commitments that cannot be funded from the approved budget or other reserves. Any use of this reserve will need to be repaid within the following year.	Opening balance reduced by £1m transfer to Equal Pay Reserve. minimum prudent level and is reviewed as part of budget process and annual closure strategy. Balance increased in 2007/08 from repayment of part of 2006/07 Bonus Buyout Costs.	
Total General Fund Balances	2,709	800	0	0		3,509			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
<u>Insurance Fund</u>	3,211	0	0	0	0	3,211	The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. For motor vehicle own damage, the excess is £1,000. However, the excess is £100,000 for the Property/Combined Liability policy on each claim. The All Risks policy covers those items considered to be of value and at greatest risk of theft or damage. The Council's experience whilst operating with these excesses has been favourable. Nevertheless, the Council's total exposure in any one year has substantially increased and is currently £4.75m. The net value of this reserve consists of the insurance fund balances less amounts advanced to departments to fund service improvements. These amounts will be repaid over a number of years to ensure resources are available to meet insurance claims that will become payable.	Opening balance reduced by £1.6m transferred to Equal Pay Protection. The reserve is used to meet self insured claims as and when they arise. The Insurance Fund is subject to an annual review to ensure adequate funds are available to meet known liabilities when they amounts become payable. In practice there can be a significant lead time between a claim being recognised and the actual payment to the claimant. However, it is essential that resources are earmarked when a liability is identified to ensure resources are available to make payments when they become due. The value of the fund is currently matched by identified claims which have not yet been finalised. Interest is credited to this to ensure the fund is protected against inflation. The forecast reduction reflects the settlement of historic claims and not an unplanned fall in the value of the fund. However, if claims continue at current levels future contributions may required from 2007/08. These commitments have not yet been determined or reflected in the forecast budget deficits.	
<u>Total Insurance Fund</u>	3,211	0	0	0		3,211			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Ringfenced Reserves - Other									
Museums Acquisition	57	(8)	0	0	(8)	49	To support the purchase of museums exhibits	Reserve maintained to provide funds if necessary	Reserve maintained to provide funds if necessary
Maritime Festival	0	20	(20)	20	20	20	Created to enable the department to manage the budget over more than one financial year	Fully utilised in 2006/07.	
School Rates	152	0	0	0	0	152	The Schools Rates Adjustment arose from reductions in school rates payable following the review of rateable values.	Reserve is used as a 'balancing' figure each year to ensure that there is a 'budget neutral' effect on schools ie. the Reserve is used to adjust the schools budget to equal actual rates costs.	Reserve maintained to provide funds as and when necessary
Youth Service	73	(51)	(22)	0	(73)	0	Youth Advisory Group Balances carried forward from previous years	51k to be used to maintain and enhance the service delivery where possible to young people over the forthcoming years. The risk will be green this year but will increase to amber then red in future years as the need to implement ICT and replace vehicles	Reserve to be used as detailed in 2007/2008
Licensing Act 2003 Reserve	23	(13)	(10)	0	(23)	0	To assist with implementation of new legislation	Funding was front loaded and will be spread over a number of years. Fee income needs to be spread over a 10 year cycle.	Already committed
Supporting People Implementation	711	(100)	(100)	0	(200)	511	To be used to mitigate repayment of grant and ease budget pressure over transition period as new grant regime come into effect in addition to costs arising from Audit Commission inspection.	To meet expenditure commitments no longer covered by grant income.	Ongoing Review, as funding regime changes.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Youth Offending Reserve	261	(179)	(82)	0	(261)	0	Created from planned underspends in previous years to fund YOS initiatives	To support YOS Prevention Initiatives over the forthcoming years as follows: 2007/08 £179k , 2008/09 £82k	Ongoing review to provide finance as detailed
CRB Checks Reserve	70	(55)	(15)	0	(70)	0	Following changes in CRB regulations a greater number of checks are required and some of these are more detailed	The reserve will substantially be used in 2007/8 to meet the costs of paying for checks and to fund a new CRB system. The balance is expected to be spent in 2008/9	
Custodian Properties	100	0	0	0	0	100	This covers the residual costs of former County Council buildings, including Gurney House lease termination and dilapidation costs.	The exact time this reserve will be needed is not yet clear and depends on lease negotiations with the property owners	
Job Evaluation Protection Reserve	0	0	0	0	0	0	This reserve will provide additional resources to assist with the implementation of a New Pay and Grading System. In particular, these resources will help meet the temporary costs of providing protection to individual employees.	Opening balance of £400k transferred to Equal Pay Protection Costs Reserve	
Single Status Implementation	150	(150)	0	0	(150)	0	This reserve will be used to fund the first COT3 costs, employment tribunal legal costs and costs of undertaking detailed job evaluations	Members earmarked to support	
Tall Ships	800	0	0	0	0	800	This reserve has been set aside to support the Tall Ships visit in 2010	To be determined	

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Lotteries Reserve	420	0	0	0	0	420	The Lotteries Reserve, consists of the proceeds of the civic lottery and donations received. It is used for grants and donations to local organisations.	Reserve can only be used for donations to local organisations. Individual requests are approved on a case by case basis. The principle for using the reserve is that the balance is preserved and any interest on it is distributed as grants.	Distribution of grants is considered and agreed by the Council's Grants Committee.
Emergency Planning	92	0	0	0	0	92	This reserve is held on behalf of the 4 districts under the joint arrangement, to meet potential additional costs arising under revised Civil Defence arrangements implemented from 1st April 2005.	Reserve will be used to meet additional costs identified.	Reserves will be used following approval by Emergency Planning Joint Committee.
Collection Fund Surplus	148	0	0	0	0	148	Reserve established from increased Council Tax income arising from increase in Tax Base and improved recovery of Council Tax.	Reserve can only be distributed to precepting and billing authorities in proportion to respective precepts on the fund. HBC share of surplus is used to support the Budget by reducing the amount to be funded from Council Tax.	Reserve managed through the overall management and control of the Collection Fund and any surplus (or deficit) is taken into account in the budget setting process.
The Way Forward Reserve	366	(366)	0	0	(366)	0	Reserve established to meet potential future costs arising from implementation of Council's 'Way Forward ' strategy.	As costs arise during 2006/07 and 2007/08.	Expected to be committed 2007/08.
Income Tax and VAT Reserve	250	0	0	0	0	250	On completion of Inland Revenue Reviews or when VAT payments are required under partial exemption	Costs approved by CFO	

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Stock Transfer Warranty Reserve	0	0	0	0	0	0	Timing of this ongoing potential liability is uncertain. Therefore, reserve needs to be maintained to provide some protection against potential liabilities.	Opening balance of £1m transferred to Equal Pay Protection Costs Reserve.	
Termination Costs Reserve	132	(132)	0	0	(132)	0	These costs were previously funded through the capital programme. Following a change in Government regulations expenditure below a de-minimus level can no longer be capitalised. Therefore, provision was made to establish a revenue reserve to meet these	Expected to be committed in 2006/07 and 2007/08.	
Cabinet Projects	70	(70)	0	0	(70)	0	This reserve is to be used to fund one-off Cabinet Initiatives	To be determined by Cabinet	
LPSA Reward Grant Reserve	563	(563)	0	0	(563)	0	Ringfenced LPSA grant to c/f to future years	Approval through Budgetary Policy Framework.	
Total Ringfenced Reserves - Other	4,438	(1,667)	(249)	20		2,542			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
<u>Departmental Reserves</u>									
Seaton CC 'Management' - Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.	108	0	(58)	(50)	(108)	0	Balance carried forward from previous years	Ringfenced for Seaton CC Management Committee to be used when the running of Seaton CC is handed over to them	Reserve to be used when handover occurs Cultural Services Asst Director dealing. However it is unlikely that the money will now be needed until 2008-09.
Adult Education	7	(7)	0	0	(7)	0	Created from LSC grant fund to address short and long term pressures from within the Adult Education service.	Reserve will be used to support staff pressures created through changing priorities.	Some commitments will be incurred in the short term. Reserves will be maintained in accordance with the timescales agreed in the service plan. Future reserves will be the subject of an annual review as part of the service outturn strategy in consultation with the CFO. Details will be reported to Cabinet as part of the final outturn report.
H2O Centre Reserve	36	0	0	0	0	36	This covers the costs of planning and preparing for the proposed leisure centre	Ongoing review by CFO and Director of Adult & Community Services	Ongoing review by CFO and Director of Adult & Community Services

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Special Projects - Adult Education	137	(50)	(50)	(37)	(137)	0	Created from LSC grant fund to address capability to respond to local priorities.	Reserve will be used to support and match fund service inclusion projects as identified and agreed as part of the service plan.	Some commitments will be incurred in the short term. Reserves will be maintained in accordance with the timescales agreed in the service plan. Future reserves will be the subject of an annual review as part of the service outturn strategy in consultation with the CFO. Details will be reported to Cabinet as part of the final outturn report.
Community Grants Pool	86	(86)	0	0	(86)	0	Reserve created in 2006/07 from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by members for contributing towards the community.	The Reserve will be used in 2007/08 and future years (if applicable) to enhance the existing base budget provision for Community Grants.	Grants can only be issued with the approval of the Grants Committee.
Tree Management	6	(6)	0	0	(6)	0	Required work could not be completed in 2006/07 so this funding has been set aside to finance this work in 2007/08.	The Reserve will be used in 2007/08 on Tree Works postponed from 2006/07.	Current reserve balance to be used in 2007/2008
Football Development	12	0	(12)	0	(12)	0	Income generated by the Football Development Programme has been ring-fenced and set aside to help support this Programme on an on-going basis.	The Reserve will be used to fund the Football Development initiative as and when the grant reduces.	Reserve to be managed within Sport & Recreation for use within the Football Development programme.
Section 28A Bad Debt Provision	74	0	0	0	0	74	Reserve created to fund potential Section 28A placement costs	Dependent on recoverability of debt	
Action for Jobs	2	2	0	0	2	4	To fund sports coaches as required	Reserve expected to be utilised in 2007-08	Ongoing review to provide finance as required

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Countryside	14	14	0	0	14	28	To fund Countryside works	Reserve expected to be utilised in 2007-08	Ongoing review to provide finance as required
Sports & Recreation - Sports Awards	3	3	0	0	3	6	To fund sports coaches training awards	Reserve expected to be utilised in 2007-08	Ongoing review to provide finance as required
Community Facilities	200	0	0	0	0	200	To enable Community Facilities within Schools to manage their budgets over more than one financial year.	Individual schools determine as part of their detailed budget plans for Community Facilities. A forecast movement in reserves is not provided as it is uncertain what the outturn position will be.	Procedures determined by individual schools. Overall level of balances is monitored by Children's Services department to ensure balances are appropriate and deficits are recovered. Some facilities are running at a deficit and an exercise will be undertaken to establish accurate costs.
Extended Schools - Out of School Care. (this offsets Community facilities)	(100)	131	0	0	131	31	This is a 'deficit' Reserve resulting from brought forward deficits on a number of schools extended schools programmes resulting from reductions in NOF grant funding.	Not Applicable.	An exercise is currently underway to review all deficit balances
A2L Reserve	81	(81)	0	0	(81)	0	To provide for the costs of site rationalisation and additional expenditure in respect of EBD placements	The Reserve will be used to assist with the impact and implementation of the fundamental base budget review currently being undertaken at the A2L.	The A2L is within the Dedicated Schools Grant (DSG) and the Schools Forum have been advised that it may be required to fund any A2L deficit from within the DSG.
Broadband Implementation Reserve.	90	(90)	0	0	(90)	0	To assist with the increased costs of Broadband in Schools.	To assist with the increased costs of Broadband in Schools.	Ongoing review to provide finance as required

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Interim Transport Manager	37	(37)	0	0	(37)	0	As part of the 2007/08 budget savings the Transport Manager post was deleted. However, ahead of the creation of an authority-wide Transport Team it is necessary to create a temporary post to renegotiate the existing contracts.	The Reserve will be used in 2007/08.	
Behaviour & Attendance	27	(27)	0	0	(27)	0	Reserve created to provide additional resources in 2007/08 towards this area of the Service.	The Reserve will be used in 2007/08.	
Play and Care	5	(5)	0	0	(5)	0	Reserve created in previous years to provide sustainability to Play Networking Project including Play Grants to voluntary organisations.	Reserve to be used to sustain Play Networking Project during 2006/07 and 2007/08 (previously funded by BLF)	Members of the Grants Committee consider applications from voluntary organisations.
BSF Implementation Costs	25	(25)	0	0	(25)	0	BSF Implementation costs in 07/08		
Teenage Pregnancy	15	0	0	0	0	15	Reserve was created from income generated by the Teenage Pregnancy initiative in 2006/07 which has been set aside for use in 2007/08 to enhance the TP Programme.	The Reserve will be used in 2007/08.	

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Dedicated Schools Grant - Transitional Support	96	(96)	0	0	(96)	0	The Dedicated Schools Grant (DSG) is a ring-fenced grant for use on 'schools' budgets only. £65k is the additional funding that the authority received owing to a DfES formula error. The remaining £31k is the underspend element on TSF in 2006/07 which has been identified towards the Transitional Support Fund.	This Reserve will be used as and when required to assist in School Development / Support for Schools in Financial difficulty.	This Reserve relates to school related expenditure therefore is managed by the Schools Forum. This is reviewed annually at the Schools Budget Consultation Day.
Dedicated Schools Grant - A2L	11	(11)	0	0	(11)	0	The Dedicated Schools Grant (DSG) is a ring-fenced grant for use on 'schools' budgets only. This is the part of the general DSG underspend on 'central' budgets and has been identified towards the A2L which has significant budget pressures.	The Reserve will be used in 2007/08 to support the A2L budget which is experiencing significant cost pressures.	The School Forum will need to approve this funding.
Early Years Development Childcare Plan	213	(213)	0	0	(213)	0	This reserve has been created to develop the provision of services that will provide education for all 3 and 4 year olds	The reserve will be used to fund service restructuring (including redundancy costs) arising from the cessation of Sure Start Programmes and to support the development of Children's Centres and Extended School facilities in 2007/08.	Restructuring costs will be incurred in accordance with HR Policy & Procedures.
Standards Fund	93	(93)	0	0	(93)	0	This reserve is created to cover the LEA's match funding element of the Standards Fund Grant which is awarded for an 18 month period.	Reserve is used to cover any additional expenditure requirements following the calculation of charges for the coming year.	This reserve will be created each year to cover any match funding requirements and applied in the following year.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Housing Reserve	40	(30)	(10)		(40)	0		£30k/£10k 2007/8 & 2008/9 respectively to be used to support development of the Housing Service	
Regeneration Reserve - Specific	279	(193)	(15)	0	(208)	71	Mainly PDG funding	£54k DC Monitoring Officer extension of post to 2010	Use in future years approved by R&L portfolio holder 15.12.05
DAT Accommodation Reserve	6	(6)	0	0	(6)	0	Reserve brought forward from previous year to finance Drug Team Expansion	£10k in 2006/07 allocated to Drugs Training but only used £4k so £6k to slip to 2007/08	Ring-fenced Drugs project money to be used in 2007/08
Regeneration MRU	323	(150)	(173)	0	(323)	0	Created to enable department to manage budget over more than one year	£5k DR adjustment to Local Plan Reserve in 2006/7	Ongoing review to provide finance as required
Local Plan	39	(6)	(33)	0	(39)	0	To implement new Local Development Framework within Planning .	£1k in 2007/08 and £33.4k in 2008/09, £5k adjustment to Regeneration MRU	
Organisational & Corporate Workforce Development	51	(51)	0	0	(51)	0	Created to enable department to manage budget over more than one year.	To be used in 2007/8 to fund the following areas: Software for LRC Implementation of the Workforce Development Plan Celebrating Success Event Member Development Talent Pool	Ongoing review to ensure actual commitments do not exceed available resources.
Corporate Diversity	2	(2)	0	0	(2)	0	Created to enable department to manage budget over more than one year.	Used in 2006/7 to fund the following areas: Contribution towards the Tees Valley & Durham Communication Service Equality Standard Consultancy Browsealoud To be used in 2007/8 as a contribution towards the Tees Valley & Durham Communication Service	Ongoing review to ensure actual commitments do not exceed available resources.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
HR Service Improvement	22	(22)	0	0	(22)	0	Created to enable department to manage budget over more than one year.	Used in 2006/7 to fund LLPG Staff and Training Costs To be used in 2007/8 to fund the following areas: LLPG Staff Costs (GIS) Team Building HR Peer Review	Ongoing review to ensure actual commitments do not exceed available resources.
Contact Centre	5	(5)	0	0	(5)	0	Created to enable department to manage budget over more than one year.	Used in 2006/7 to fund Contact Centre Staffing - CCM £25K DPO £35K To be used in 2007/8 to fund Franking Machine Software Updates	Ongoing review to ensure actual commitments do not exceed available resources.
Resource Investment	41	(41)	0	0	(41)	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 and 2007/8 to fund the following areas: IT Development Accommodation Changes Print Unit Accommodation and Hardware	Ongoing review to ensure actual commitments do not exceed available resources.
Support to Members	5	(5)	0	0	(5)	0	Created to enable department to manage budget over more than one year.	To be used in 2007/8 to fund Member Development	Ongoing review to ensure actual commitments do not exceed available resources.
Election Services	8	(8)	0	0	(8)	0	Created to enable department to manage budget over more than one year.	To be used in 2007/8 to fund Elections Costs following changes in legislation	Ongoing review to ensure actual commitments do not exceed available resources.
Legal	9	(9)	0	0	(9)	0	Created to enable department to manage budget over more than one year.	Used to fund Locum post.	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - The Way Forward	61	(61)	0	0	(61)	0	Created to meet potential future costs arising from implementation of Council's 'Way Forward' Strategy	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Finance - Wireless Benefits	47	(47)	0	0	(47)	0	Created to cover costs not funded from DWP grant.	Reserve to be used to fund Wireless Project. This scheme previously attracted grant funding. Fully committed in 2006/07	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Audit Section	47	(47)	0	0	(47)	0	Created to enable department to manage budget over more than one year.	To fund the ERVS Costs following strategic restructure of Section and IT	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Accountancy Section	30	(30)	0	0	(30)	0	Created to enable department to manage budget over more than one year.	To fund temporary staffing costs following strategic restructure of Section.	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - IT Investment	100	(100)	0	0	(100)	0	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority	To be used in 2006/07 and 2007/08 as contributions towards :- replacement of I-World, roll out of EDRMS, implementation of FMS	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Home Working	100	(50)	(50)	0	(100)	0	Created to fund costs associated with implementation of Home Working Initiative.	To be used in 2007/08 & 2008/09	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Agency Staff R&B	40	(40)	0	0	(40)	0	Created to fund cost of employing contract staff to smooth out workload peaks/resource shortfalls	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - IT Developments R&B	20	(20)	0	0	(20)	0	Created to fund IT development costs to cope with new DWP Security requirements and further Kirona scripting changes	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - R&B Refurbishment	50	(50)	0	0	(50)	0	Created to fund cost of office relocation. Also, making good after Civic Centre Refurbishment	This reserve was to be used in 2006/07 pending Civic Centre Refurbishment, however it is now expected to be spent in 07/08	Ongoing review to ensure actual commitments do not exceed available resources.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Finance - Training & Development	7	(7)	0	0	(7)	0	Created to fund cost of training and development within the Revenue and Benefits Section.	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Office Relocation	49	(49)	0	0	(49)	0	Created to fund cost of office relocation. Also, making good after Civic Centre Refurbishment	This reserve was to be used in 2006/07 pending Civic Centre Refurbishment, however it is now expected to be spent in 07/08	Ongoing review to ensure actual commitments do not exceed available resources.
Finance - Grant Flow Pilot	30	(30)	0	0	(30)	0	Created to fund costs associated with Grant Flow Pilot	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.
Finance	216	(108)	(108)	0	(216)	0	Established to fund additional costs identified with implementation of FMS & e- Procurement	Timing of usage to be determined.	Ongoing review to ensure actual commitments do not exceed available resources.
Corporate Strategy	308	(198)	(110)	0	(308)	0	Created to enable department to manage budget over more than one year.	To be used in 2007/08 and 2008/09 as follows: £150k approved at Cabinet on 1/10/2007 to support ICT contract renewal and balance to manage budget over more than 1 year.	Ongoing review to ensure actual commitments do not exceed available resources.
Registrars	22	(10)	(12)	0	(22)	0	Created to enable department to	To be used in 2007/08 and 2008/09 for Registrars building maintenance.	Ongoing review to ensure
National Graduate Development Reserve	19	(19)	0	0	(19)	0	Created to fund a National Graduate Trainee for the benefit of the whole Council	To be used to fund National Graduate Trainee salary and training contributions during 2006-07 and 2007-08	Ongoing review to ensure actual commitments do not exceed available resources.
Graves in Perpetuity	2	0	0	0	0	2			

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Swimming Pool Maintenance	90	0	0	0	0	90	It has been decided not to install a moveable floor at Brinkburn Pool. The Children's Services, Performance Management and Regeneration, Liveability and Housing Portfolio Holders have requested that this be earmarked for the general upkeep of Swimming Pools within the town.	To be determined	
Building Schools for the Future	680	(169)	(129)	(129)	(427)	253	Reserve originally created (with both corporate and departmental resources) to contribute towards any LEA funding that may be required to support the Government's agenda for replacing school building stock. In addition the balance on the Children's Services Implementation Reserve (£100k) has been transferred in 06/07 into this Reserve. Will now be used commencing in 2006/07 onwards to help fund an Implementation/Project Team until 31st March 2009 and for consultation costs.	The Reserve is to be used for consultation costs and towards the cost of three members of the BSF Implementation/Project Team for 2006/07 to 2008/09. After which this will be met from the Departments base budget.	Reserve to be applied over next few years to assist in the implementation of BSF.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Carlton Refurbishment	159	0	(159)	0	(159)	0	Reserve created to cover the LEA contribution towards any second phase of capital development at Carlton Outdoor Centre.	It is hoped to use this reserve in 2008/09 as potential match funding for any future phases of development at the Centre. However, it may be necessary to utilise this Reserve to fund the revenue shortfall arising from Stockton MBC's withdrawal from the Joint Authority Agreement.	Through the overall management and control of the capital programme and the annual capital closure process. A Joint Authority Steering Group chaired by the Assistant Director (Performance & Achievement) of Hartlepool now receive regular financial reports including the Reserves position.
Playing for Success	77	(15)	(20)	(25)	(60)	17	Reserve created from income generated within Playing for Success to cover future costs relating to the PFS initiative.	PFS grants are tapering out so this Reserve will be used to cover additional expenditure requirements relating to the PFS initiative.	Through the overall management and control of the PFS Budget and Grant Regime.
Transitional Support Fund	79	(79)	0	0	(79)	0	This reserve was created from an underspend on this budget in 2005/06 and will be used to provide additional funding for schools identified as requiring additional support	This Reserve will be used as and when required to assist in School Development / Support for Schools in Financial difficulty.	This Reserve relates to school related expenditure therefore is managed by the Schools Forum. This is reviewed annually at the Schools Budget Consultation Day.
Information Sharing & Assessment	1	50	(25)	(26)	(1)	0	Reserves created at year end from underspends on the ISA programme to be used to finance specific ISA initiatives.	Reserve to be spent on various Information, Sharing & Assessment initiatives.	Ongoing review to provide finance as required
Provision for High Cost Children	216	(216)	0	0	(216)	0	Reserve to meet potential demand pressures resulting from high and volatile costs of specific looked after children the balance of the SEN Reserve (£49k) was transferred here in 2006/07.	The reserve will be carried forward to help address position in future years as and when required.	Reviewed both annually as part of the budget cycle and quarterly during budget monitoring.

Reserve	Actual Balance at 31/3/2007 £'000	Forecast Use Of Reserves				Estimated Balance at 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and
		2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000				
Young Peoples Services Reserve	30	0	0	0	0	30	To extend the in-house provision of foster care and reduce reliance on external agencies	The reserve will be carried forward to help address position in future years as and when required.	Ongoing review to provide finance as required
Economic Development	223	0	(223)	0	(223)	0	To fund Economic Development staff as temporary programme money ceases	As major funding programmes begin to come to an end the balance will be required to assist in the management of staff contracts. Currently earmarked for 2008/09 however some resources may need to be brought forward to 2007/08	Ongoing review to provide finance as required
Energy Saving Fund (climate Change Levy)	15	0			0	15			
Strategic Procurement Review Reserve	50	(50)	0	0	(50)	0	To fund the strategic review of corporate procurement practices and strategy in order to assess efficiency and effectiveness and develop new strategies for the future.	Timing depends on progress re implementation of centralisation	Fund costs of strategic review as they arise.
SRB Match Funding	40	(40)	0	0	(40)	0	Expected to be committed 2007/08		
LATS Equalisation Review	163	0	0	0	0	163	Used to store notional income until value is realised	Depends on when value can be realised. The market for LATS is very new and proper values have not yet been established	
Mill House	176	0	0	0	0	176	The reserve arose from a rates rebate following a review of the leisure centre rateable values	The reserve is earmarked to fund essential maintenance at Mill House Leisure Centre from 2006/07 onwards until it is replaced by the H2O Centre	Ongoing review to provide finance as required
Total Departmental Reserves	5,255	(2,589)	(1,187)	(267)		1,211			

APPENDIX F

2007/2008 BUDGET AND POLICY FRAMEWORK TIMETABLE

15/10/07	Cabinet	<ul style="list-style-type: none">• Formal consideration and determination of draft 2008/2009 Budget and Policy Framework proposals to be put forward for consultation.
Late Oct to early Dec	Main consultation period	<ul style="list-style-type: none">• This will include referral of draft Budget and Policy Framework proposals to Scrutiny Co-ordinating Committee, consultation with political groups, trade unions, business sector and neighbourhood forums. Detailed meetings to be scheduled.
10/12/07 (provisional date may change depending on date Government confirms 2008/2009 grant allocation)	Cabinet	<ul style="list-style-type: none">• Consideration of consultation feedback and finalisation of draft Budget and Policy Framework to be put forward for formal scrutiny.
Late Dec to mid Jan 07	Formal Scrutiny period	<ul style="list-style-type: none">• Second round of consultation with Scrutiny Co-ordinating Committee, political groups, trade unions, business sector and neighbourhood forums. Detailed meetings to be scheduled.
04/02/08	Cabinet	<ul style="list-style-type: none">• Consideration of feedback from formal scrutiny and finalisation of Budget and Policy Framework to be referred to Council.
14/02/08	Council	<ul style="list-style-type: none">• Consideration of Cabinet's Budget and Policy Framework proposals.