

CABINET AGENDA



Friday 21st December 2007

at 9.00am

**in the Mayor's Office,
Civic Centre, Hartlepool**

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hall, Hargreaves, Hill, Jackson, Payne and Tumilty

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Record of Decision in respect of the meeting held on 10th December 2007 (previously circulated)

4. BUDGET AND POLICY FRAMEWORK

- 4.1 Medium Term Financial Strategy 2008/2009 to 2010/2011 – *Corporate Management Team*

5. KEY DECISIONS

- 5.1 Pay and Grading Structure and Single Status Agreement – *Corporate Management Team*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Proposal for using ICT Investment Fund – *Chief Financial Officer*

7. ITEMS FOR DISCUSSION / INFORMATION

No items

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 8.1 Formal Response to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2008/09 – *Scrutiny Co-ordinating Committee*

9. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985

10. KEY DECISIONS

- 10.1 Pay and Grading Structure and Single Status Agreement – *Corporate Management Team* (Para 4)

11. OTHER ITEMS REQUIRING DECISION

- 11.1 Havelock Centre, Lynn Street – Community Asset Transfer – *Director of Neighbourhood Services and Director of Adult and Community Services* (para 3)

CABINET REPORT

21st December, 2007



Report of: Corporate Management Team

Subject: Medium Term Financial Strategy 2008/2009 to 2010/2011

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To review the Council's Medium Term Financial Strategy (previously referred to as the Budget and Policy Framework) and to consider the detailed 2008/2009 Budget and Council Tax proposals, and indicative Council Tax increases for 2009/10 and 2010/11, to be referred for formal scrutiny.

2. SUMMARY OF CONTENTS

- 2.1 The report provides an update on the initial budget position reported on 15th October 2007, covering:
- the 2007/08 Outturn Strategy;
 - capital expenditure issues;
 - the revenue budget and Council Tax levels for 2008/09 to 2010/11.
- 2.2 The previous report was based on forecast grant increases for 2008/09 and the following two years. The Government have now issued details of the Formula Grant allocations for 2008/09 to 2010/11. The allocations for Hartlepool are better than previously forecast and the budget forecast have been updated accordingly. Members need to take account of these changes and determine the detailed budget proposals they wish to refer for formal Scrutiny. These proposals need to include the level of Council Tax increase for 2008/09 and indicative increases for 2009/10 and 2010/11.
- 2.3 At the time of preparing the report the Government had not provided details of specific grant allocations or the new Area Based Grant. Therefore, until these details are known there is still a risk that current funding levels may not be maintained. Cabinet will need to review this position when these allocations are known and determine a strategy for dealing with any issues which may arise.

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to determine the issues it wishes to put forward for formal scrutiny.

4. TYPE OF DECISION

- 4.1 Key

5. DECISION MAKING ROUTE

- 5.1 Cabinet, Scrutiny Co-ordinating Committee, Council

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its detailed proposal in relation to the issues identified on paragraphs 12.3 to 12.9 of the main report.

Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY
2008/2009 TO 2010/2011

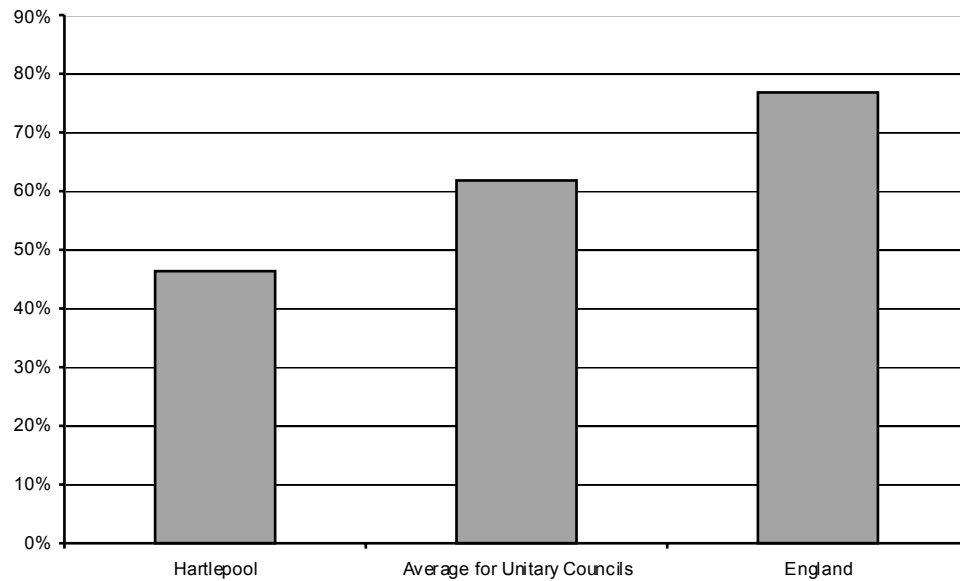
1. PURPOSE OF REPORT

- 1.1 To review the Council's Medium Term Financial Strategy (previously referred to as the Budget and Policy Framework) and to consider the detailed 2008/2009 Budget and Council Tax proposals, and indicative Council Tax increases for 2009/10 and 2010/11, to be referred for formal scrutiny.

2. BACKGROUND

- 2.1 Since becoming a Unitary Authority the Council has worked to improve services to the people of Hartlepool. The Council's achievements were recognised in the first round of the Audit Commission's Comprehensive Performance Assessment (CPA), completed in 2002, when the Council achieved the highest rating. The Council maintained this rating in subsequent annual inspections. Under the harder CPA, which was introduced in 2007, the Council was assessed as "4 star improving well". The Council has continually achieved an excellent CPA rating for value for money rating of 3 out of 4.
- 2.2 In the first years as a Unitary Authority the Council prioritised Education services and brought expenditure up to the level of the former Standard Spending Assessment. Annual increases in Education expenditure were then implemented to maintain this position until the introduction of the Dedicated Schools Grant. The Council has also made significant investment in Social Services. Over the last two years the Council has provided all areas with a minimum base budget increase of 3% to cover pay awards and inflation. Additional resources have then been provided on a prioritised basis and these increases have been funded from efficiencies and reductions in other areas.
- 2.3 These service improvements have been achieved against a background of limiting increases in Council Tax. Over the last 9 years the Council's cumulative increase in Council Tax has been lower than average, as illustrated in the following table.

Cumulative Increases in Band D Council Tax From 1999/00 -2007/08



2.4 This restraint is a further measure of the value for money provided to local tax payers. The impact of these lower than average rises is that average Council Tax for Hartlepool households has changed from being 5.2% above the unitary average in 2001/2002 to being 1% above the unitary average in 2007/2008.

2.5 The above objectives have been assisted by the use of reserves to support existing service levels. This is not sustainable as the major opportunities for increasing balances have now been achieved. Therefore, the Council will need to address this issue as part of the MTFS.

2.6 The next three years will be the most challenging since becoming a Unitary Authority and determine the future shape of the Authority. Over this period the Council will need to address three key issues:

- Implement Job Evaluation;
- Come to terms with a period of public sector expenditure constraint for the period covered by CSR07 and probably the next spending review; and
- Prioritise services at a sustainable level and achieve increased efficiency savings.

3. **REVIEW OF 2007/2008 FINANCIAL POSITION AND PROJECTED REVENUE BALANCES AT 31ST MARCH, 2008**

3.1 A comprehensive budget monitoring report was submitted to Cabinet on 26th November, 2007. In financial terms the key issues are summarised at Appendix A, which indicates that departmental expenditure will exceed the approved budget. These increased costs

can largely be funded from increased investment income and savings on a number of corporate budgets. It is anticipated that there will be a net overspend of up to £0.3m, which will need to be funded from General Fund Balances.

3.2 The level of Balances at 31st March, 2008, will also be affected by the following factors: -

- Job Evaluation Protection Costs - £1.4m. There is a detailed report on Job Evaluation elsewhere on your agenda. For financial planning purposes it is assumed that Members will approve a protection scheme as part of the overall Job Evaluation package. The costs of protection will need to be funded from a review of the Balance Sheet and it was previously reported that up to £4m could be released. For financial planning purposes it is anticipated that the year one costs will not exceed £1.4m;
- Support of 2007/2008 Revenue Budget - £2.760m;
- Use of Ring Fenced and Department Reserves;
- Local Authorities Business Growth Incentive (LABGI) Grant - £1.2m. Members have previously indicated they wish to allocate these monies towards meeting one-off costs in 2008/2009. This issue is detailed later in the report.

3.3 In summary the level of reserves at 31st March, 2008, are forecast to be £24.383m as follows:

	£'000
Opening Balance 1st April, 2007	32,193
Less	
- Provision for Year 1 Job Evaluation Protection	(1,400)
- Planned Support of 2007/2008 Revenue Budget	(2,760)
- 2007/2008 Forecast Overspend	(300)
- Use Capital Reserves	(1,094)
- Use Ringfenced Reserves	(1,667)
- Use Departmental Reserves	(2,589)
Add	
- LABGI Grant	1,200
- Repayment of General Fund (used to fund Bonus Buyout in 1996/1997)	800
Projected Balances at 31st March, 2008	24,383

3.4 The Council retains balances to cover unforeseen liabilities and to support ongoing services. A detailed strategy on the future use of reserves is detailed later in the report.

4. REVIEW OF 2007/2008 SERVICE ISSUES

- 4.1 From a service perspective the outturn report identified a number of issues which will continue into 2008/2009. These issues have been reflected in the budget forecast for future years, detailed later in the report. These issues are detailed in Appendix B and in summary cover the following issues:

	2007/2008 Forecast Outturn Adverse/ (Favourable) £'000	2008/2009 Budget Pressure/ (Saving) £'000	Classification
Adult and Community Services			
- Learning Disability	363	255	Pressure
- Mental Health	200	100	Pressure
- Support Services	120	50	Pressure
Children's Services			
- Children and Families Support	789	607	Pressure
Neighbourhood Services			
- Environment	128	359	Pressure
- Car Parking Income	150 to 274	131	Contingency
Regeneration and Planning			
- Town Wide CCTV	34	30	Pressure
Permanent Corporate Savings			
- Bonus Savings	(800)	(800)	
- Interest Savings	(200)	(200)	
Temporary Corporate Savings			
- Centralised Estimates	(900)	(740)	

5. CAPITAL PROGRAMME 2008/2009 TO 2010/2011

- 5.1 The Capital Strategy reflects the service implications identified through the service planning process, which is driven by the Community Strategy themes: -

- Community Safety
- Culture and Leisure
- Environment and Housing
- Health and Care
- Jobs and the Economy
- Life Long Learning and Skills
- Strengthening Communities
- Organisation

5.2 As well as covering direct investment by the Council the Capital Strategy also supports the achievement of the Community Strategy indirectly through other initiatives. Historically this has included initiatives such as the Housing transfer, the release of land for Social Housing in exchange for nominations rights and support for the development of the Joseph Rowntree Care Village. Going forward the Council will support a variety of initiatives, although it must be recognised that such support is becoming more difficult as the Council has limited undeveloped land in its ownership. Ongoing initiatives include:

- The sale of land to enable Hartlepool College of Further Education to develop a new campus;
- The sale of land for the PCT development;
- An agreement to explore the possibility of providing land at below market value for the provision of affordable housing.

5.3 As resources for capital investment will mainly come from supported capital allocations provided by the Government Members have previously indicated their commitment to ring-fence these allocations. As these allocations cover key Government priorities, which clearly align to the Council's own priorities, this strategy should help secure future allocations as existing funding regimes effectively reward success in achieving the Government's priorities.

5.4 At the time of preparing this report the Government had not confirmed the 2008/2009 allocations. Indicative allocations are shown below:

	2008/2009 Indicative Allocations	
	Grant	Supported Borrowing
	£'000	£'000
Housing	5,480 *	0
Local Transport Plan	445 **	1,511 **
Education	1,641 **	1,030 **
Adult Social Services	0	206 **
	7,566	2,747

* Forecast allocations

** Indicative allocations announced in February, 2007

5.5 The revenue costs of using the above supported borrowing allocations are reflected in the revenue forecasts detailed later in the report. From 2009/2010 these additional costs are offset by the fall out of previous capital financing costs.

5.6 Cabinet have also previously confirmed they wish to use unsupported borrowing to continue to provide annual allocations in 2008/2009, 2009/2010 and 2010/2011 for the following initiatives.

	Annual Allocation £'000
Community Safety Initiative	150
Disabled Adaptations	50
Neighbourhood Forum Minor Works	156
	356

- 5.7 The Capital Strategy and Asset Management Plan approved by Cabinet on 31st July, 2006, indicated that the Government's capital allocations will not fund all capital expenditure priorities, particularly areas with a high local priority which do not fall within the areas attracting Government funding. Therefore, Members determined to invest £3.6m over the three years 2007/2008 to 2009/2010. The revenue forecasts include provision for the resulting repayment costs.
- 5.8 Detailed proposals for allocating the 2008/2009 provision have been considered by the Strategic Capital Resource and Asset Programme Team (SCRAPT). These proposals are based on a thorough project evaluation process and the scoring of individual projects against defined criteria. The detailed proposals for 2008/2009 are set out in Appendix C. SCRAPT are recommending that a small number of projects should be funded over two financial years, which will commit £0.491m of the 2009/2010 allocation. Proposals for using the remaining 2009/2010 allocation will be brought forward when the MTFS is rolled forward next year.
- 5.9 Members have previously determined not to extend the existing strategy beyond 2009/2010, but may wish to review this position during 2008/09.
- 5.10 Progress in achieving the existing capital receipts target has been reviewed to reflect sales achieved to date and anticipated completions in the remainder of this financial year, or early in 2008/2009. It is anticipated that actual receipts will exceed the amount needed to fund existing capital expenditure commitments. The amount cannot yet be quantified as a number of issues have not yet been finalised. It would not be prudent to spend these additional resources until they are received. However, it would be appropriate to determine a strategy for using these resources once they are received. It is therefore suggested that:
- Receipts achieved from the sale of income generating assets should not be committed until a strategy for replacing the income has been developed. This may include replacing the income generating asset, or the repayment of outstanding loans to offset the loss of income;
 - Other receipts should be set aside to meet termination costs over the next few years. On a practical basis this will need to be

achieved by using these resources to replace RCCOs, which can then be set aside for termination costs.

6. REVENUE BUDGET AND COUNCIL TAX

6.1 Background

6.2 The MTFS reflects the service implications identified through the service planning process, which in turn are driven by the Community Strategy themes: -

- Community Safety
- Culture and Leisure
- Environment and Housing
- Health and Care
- Jobs and the Economy
- Life Long Learning and Skills
- Strengthening Communities
- Organisation

6.3 The Council's service planning process takes account of local issues and in many cases is influenced by national priorities e.g. supporting the provision of a range of services to children and young people.

6.4 In previous years, whilst service and financial planning have been interlinked these links have not been clearly communicated through the budget report. This report begins to address this issue.

6.5 As indicated earlier in the report the period covered by this MTFS will be the most challenging since the Council became a Unitary Authority. Over this period the Council will need to address the implications of the 2007 Comprehensive Spending Review (CSR07), implement Job Evaluation and address the reduction in balances which are available to support expenditure.

6.6 CSR07 commences a period of financial restraint for the next three years. This position will probably continue for the following three years as economic growth and therefore Government tax revenues are not expected to grow as quickly as they have over the last ten years or so. Many experts actually fear a period of increasing inflation and reducing economic demand, coupled with a demographic surge in demand for local authority services. The specific impact of CSR07 on Local Government funding is detailed in the next section.

6.7 Available Funding

6.8 The previous MTFS (approved in February, 2007) covered the three years up to 2009/2010 and included resource forecasts, which determine the limit of the Council's budget. These forecasts were revised and rolled forward in October, to cover the three years to 2010/2011. This is the period covered by CSR07 and forecasts reflected the following planning assumptions:

- Annual increase in Government Funding of 2%;
- Annual Council Tax increase of 4.9%;
- The use of £5.569m of reserves over this period.

6.9 Details of the grant allocations for the next three years were announced by the Government on 6th December, 2007. The key issues are as follows:

- Formula Grant increase

The grant settlement for Hartlepool is much better than forecast as summarised below, net of the impact of mainstreamed grants:

	2008/2009	2009/2010	2010/2011
National Grant Increase	3.6%	2.8%	2.6%
Hartlepool Increase	6.0%	3.9%	3.4%
Cumulative Increase on Forecast Grant	£1.8m	£2.7m	£3.4m

This position reflects the implementation of a range of factors which benefit Hartlepool. The formula grant consists of four elements:

- Relative needs amount;
- Central Allocation;
- Relative Resources Amount;
- Floor Damping

The first two elements are the main mechanism for allocating funding to local authorities and the Council has benefited from changes the Government has made for 2008/2009 and future years, including:

- Changes in population figures, which are the main grant driver;
- An increase in control totals – i.e. the amount of money allocated to local authorities. As Hartlepool's population figure has increased this produces as a double benefit as we receive additional grant for a higher population and at higher rate.

The relative resources amount is a measure of each authority's ability to raise revenue from Council Tax. For Hartlepool this amount is broadly unchanged within the overall grant allocation for the next three years.

Floor damping is the mechanism within the formula for regulating grant increases/decreases. The value of resources allocated through this block is affected by the minimum grant increases which the Government wish to provide. As this needs to be funded from the overall control total for local government grant. Over the

period of the three year settlement the Government will reduce the minimum annual increases as summarised below:

2007/2008		2008/2009	2009/2010	2010/2011
2.7%	Education/Social Services Authorities	2.0%	1.75%	1.5%
3.6%	Police Authorities	2.5%	2.5%	2.5%
2.7%	Fire and Rescue Authorities	1.0%	0.5%	0.5%
2.7%	Shire Districts	1.0%	0.5%	0.5%

At a local level the amount the Council will loose through floor damping will increase in 2008/09, before reducing in the following two years, as follows:

- 2007/08 £1.535m
- 2008/09 £3.229m
- 2009/10 £2.2729m
- 2010/11 £2.328m

However, the floor damping adjustment is just one part of the overall grant allocation. When account is taken of the other factors the Council has received a better settlement than most authorities as summarised below. The table shows that over the next three years the Council will receive a cumulative increase in Formula grant of £68 per head of population, compared to £43 for the average unitary authority. This equates to a cumulative increase in grant on an ongoing basis of £2.3m from 2010/11.

	2007/08 Formula Grant per head population £	2008/09 Formula Grant per head population £	2008/09 Grant increase	2009/10 Grant increase	2010/11 Grant increase	Cumulative increase in Formula Grant per head population £
Darlington	348	369	6.0%	5.0%	3.3%	52
Hartlepool	491	521	6.0%	3.9%	3.4%	68
Middlesbrough	563	588	4.5%	2.9%	2.3%	56
Redcar	438	462	5.5%	3.6%	3.1%	56
Stockton	370	387	4.5%	3.2%	2.8%	40
Gateshead	532	542	2.0%	1.8%	1.5%	29
Newcastle	598	610	2.0%	1.8%	1.5%	32
North Tyneside	425	433	2.0%	1.8%	1.5%	23
South Tyneside	574	586	2.0%	1.8%	1.5%	31
Sunderland	530	546	2.9%	2.2%	1.9%	38
Average for Unitary Authorities	359	377	5.1%	3.4%	3.0%	43
Average for Metropolitan Authorities	477	497	4.1%	2.9%	2.5%	47
Average for London Authorities	799	818	2.4%	2.1%	2.0%	53

The formula grant includes additional resources of £26,000 for “new burdens” arising from changes in Government regulations covering food hygiene, stray dogs and the Local Government New

Conduct regime. It is suggested that these resources are passported to meet these additional commitments.

The formula grant is based on authorities paying an average interest rate of 5.5% on long term borrowing. Hartlepool's current average rate is 4.21%. Therefore, there is a grant benefit of £0.37m from having lower interest rates and this amount is effectively available to support front line services.

- Impact of Grant Mainstreaming.

The Government have confirmed their proposal to mainstream four grant streams. Specific allocations for 2008/2009 to 2010/2011 have not been provided by the Government. As these grants support existing services it is assumed, for planning purposes, that Members will wish to passport these allocations to individual services in 2008/2009. The continuation of this strategy can then be reviewed as part of the ongoing review of service priorities across the Council. For planning purposes the following commitments have been included in the MTFS.

2007/2008 Allocation £'000		Commitment included in MTFS		
		2008/2009 £'000	2009/2010 £'000	2010/2011 £'000
1,100	Access & Systems Capacity	1,134	1,162	1,192
201	Delayed Discharges	207	212	218
430	Children's Services (LEA)	443	455	465
93	Waste Performance & Efficiency	96	98	100
1,824		1,880	1,927	1,975

- Introduction of Area Based Grant

The Government have also confirmed their proposal to establish an Area Based Grant by combining 39 specific grants into a single grant. The allocations for 2008/2009 to 2010/2011 had not been issued when this report was prepared. It is hoped these details will be available for your meeting. As these grants support existing services it is assumed, for planning purposes, that Members will wish to passport these allocations to individual services in 2008/2009. The continuation of this strategy can then be reviewed as part of the ongoing review of service priorities across the Council.

- 6.10 Consultation on the provisional allocations ends on 08/01/08. The deadline for requesting a meeting with the Minister is 28/12/07. Members need to determine if they wish to meet with the Minister and also determine their response to the provisional settlement. It is suggested that the Council does respond and thanks the Minister for

implementing changes which allocate resources on the basis of a more robust assessment of need.

- 6.11 The formula grant funds 53% of the net budget and this element of the Council's overall resources is now known for the next three years. Therefore, further resources can only be provided from increases in Council Tax and the use of reserves.
- 6.12 The level of Council Tax increases needs to take account of the Government's comments that they expect "Council Tax increases to be significantly below 5%". This statement is not consistent with the forecasts included in CSR07, which anticipates a 5% increase in Council Tax revenues. However, despite these contradictory statements there is a risk that annual increases of 4.9% could be capped.
- 6.13 The level of reserves is also limited. For planning purposes it is assumed that Members will wish to confirm the previous phasing of reserves as follows:

	£'000
2008/2009 (includes £0.369m LABGI allocation £0.2m Stock Transfer reserve)	2,569
2009/2010	2,000
2010/2011	1,000
2011/2012	500
Total	6,069

6.14 **Service Planning**

- 6.15 There are a number of Authority wide issues which need to be addressed in the MTFS. Previous reports have begun to address these issues and this report updates these issues as detailed in the following paragraphs.

6.16 **Provision for Pay Awards and Inflation**

- 6.17 Previous forecasts have included an annual increase of 3% for pay awards and non pay inflation. It is suggested that these provisions be reduced by 0.5% to reflect the Government's commitment to limit annual public sector pay increases and the anticipation that inflation will reduce over the next three years, as detailed in the following table. The table also indicates the impact of these reductions on the MTFS.

	2008/2009	2009/2010	2010/2011
Revised Inflation Provision			
Pay	2.5%	2.5%	2.5%
Non Pay	3.0%	2.5%	2.5%
Reduction in Budget Requirement	£'000	£'000	£'000
Pay	200	200	200
Non Pay	0	170	170
	200	370	370

6.18 **Equal Pay**

6.19 The issues in relation to Equal Pay are detailed in a separate report elsewhere on the Agenda.

6.20 The previous budget report included an increased ongoing commitment for implementing a new pay and grading system. The report also identified up to £4m from the Balance Sheet for one-off protection costs. For planning purposes these forecasts are still relevant and are summarised below:

	Ongoing Costs			Protection Costs
	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	
As reported 15th October, 2007	3,670	4,450	4,730	4,000

6.21 The decision Members make in relation to Equal Pay may affect these forecasts and therefore the planning assumption included in the MTFs. On the basis of the work completed to date it is anticipated that the above forecasts will not increase.

6.22 **Efficiency Targets**

6.23 The Government have confirmed annual cashable efficiency targets of 3% per year for the next three years. Detailed proposals for achieving the 2008/2009 targets are detailed in Appendix H. This includes a corporate target of £0.2m, which will be needed to achieve the overall 3% target.

6.24 The achievement of further efficiencies will become increasingly difficult. As departmental budgets account for 86% of the net budget and the majority of these efficiencies will need to be achieved from these areas. Therefore, it is suggested that for 2009/2010 and 2010/2011 each department should develop a strategy for achieving annual efficiencies of 3%.

6.25 It is also suggested that the Corporate Management Team investigate the opportunities for corporate cross cutting efficiencies.

6.26 Review of Corporate Budget Provisions

- 6.27 The initial planning assumptions included in the previous MTFS have been reviewed and a number of changes are proposed. These changes reduce the budget gaps by the following amounts:

	Increase/(Decrease) in Budget Requirement		
	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000
Corporate Efficiency Target	(200)	(206)	(212)
Increase in Turnover Target	(100)	(100)	(100)
Reduction in Designated Authority Costs	(100)	(103)	(105)
Reduction in Pension Costs	(64)	(66)	(67)
	(464)	(475)	(484)

- 6.28 In addition, the MTFS includes a provision of £0.3m to support Prudential Borrowing towards the development of the H2O Centre. This provision will not be needed in 2008/2009. Therefore, this amount can be taken as a temporary saving.

6.29 Service Delivery

- 6.30 As indicated earlier in the report a number of ongoing issues are beginning in the current year and these issues have to be reflected in the MTFS. In addition, the service planning process has identified a number of new issues which have been reflected in the MTFS.

- 6.31 A number of issues have changed since the initial figures were reported as follows:

	Increase/(Decrease) in Budget Requirement		
	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000
Contingency			
Reduction in Shopping Centre Shortfall Provision	(211)	(211)	(211)
Increase in Contingency for Children and Families placements	250	250	250
Terminating Grants			
Continuation of Family Intervention grant	(100)	(103)	(105)
	(61)	(64)	(66)

- 6.32 The revised requirements are detailed on a departmental basis in Appendices D to G, as follows:

- Pressures – Appendix D
- Contingency – Appendix E
- Terminating Grants – Appendix F
- Priorities – Appendix G

7. SUMMARY BUDGET POSITION

7.1 The previous forecasts anticipated a significant deficit for 2008/09 and reducing deficits in future years, based on annual Council Tax increases of 4.9% and the assumption that each year's deficit would be bridged from sustainable reductions. The forecasts for 2009/10 and 2010/11 did not make any provision for additional demographic/grant pressures, or for future efficiency savings. As the Formula Grant increases are better than forecast it is suggested that for planning purposes these issue should be reflected in the MTFS as follows:

- Annual Budget provisions of £1.5m for 2009/10 and 2010/11 have been included for demographic/grant pressures. This will set a cap for these pressures and any additional requirements will need to be funded from savings;
- Efficiency targets of £2.46m for 2009/10 and £2.52m for 2010/11 have been included in line with Government targets.

7.2 After reflecting the above issues and assuming a 4.9% Council Tax increase the overall budget position for 2008/2009 is as follows:

	2008/2009 £'000
Deficit reported 16th October, 2007	5,880
Permanent Issues	
Decrease/(Increase) in Formula Grant	(3,696)
Mainstreamed Grants	1,880
New Burdens funded from Formula Grant	26
Reduction in Provision for Pay Awards and Inflation	(200)
Review Corporate Budget Provision	(464)
Reduction in Contingency and Terminating Grant	(61)
2008/2009 Efficiencies	(2,105)
Temporary Issues	
Reduction H20 Loan Repayment Provision	(300)
Revised Deficit	960

7.3 Details of the proposed 2008/09 will be circulated before your meeting.

7.4 The revised gap will need to be bridged by reducing the value of pressures etc. which are supported, or by making additional cuts, or by using part of the uncommitted March 2007 Discount of £1.3m.

7.5 The strategy for balancing the 2008/09 budget cannot be developed in isolation and needs to take account of the following issues:

- Ongoing sustainability from 2008/09 onwards;

- The requirement to determine indicative Council Tax increases for 2009/10 and 2010/11;
- Potential Council Tax capping – the Government have not issued detailed capping criteria, so it is difficult to provide guidance on this issue. However, as indicated early in the report the Government expect “Council Tax increases to be significantly below 5%”. It is unclear what this will mean. The Government may determine to have different capping criteria for different types of authority to reflect the different grant increases they have provided, i.e. lower capping limits for authorities with higher grant increases.

7.6 The level of Council Tax increases for the next three years are therefore a critical component in developing a sustainable budget strategy. The previous forecasts anticipated annual increases of 4.9%. If Members wish to continue with these increases and to fund all pressures etc. the budget positions for the next three years are as follows:

- 2008/09 £0.960m deficit
- 2009/10 £1.059m deficit
- 2010/11 £0.164m.

7.7 The deficit in 2008/09 could be funded by using part of the uncommitted March 2007 Discount, pending the identification of permanent reductions from 1st April 2008. This strategy would leave £0.340m of the March 2007 Discount uncommitted. It would be prudent to earmark this amount to address any temporary shortfall in the achievement of efficiencies in 2008/09 as a number of these items will be difficult to achieve from 1st April.

7.8 As there was not much time between the announcement of next year's grant settlement and the date for issuing this report further details on the impact of the settlement on the MTFS will be provided before your meeting.

8. ROBUSTNESS OF BUDGET FORECAST AND RISK ASSESSMENT

8.1 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Chief Financial Officer (CFO) to advise Members on the robustness of the budget forecasts and the proposed level of reserves. If Members ignore this advice the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the CFO and in practise is a situation that I would not expect to arise for this Authority.

8.2 At this stage it is not possible to confirm my final advice as Members need to make a number of key decisions, as set out elsewhere in this report, which could affect this advice. Although I would advise

Members that the work undertaken to date in relation to the detailed budget preparation indicates that there are unlikely to be any areas of concern to bring to Members attention.

- 8.3 My final advice will depend on the decisions reached on the implementation of Job Evaluation and an assessment of the potential redundancy/early retirement costs from implementing efficiencies initiatives.
- 8.4 It is appropriate to remind Members that significant temporary resources will be used to support the revenue budget over the next three years. These reductions are reflected in the MTFs and the increases grant allocation should mean this position is now manageable. Details of this temporary support are summarised below:

	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000
Budget Support Fund	2,200	2,000	1,000
2006/2007 LABGI Income	369	0	0
2008/09 Forecast Investment Income	740	0	0
H20 Repayment Provision	300	0	0
	3,609	2,000	1,000

9. ONE-OFF ISSUES

- 9.1 As previously reported the Council has received £1.2m from the LABGI scheme in the current year. Members have previously determined to allocate this amount for one-off costs. It is suggested that this amount be allocated as follows:

- Building Schools for the Future £489,000
(£413,000 for 2008/2009 and £76,000 for 2009/2010)
- Termination Costs £787,000

- 9.2 Cabinet has also previously determined a strategy for using the LPSA2 Reward Grant. This strategy allocates the capital element of the grant for corporate initiatives and the revenue element to the department which has achieved the reward grant. Half of the reward grant will be paid as a capital grant and half as a revenue grant. The total reward grant for achieving all targets is £3.065m and will be paid in 2009/2010 and 2010/2011.

- 9.3 As we are only part way through the LPSA Agreement it is difficult to estimate the actual reward grant. For planning purposes it is assumed that a total reward grant of 60% should be achievable. This equates to £1.839m. On this basis the capital element will be approximately £0.9m, which will be payable in two equal instalments from 2009/2010. It is suggested that whole of the 2009/2010 capital instalment (£0.45m) is allocated for the remaining unfunded BSF

costs. A strategy for using the remaining amount should be developed as part of the next year's budget process.

- 9.4 A number of relatively low value one-off issues have been identified during the budget process and funding has not been allocated for these issues, as follows:

- Maintenance of Havelock £25,000
- OT waiting list £25,000
- Children and Families relocating staff £40,000
- Memorial Testing £42,000
- Property database £22,000.

- 9.5 It is suggested these items could be funded from the 2008/09 outturn, if the final position is better than currently forecast. If this is not possible it is suggested that these items be funded by reprioritising the use of departmental reserves.

10. FEEDBACK FROM SCRUTINY CO-ORDINATING COMMITTEE

- 10.1 Scrutiny Co-ordinating Committee have considered the initial budget proposals referred by Cabinet and there is a separate report on your agenda detailing their comments.

- 10.2 The minutes of the consultation meetings with the Trade Unions and Business Sector are attached at Appendix I.

11. BUDGET TIMETABLE

- 11.1 As a result of the late announcement of the 2008/2009 grant allocation Cabinet has had much less time than in previous years to assess the impact of the actual settlement and to amend its strategy accordingly.

- 11.2 The Council now needs to make up this lost time if it is to set a budget within the statutory deadline and more importantly set a budget in sufficient time to enable the first Council Tax instalments to be collected on 1st April, 2008. To achieve this objective Members are requested to approve the following budget timetable:

Proposed Budget Timetable

Commencement of Budget Scrutiny	21/12/07
Completion of Budget Scrutiny (Arrangements have been made with the Chairman of the Scrutiny Co-ordinating Committee to achieve this objective).	18/01/08

Cabinet Finalise Budget and Hartlepool Council Tax Proposals	04/02/08
Council considers Cabinet Budget and Council Tax Proposals	14/02/08
Council approves overall Council Tax Level (including Fire and Police precepts)	21/02/08
Council Tax Bills produced (including determination of current benefit entitlements)	23/02/08
Completion of packaging and distribution of Council Tax Bills (achievement of this deadline enables first instalment to be collected on 1 st April, 2008).	25/02/08

12. CONCLUSION

12.1 In order to finalise the budget proposals to be referred for formal scrutiny. Cabinet needs to determine its proposals in relation to the following issues:

12.2 Outturn Strategy

12.3 It is suggested that Cabinet refer the proposed outturn strategy detailed in paragraph 3.1 and Appendix A for formal scrutiny.

12.4 Capital

12.5 Cabinet is asked to:

- Reaffirm their commitment to passport Government capital allocations;
- Reaffirm their commitment to use unsupported borrowing to finance the initiatives identified in paragraph 5.6;
- Approve the proposals identified by SCRAPT detailed in Appendix C;
- Approve the strategy for allocating additional capital receipts detailed in paragraph 5.10.

12.6 Revenue

12.7 The Formula Grant increase is better than previously forecast and provides the Council will grant increases for the next three years which are significantly better than the average national increase. This position reflects the implementation of a number of changes by the Government to the grant formula and the use of more accurate population figures. The additional resources will enable the Council to develop a robust MTFS.

- 12.8 At the time of preparing the report the Government had not provided details of specific grant allocations or the new Area Based Grant. Therefore, until these details are known there is still a risk that current funding levels may not be maintained. Cabinet would then need to determine a strategy for dealing with this issue.
- 12.9 Cabinet is asked to determine the detailed proposal to be referred for formal Scrutiny as follows:
- Determine if they wish to passport the mainstreamed grant allocations identified in paragraph 6.9 in 2008/09, pending a review of the continuation of this strategy beyond 2008/09;
 - Determine if they wish to passport the additional resources of £26,000 included in the Formula Grant for “new burdens” identified in paragraph 6.9;
 - Determine the value of pressures etc. that they wish to implement in 2008/09 as detailed in the following Appendices:
 - Appendix D – Pressures
 - Appendix E – Contingency
 - Appendix F – Terminating Grant
 - Appendix G - Priorities
 - Determine if they wish to increase the Salary Turnover target by £0.1m from 2008/09;
 - Determine if they wish to implement the specific efficiencies identified in Appendix H (which will be circulated separately before your meeting);
 - Determine if they wish to set a 2008/09 Corporate Efficiency Target of £0.2m to enable the overall 3% target to be achieved;
 - Determine the proposed 2008/09 Council Tax increase and indicative increases for 2009/10 and 2010/11;
 - Determine if they wish to make annual provisions in 2009/10 and 2010/11 of £1.5m for demographic/grant pressures;
 - To note that the MTFS forecast now includes annual efficiency targets of £2.46m for 2009/10 and £2.52m for 2010/11;
 - Determine if they wish to allocate the £1.2m 2007/08 LABGI grant for BSF costs (£0.489m) and Termination costs (£0.787m);
 - Determine if they wish to earmark £0.45m from the anticipated LPSA2 Capital Reward Grant for the remaining unfunded BSF costs and to develop a strategy for using the remaining amount as part of next years budget strategy.
 - Determine if they wish to seek a meeting with Ministers to make representations on the provisional settlement, or whether they wish the CFO to make written representations in consultation with the Mayor and the Finance Portfolio holder.

SUMMARY OF FORECAST REVENUE OUTTURN 2007/2008 (REPORTED 15TH DECEMBER, 2007)

	Forecast Adverse/ (Favourable) Variance £'000
<u>Departmental Budgets</u>	
Adult & Community Services	629
Children's Services	445
Chief Executives Department	46
Neighbourhood Services	262 to 502
Regeneration & Planning	125
Total Departmental Budgets	<u>1,507 to 1,747</u>

Detailed comments on the above variances are provided in paragraphs 5 to 11, including comments on the range of potential overspends for Neighbourhood Services.

Centralised Estimates (1,100)

As indicated in the Budget Strategy Report on 15th October, 2007, this budget is forecast to underspend owing to interest rate savings from using LOBOs and higher investment income on reserves and cashflow. As reserves are committed to supporting one-off commitments and future years budgets these trends will not continue, although they do provide a one-off benefit in the current year. It was previously anticipated that this amount would be allocated to offset overspends on the Children's Services and Neighbourhood Services budgets and to establish an Interest Risk Reserve.

It is expected that interest will continue to be earned on reserves in 2008/2009 and a temporary benefit of £0.74m is reflected in the 2008/2009 budget forecasts.

Corporate Budgets

Strategic Contingency (150)

This budget cover a number of ongoing corporate commitments including the costs of implementing Job Evaluation and the repayment costs of Prudential Borrowing. As indicated in the Budget Strategy Report on 15th October, 2007, it is anticipated that the costs of implementing Job Evaluation will be £0.3m higher than

previously anticipated. There will be a temporary saving on Prudential Borrowing costs of £0.45m owing to capital payments, mainly relating to the Civic Centre Scheme, being made later than expected.

Provision for Increased Energy Costs

(300)

Since the 2007/2008 budget was set there have been significant reductions in energy costs. Therefore, the full provision included in the 2007/2008 budget is not expected to be needed. However, energy markets continue to be subject to significant volatility. This is particularly the case in relation to the electricity market, which has been affected by the recent closure of Nuclear Power Stations, including the Hartlepool station, owing to technical problems. These issues may increase electricity costs over the winter months.

Employers Pension Contributions Holding Account

(110)

A detailed review of the Employers Pension Contributions Holding Account was completed before the 2007/2008 budget was set. This review indicated that the income paid into the account exceeds the payments to be made to the Pension Fund. This position reflects variances between the actual number of employees/the value of the total pay bill and the assumptions made by the Actuary in March, 2005, when determining the Authority's Pension contributions for the period 2005/2006 to 2007/2008. A saving of £280,000 was therefore included in the 2007/2008 budget.

This position has now been reviewed to reflect the first six months activity. It is anticipated that a further saving can be taken in the current year. It is not clear if this trend will continue in future years owing to the impact of Job Evaluation and the current Pension Fund valuation. This position will therefore need to be reviewed when these issues have been finalised.

Designated Authority Costs

(55)

Details of the estimated Designated Authority costs for 2007/2008, which covers shared ongoing costs from the 1996 Local Government Reorganisation, have recently been provided by Middlesbrough Borough Council (which acts as Designated Authority). These figures indicate that the Council's share of these costs will be approximately £55,000 less than expected.

Planning Delivery Grant

(104)

As this grant is continuing in the current year a temporary saving can be taken. The position in relation to future years will need to be reviewed when the Government provides details of the 2008/2009 grant allocation.

Efficiency Savings

405

As reported in the summer a number of efficiency savings are taking longer to achieve than previously anticipated. It is expected that the planned efficiencies will be achieved, although there will be a temporary shortfall in the current year.

Total Corporate Budgets

(314)

Net Forecast Overspend

93 to 333

SUMMARY OF KEY ONGOING 2007/2008 SERVICE ISSUES

	2007/2008 Forecast Outcome Adverse/ (Favourable) £'000	2008/2009 Budget Pressure/ (Saving) £'000	
Adult and Community Services			
- Learning Disability Increase demand owing to demographic trends and increasing need for services. In 2007/2008 there will also be a one-off cost of £110,000 from a delay in achieving transport savings from the ITU.	363	255	Pressure
- Mental Health Increase demand for residential placements.	200	100	Pressure
- Support Services A large number of departmental PCs were obtained on an annual rate, this has now expired. Also pressure on other IT budgets.	120	50	Pressure
Children's Services			
- Children and Families Support Cost of increased number of Looked After Children and associated care, including preventative work and Special Guardianship orders.	789	607	Pressure
Neighbourhood Services			
- Environment The current years variance is owing to the temporary closure of the incinerator. This is not expected to reoccur in 2008/2009. However, additional pressures will arise in 2008/2009 from increased landfill tax, increases in recycling costs and costs arising from the introduction of a new refuse round.	128	359	Pressure
- Car Parking Income The current years variance is partly owing to the delayed implementation of increased charges and some user resistance to the price increase. It is anticipated that these issues will begin to unwind and have a reduced impact in 2008/2009. Therefore, a reduced provision has been included in the contingency for this 2008/2009.	150 to 274	131	Contingency
Regeneration and Planning			
- Town Wide CCTV Repairs and maintenance of CCTV, some of which are now more than ten years old.	34	30	Pressure
Permanent Corporate Savings			
- Bonus Savings In 2007/2008 this saving has been allocated to partly repay General Fund balances which were used to fund the bonus buy-out in March, 2007. The ongoing budget provision can be taken as a saving in 2008/2009.	(800)	(800)	
- Interest Savings This saving has been achieved from the use of LOBO Loans (Lenders Option, Buyers Options), which have lower rates than traditional Public Works Loan Board (PWL) loans.	(200)	(200)	
Temporary Corporate Savings			
- Centralised Estimates The variance reported in the Quarter 2 Monitoring Report of £1.1m included the LOBO savings detailed above. Therefore, the net saving on centralised estimates in 2007/2008 is estimated to be £0.9m. This amount reflects higher investment income on reserves and balances. It is expected that interest will continue to be earned in 2008/2009. However, this will be at a lower level as the Council is committed to using reserves and interest rates are expected to reduce.	(900)	(740)	

SCHEDULE OF PROPOSED SCHEMES TO BE FUNDED FROM CORPORATE
UNSUPPORTED PRUDENTIAL BORROWING ALLOCATIONS

Project	2008/09 Allocation £'000	2009/10 Allocation £'000	
<u>Schemes approved as part of 2007/08 Budget Process</u>			
Multi-storey Car	362		(a)
<u>Schemes to be approved as part of 2008/09 Budget Process</u>			
Highways Maintenance Schemes	40	40	(b)
Coast Protection	100	100	(b)
Lynne Street Heating	60		
Adult and Community Services DDA	50		
Recycling Centre Fencing	55		
Disabled Facilities Grants	105		
Civic Centre Ramp Access	29	151	(b)
Civic Centre Access System	72		
Municipal Building Access System	9		
Civic Centre Disabled Toilets	78		
Brougham Enterprise Centre Toilet and shower facilities	40		
Economic Development - Industrial and Commercial	100	100	(b)
Regeneration Match Funding	100	100	(b)
	1200	491	

Notes

a) The scheme is funded over two financial years (2007/08 and 2008/09).
Therefore, this allocation was approved as part of 2007/08 Budget proposals.

b) These schemes will be funded over two years commencing 2008/09 and commit
£0.49m of the 2009/10 allocations.

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

Appendix D

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 D

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 D

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 D

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 D

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
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Appendix D

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 D

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 D

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. Requirments 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 D

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 D

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 D

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 D

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
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Appendix D

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 D

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 D

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

Appendix E

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 E

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 E

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
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
				120			

Appendix E

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

Children and Families - placements	A pressure of £0.507m has been identified for Looker After Children. This additional amount is included to address the volatility of LAC numbers.	R	Expenditure would exceed budget as the Council has duty to provide care.	250	0		H
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	270			

Appendix E

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 E

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 E

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 E

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 E

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 provisonal 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
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Appendix E

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		

Gross Total	1339
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Value of Contingency to cover above risks	1039
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ADULT & COMMUNITY SERVICES DEPARTMENT – SCHEDULE OF GRANT REGIMES TERMINATING DURING 2007/2008 - PROBABILITY 3

Appendix F

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	Value of resulting budget pressure in 2008/2009	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	Funding available to fund redundancy costs	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
					£'000	£'000				

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

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	Value of resulting budget pressure in 2008/2009	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	Funding available to fund redundancy costs	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
					£'000	£'000				
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)
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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	Value of resulting budget pressure in 2008/2009	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	Funding available to fund redundancy costs	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
					£'000	£'000		£'000	£'000	
				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	Value of resulting budget pressure in 2008/09	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	Funding available to fund redundancy costs	Service improvement to be achieved by funding grant (including details of current performance and target for 2007/2008 performance)
					£'000	£'000		£'000	£'000	
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	

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)
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	83	83	8.0			
TOTAL - PROBABILITY 3					390	345	18	46	0	0

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

Appendix G

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 G

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		

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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 G

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		

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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 G

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.

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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 G

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	

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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
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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		

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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.

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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.

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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.

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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 G

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	225		

TOTAL ALL PRIORITIES	693.7
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Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/saving £'000's
Support Services	Re-examination of staffing and processes following joint commissioning, and introduction of CONTROCC computer system. Also review management of Supporting People programme, absorbing some of the work into other sections	R	Review is at an early stage	This is a growing area of work, and reduced staffing could affect capacity to support developments	40
Domestic support Swinburne House	Proposed closure of Swinburne will reduce requirement for domestic support staff	A	1 x vacancy to be 'given up' and 1 x domestic post to be deleted. This will leave 1 x 20hr domestic post to remain for re-provisioning Swinburne elsewhere.	This will not directly affect the service provision	33
Assessment & Care Mgt	Review management arrangements for social work teams	R	Diminishes management capacity and potentially increases span of control for remaining managers above an acceptable level.	May result in delays in allocation and completion of statutory assessments	45
Libraries	Staffing efficiencies in library service delivery	A	These will be achieved through a revised and improved way of allocating staff – i.e. adjustment of rotas to allow 3x scale 2 fte posts to be saved whilst delivering services as are currently provided. These staff rotas are across the whole service but will be significantly achieved through the Central Library.	reduction in CPA 'cost per visit' provided visit levels maintained. Necessary to ensure service standard and user satisfaction measures are maintained.	41
Libraries	Reduction in relief driver requirement for library mobile bus service	A	The new structure was introduced April 2007. First quarter indicates that a lower demand for driver cover is needed. This is a little early and demand needs monitoring full 12 months including winter	reduction in CPA 'cost per visit' provided visit levels maintained. Necessary to ensure service standard and user satisfaction measures are maintained.	4
Libraries	Strategic reduction in target areas of printed materials fund where consortium/supplier purchasing agreements facilitate efficiencies	A	failure to provide continually improving stock and maintenance of PI statistics.	Hope to be minimized but stock provision of the highest quality is principal aim of the service.	14
Libraries	Improved efficiency in online resource provision	A	Risk of not meeting public demand by changing suppliers	Aim to maintain similar service provision through improved supplier contracts.	4
Warren Road & Havelock	Review and integrate the management and staff structure across the two day services, this will reduce ancillary and management costs. The impact on direct service provision will be minimal as this is based on meeting assessed needs through individual support plans.	A	Business continuity & training required for staff to work across Learning & Physical disabilities	Performance measures, impact on PSSEX1 cost of day care.	103
Home Care Service	Transfer 100 hrs from in-house provision to independent provider and review management arrangements.	A	Reconfiguration of home care and amalgamation with Intensive Social Support Team under service heading of 'Direct Care and Support Service' will help provide sustainability going forward and alleviate stress challenges. Potential for complaints if service users prefer local authority service provision. However statutory responsibilities will be still be achieved.	Long term cases in home care (dementia) will be transferred to alternative independant provision. Leaving in house home care services to focus upon rapid response operations. In comparison with all other Providers in Hartlepool, the Local Authority Home Care Service is best placed	53
Older People Purchasing	Change commissioning and contractual arrangements for 'step up / step down' beds, moving away from spot contract towards block purchase. Anticipated demand base on analysis over three year period indicates 15 vulnerable people can be supported more efficiently using this approach	A	This proposal increases capacity and provides the LA with more value for money through securing a lower rate per bed.	Service performance would be enhanced. However this work does require support from the Commissioning Team to tender for the revised contractual arrangement.	39
Intensive Social Support Team	Reorganisation of intensive social support team to cover SP contract only.	A	Supporting People element of this service will continue to function but transitional care / intermediate care support will be limited.	The impact could be minimized by amalgamating the ISSTeam with the Home Care Service, one service to be created 'Direct Care and Support Service under more stream-lined managerial arrangement.	58
Support Services	Efficiency improvements in Finance Section as indicated by CSED	A	Review is still in early stages	Loss of staffing could affect service to users and income levels	19
Support Services	Cut in audio-visual and technical support to department	A	This will impact on Children's Service (40% funding for post) and corporate projects which are supported by this post.	Lost opportunity for improved presentation of information for public and staff	15
Libraries	Reduction of agency advertising for vacant posts	G	Increased internal recruitment/advertising.	Where deemed necessary for maintenance of service standards posts will still be advertised externally.	2
Libraries	Reduction in energy costs	G	Limited-according to predictions of energy consumption based on new lighting system efficiency savings should be achieved.	Improved lighting, saving of money and improved carbon footprint.	2

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's
Parks & Countryside	Weekend Litter Picking additional staffing plus bank holiday and event cover in parks.	G	Not undertaking this work will result in increased user dissatisfaction and greater amounts of litter in parks. The work will be undertaken by a new staff team based within parks and countryside to react to sites including playgrounds and provide a 7 day service across all parks and play grounds undertaking inspections and maintenance.	The ad hoc approach to cover in parks on weekends will be formalised with a dedicated team of staff covering weekends and providing cover where necessary for events.	4
Parks & Countryside	Lifebelt checks to be undertaken by Playground Inspector will allow additional income to be brought in by the Beach safety Officer in delivering First Aid Courses.	G	Lifebelt Checks are essential in maintaining safe areas around water. Most landowners now pay the Department to undertake the checks. The work will be undertaken by a new staff team based within parks and countryside to react to sites including playgrounds and provide a 7 day service across all parks and play grounds undertaking inspections and maintenance.	The incorporation of lifebelt checks into the work programme of the new staff team identified as a budget pressure will greatly increase the capacity of the Beach Safety Officer to deliver first aid courses to increase income into the department. The pressure is a combination of additional income from first aid courses and the lifebelt management.	5
Parks & Countryside	Annual Cost to Department to maintain and clean the paddling pools. The maintenance to be undertake by play ground inspection team and the cleaning to be undertaken by the beach lifeguards. To implement this the Block Sands Paddling Pool would need to come in line with the start of the Lifeguard Season.	G	The cleaning and maintenance of paddling pools are essential to the service. The maintenance work will be undertaken by a new staff team based within parks and countryside to react to sites including playgrounds and provide a 7 day service across all parks and play grounds undertaking inspections and maintenance. For cleaning tasks it is proposed that the beach lifeguards undertake this duty but this would rely on the Block Sands facility opening at the same time as the Beach Lifeguards Service (May not Easter).	The work is currently undertaken by Neighbourhood services agency staff at a cost of £11k to the department. This money would be used to fund the playground inspection pressure and also increase the duties and resources into this post.	11
Grounds Maintenance Contract	Contribution from Parks and Countryside to Neighbourhood Services for Playground Inspections. This is not easily identified through the contracts but believed to be in the region of £30K	G	The contribution to NHS is supplemented by insurance funding to operate a playground inspection and maintenance operation. Under new proposals the playground inspection would transfer to Parks and Countryside but would increase to a 7 days service to incorporate other tasks such as lifebelt checks.	The playgrounds would be inspected 7 days per week which will increase user satisfaction and reduce impact of anti social behaviour.	30
Parks & Countryside	To replace the Weekend Leisure Assistant Post at Summerhill with the extended playground and site inspection service.	G	The loss of a staff post at Summerhill would result in increased man hours to keep the site cleaned and maintained. Weekend site cleansing and maintenance would be undertaken by the Playground Inspection post on weekends therefore reducing the need for the Weekend leisure assistant	The playground inspection service will be increased to 7 days per week and will incorporate Summerhill site cleaning and maintenance into the weekend work programme.	10
The Firs	De-commissioning the Firs as an office base	G	No Risk to Service, but un-occupied property may be vulnerable to vandalism	Service will be re-provisioned from alternative site, no impact identified.	19
17057 Warren Road	Reduction in the number of ancillary hours at warren road	G	Minimum risk as change is around processes for delivery of meals	Limited impact on service	8
17057 Warren Road	Reduction in vacant staffing hours at Warren Road, 42 hours vacant due to setting up of independent theatre and drama groups	G	Reduction in the number of direct support staff, reflected by the number of people leaving the service to take up direct payments	Corporate management database, impact on the number of people attending FE, leisure, sport, as a reduction in the number of people attending day services. Increase in the number of people accessing a direct	23
17100 Havelock N/HOOD SERVICES IMPACT	Reduction in the use of ancillary staff in the cleaning of the building by using more flexible rotas	G	Flexibility in Rota creating efficiencies	No impact on PT's	2

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's
17058 LD Agency	Bringing people back home / campus reprovision - review of complex out of area packages of care in partnership with PCT.	R	Returning of high cost packages to Hartlepool for people who have been living out of area in specialist provision	24 people over 5 years - Teesside initiative including PCT's	220
Stair lift Contract	Change contractual arrangement for stair lifts away from comprehensive cover to costed model	G	Limited	More appropriate contractual arrangement to be established	20
Assessment & Care Management	Replace Social Worker top of Level E plus two, with Social Care Officer through management of vacancies	G	This will be a short term saving to the Local Authority, going forward there will be additional training implications	Social worker due to retire	12
TOTAL OF 3% EFFICIENCIES					836

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's

CHIEF EXECUTIVES DEPARTMENT PROPOSED EFFICIENCIES

Accountancy 21412	A recent mini reorganisation produces an ongoing salary saving, from the deletion of 0.5 FTE Accountancy Technician post.	A	Reduction in capacity available to support none core activities, such as financial support for additional corporate initiatives (e.g. Job Evaluation) , or support of departmental finance teams when they have vacancies, or support of new grant regimes.	None - provided there are no new demands for higher service levels and existing staff are retained.	11
Internal Audit 21414	A review of the Internal Audit sections senior management structure resulted in the amalgamation of the roles of Chief Internal Auditor and Group Auditor into a single post - Head of Audit and Governance. Only Part of this saving was taken in the 2007/08, pending a review of the new arrangements.	A	New arrangements are working satisfactorily. It is therefore not inappropriate to take the remaining saving in 2008/09. However, the continued success of current arrangements is dependant upon the retention of existing employees and/or the recruitment of appropriate replacements (which cannot be guaranteed).	None - provided remaining staff are retained, particularly Head of Audit and Governance.	28
Revenues Recovery 21453	Income Generation from extending the Internal Bailiff function pilot to 2 officers. A greater proportion of bailiff activity will in future be undertaken by in house bailiffs, with the associated bailiff charges accruing to the Council instead of external bailiff companies.	A	Internal Bailiff pilot exercise to be extended from Sept 07. Performance monitoring of activity levels and values of fees levied in 2007/8 from early stages of pilot indicate relatively low risk of failure but dependency is on available recovery caseloads.	None. Internal Bailiffs will be "certificated" , work within defined codes of conduct / protocols and will be subject to robust performance management controls including using comparative performance data from external bailiffs. These arrangements will ensure effectiveness / accountability.	30
HR	Income generation from extending charging arrangements for information in respect of mortgage applications and CRB. Restructure of section will result in deletion of 2 FTE during 2008/9.	A	Risk that charging employees to supply employment details will be controversial. Reduced employee /health & safety monitoring capacity will place greater reliance on managers, employees and trade unions to operate safely. Implementing Single Status will initially create additional workload therefore reducing HR posts will impact on ability to support managers and employees.	Greater reliance on managers to implement HR policies without personal support. Significant risk of subsequent litigation/claims, absenteeism, poor performance, etc	76
TOTAL OF 3% EFFICIENCIES					145

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/saving £'000's
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CHILDREN'S SERVICES DEPARTMENT PROPOSED EFFICIENCIES/SAVINGS

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/saving £'000's
Home to School Transport	Full year savings arising from 1st September 2007 renewal of home to school and school to swimming pools transport contracts including agreed rationalisation of escort service LESS £100,000 allocated against the corporate efficiency target.	G	The exact transport requirements of children varies from year to year depending on pupil numbers. In addition the requirements of special needs pupils can vary at any time. Projected savings are based on the costs of current needs and provide limited scope to absorb increases above inflation.	This will have a positive effect on VFM indicators	61
Advisory Service	Part saving on Senior Adviser salary following recruitment to a lower graded redesigned post. Savings assume regrade from Soulbury sp 27 to Soulbury sp 13.	G	Re-allocation of responsibilities to Assistant Director and other Senior Advisers required.		20
Premature Retirement Costs	Reduced base budget to meet level of current spending on former employees and their dependants deleting scope to fund new costs.	A	The department has a PRC budget which funds the ongoing added years element of early retirement costs. Reducing the base budget will delete any contingency for new cases. Over time the departments commitments will reduce as former teachers/staff and their dependants die.	The departments policy since 2002 has been that schools must meet the costs of any premature retirements from their delegated budgets. Schools can however, in exceptional financial circumstances, approach the department to request financial assistance.	60
Carlton Outdoor Centre - Usage	Increased income assumption from Hartlepool schools and other customers following reopening of the centre.	A	The budgeted level of income from Hartlepool schools attending the Centre was set pessimistically due to concerns that customers may not return following closure during refurbishment. Increased income of approximately £15,000 will be received if schools take up their full allocation of days and the centre's external income target for summer and weekend customers is achieved.	If this increased income is sustainable the Council's net cost of running the centre would reduce by 25%.	15
Carlton Outdoor Centre - Charges	13% Increased charges to Hartlepool schools for attendance at the centre (up to the levels charged by Redcar and Cleveland) will reduce the net costs of Hartlepool's subsidy.	A	Increased charges to schools could lead to reduced demand which would adversely affect overall income levels - see above	Although joint user authorities pay proportionate contributions towards Carlton centre costs each Council sets its own charges for schools in their areas. Hartlepool charges are currently substantially below Middlesbrough and Redcar.	5
Youth Service	Review of Service Level Agreements to provide savings on overheads with minimal impact of front line delivery.	A	It is envisaged that savings can be achieved on repairs and maintenance and that better value for money can be achieved from more robust monitoring of some SLA's	There is a risk of a reduction in service delivery depending on how services are reconfigured.	10
Departmental Contingency	Delete contingency fund held by Director	A	During setting of the 2007/08 base budget, within the departments overall cash limit, all uncommitted budgets were deleted to create one strategic contingency against unexpected departmental costs. This budget is held by the Director and is allocated out to meet identified pressures as part of the departments monthly monitoring procedures.	If deleted the department will be unable to absorb any unexpected cost pressures	64
Departmental Administration	Reduction in admin support	A	Reduced admin support will have an impact on the operations of various departmental teams and some areas of work will have to be absorbed. It may be possible to automate some functions via use of ICT.		110
Children and Families Admin	Reduction of admin support in Social Care	A	A reduction in staffing levels has already been committed relating to the new ICS system	The new ICS system will streamline the administration of care records and as this is embedded admin support will be reviewed.	40

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's
Department wide Salaries	Increase to salary abatement target from 2.4% to 3.0%	A	Over recent years the department has achieved its salary abatement target (currently £160,000 equating to approximately 2.4%) through natural vacancy savings. All vacant posts are reviewed by CSMT prior to submission to the MOV panel and "forced delays" in the recruitment process may need to be made to maximise vacancy savings.	The projected saving assumes a 25% increase in vacancy / turnover savings, requiring savings of 3.0%. CSMT would try to focus this on (non grant funded) support services rather than frontline services wherever possible.	40
Childcare - Summer Play scheme	Deletion of the summer play scheme.	A	The existing provision for play schemes is not necessarily targeting those most in need. Managers will be assessing the need within the Children's Centres localities and will commission new summer activities from the voluntary and community sector funded from Sure Start grant.	Overall provision may be slightly reduced but should be better matched to local need.	65
TOTAL OF 3% EFFICIENCIES					490

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's

NEIGHBOURHOOD SERVICES DEPARTMENT PROPOSED EFFICIENCIES

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's
1010/36740	Restructure of Senior Management of Public Protection	G	Alternative but inadequate management arrangements of Public Protection functions could result in inefficiencies and not meeting performance standards in several statutory functions	Minimal impact provided adequate arrangements are in place, otherwise not meeting PI's could result in external auditing of the service by eg. FSA	35
	Do not increase costs through inflation where possible	A	small risk	Some revenue budgets pressured	164
	School crossing patrol - remove from controlled crossings	A	Some public reaction	N/A	32
	Xmas lights - full sponsorship	A	Sponsorship may not be achieved	Possible reduction in standard	18
	Restructure B.H.H admin team	G	Increased workload on other staff	Reduced admin performance	18
	Not replacing Technical Officer when he retires in April 2008	G	Increased workload on other staff	Reduced Technical performance	28
	Reorganise drug related litter service	A	Possible injury to people who find litter	Drug litter will not be collected after 8pm	10
	Rationalise highway inspection team	A	Insurance claims may rise	Inspections may not be completed on time	25
	Redesign staffing in transport section	A	Minimal	Management capacity reduced. Increased workload on remaining staff	55
	Don't replace one member of admin team in civic centre	A	Workload too high - deadlines missed	Increased workload for remaining staff	17
	Redesign of building management and maintenance services (including energy)	A	Building management services (including energy) efficiencies may not be achieved	Workload on remaining staff members / change of services to customers	37
	Restructuring of licensing service in Public Protection	A	Taxi inspections not carried out on time	Performance indicators will suffer and criticism from licence holders	12
TOTAL OF 3% EFFICIENCIES					451

APPENDIX H

Budget Heading	Description of Efficiency/Saving	Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving service performance)	Value of efficiency/ saving £'000's

REGENERATION & PLANNING DEPARTMENT PROPOSED EFFICIENCIES

Youth Offending Service	Reduce the budget for the payments of carers and fostering allowances	G	It is anticipated that this budget can be reduced with minimal risk and impact by not recruiting to one of the vacant Carer's positions.	It is not anticipated that service performance will be adversely affected by this reduction.	14
Economic Development	HBC Contribution to Joint Strategy Unit	G	It is expected that the JSU will again reduce their budget to reflect national cashable efficiency target. The precise saving to Hartlepool will depend on the final inflation indicator and population statistics applied by the JSU but a budget reduction in the region of £5,000 should be possible.	This reduction will have no direct impact on the Economic Development service. The department currently passports some £230k to the JSU but has no control over this budget. In view of the total reductions required and the growing pressures on HBC budgets, Members may wish to seek a revised JSU budget formula for future years in conjunction with the other Tees Valley authorities.	5
Staff Turnover	Increase in Vacancy Abatement target by 0.5%	A	The Vacancy Abatement target for 2007/8 has been achieved albeit largely through three long term vacancies. It is expected these vacancies will shortly be filled. Achievement of the 2008/9 target will depend on HBC funded staff leaving a relatively stable department in recent years and therefore some risk does exist in increasing this target.	An impact on service performance may occur if, to meet this target, posts had to be held vacant for longer than appropriate.	20
Community Safety	Reduce Staffing Budgets / Efficiency Review	A	Community Safety is one of the areas undergoing a departmental review in the current year as part of the overall Efficiency Strategy. No final conclusions have yet been reached in the review but it is felt that some efficiencies may be achievable.	It is anticipated that the impact on the part of the service where efficiencies are likely to be generated can be managed without a major affect on performance. However potential pressures in other areas of Community Safety most notably those previously funded via NRF mean that the overall risk to the service has been judged as 'Amber' at this stage.	20
Housing Division	Reduce Staffing Budgets / Efficiency Review	A	The Housing Service is another area undergoing a departmental efficiency review in the current year. Scope for modifications to the staffing structure may also exist. No actions have been agreed at this stage but it is anticipated that some efficiencies would be achievable in 2008/09.	The main impact of this reduction would be that no budget flexibility would exist to address in-year changes or the unexpected small scale pressures which regularly arise in this increasingly high profile service. The Amber risk shown might however need to be upgraded to 'Red' should adequate funding not be agreed for Housing related pressures including the introduction of Choice Based Lettings and Selective Licensing, details of which are set out elsewhere in the budget process.	30
General	Inflation freeze imposed on various budget headings	A	It is proposed to freeze inflation increases for a number of non contractual departmental budget headings.	The impact on service performance would be spread across a number of headings and is expected therefore to be manageable.	30
Planning Policy and Regeneration	Reduce the Major Regeneration Projects Budget	A	It is proposed to reduce this budget by £10,000 in order to meet the 3% target.	Though this is a high priority project for HBC it is anticipated that a reduction at this modest level could be managed.	10

TOTAL OF 3% EFFICIENCIES	129
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TOTAL OF 3% EFFICIENCIES FOR ALL DEPARTMENTS	2051
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CORPORATE OF 3% EFFICIENCIES TARGET	254
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TOTAL 2008/09 3% EFFICIENCIES TARGET	2305
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BUDGET CONSULTATION MEETING WITH BUSINESS SECTOR REPRESENTATIVES

**Minutes of Meeting held on 21st November 2007
at 8am in the Mayor's Office, Level 2, Civic Centre**

Attendees: *Hartlepool Borough Council Officers*

Mike Ward, Chief Financial Officer

Chris Little, Assistant Chief Financial Officer

Peter Scott, Director of Regeneration & Planning

Paul Walker, Chief Executive

Councillors

Mayor S Drummond , Councillor G Hall, C Hill, P Jackson, R Payne

Business Sector Representatives

Brian Beaumont

Peter Olson

Adrienne Liddell

John Megson

Kirsty Swanson, CEMT Support Officer (Minutes)

Apologies: Nicola Bailey, Director of Adult & Community Services

Adrienne Simcock, Director of Children's Services

Dave Stubbs, Director of Neighbourhood Services

Councillor P Hargreaves

Councillor V Tumilty

Jim Atkinson

Councillor R Payne thanked all for attending.

1.	Presentation
MW provided a brief update on the issues affecting the budget and policy framework proposal for 2008/09 to 2010/11.	

Appendix I

Issues Raised	Response
During the presentation a number of questions were asked as follows:	
JM questioned what the costs in relation to equal pay protection and bonus' are.	<p>MW informed that bonus schemes were implemented for manual workers in the 1970's which meant the manual workers received a 30% bonus on their wages. As bonus payments were generally only paid to male -manual workers this is now deemed to be sexual discrimination. Therefore the council has bought out all bonus schemes.</p> <p>Equal Pay protection will be implemented as part of the new pay and grading structure. It will protect people whose posts will be down graded. Council has not yet determined what protection arrangement will be approved and budget forecast are a best estimate of likely cost.</p>
JM asked if in the future will staffing be an issue which will be looked at.	MW commented all that staffing would be looked at in the future when looking for potential savings as this is the largest single cost of the Council's budget..
<p>Questions arose with regards to floor damping.</p> <p>Councillor Hall questioned if it would be of benefit to raise this is with Iain Wright MP again?</p>	<p>Floor damping has previously cost the authority £1.5 million. The Authority has previously made presentations to Ministers, which reduced this loss by approximately £0.3m, but in the current year the loss of grant is still £1.5m</p> <p>PW stated that we must keep raising this issue.</p>
AL questioned if Tall Ships had been considered.	£800,000 has been set aside for the Tall Ships visit. It is expected that sustainable grants funding will be received to meet a significant element of the overall cost and officers are currently pursuing this issue.

Appendix I

<p>JM questioned if the authority benefits from business growth in Hartlepool?</p>	<p>MW informed all that money from businesses goes straight to the Government then is allocated to authorities depending on population. Under the current arrangements the Council is a net gainer. The Council has received a one-off benefit from the Government's LABGI, which has arisen from the way in which the scheme has been implemented following a legal challenge by other authorities, rather than any significant change in the local increase in business rateable value.</p> <p>The Government are consulting on a new LABGI scheme, which will not come into force until 2009/10. Therefore, in 2008/09 no monies will be allocated through this initiative and future years the amount redistributed will be significantly reduced from the amount distributed in the current year.</p>
<p>JM questioned if there are any allowances for problems such as deprivation?</p>	<p>PW informed that yes there is some allowances within some grants but these have been consolidated into the main revenue support grant and the Authority will not be notified of how much it will be allocated until December.</p>
<p>Questions arose relating to Building Schools for the Future.</p>	<p>The capital cost of these works will be funded from Government grant. However, the Council will not receive any grant to fund the BSF project design and setting up costs. The Council has made some provision for these costs, but it is anticipated that further resources will need to be set aside. These costs will therefore be a call on the one-off LABGI allocation..</p>
<p>JM was aware that care expenditure is high, it was questioned that if the business base of Hartlepool was improved would this take out the costs of care packages, etc?</p>	<p>No, an improved business base would not impact on costs of care packages, as business rates are effectively a national tax which is simply collected locally.</p>

Appendix I

<p>PO asked if grant increase detailed in CSR is real or cash increase.</p>	<p>MW indicated that position is complex as figures quoted by Government include additional resources for PFI schemes. In addition, the figures quoted in CSR are averages for the next three years – at a detailed level the increase is front loaded for 2008/09. We wouldn't know local impact until detailed Grant announcement in December. The Council's budget forecasts are based on annual cash increased of 2% and we don't expect the detailed grant allocation will be significantly different from this forecast.</p>
<p>AL questioned if the current banking crisis will affect Hartlepool Borough Council?</p>	<p>MW indicated that the Council has achieved significant benefits from its Treasury Management activities in the past and these actions continue to benefit the budget on an ongoing basis. The Council will not be immune from changes in interest rates arising from current uncertainty in the banking sector. However, it is anticipated any changes can be managed within existing Treasury Management strategy and budget. The Council's primary concern will continue to be the security of cash investments and this will continue to be monitored closely as the current liquidity issues in the banking sector evolve.</p>



BUDGET CONSULTATION MEETING WITH TRADE UNIONS

**Minutes of Meeting held on 20th November 2007
at 8am in the Mayor's Office, Level 2, Civic Centre**

Present: *Hartlepool Borough Council Officers*

Mike Ward, Chief Financial Officer
Nicola Bailey, Director of Adult & Community Services
Sue Johnson, Assistant Director, Children's Services
Chris Little, Assistant Chief Financial Officer
Joanne Machers, Chief Personnel Officer
Dave Stubbs, Director of Neighbourhood Services
Paul Walker, Chief Executive

Councillors

Mayor S Drummond, Councillor G Hall, P Hargreaves, C Hill, R
Payne, V Tumilty,

Trade Union Representatives

Peter Gleeson
Edwin Jeffries
Malcolm Sullivan
Margaret Waterfield
Tony Watson
Steve Williams

Kirsty Swanson, CEMT Support Officer (Minutes)

Apologies: Councillor P Jackson
 Peter Scott, Director of Regeneration & Planning

Councillor R Payne thanked all for attending.

1.	Presentation
MW provided a brief update on the issues affecting the budget and policy framework proposal for 2008/09 to 2010/11.	

Issues Raised	Response
<p>EJ questioned information within the Cabinet report in relation to the period over which the budget will be balanced. He also stated that the Unions had, for sometime, suggested that the Council needed to address budget issue over a longer period to minimise impact on staff.</p> <p>EJ informed that the Trade Union are now at the point where flexibility is needed.</p>	<p>Councillor Payne indicated that Cabinet have discussed addressing the budget deficit over the next 18 months.</p> <p>MW informed group that in total we are not expecting reserves to increase therefore the Council will need to determine a strategy for bridging the forecast deficit.</p>
<p>EJ questioned if it was recognised that the permanent savings that have been made on the bonus buy out would be put back in due to the staff been underpaid?</p> <p>EJ stressed that job evaluation needs to be finalised quickly.</p>	<p>MW directed all to Slide 8. The savings made from bonus buy out has been allocated to reduce the budget gap, which includes the anticipated additional costs of Job Evaluation.</p>
<p>EJ stated that if there are to be any effects on staffing Trade Unions would like proposals as soon as possible and requested a meeting with Cabinet in the interim before January.</p>	<p>MW informed group that the main revenues support grant normally is released the end of November/early December but due to delays on the CSR this will not be released until December. Therefore no meetings can be arranged until this has been released.</p>
<p>EJ questioned if floor damping will change at all?</p>	<p>Cllr Payne informed all he has spoke to Iain Wright MP regarding this issue and was informed that the Government will be looking at this issue.</p> <p>Cllr Payne suggested that the Trade Unions meet with Iain Wright MP to discuss.</p> <p>EJ informed group that various meetings have been held with Trade Unions and parliament when this issues has been raised. TU informed group that they are on board with this.</p> <p>MW indicated that there are two parts to the floor damping arrangements. The Government have indicated that one element may be changed, but this is element only has a minor impact on HBC.</p>

Appendix I

TW questioned if the Council will be facing compulsive redundancies? EJ stressed that all options will be looked at before any compulsive redundancies are agreed.	MW is unable to comment at this stage.
Councillor Hall asked the Trade Unions if they would be happy to work with Cabinet to consider different scenarios.	Trade Unions are happy to do this but would like to see flexibility and alternatives.

Formal Consultations

MW informed all that the formal consultations must go ahead before Christmas.

CABINET REPORT

21st December 2007



Report of: Corporate Management Team

Subject: PAY AND GRADING STRUCTURE AND SINGLE STATUS AGREEMENT

SUMMARY

1. PURPOSE OF REPORT

To provide an update on three possible pay and grading structures, the draft Single Status Agreement and associated matters. To note the Consultation arrangements, decision making process and future timetable

2. SUMMARY OF CONTENTS

The report sets out the background and an introduction to Single Status and the proposed arrangements for Cabinet to consider and approve a preferred pay and grading structure and Single Status Agreement.

3. RELEVANCE TO CABINET

Corporate impact on budget strategy, reward and remuneration strategy, legal implications and potential industrial relations impact.

4. TYPE OF DECISION

Key decision due to extent and nature of impact on employees and budget strategy.

5. DECISION MAKING ROUTE

Cabinet on 21 December 2007 for decisions in principle, Council for any subsequent financial decision required, future Cabinet meeting for final decision.

6. DECISION(S) REQUIRED

That Cabinet note the report.

Report of: Corporate Management Team

Subject: PAY AND GRADING STRUCTURE AND SINGLE STATUS AGREEMENT

1. PURPOSE OF REPORT

- 1.1 To provide an update on three possible pay and grading structures, the draft Single Status Agreement and associated matters. To note the Consultation arrangements, decision making process and future timetable

2. BACKGROUND

- 2.1 In 1997 a Single Status Agreement was reached as a result of national negotiations. The Agreement determined new arrangements for harmonising, at a local level, the terms and conditions of former “Manual Workers” and “Administrative, Professional, Technical and Clerical” (APT&C) groups – commonly referred to as Green Book employees. The Agreement included a requirement that pay and grading structures would be reviewed with the intention of developing a common pay framework. A deadline of 31 March 2007 for completion was later set as a result of slow progress being made in local authorities.
- 2.2 Since 2002 the extent of legal challenge to local authority pay structures under the Equal Pay Act 1970 has grown. Equal pay claims have been lodged against Hartlepool Borough Council which are proceeding through the legal processes. Significant work has been undertaken with local trade unions to mitigate the potential for additional claims which resulted in compensation payments to certain categories of employees and the termination of all Green Book bonus schemes.
- 2.3 Local Single Status negotiations have been on-going for a number of years with much time allocated to completing a job evaluation exercise and more recently discussing changes to terms and conditions and developing a local pay and grading structure. The aim has been to work in partnership with trade union representatives through formal arrangements with the support of ACAS officers. It should be noted however that a local Single Status Agreement requires specific trade union agreement in respect of pay protection arrangements only.
- 2.4 Cabinet has received many reports previously regarding the Single Status, job evaluation and equal pay related issues.

3. OPTIONS FOR PAY AND GRADING STRUCTURE - INTRODUCTION

- 3.1 Over recent months, a large number of possible pay and grading structures have been developed and, where appropriate, refined. In the first instance, these have been considered jointly with the trade unions using the following criteria:

- Affordability
 - Equality Impact
 - Transparency of structure
 - Impact on individuals/types of job role
 - Compliance with the law (Equal Pay Act, Sex Discrimination Act, Disability Discrimination Act, Equality Act, Race Relations Act)
- 3.2 Corporate Management Team have considered those models which appear to balance the above criteria and have assessed them against additional criteria including:
- Impact on service delivery
 - Impact by department
- 3.3 Members have previously indicated that they would wish to consider 3 options for a new pay and grading structure. Three options have been identified as follows:
- Option 1 – see Appendix 1 of the Confidential report for further details
 - Option 2 – see Appendix 2 of the Confidential report for further details
 - Option 3 – see Appendix 3 of the Confidential report for further details
- 3.4 Employees have been matched by Directors and Headteachers to evaluations on an individual basis and the potential impact on their pay assessed. Where employees have more than one job, each has been matched separately. Directors and Headteachers have been given detailed information about the potential impact of each of the 3 options.
- 3.5 Work is currently ongoing regarding the replacement of the current Career Grades by Development schemes which are consistent with the revised pay and Grading Structure.
- 3.6 In order to comply with the 1997 National Single Status Agreement and the 2004 National Pay Award, which set a deadline for reviewing the Council's Pay and Grading Structure, any new structure will generally be effective from 1st April 2007. There are, however, some transitional arrangements as a consequence of not being in a position to implement the new structure until 2008.
- 4. DRAFT LOCAL SINGLE STATUS AGREEMENT – KEY ISSUES**
- 4.1 In addition to requiring the Pay and Grading Structure to be reviewed, the 1997 National Single Status Agreement and the 2004 National Pay Award, also required a review of other terms and conditions of service.
- 4.2 The Draft Local Single Status Agreement needs to be considered in conjunction with the 3 options for a revised Pay and Grading Structure as the key issues addressed in it include:
- Pay and leave arrangements where employees do not work for the whole year, typically but not exclusively school based employees who work Term Time Only
 - Protection arrangements for those employees who suffer financial detriment as a consequence of the implementation of the revised pay and grading structure
 - Assimilation arrangements to the new pay and grading structure for employees
 - Pay and working arrangements for those employees who work less than the standard week
 - Allowances

- Premium Rates for unsocial hours working
- Appeal arrangements

4.3 Further details of the Draft Local Single Status Agreement can be found in Section 9 of the confidential report

5. CONSULTATION

5.1 The 3 options for a revised Pay and Grading Structure and the draft Local Single Status Agreement have been subject to wide consultation during 2007 as follows

- Meetings have been taking place informally with the trade unions for most of 2007.
- The Bridging the Gap Group has met formally on many occasions
- Reports have been submitted to Cabinet
- Informal Cabinet has been briefed
- The Single Status Working Group of members has met on a number of occasions
- Member briefings have taken place
- Full Council has considered these matters on 1 occasion
- Chairs of Governors and Headteachers have been formally consulted/briefed jointly on 2 occasions
- CMT have met on numerous occasions to consider these matters
- Headteachers have been consulted on

6. ROLE OF ACAS

6.1 All agreements with the trade unions have been reached at the Bridging the Gap meetings. The Bridging the Gap Group comprises

- Senior Council officials (Assistant Chief Executive, Chief Financial Officer, Chief Personnel Officer and other Finance and HR staff)
- Regional Trade Union officers (GMB, UNISON and T&G section of UNITE)
- Local Trade Union Officials (including UNISON and GMB Branch Secretaries)
- ACAS

6.2 The involvement of ACAS, acting as 'Honest Broker' has been key in facilitating common understanding and agreement on a wide range of issues where the initial views of the Council and trade union officials differed significantly.

7. DECISION MAKING PROCESS AND FUTURE TIMETABLE

7.1 The decision making arrangements are quite complex. At this stage, Cabinet, via the confidential report, are being asked to identify, in principle, a preferred Pay and Grading Structure option and to endorse, in principle, the draft Local Single Status Agreement, subject to further discussions with the trade unions on some aspects. The outcome of the outstanding discussions on the draft Local Single Status Agreement will be reported to Cabinet.

7.2 Thereafter, arrangements will be made to brief Governors.

7.3 It will also be necessary to provide details of the preferred Pay and Grading Structure and draft Local Single status Agreement to the Union National offices for their consideration. In order to speed up the final consideration, a working draft of the Local Single Status Agreement has already been sent to UNISON national offices

and a dialogue initiated. Details of the preferred Pay and Grading Structure will be sent as soon as the Cabinet approval is in place.

- 7.4 Thereafter, employees will be provided with a briefing and supporting information (on DVD/CD) about the preferred Pay and Grading Structure option and the draft Local Single Status Agreement. Following the briefings employees will receive letters indicating the potential impact for each job they undertake.
- 7.5 Once employees have the personal impact information, the unions will be conducting a ballot of their members over a 2-3 week period.
- 7.6 As soon as the results of the union ballots and feedback from the Union National offices are available, these will be reported to Cabinet so that a final decision can be made about the revised Pay and Grading Structure and Local Single Status Agreement.
- 7.7 Council will be asked at the appropriate time to make a final decision regarding any additional funding which may be needed.
- 7.8 Schools will be invited to make the necessary decisions. Community Schools are required, by law, to use the Council's grading structure. Foundation and Aided schools do not have the same restriction and will be invited to adopt the Council's scheme.
- 7.9 Once decisions have been made by Cabinet, Council and Schools, letters will be sent to employees varying their contracts to incorporate the revised Pay and Grading Structure and Local Single Status Agreement and advising them of their rights to appeal.
- 7.10 The new arrangements will be incorporated into pay packets as soon as possible thereafter.
- 7.11 Appeals will be dealt with as quickly as possible, with appeals from those disadvantaged (in Terms of pay) being considered first.
- 7.12 Arrangements will be made to ensure the integrity of the Pay and Grading Structure is maintained thereafter.

8. RECOMMENDATIONS

- 8.1 That Cabinet note the report.

CABINET REPORT

21st December, 2007



Report of: Chief Financial Officer

Subject: Proposal for Using ICT Investment Fund

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To enable Members to consider a proposal for using the ICT Investment Fund.

2. SUMMARY OF CONTENTS

- 2.1 As part of the 2006/2007 Budget and Policy Framework proposals Council approved the establishment of an ICT Investment Fund of £0.5m, subject to the amount only being used for
- i) projects achieving a seven year pay back and contributing a saving towards the overall efficiency target; and
 - ii) detailed schemes being approved by Cabinet.
- 2.2 To date no proposals have been referred for Cabinet consideration. Therefore, the full £0.5m is currently uncommitted.

3. RELEVANCE TO CABINET

- 3.1 Council delegate authority to approve proposals for using the ICT Investment Fund Cabinet.

4. TYPE OF DECISION

- 4.1 None Key

5. DECISION MAKING ROUTE

- 5.1 Cabinet 17th December, 2007.

6. DECISION(S) REQUIRED

6.1 It is recommended that Members:

- i) Approve the proposal to use £0.266m of the ICT Investment Fund to fund the one-off costs of the Managed Print Service project.
- ii) Note the contribution this project will make to be overall efficiency target.

Report of: Chief Financial Officer

Subject: PROPOSAL FOR USING ICT INVESTMENT FUND

1. PURPOSE OF REPORT

- 1.1 To enable Members to consider a proposal for using the ICT Investment Fund.

2. BACKGROUND

- 2.1 As part of the 2006/2007 Budget and Policy Framework proposals Council approved the establishment of an ICT Investment Fund of £0.5m, subject to the amount only being used for

- i) projects achieving a seven year pay back and contributing a saving towards the overall efficiency target; and
- ii) detailed schemes being approved by Cabinet.

- 2.2 To date no proposals have been referred for Cabinet consideration. Therefore, the full £0.5m is currently uncommitted.

3. PROPOSAL FOR USING ICT INVESTMENT

- 3.1 The Council has been working with Northgate on a “Managed Print Service” project, which will rationalise the number of printing devices within the Authority. A detailed proposal has been developed which will consolidate devices, reduce power and consumables costs, and simplify the way this service is provided. This will be achieved by having a smaller number of higher capacity machines. This proposal will achieve a gross ongoing annual saving of £117,800.

- 3.2 To achieve this saving the Council will need to invest £0.266m. Therefore, based on the gross efficiency this project will achieve a 2.25 year pay back.

- 3.3 It would be appropriate to fund this investment from the ICT Investment Fund and to repay this amount over a five year period. On this basis the project produces a net efficiency of £323,000, which can be counted towards the overall efficiency target.

- 3.4 As detailed in the following table the proposed project achieves the criteria detailed in paragraph 2.1 as summarised below: -

	£'000	Payback Period for £0.266 Investment
Gross Annual Saving	117.8	2.25 years

4. RECOMMENDATION

4.1 It is recommended that Members:

- i) Approve the proposal to use £0.266m of the ICT Investment Fund to fund the one-off costs of the Managed Print Service project.
- ii) Note the contribution this project will make to be overall efficiency target.

CABINET REPORT

21 December 2007



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S
INITIAL BUDGET AND POLICY FRAMEWORK
CONSULTATION PROPOSALS FOR 2008/09

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2008/09.

2. SUMMARY OF CONTENTS

- 2.1 The report provides an overview of Scrutiny's involvement in the Authority's budget setting process for 2008/09 together with their formal response to the Executive's Initial Budget and Policy Framework Proposals.

3. RELEVANCE TO CABINET

- 3.1 Cabinet are requested to consider the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial proposals, prior to determining their finalised proposals on 21 December 2007.

4. TYPE OF DECISION

- 4.1 Not applicable in this instance.

5. DECISION MAKING ROUTE

- 5.1 Cabinet meeting of 21 December 2007 to assist the Executive in the finalisation of their Budget and Policy Framework Proposals for 2008/09 to be considered by Full Council on 14 February 2008.

6. DECISION(S) REQUIRED

6.1 It is recommended that the Cabinet:-

- (a) considers the formal response of the Scrutiny Co-ordinating Committee as outlined in Section 3 of this report; and
- (b) provides feedback to the Scrutiny Co-ordinating Committee in relation to the formal response, as outlined in Section 3, during the consideration of the Executive's finalised Budget and Policy Framework Proposals for 2008/09 (paragraph 2.4 refers).

CABINET

21 December 2007



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S
INITIAL BUDGET AND POLICY FRAMEWORK
CONSULTATION PROPOSALS FOR 2008/09

1. PURPOSE OF THE REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2008/09.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the Scrutiny Co-ordinating Committee held on 2 November 2007, consideration was given to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2008/09.
- 2.2 At this meeting it was agreed that the initial consultation proposals were to be considered on a departmental basis by the appropriate Scrutiny Forum. With any comments/observations being fed back to the meeting of the Scrutiny Co-ordinating Committee held on 21 November 2007 to assist in the formulation of this Committee's formal response (as outlined further on within this report) to be considered during this meeting of the Cabinet.
- 2.3 Following the consideration of the Scrutiny Co-ordinating Committee's formal response during this meeting along with the finalisation of the Executive's Budget and Policy Framework Proposals for 2008/09, further consideration will be given to the finalised proposals by the Scrutiny Co-ordinating Committee at their meeting on 4 January 2008.
- 2.4 The Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums will then repeat the same process followed for the initial budget consultation proposals to enable consideration to be given to the Executive's finalised budget proposals for 2008/09 on the below-mentioned dates with the intention of presenting a formal response to the meeting of Cabinet on 11 February 2008:-

Scrutiny Forum	Date of Meeting
Scrutiny Co-ordinating Committee	4 January 2008, 2.00 pm / 18 January 2008, 2.00 pm
Children's Services Scrutiny Forum	7 January 2008, 4.30 pm
Neighbourhood Services Scrutiny Forum	9 January 2008, 4.00 pm
Adult and Community Services and Health Scrutiny Forum	10 January 2008, 3.00 pm
Regeneration and Planning Services Scrutiny Forum	17 January 2008, 2.00 pm

- 2.5 During the consideration of the Executive's finalised Budget and Policy Framework Proposals for 2008/09, Cabinet Members are invited to attend the appropriate Scrutiny meeting(s) as outlined above.

3. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVE'S INITIAL BUDGET AND POLICY FRAMEWORK CONSULTATION PROPOSALS FOR 2008/09

- 3.1 Members of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums considered in detail the proposed budgetary pressures, contingencies, grant terminations and priorities, as part of the Executive's Budget and Policy Framework initial consultation proposals for 2008/09.
- 3.2 Members were largely supportive in principle of the identified budgetary pressures, contingencies and grant terminations, however, the Scrutiny Co-ordinating Committee felt during the determination of this formal response that support would not be given to the proposed budget priorities for 2008/09. Whilst the findings of the four standing Scrutiny Forums were considered in detail, the Committee were strongly of the view that all of the priorities should and could be funded from existing departmental funds.
- 3.3 In addition to the above, a number of concerns/comments were made by the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums, as outlined overleaf:-

3.4 Scrutiny Co-ordinating Committee:-

- (a) That the Cabinet should be mindful during future budget setting discussions, that the Scrutiny Chairs have been tasked to explore the feasibility of splitting the Adult and Community Services and Health Scrutiny Forum into two separate forums, to facilitate the creation of a dedicated Health Scrutiny Forum which will a variety of ramifications that are also being explored.

3.5 Adult and Community Services Department:-

- (a) That the Forum felt very strongly about the Council's statutory duty to provide adult and social care services and therefore believed that more should be done to defend the Department's interests in a wider Council perspective. Members sited the sale of assets where they felt that capital receipts secured from properties run by the Department should be returned to the Department and not lost to the general Council balances; and
- (b) That when the Department under spends the money should, in the first instance, be directed back to the Department and not used to manage the over spends of other Council Departments.

3.6 Children's Services Department:-

- (a) That it was acknowledged that the proposed pressures, contingencies and grant terminations were likely to increase pending confirmation of grant awards and additional service pressures.

3.7 Neighbourhood Services Department:-

- (a) That the Department should increase its income potential through its enforcement powers;
- (b) That in light of the increased service charge on the shopping centre car parks, consideration be given to re-negotiating the contractual arrangements; and
- (c) Opportunities for creating further economies of scale through shared services across the Tees Valley be encouraged.

3.8 Regeneration and Planning Services Department:-

- (a) That concern was expressed with regard to the future of Neighbourhood Renewal Funding and the unknown financial implications this could have on both the Department and the Council as a whole over the next financial year;
- (b) That as part of the town-wide CCTC review, that consideration be given to exploring alternative providers for the cameras signal

transmission specialist line rentals, in light of the increasing costs from the current service provider.

4. RECOMMENDATION

4.1 It is recommended that the Cabinet:-

- (a) considers the formal response of the Scrutiny Co-ordinating Committee, as outlined in Section 3 of this report; and
- (b) provides feedback to the Scrutiny Co-ordinating Committee in relation to the formal response, as outlined in Section 3, during the consideration of the Executive's finalised Budget and Policy Framework Proposals for 2008/09 (paragraph 2.4 refers).

November 2007

Contact:- 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

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

- (i) Report of the Chief Financial Officer entitled 'Budget and Policy Framework 2008/2009 to 2010/11 – Initial Consultation Proposals' presented to the Scrutiny Co-ordinating Committee held on 2 November 2007;
- (ii) Report of the Scrutiny Manager entitled 'Initial Budget and Policy Framework Consultation Proposals 2008/09: Feedback from the Authority's Overview and Scrutiny Committees' presented to the Scrutiny Co-ordinating Committee held on 21 November 2007; and
- (iii) Minutes of the Scrutiny Co-ordinating Committee held on 2 and 21 November 2007.