

CABINET AGENDA



Monday, 15 September 2008

at 9.00 am

in Committee Room B

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

To receive the Record of Decision in respect of the meeting held on 1 September 2008
(*previously circulated*)

4. BUDGET AND POLICY FRAMEWORK

4.1 Quarter 1 – Corporate Plan And Revenue Financial Management Report
2008/2009 – *Corporate Management Team*

5. KEY DECISIONS

5.1 Business Transformation Programme – *Chief Executive*

6. OTHER ITEMS REQUIRING DECISION

6.1 Future Leisure Facility Options For The Mill House Leisure Centre Site -
Director of Adult and Community Services

6.2 Transfer Of Funding And Commissioning Responsibilities For 16-18
Education Training To Local Authorities - *Director of Children's Services*

7. ITEMS FOR DISCUSSION

None

8. ITEMS FOR INFORMATION

- 8.1 A Strategy For Maximising Access To Low Level Support Services - *Director of Adult and Community Services*

9. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

None

10. ITEM FOR DECISION

- 10.1 Cabinet Contingency Fund – *The Mayor*

CABINET REPORT

15th September 2008



Report of: Corporate Management Team

Subject: QUARTER 1 – CORPORATE PLAN AND REVENUE
FINANCIAL MANAGEMENT REPORT 2008/2009

SUMMARY

1. PURPOSE OF REPORT

1.1 To inform Cabinet of: -

- The progress made towards achieving the Corporate Plan Actions in order to provide timely information and allow any necessary decisions to be taken;
- To provide details of progress against the Council's overall revenue budget for 2008/2009.

2. SUMMARY OF CONTENTS

2.1 The report describes progress towards achieving the actions within the Corporate Plan using the traffic light system of Green, Amber and Red. The report provides an overview of Council performance, with separate sections providing more detailed information for each Portfolio Holder to consider.

2.2 The Revenue Budget Monitoring report covers the following areas:

- General Fund Emerging Financial Issues
- Review of High Risk Budget Areas;
- Progress against Planned Efficiency Targets Identified in the 2008/2009 Budget Strategy;
- Progress against Departmental Salary Turnover Targets;
- Key Balance Sheet information.

3. RELEVANCE TO CABINET

Cabinet has overall responsibility for the monitoring of the Council's Corporate Plan and the Revenue budget.

4. TYPE OF DECISION

None.

5. DECISION MAKING ROUTE

Cabinet 15th September 2008.

6. DECISION(S) REQUIRED

Cabinet is asked to note the report and take any decisions necessary to address the performance or financial risks identified.

Report of: Corporate Management Team

Subject: QUARTER 1 – CORPORATE PLAN AND
REVENUE FINANCIAL MANAGEMENT
REPORT 2008/2009

1 PURPOSE OF REPORT

- 1.1 To inform Cabinet of the progress made towards achieving the Corporate Plan outcomes through identified actions and of progress against the Council's own 2008/2009 Revenue Budget, for the period to 30th June, 2008.

2 BACKGROUND

- 2.1 In line with previous monitoring reports, this report is an integrated document that is page numbered, thus allowing Members easier navigation around the report. (See contents table below). The report firstly provides an overall picture of performance and progress against the approved 2008/2009 revenue budget.

Section	Heading	Page
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11.	Regeneration and Liveability Portfolio	10
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- 2.2 This report will be submitted to Scrutiny Co-ordinating Committee on 19th September, 2008. This will ensure that Scrutiny Co-ordinating Committee is able to review the report at the earliest opportunity.

3 OVERALL PERFORMANCE AND PROGRESS ON ACTIONS AND KEY PERFORMANCE INDICATORS

3.1 For a number of years, Cabinet has received quarterly performance information and financial management information as one integrated report. However, the introduction of Covalent – the Council's new performance management system and the resultant need to train almost 200 officers on the new system has resulted in a delay in reporting quarter one performance information. To accommodate the need to report timely information to members and the training requirements of officers, for this quarter only – a detailed report on the revenue budget was submitted to Cabinet on 18th August 2008. This report now sets out the key financial management issues previously reported to enable Members to review financial and performance issues at the same time. Future reports will be presented to members as one comprehensive report in line with previous practice.

3.2 The Council identified 121 actions with specific completion dates and 118 key performance indicators (KPIs) as measures of success in the 2008/2009 Corporate Plan. Overall performance is good, and in line with expectations as the start of the municipal year with all actions and 94% of the KPIs (when annually reported PIs, or PIs with no targets have been removed) judged to be either on or above targets. Tables 1 and 2 below summarise officers' views on progress as at 30th June, 2008, for each Portfolio Holder's responsibilities: -

- A **RED** traffic light signifies the Action/KPI is not expected to meet target.
- An **AMBER** traffic light signifies the Action/KPI is expected to meet target.
- A **GREEN** traffic light signifies the target for the Action/KPI has been achieved.

Table 1 – Progress on Actions within the Corporate Plan

Portfolio	Actions by Traffic Light					
	Green		Amber		Red	
	No.	%	No.	%	No.	%
Adult Services and Public Health	0	0%	23	100%	0	0%
Children's Services	1	4%	25	96%	0	0%
Culture, Leisure and Tourism	0	0%	4	100%	0	0%
Finance and Efficiency	0	0%	10	100%	0	0%
Neighbourhood and Communities	0	0%	14	100%	0	0%
Performance	0	0%	12	100%	0	0%
Regeneration and Liveability	1	3%	31	97%	0	0%
Total	2	2%	119	98%	0	0%

*figure may not always add to 100% due to rounding

Table 2 – Progress on Key Performance Indicators

Portfolio	KPIs by Traffic Light					
	Green		Amber		Red	
	No.	%	No.	%	No.	%
Adult Services and Public Health	1	14%	6	86%	0	0%
Children's Services	1	17%	4	66%	1	17%
Culture, Leisure and Tourism	1	25%	3	75%	0	0%
Finance and Efficiency	2	67%	1	33%	0	0%
Neighbourhood and Communities	2	18%	7	64%	2	18%
Performance	0	0%	3	100%	0	0%
Regeneration and Liveability	3	19%	13	81%	0	0%
Total	10	20%	37	74%	3	6%

*figure may not always add to 100% due to rounding

3.3 Key areas of progress included: -

- Annual Crucial Crew Event is currently being planned.
- Funding has been obtained to deliver the MEND (Mind, Exercise, Nutrition...Do it) for children in the Borough.
- Hartlepool's % 16-18 year olds who are Not in Employment, Education or Training (NEET) is the second lowest in the Tees Valley group and below the Tees Valley regional averages.
- New enterprise education activities are being developed in all Hartlepool Secondary Schools.
- A new summer school programme has been developed for the summer of 2008 using funding from multiple sources to promote social activity. These activities will promote access to further education and training. The programme is being provided by the 3rd sector and will cost £23,000.
- A substantial reduction in the under 18 conception rate has been achieved.
- Street cleansing rounds are currently being reviewed following the reconfiguration of the refuse rounds.
- The Regional Spatial Strategy has now been published by the Secretary of State
- Violent crime has reduced during the first quarter of 2008/09 and actions continue to tackle domestic abuse.

4. **Revenue Financial Management Information – Quarter 1 2008/09**

- 4.1 A comprehensive financial management report was submitted to Cabinet on 18th August, 2008 detailing progress against the Council's overall revenue budget for 2008/2009.

This report sets out the key issues previously reported to enable Members to review financial and performance issues at the same time. The report covers the following areas: -

- General Fund Emerging Financial Issues
- Review of High Risk Budget Areas;
- Progress against Planned Efficiency Targets Identified in the 2008/2009 Budget Strategy;
- Progress against Departmental Salary Turnover Targets;
- Key Balance Sheet information.

4.2 General Fund Emerging Financial Issues

- 4.3 An initial update on the Council's strategic financial position was reported on 9th June, 2008, highlighting the key issues which had arisen since the 2008/2009 budget was approved in February. In overall terms these issues were favourable and increased the Council's stock of funds by £1.851m.
- 4.4 The report also indicated that whilst these funds may provide temporary support for the MTFs the Council faces a number of unbudgeted risks in the current year, which could not be quantified at that stage.
- 4.5 The risks cover two specific issues – Tall Ships and Building School's for the Future (BSF). Specific resources have previously been earmarked for these initiatives, although it was recognised at the time that additional monies may be required. At this stage the costs for each have not yet been quantified and these details will be reported as soon as they are available. However, initial indications suggest that they are likely to exceed £2 million. Whilst there is not an immediate requirement for funding in the current year, it would be prudent to begin to set aside monies for these commitments as soon as possible.
- 4.6 On a more positive note the Council's investment income for the first six months of the year is better than anticipated, and it is expected that this trend will continue for the remainder of the year.
- 4.7 On this basis it is expected that the under-spend on centralised estimates will substantially fund the additional one-off costs identified in paragraph 4.5. Any shortfall will either need to be funded over the next two years, or from the uncommitted one-off resources identified in paragraph 4.3. This issue can be revisited later in the budget process and before Cabinet determine the proposals to be put forward for consultation.
- 4.8 The position on departmental budgets was also reviewed at the end of June. At this stage forecast outturns have generally not

been prepared as in most areas it is difficult to predict trends on the basis of the first three months activity. Forecast outturns for all areas will be reported at the end of the next quarter. However, a number of adverse trends are beginning to emerge.

- 4.9 It is expected that these trends will continue to the year end and there will be an overspending on departmental budgets. Members will need to determine a strategy for funding these additional costs and at this stage there are two available options:

Option 1 – Carry forward the departmental overspends as managed overspends against Departments three year budgets.

Option 2 – Write-off the departmental overspends against the General Fund Reserves in the current year.

- 4.10 As suggested Members determined to defer a decision on which strategy to adopt until the second quarters monitoring report is submitted, which will include forecast outturns for all areas. This will enable Directors to assess the impact of adopting Option 1 and to report the actions which will need to be taken to implement this strategy. The proposed strategy can then be included in the detailed 2009/2010 budget proposals which will be referred to Scrutiny in October, 2008.

4.11 Review of High Risk Budget Areas

- 4.12 For 2008/2009, as well as monitoring department and corporate budgets, high risk budget areas are also identified and explicitly monitored. These arrangements ensure any problem areas are identified at an earlier stage to enable appropriate corrective action to be taken. Progress against the areas identified as high risk budgets were reported to your meeting on the 18th August and this indicated that there are adverse variances on a number of budgets.

4.13 Progress against Planned Efficiency Targets Identified in the 2008/2009 Budget Strategy

- 4.14 Progress against the Efficiency Savings Targets identified in the 2008/09 budget strategy was reported to your meeting on the 18th August and this indicated that the delays in the achievement of some efficiencies are contributing to the adverse trends beginning to emerge in some areas.
- 4.15 A comprehensive schedule of progress in achieving these efficiencies was included in the previous report, as well as the overall monitoring position for each Portfolio.

4.16 Progress against Departmental Salary Turnover Targets

- 4.17 An assumed saving from staff turnover is included within salary budgets. Details of the progress against individual departmental targets were reported on the 18th August, showing that most Departments have achieved their target for the first quarter of the year.

4.18 Key Balance Sheet Information

- 4.19 Key Balance Sheet information was reported previously in detail and this provided information relating to Debt collected, outstanding Debtors and the Council's borrowing requirement.

DETAILED PERFORMANCE MONITORING SECTIONS**5 ADULT AND PUBLIC HEALTH PORTFOLIO- Performance Update for the Period Ending 30th June, 2008**

- 5.1 Within the Adult and Public Health Portfolio there are a total of 23 actions that were identified in the 2008/2009 Corporate Plan. All actions have been assessed as being on target for completion by the agreed date.

There are 7 Performance Indicators that are within the Corporate Plan for the Adult and Public Health Portfolio that are not reported only on an annual basis. 6 of these have been assessed as either as being expected to achieve target and a further one PI has achieved its target.

- 5.2 Key areas of progress made to date in the Adult and Public Health Portfolio include: -

- Annual Crucial Crew Event is currently being planned.
- Funding has been obtained to deliver the MEND (Mind, Exercise, Nutrition...Do it) for children in the Borough

6 CHILDREN'S SERVICES PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

- 6.1 Within the Children's Services Portfolio there are a total of 26 actions that were identified in the 2008/2009 Corporate Plan. All of these actions have been assessed as being on target for completion by the agreed date or as target achieved.

- 6.2 There were a total of 6 key performance indicators (KPIs) included in the corporate plan as measures of success that are not reported only on an annual basis. 5 of these (83%) have

been assessed as being on target, but 1 (17%) has been assessed as not being expected to achieve the target agreed in the Corporate Plan. These KPI's are detailed in table CS1, below: -

Table CS1 – KPI assessed as being below target

PI	Indicator	Target 08/09	1 st Qtr Outturn	Comment
NI 62	Stability of placements of looked after children: number of moves (BVPI 49)	10.0%	12.4%	The target set for 08/09 is challenging and aspirational. The outturn against this indicator in 07/08 was 12.9% and any outturn less than 16% is considered as good performance. The majority of children who have had three or more moves are children and young people who have become looked after in an emergency situation where it has been difficult to achieve the right placement match immediately. Monitoring activity is in place around this indicator and cases where a child experiences two placement moves are reviewed by the Head of Business Unit and additional resources allocated.

6.3 Key areas of progress made to date in the Children's Services Portfolio include: -

- A substantial reduction in the under 18 conception rate has been achieved. The latest figures available are for 2006 and this showed a reduction in the conception rate for the under 18s from 77.5 to 64.5.
- A parenting strategy has been developed and a number of parenting courses developed.

7 CULTURE, LEISURE AND TOURISM PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

7.1 Within the Culture, Leisure and Tourism Portfolio there are a total of 4 actions that were identified in the 2008/2009 Corporate Plan. All of these actions have been assessed as being on target for completion by the agreed date.

7.2 A total of 4 key performance indicators (KPIs) were included in the corporate plan as measures of success that are not reported on an annual basis. All of the indicators have been assessed as either having met their target, or being on target to achieve their target by the end of the year.

7.3 Key areas of progress made to date in the Culture, Leisure and Transportation Portfolio include: -

- Work is ongoing to increase opportunities for participation in a wide range of cultural and leisure activity focussing on areas of disadvantage.
- The playground scheme at Jutland Road includes £30,000 Section 106 agreement funding from local developments.

8 FINANCE AND EFFICIENCY PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

8.1 Within the Finance and Efficiency Portfolio there are a total of 10 actions that were identified in the 2008/2009 Corporate Plan. All of these actions have been assessed as having been completed or on target to be completed by the agreed date.

8.2 There are 3 indicators within the Corporate Plan for the Finance Portfolio which are not reported on an annual basis, all of which have been assessed as being expected to hit their year end target or as target achieved.

8.3 Key areas of progress made to date in the Finance Portfolios include: -

- The procurement strategy will be reviewed through 2008/09.

9 NEIGHBOURHOOD AND COMMUNITIES PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

9.1 Within the Neighbourhood and Communities Portfolio there are a total of 14 actions that were identified in the 2008/09 Corporate Plan. All of these actions have been identified as being on target to be completed by the agreed date.

9.2 There are a total of 11 key performance indicators (KPIs) that have been identified as measures of success that are not reported only on an annual basis, or that have no targets set as they are new indicators. 9 of these indicators have been assessed as having already achieved target or being expected to achieve their target by year end. However, 2 key performance indicators have been assessed as not being expected to achieve the target agreed in the Corporate Plan. These KPI's are detailed in table NC1 below: -

Table NC1 – KPIs assessed as being below target

PI	Indicator	Target 08/09	Comment
NI 47	People killed or seriously injured in road traffic accidents	38.4%	Information relates to accidents which occur during previous years. Outturn when final figures are available to calculate are expected to be above target set
NI 48	Children killed or seriously injured in road traffic accidents	7.4%	

9.3 Key areas of progress made to date in the Neighbourhood and Communities Portfolio include: -

- Street cleansing rounds are currently being reviewed following the reconfiguration of the refuse rounds.
- The Integrated Transport Unit is on target to develop and implement an integrated transport strategy with anticipated roll out beginning in August 2008.

10 PERFORMANCE MANAGEMENT PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

10.1 Within the Performance Portfolio there are a total of 12 actions that were identified in the 2008/2009 Corporate Plan, all of which have either been completed or assessed as being expected to be completed by the agreed date.

10.2 There are 3 indicators within the Corporate Plan for the Performance Portfolio which are not reported on an annual basis, all of which have been assessed as being expected to hit their year end target or as target achieved

10.3 Key areas of progress made to date in the Performance Portfolio include: -

- The Corporate ICT Strategy has been agreed and key projects have been identified.
- The implementation of the Council's web based performance management system was successfully launched and implementation continues.
- The implementation of the Pay and Grading and Single Status arrangements continues satisfactorily.
- Phase A of the Hartlepool Connect roll out programme implementation commenced and the queue management system is being upgraded

11 REGENERATION AND LIVEABILITY PORTFOLIO - Performance Update for the Period Ending 30th June, 2008

- 11.1 Within the Regeneration and Liveability Portfolio there are a total of 32 actions that were identified in the 2008/2009 Corporate Plan. All of these have either been completed or have been assessed as being on target for completion by the agreed date.
- 11.2 There are 16 key performance indicators (KPIs) included in the Corporate Plan as measures of success that are not reported on an annual basis all of which have been assessed as either having achieved target or being on target to do so.
- 11.3 Key areas of progress made to date in the Regeneration and Liveability Portfolio includes: -
- A criminal damage and arson task group has been established and implementing an action plan to reduce anti-social behaviour and criminal damage, including deliberate fire setting;
 - The Regional Spatial Strategy has now been published by the Secretary of State. (July 2008)
 - Violent crime has reduced during the first quarter of 2008/09 and actions continue to tackle domestic abuse.
 - A task group has been assigned to support reducing Class A drug availability and supply.

12 CONCLUSIONS

- 12.1 The report details progress towards achieving the Corporate Plan outcomes and progress against the Council's own 2008/2009 Revenue Budget for the period to 30th June, 2008.
- 12.2 Performance towards delivering the actions included in the Corporate Plan are progressing well, with all actions either having been completed or being on target to be completed by the agreed date. Over 94% of all KPIs, that can be assessed, have also been assessed as either having achieved target, or being expected to achieve target by year end.
- 12.3 The report provides an update on the potential one-off costs relating to the Tall Ships and Building Schools for the Future (BSF). At this stage these costs have not yet been quantified. However, initial indications suggest that these costs will exceed the one-off resources previously reported.
- 12.4 In respect of corporate budgets it is anticipated there will be an underspend owing to higher investment income on the Council's reserves and cashflows.

- 12.5 Forecast outturns for departmental budgets have not been prepared and will be reported in the next monitoring report. However, initial indications suggest that a number of adverse trends are beginning to emerge which are likely to continue and result in an overspend at the year-end. A strategy for funding these additional costs will need to be developed and the report details potential options for addressing these issues. Members have already determined to defer a decision on which strategy to adopt until the second quarters monitoring report is submitted.

13 RECOMMENDATIONS

- 13.1 It is recommended that Members: -

- Note the current position with regard to performance and revenue monitoring;
- Take any decisions necessary to address the performance or financial risks identified.

CABINET REPORT

15th September 2008



Report of: CHIEF EXECUTIVE

Subject: Business Transformation Programme

SUMMARY

1. PURPOSE OF REPORT

To provide Cabinet with an understanding of the scale, scope and initial timescales for the implementation of the Business Transformation Programme.

2. SUMMARY OF CONTENTS

The report includes background to the programme. Cabinet agreed, at the meeting of 11th February 2008, that the Council should determine a Business Transformation programme. This report provided both the rationale for the need for change and the progress, significant in some areas, which the authority had already made on a series of developments.

As highlighted in the report of 11th February 2008 the environment in which local authorities operate is constantly changing and is a reflection of the expectations placed upon them by central government. The Comprehensive Spending Review in 2004 placed upon local authorities the requirement to make 2 ½ % efficiency gains for each of 3 years (05/06 – 07/08), these were expected to be 50% cashable and 50% non-cashable with broad definitions provided by government of what these categories could include.

The report of 11th February 2008 identified, in the context of a programme of major change that Hartlepool Borough Council was aiming to be an organisation which can:

- Maintain and continue to improve service performance
- Make more efficient and effective use of its resources; people, buildings etc
- Deliver services in a responsive manner
- Maximise the extent to which services are delivered directly to the user and minimising the number of “transactions” or hand offs to achieve this.

It was agreed at Cabinet that advisers be appointed to support the Council in the development of a transformation programme. The advisers were therefore appointed to:

- Undertake a “Value Chain Analysis” (VCA)
- Review progress made by the authority and opportunities for improvement in respect of Procurement; Information and Communications Technology (ICT); Accommodation and Asset Management; Contact Centre

The Business Transformation Programme is designed to form part of a managed programme integral to the Medium Term Financial Strategy supporting the achievement of challenging efficiency targets as prescribed by Central Government. The programme in itself is made up of a number of key project areas. The component elements of the programme have been derived from a number of sources. It is not intended that the programme itself will necessarily deliver all those aspects of transformation which are required over the next few years. There are a range of projects which are “Transformational” in nature which do not form an integral part of this programme e.g. Schools Transformation Programme.

The proposed programme comprises the following project elements:

- Departmental efficiency and review programmes
- Departmental Structure Review
- Management Structures
- Transactional Support Services
- Non Transactional Support Services
- Service Delivery Options
- Asset Management
- ICT
- Customer Services
- Procurement

The report to Cabinet on 11th February 2008 identified a number of key reasons for the Transformation Programme. Whilst the authority has, in the past, effectively managed to both improve performance and to achieve stretching efficiency targets established for it by Central Government this process has become increasingly difficult in the last few years. The “salami slicing” of budgets is only sustainable in the short term and as Cabinet identified in the last budget process a longer term strategy to manage this process, the changes needed and their impact was required. It was on this basis that the report to Cabinet on the 11th February 2008 determined the overall programme requirements and outline of objectives.

This programme is clearly linked to the Medium Term Financial Strategy for the Authority. It is also a programme of potentially considerable scale and impact but also one which it would be unwise to attempt to implement in its entirety in a short period of time. There are a range of opportunities within

this programme (and from activity currently being undertaken within departments) which will need to be programmed to contribute to the longer term financial strategy of the organisation and will therefore be an integral part of the budget process.

The potential efficiencies offered through the programme require further consideration to ensure they are achievable, that the costs attributable to their implementation are reasonable and that the overall phasing of the programme provides suitable opportunity to ensure they are effectively managed, delivered, mitigate against risk and to ensure that the subsequent efficiencies can be captured.

The programme as outlined by KPMG which includes the following Outline Business Cases (OBC's); Management Structures, Transactional Support Services, Non Transactional Support Services, Service Delivery Options, Asset Management, ICT, Customer Services identify potential efficiency savings in the following range over a three year period. They have identified the potential for savings of between £6.2M and £12.9M. The figures represent the recurring annual revenue expenditure savings at the end of the year 2011/12 and are based upon information from the external advisers.

The figures above do not incorporate the potential costs of delivering the programme, and the related costs which may be incurred in achieving the efficiencies incorporated into the programme. These have been estimated by the advisers to be in the region of £3.7M over the period to 2011/12.

The potential cumulative efficiencies over the three year period of the programme are heavily dependant upon the agreements of Cabinet and the ability of the authority to rollout the agreed programme areas. This is an element of the programme phasing and in respect of benefits realisation that will require revisiting to ensure that the potential of the programme is maximised.

The potential for achievable efficiencies, based upon the broad principles contained within each of the Outline Business Cases, in conjunction with the costs to realise these will require revisiting as part of the mobilisation of the overall transformation programme.

The costs which are identified are those which have been proposed by the advisers. Their assessment of the total costs to deliver the programme total £3.7m over the 3 – 4 years period. These costs will need to be revisited as part of the mobilisation phase of the programme (and projects) as detailed elsewhere in the report. The programme management costs are broadly as expected from the initiation of the project.

As part of the 2008/09 budget proposals, approved by Cabinet and Council in February, a budget provision of £0.5m has been established to fund the costs arising from the business transformation programme. The savings arising from the Business Transformation programme will be critical to the achievement of the 3% annual efficiency targets for 2009/10 to 2010/11,

which have already been included in the budget forecasts for these years but, given the scale of the change and the need for effective planning, the benefits require phasing over the period 2009/10 and for future years.

The phasing and determination of the overall programme will need to be developed based upon the following;

- The proposed timescales provided by the advisers
- The operational, policy and decision making requirements of the Council
- A review of the OBCs provided and development of Business Cases for change in conjunction with timescales, efficiency targets and costs of delivery.

The development of an overall programme of change, and the phasing of this will need to be aligned with any decision in relation to the overall structure proposals which are currently being considered by Scrutiny.

The proposed phasing incorporated into the report provide the opportunity to revisit the baseline and business cases, align with budget proposals and consider any further approvals which may be required to ensure that their implementation can be effectively managed.

As part of the report of the 11th February 2008 it was identified that much of the work that had been undertaken in identifying and delivering on change had been undertaken as an additional function for a number of individuals over and above their standard roles. Whilst this delivered a range of benefits it was felt to not be capable of being maintained in the light of a more challenging programme.

Essentially this will mean that there will be a number of posts operating as part of a programme team on either a full or part time basis and the posts or responsibilities of these people will need backfilling to ensure that the core work of the authority does not suffer.

It is not envisaged that there will be a large, permanent central team for this programme. There are a number of the projects which make up the overall programme which are longer term in duration (a likely elapsed time from start to completion of 18 to 30 months) whilst some of the projects have a much shorter elapsed time (less than 6 months) or are clearly part of a broader project.

The principles that will be adopted for the programme overall are of utilising expertise and skills where appropriate, providing opportunities for development and of delivery of identified objectives to proceed to the next project area. It will not always be the case that there are the skills and competencies available within the authority (or developed within the authority) to meet the objectives of the identified projects. Where this is the case it may be necessary to engage external support to ensure that the overall programme, timescales and objectives are not compromised.

The programme of change encompassed by the Business Transformation Programme is significant and, in one form or another, reaches most parts of the authority. This local authority has a good track record of managing programmes of change and these are fundamentally built on a process and programme clear, regular communication with employees elected members and key stakeholders.

The development of the programme and the work of the advisers has been communicated, on an ongoing basis as part of the general communications with elected members and staff. The creation of the Programme Board, with a combination of Cabinet, other elected members, Trade Unions and senior managers has provided the opportunity to provide an ongoing stream of information as the potential programme develops.

As the programme develops it will be necessary to have in place, both for the programme overall and for each of the workstreams where appropriate, a communications plan to ensure that the aims, objectives and timescales are clear and that the relevant stakeholders are aware of them.

The initial agreement to the development of the Transformation Programme was based upon a number of key considerations which could be considered as being a combination of risk and opportunity. The financial position of the authority and the expectations placed upon the authority to realise the efficiency savings is potentially a risk if these efficiencies are realised in an unplanned or uncoordinated manner or if they are realised to the direct detriment of front line services.

It is important that for each element of the programme, and the programme overall that these risks are identified and managed actively as part of the project implementation. There will be a detailed Risk Register developed for the programme in line with the requirements of the Risk Management Strategy.

Not pursuing the Business Transformation agenda in the light of the environment within which the authority is operating will, as discussed in the previous report and members seminars is likely to result in the continued “salami slicing” of budgets and a less strategic and shorter term consideration of the effective management of service, citizen and financial pressures. In particular, the Business Transformation Programme provides the opportunity to reduce the number of staff posts within the authority as part of a managed process. Taking this into account does make it important that the overall programme is however developed and implemented in a timely manner.

The integration of the budget proposals and those from the Business Transformation programme is key to ensuring that they form a coherent package of change which can be effectively scoped, the phasing aligned and that the management of the change can be effectively delivered. The lead in times for a range of the proposals encompassed in the Transformation Programme will required detailed consideration of the phasing of the

realisation of the efficiencies. This consideration will form part of the programme mobilisation phase as outlined in this report. It is important to note that the Transformation Programme forms an important part of the Medium Term Financial Strategy for the authority but will not, in the short term, remove the requirement for decisions to be taken which relate to the consideration of efficiencies outside of the programme.

3. RELEVANCE TO CABINET

The programme decisions relate to the overall operation of the organisation, the medium term financial strategy and are of strategic importance.

4. TYPE OF DECISION

Key Decision (Test i applies)

5. DECISION MAKING ROUTE

Cabinet, 15th September 2008

6. DECISION(S) REQUIRED

Cabinet are recommended to:

- i. Agree to the implementation of the programme as outlined in the report
- ii. Agree to the key programme areas as identified in sections 3.5 and 3.6 of the report forming the basis of the Business Transformation Programme (NB Departmental structures will be subject to separate consideration by Cabinet)
- iii. Agree to the establishment of the Programme Team as identified in section 9.2 of the report
- iv. Agree to the implementation of the project areas identified in section 8.4 of the report (ICT and Service Delivery Options) in the manner identified.
- v. Cabinet approve the re-allocation of the uncommitted Way Forward funding of £227K for the Business Transformation programme.
- vi. Agree to the outline timescales identified in the report for the determination of the detailed programme
- vii. Agree to receive future reports that may require decision.
- viii. Agree that the Business Transformation Programme Board should meet bi monthly to monitor the progress of the programme

Report of: CHIEF EXECUTIVE

Subject: Business Transformation Programme

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an understanding of the scale, scope and initial timescales for the implementation of the Business Transformation Programme.

2. BACKGROUND

- 2.1 Cabinet agreed, at the meeting of 11th February 2008, that the Council should determine a Business Transformation programme. This report provided both the rationale for the need for change and the progress, significant in some areas, which the authority had already made on a series of developments.

Hartlepool Borough Council has a track record of both high performance and continually striving to deliver high quality services which meet the needs of the residents and business of the town. This has been achieved on a consistent basis since the Unitary authority was created in 1996 in the face of high levels of deprivation and in the context of being the second smallest unitary council in the country.

- 2.2 As highlighted in the report of 11th February 2008 the environment in which local authorities operate is constantly changing and is a reflection of the expectations placed upon them by central government. The Comprehensive Spending Review in 2004 placed upon local authorities the requirement to make 2 ½ % efficiency gains for each of 3 years (05/06 – 07/08), these were expected to be 50% cashable and 50% non-cashable with broad definitions provided by government of what these categories could include.
- 2.3 Hartlepool Borough Council has met all of the requirements which have been placed upon it to date in respect of efficiencies whilst still maintaining, and in some instances improving, performance levels. We have ensured, through a planned programme of work that we have done this but due to a range of factors, sometimes out of our control, the achievement of the overall targets has not always been achieved in the manner envisaged at the outset. We have, through taking a longer term view of the issues raised as a result of the government's overall aims in respect of efficiency (which can be viewed as restrictions or reductions to either overall budget provision or the ability of local authorities to raise income themselves) delivered an ongoing programme of efficiency whilst maintaining performance.

2.4 The report of 11th February 2008 identified, in the context of a programme of major change, that Hartlepool Borough Council was aiming to be an organisation which can:

- Maintain and continue to improve service performance;
- Make more efficient and effective use of its resources; people, buildings etc;
- Deliver services in a responsive manner;
- Maximise the extent to which services are delivered directly to the user and minimising the number of “transactions” or hand offs to achieve this.

And that to do this it is necessary to have in place efficient and effective processes and to further:

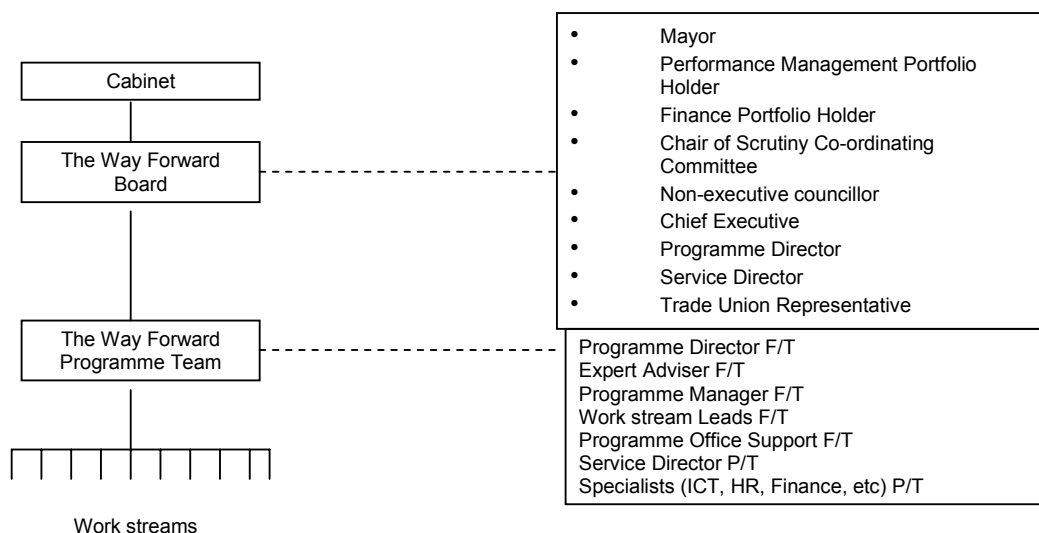
- Maximise the benefits from integrated, state of the art, ICT systems;
- Maximise the use of the contact centre Hartlepool Connect;
- Maximise mobile and home working;
- Restructure administration and support services;
- Review strategy management and commissioning processes;
- Review/reduce assets – e.g. administrative buildings;
- Ensure procurement systems are efficient and effective.

2.5 It was agreed at Cabinet that advisers be appointed to support the Council in the development of a transformation programme. The advisers were therefore appointed to:

- Undertake a “Value Chain Analysis” (VCA) - analysing the Council by themes and / or activities, to allow a more detailed examination of our processes, practices and procedures in terms of “Front and Back Office” and Commissioning and Provision. This analysis has been undertaken on a departmental basis to enable a complete understanding of the numbers of staff (and associated costs) working on particular activities. Previously utilised arrangements allow for the collation of information based upon traditional service or professional delineations but the programme of transformation required a more radical consideration of activity based on non traditional lines. The outcome of this analysis provides us with a comprehensive view of the “As Is” model based on activity analysis; the opportunities for potential improvement based upon resource allocation and comparisons with other similar organisations; a clear understanding of the functional activities undertaken across the council and where they are undertaken.
- Review progress made by the authority and opportunities for improvement in respect of
 - Procurement; the current arrangement for and management of procurement and the extent to which we are maximising value for money through effective procurement

- Information and Communications Technology (ICT) - including the potential to derive benefits from investments made and alignment with other programme areas
- Accommodation and Asset Management; including the potential to rationalise the asset base of the authority
- Contact Centre; including progress made to date, services provided and options around channel switching and deeper integration

2.6 As part of the Cabinet report of 11th February 2008 it was also agreed that governance arrangements be established for the programme as shown below ;



The Way Forward Board, as shown above has been established and has met at key stages as they relate to the work of the advisers over the last 3 months. The establishment of the project team has been put on hold until the work of the advisers has been completed and the nature of the potential project areas within the programme clearer to enable the skills of the team to be matched to the requirements of the programme.

3 BUSINESS TRANSFORMATION PROGRAMME

- 3.1 The Business Transformation Programme is designed to form part of a managed programme integral to the Medium Term Financial Strategy supporting the achievement of challenging efficiency targets as prescribed by Central Government (as shown in section 2.3 above). The programme in itself is made up of a number of key project areas. Whilst not all are directly and implicitly interrelated there are a number of key interdependencies which will need to be effectively managed if the associated risks are to be mitigated or minimised.
- 3.2 Whilst the key elements of the programme can be established at this stage there is still considerable work to do to ensure that the projects can be delivered, that the risk management arrangements are put in place so as to

not jeopardise service users and the overall performance of the council; that the phasing and delivery timescales for the projects are achievable within resource constraints.

- 3.3 As highlighted earlier the programme is made up of a number of component parts. These are identified as “packages” below, each of these packages can and will be operated as projects in their own right but are, in many instances, intrinsically interlinked to other parts of the programme, considerations as part of the development of the Medium Term Financial Strategy (MTFS) or developments which are already being progressed within the authority.
- 3.4 The component elements of the programme have been derived from a number of sources. It is not intended that the programme itself will necessarily deliver all those aspects of transformation which are required over the next few years. This authority has a good track record of identifying and delivering innovation and delivering major projects and it is not the intention that this is stifled by forcing this to be part of an overall programme. There are a range of projects which are “Transformational” in nature which do not form an integral part of this programme e.g. Schools Transformation Programme.
- 3.5 There are significant areas of synergy between the proposals identified by KPMG and a range of the projects which the authority has either progressed or planned for over the last 2 years. A number of the projects are interrelated and will require phasing to ensure that maximum benefit is achieved from minimum effort in respect of their delivery and realising the benefits which are attributable to each project and therefore the overall programme.

For simplicity the actual programme comprises the following project elements:

- Departmental efficiency and review programmes
- Departmental Structure Review *
- Management Structures **
- Transactional Support Services **
- Non Transactional Support Services **
- Service Delivery Options **
- Asset Management **
- ICT **
- Customer Services **
- Procurement (see 3.7 below)

* NB the Departmental Structure proposal is currently being reviewed by Scrutiny prior to being reported back to Cabinet

** These have been the subject of Outline Business Cases (OBCs) prepared by KPMG

- 3.6 Each of the project areas identified focuses on a specific business case for change. Each of these cases will require significant further work to ensure that they can be implemented in a manner which does not ultimately detract from the type of authority Hartlepool aims to be as outlined in section 2.4 above. A summary of each business case is shown below :

- Departmental efficiency and review programmes

The programme of departmental efficiencies incorporates a range of projects which were placed outside the scope of the work undertaken by KPMG. These are projects which combine departmental and corporate priorities as part of an overall, and planned, contribution to the Efficiency Strategy and Medium Term Financial Strategy (MTFS). Included in this programme area are projects such as the Integrated Transport Unit (ITU), Managed Print Service (Phase 2), Procurement spend, Eligibility Criteria, Social Care flexible working, Libraries.

- Departmental Structure Review

The restructure of the organisation, creating two front line departments, People and Place from the current arrangement of four (Neighbourhood, Children's, Adult and Community and Regeneration and Planning) was considered by Cabinet on 23rd June 2008. If the proposal is agreed then its implementation will be co-ordinated and aligned with the overall transformation programme.

- Management Structures

An opportunity to simplify and streamline management structures to increase the span of control for managers, make best use of professions and specialisms across the organisation and to provide provision for succession planning in management structures. In undertaking such a potentially significant project the authority will need to ensure that there is absolute clarity on the overall framework to be utilised to deliver this change, that risks and potential barriers are identified at the outset of the project and that an impact assessment is undertaken to ensure that valuable skills and competencies are not lost in the change process.

- Transactional Support Services

The potential to improve and rationalise the provision of transactional (i.e. those involving high volumes of routine processes) services across the council. The combined functions that have been identified to form the basis for the business case are administration, transactional finance and transactional human resources. There are opportunities around rationalising and potentially pooling resources. There are a range of potential models in this respect from pooling at a directorate level to undertaking this at a corporate level.

- Non Transactional Support Services

Non transactional support services, i.e. those which provide a range of specialist support to the entire organisation include functions such as communications and marketing, procurement, business planning and policy, performance management, contract management and programme / project management. The review of the management, utilisation and deployment of those resources undertaking these functional areas and consideration of the potential for the better utilisation of these resources and a single professional lead for the functions will be undertaken.

- Service Delivery Options

There are a number of service areas within the organisation which would potentially benefit from a detailed consideration of their levels of service, efficiency and quality through the systematic consideration of the competitiveness of current provision against a framework determined to identify what represents good service quality (including satisfaction, performance, costs etc). This will be to determine the current position for these services, improvements that may be required to demonstrate best practice and whether there are alternative forms of delivery that may better meet these criteria whether these are within the authority or based on an alternative form of provision.

- Asset Management

There are a range of opportunities which may be exploited in relation to asset management including reviewing opportunities for centralisation and strategic operation, the rationalising of the main administrative buildings used by the authority, the rationalisation of other non administrative buildings, an enhanced approach to energy management and a review of surplus land holdings. It has been identified that there are a range of best practice measures, both in terms of holdings, use of main assets and energy efficiency and consumption that provide an opportunity for considerable improvement.

- ICT

The opportunities which have been identified in respect of ICT can be categorised into opportunities to

- maximise the benefits from investments made (Electronic Document and Record Management System (EDRMS), Financial Management System (FMS) and mobile and remote working),
- investment in new required systems that will facilitate more efficient working (Payroll and Human Resources systems)
- identifying opportunities to realise savings from the current ICT contractual arrangements

- Customer Services

Through the determination of a clear and unambiguous goal for the provision of customer services there will be an opportunity to manage a process of change which will encompass the migration of phone contact with the public to Hartlepool Connect, a managed process of channel switching to develop the web as a significant channel for citizens, assess and potentially rationalise face to face contact points. There are a range of financial and non financial benefits in respect of this area that are underpinned with detailed consideration of the extent to which various types of contact can, or should be migrated.

3.7 In addition to those potential areas of the programme which have been highlighted in section 3.6 above there is one additional area which was unable to be progressed adequately during the period of the advisers work. The detailed analysis of procurement spend across the authority has been shown, in other similar exercises undertaken in other authorities, to generate considerable potential for savings. It has been highlighted in the information from the advisers and is an area which the authority (as it was planned as part of this work anyway) is progressing and will be factored into the programme in financial terms when the detailed spend analysis and identification of options has been completed.

3.8 The programme areas which have been outlined in this section of the report are a combination of smaller scale projects and large scale transformations in the way in which the organisation, and individual parts of it will operate.

4 MEDIUM TERM FINANCIAL STRATEGY

4.1 The report to Cabinet on 11th February 2008 identified a number of key reasons for the Transformation Programme. Whilst the authority has, in the past, effectively managed to both improve performance and to achieve stretching efficiency targets established for it by Central Government this process has become increasingly difficult in the last few years. The “salami slicing” of budgets is only sustainable in the short term and as Cabinet identified in the last budget process a longer term strategy to manage this process, the changes needed and their impact was required. It was on this basis that the report to Cabinet on the 11th February 2008 determined the overall programme requirements and outline of objectives.

4.2 This programme is clearly linked to the Medium Term Financial Strategy for the Authority. It is also a programme of potentially considerable scale and impact but also one which it would be unwise to attempt to implement in its entirety in a short period of time. There are a range of opportunities within this programme (and from activity currently being undertaken within departments) which will need to be programmed to contribute to the longer term financial strategy of the organisation and will therefore be an integral part of the budget process.

- 4.3 The budget process for 2009/10 and beyond and the transformation programme are closely linked and it will be necessary to align the proposals in each to ensure that they form a coherent programme for change in the medium term.
- 4.4 To ensure that the business case opportunities, timescales for implementation and opportunities to realise the savings are robust then it will be necessary to create the programme team for the management and implementation of the programme.

5 POTENTIAL EFFICIENCIES

- 5.1 The potential efficiencies offered through the programme outlined in Section 4 above require further consideration to ensure they are achievable, that the costs attributable to their implementation are reasonable and that the overall phasing of the programme provides suitable opportunity to ensure they are effectively managed, delivered, mitigate against risk and to ensure that the subsequent efficiencies can be captured.
- 5.2 The programme as outlined by KPMG which includes the following Outline Business Cases (OBC's); Management Structures, Transactional Support Services, Non Transactional Support Services, Service Delivery Options, Asset Management, ICT, Customer Services identify potential efficiency savings in the following range over a three year period.

High Benefits Case	£12.9 m
Low Benefits Case	£ 6.2 m

NB High benefits are the maximum which could be expected to be realised on the basis of the information received from the advisers. Low benefits are those which can, in their view, be more easily achieved. The figures represented above are the recurring annual revenue expenditure savings at the end of the year 2011/12 and are based upon information from the external advisers.

- 5.3 The breakdown of these efficiencies by Outline Business Case (OBC) as potential annually recurring revenue savings at the end of 2011/12 is shown below :

Outline Business Case	High Benefits Case (£m)	Low Benefits Case (£m)
Management Structures	2.5	0.9
Transactional Support Services	1.9	0.9
Non Transactional Support Services	1.2	0.6
Service Delivery Options	6.6	3.3
Asset Management	0.8	0.5
ICT	Neutral	Neutral

Customer Services	Neutral	Neutral
Total	12.9	6.2

- 5.4 The figures above do not incorporate the potential costs of delivering the programme, and the related costs which may be incurred in achieving the efficiencies incorporated into the programme. These have been estimated by the advisers to be in the region of £3.7M.

It is important to note at this point that these are the potential cumulative delivery costs over a three year period (or to the end of 2011/12) and the figures in the table in 5.2 are the annual recurring savings. The potential cumulative efficiencies over the three year period of the programme are heavily dependant upon the agreements of Cabinet and the ability of the authority to rollout the agreed programme areas. This is an element of the programme phasing and in respect of benefits realisation that will require revisiting to ensure that the potential of the programme is maximised

- 5.5 The potential for achievable efficiencies, based upon the broad principles contained within each of the Outline Business Cases, in conjunction with the costs to realise these will require revisiting as part of the mobilisation of the overall transformation programme.

6 COSTS OF ACHIEVING THE PROGRAMME

- 6.1 The programme as outline above, with overall savings and total costs of delivery is based upon a combination of phased delivery, realisation of savings (based upon the outline business cases) and costs of implementation (allied to the overall programme phasing). Obviously a change to any of the factors which have been utilised in the development of this programme proposal can affect the programme although phasing is only likely to affect the timing of achievement rather than the actual totality of achievement.
- 6.2 The costs which are identified below are those which have been proposed by the advisers. Their assessment of the total costs to deliver the programme total £3.7m over the 3 – 4 year period. A breakdown of these costs is as follows and is based upon their assumptions made in the OBC's, experience of implementing projects such as this in other authorities (both in terms of internal and external expertise needed).

	Cost (£m)
Programme Management Office	0.4
Internal Project Costs	0.4
External Support	1.2
ICT Costs	0.4
Redundancy	1.3
Total	3.7

- 6.3 These costs will need to be revisited as part of the mobilisation phase of the programme (and projects) as detailed elsewhere in the report. With regard to redundancy costs, members will be aware that council policy is to utilise redeployment, re-skilling and training if at all possible, with redundancy being the last resort. We will be looking to manage down the number posts over the period of the transformation programme. The programme management costs are broadly as expected from the initiation of the project.
- 6.4 Each of the project areas identified as part of the programme is potentially complex and the nature of the complexity in each project varies. Whilst all of the project areas have potential for significant involvement and management from the authority (ICT and asset management are two which clearly fall into this category) there are a number of other where the judicious use of external support within the confines of an overall programme would be beneficial to ensure that the momentum can be continued and the benefits realised. It has not been possible at this stage to quantify the extent of this within each project area or business case but this would be determined as part of the mobilisation of the projects.

7 FINANCIAL CONSIDERATIONS

- 7.1 As part of the 2008/09 budget proposals, approved by Cabinet and Council in February, a budget provision of £0.5m has been established to fund the costs arising from the business transformation programme. As indicated elsewhere in the report this amount will not cover all of the costs associated with the implementation of the business transformation programme which need be incurred to achieve ongoing efficiencies. Therefore, additional one-off funding will need to be identified.
- 7.2 Cabinet and Council previously approved the establishment of funding for the Way Forward. Cabinet subsequently approved individual proposals for using these resources. There is an uncommitted balance on the Way Forward reserve of £227K and it is suggested that this amount is re-allocated to supplement the funding made available for the Business Transformation programme.
- 7.3 The savings arising from the Business Transformation programme will be critical to the achievement of the 3% annual efficiency targets for 2009/10 to 2010/11, which have already been included in the budget forecasts for these years but, given the scale of the change and the need for effective planning, the benefits require phasing over the period 2009/10 and for future years.

8 PROGRAMMING AND OVERALL TIMESCALES

- 8.1 The OBC's identified provide outline timescales for each of the proposed programme areas and the efficiencies identified in 5.3, and their phasing in terms of realising them, is predicated on these outline timescales.
- 8.2 The phasing and determination of the overall programme will need to be developed based upon the following ;

- The proposed timescales provided by the advisers
- The operational, policy and decision making requirements of the Council
- A review of the OBCs provided and development of Business Cases for change in conjunction with timescales, efficiency targets and costs of delivery.

The timescales provided by the advisers envisaged programme mobilisation commencing in September 2008. Given the nature of the change, associated approvals required (in respect of resourcing and programme areas), the need to align this with the budget strategy and to consider the extent to which these could be effectively implemented within currently agreed protocols the programme mobilisation phase has been marginally extended. The timescales for the mobilisation phase, and associated resourcing, have been included in this report.

The development of an overall programme of change, and the phasing of this will need to be aligned with any decision in relation to the overall structure proposals which are currently being considered by Scrutiny.

- 8.3 The proposed outline timescales take account of the disparate needs of the elements which make up the overall programme. In broad terms they all combine into a phased approach but with project specific requirements to reflect the individual needs of each element. The overall timescales, which may be impacted by any delays are :

- | | |
|---|-------------------------|
| • Establishment of team | ASAP |
| • Project mobilisation (for each project) | By end Oct 08 |
| ○ Review OBC | |
| ○ Project scope and definition | |
| ○ Project phasing and delivery plans | |
| ○ Implementation resource | |
| ▪ Internal | |
| ▪ External | |
| ○ Business Case | |
| ○ Efficiency Savings | |
| ○ Project Implementation | To start from
Nov 08 |

- 8.4 It is proposed that all of the areas incorporated in section 3.5 above as being part of the overall programme are progressed (with the exception of the departmental structures proposal which is currently the subject of consideration by scrutiny (see 8.5 below) through the project mobilisation phase and that the following two project areas are progressed in the following manner :

- ICT – the component parts of the ICT business case are already the subject of separate governance, reporting and decision making processes and it is suggested that these continue under current arrangements with outputs and intended outcomes (along with the

alignment of any key project activity aligned into the overall Business Transformation Programme). The component elements of the ICT programme area are

- EDRMS – a programme board is established for this project which is already operational. The focus and thrust of the business case is the realisation of the benefits that this system may bring. There are key synergies with the transactional services project which can be facilitated through the overall governance arrangements and the priority within this area is rollout and reengineering surrounding this.
 - Northgate Information Systems (NIS) ICT contract – Cabinet has agreed a staged process for the consideration of the arrangements at the end of the current ICT arrangement and also for initial discussions to take place in respect of a potential extension to the current contract arrangements. In addition negotiations are already ongoing with NIS in respect of potential efficiencies and the exploitation of technology. As the Responsible Officer for Business Transformation is also the same for ICT it is suggested that these progress under current arrangements.
 - HR / Payroll system – Cabinet agreed at the meeting on 4th August 2008 to progress the purchase of a suitable HR / Payroll system and the business case for this procurement and implementation will be developed as part of this agreement and factored into the overall Transformation Programme.
- Service Delivery Options – The main other elements of the overall Business Transformation Programme require consideration of the baseline established as part of the advisers work in conjunction with an assessment of the overall phasing of the work.

The Service delivery options identified as part of the OBC work of the advisers requires different considerations and it would be appropriate (at the same time as other projects are undergoing the mobilisation phase) to determine the following;

- Establishment of the overall principles for the exercise
- Determine key evaluation criteria
- Definition of options
- Methodology for undertaking the exercise
- Define prioritised and timebound programme of activity based on
 - Performance
 - Risk
 - Complexity
 - Current evidence of competitiveness
 - Satisfaction
 - Value
 - Maturity of the market
 - Elapsed time since testing or benchmarking
- Determine expected outcomes

- 8.5 The consideration, and potential implementation, of the proposed restructuring of Council departments as part of the overall programme of transformation provides for some benefits in terms of a rationalisation and clarity in programme terms. The potential savings attributable to this change should not be discounted in overall budget terms as they are significant. The ability to align overall departmental changes with the other proposed elements of the programme provides the opportunity to make these broad ranging changes in a managed manner, for these to be lead by those responsible for taking services forward and for the effective delivery of a programme of longer term change.
- 8.6 The proposed phasing incorporated into this report provides the opportunity to revisit the baseline and business cases, align with budget proposals and consider any further approvals which may be required to ensure that their implementation can be effectively managed.

9 PROGRAMME TEAM

- 9.1 As part of the report of the 11th February 2008 it was identified that much of the work that had been undertaken in identifying and delivering on change had been undertaken as an additional function for a number of individuals over and above their standard roles. Whilst this delivered a range of benefits it was felt to not be capable of being maintained in the light of a more challenging programme.

Essentially this will mean that there will be a number of posts operating as part of the programme team on either a full or part time basis and the posts or responsibilities of these people will need backfilling to ensure that the core work of the authority does not suffer.

- 9.2 The proposed programme team is as follows;

○ Senior Responsible Officer (Programme Director)	P/T
○ Programme Manager *	F/T
○ Workstream Leads ** (x4 initially)	F/T
○ Administrative Support	F/T

* the programme manager post is, it is envisaged, likely to be full time for a minimum of 12 months) more likely to be 18 months

** workstream leads will initially be determining, in a short period of time, the robustness of, and determination of a more detailed business case and project plan for each element of the programme.

This is the core team for the Programme. It is not possible at this stage to accurately determine the requirements to support this team from within departments. The costs of delivery for each project area will be identified as

part of the mobilisation stage including the business case for change and any associated costs.

- 9.3 It is not envisaged that there will be a large, permanent central team for this programme. There are a number of the projects which make up the overall programme which are longer term in duration (a likely elapsed time from start to completion of 18 to 30 months) whilst some of the projects have a much shorter elapsed time (less than 6 months) or are clearly part of a broader project.

The principles that will be adopted for the programme overall are of utilising expertise and skills where appropriate, providing opportunities for development and of delivery of identified objectives to proceed to the next project area. It will not always be the case that there are the skills and competencies available within the authority (or developed within the authority) to meet the objectives of the identified projects. Where this is the case it may be necessary to engage external support to ensure that the overall programme, timescales and objectives are not compromised.

- 9.4 Based on an initial assessment of the outline programme scope and likely timescales for the project overall the establishment of the project team has been estimated to be as follows;

	2008/9 £ '000	2009/10 * £'000
Programme Manager	30	52
Workstream Leads (x4)	110	188
Administrative Support	14	24
Total	150	254

* NB based on full year costs and inclusive of on costs. Given that the basis for the programme and the individual workstreams are variable in nature there is likely to be change within the team over the course of the rollout. This will mean that in respect of the core team that the costs may vary within the framework identified above.

- 9.5 The resources identified above will form part of a flexible team but will be charged, in the initial stages of the programme with the following key tasks and timescales.

- Project mobilisation (for each project) By end Oct 08
 - Review OBC
 - Project scope and definition
 - Project phasing and delivery plans
 - Implementation resource
 - Business Case
 - Efficiency Savings
- Project Implementation From Nov 08

- 9.6 The Programme Team will, by its nature, need to be flexible. It is not possible at this stage to identify the detailed arrangements for the team beyond the phase which has been identified as Project Mobilisation (above). This stage is key as it will determine the validity of the OBCs and identify clear and targeted, priorities, timescales and resources needed to deliver the efficiencies in conjunction with the outcomes expected from the project (and associated milestones for this).

10 COMMUNICATIONS

- 10.1 The programme of change encompassed by the Business Transformation Programme is significant and, in one form or another, reaches most parts of the authority. This local authority has a good track record of managing programmes of change and these are fundamentally built on a process and programme clear, regular communication with employees elected members and key stakeholders.
- 10.2 The development of the programme and the work of the advisers has been communicated, on an ongoing basis as part of the general communications with elected members and staff. The creation of the Programme Board, with a combination of Cabinet, other elected members, Trade Unions and senior managers has provided the opportunity to provide an ongoing stream of information as the potential programme develops.
- 10.3 As the programme develops it will be necessary to have in place, both for the programme overall and for each of the workstreams where appropriate, a communications plan to ensure that the aims, objectives and timescales are clear and that the relevant stakeholders are aware of them.

11 RISK IMPLICATIONS

- 11.1 The initial agreement to the development of the Transformation Programme was based upon a number of key considerations which could be considered as being a combination of risk and opportunity. The financial position of the authority and the expectations placed upon the authority to realise the efficiency savings is potentially a risk if these efficiencies are realised in an unplanned or uncoordinated manner or if they are realised to the direct detriment of front line services. As has been stated in this report the need to manage this change process, in particular the reduction in staff posts, and to realise the efficiencies as part of an overall and integrated programme of change offers the opportunity to minimise such risk.
- 11.2 The authority, whilst making decisions based on the overall priorities, has been in a position over the last 2 – 3 years where the stark realities of reducing, budgets, increasing expectations and demographic changes in the client groups accessing services has resulted in a need to positively and actively consider the longer term options for the delivery and management of services. Whilst such a change in thinking is not by its very nature a risk and can be viewed as a positive opportunity to consider the manner in which the authority operates, the services delivered (and the manner in which this is

undertaken) and the medium to longer term health of the organisation, its implementation does bring with it some inherent risk.

- 11.3 Managing and recognising these risks is an important element to making a programme such as this a success. It is important that for each element of the programme, and the programme overall that these risks are identified and managed actively as part of the project implementation. There will be a detailed Risk Register developed for the programme in line with the requirements of the Risk Management Strategy.
- 11.4 Not pursuing the Business Transformation agenda in the light of the environment within which the authority is operating will, as discussed in the previous report and members seminars is likely to result in the continued “salami slicing” of budgets and a less strategic and shorter term consideration of the effective management of service, citizen and financial pressures. Taking this into account does make it important that the overall programme is however developed and implemented in a timely manner.
- 11.5 At this stage of the development of the programme, the key risks, and the rationale behind the proposals contained in this report in respect of resourcing, programming and delivery are seen to be :
 - Fundamentally insufficient resource to effectively scope and plan the programme and associated requirements
 - Inadequate or over ambitious project and programme planning resulting in an inability to deliver the identified outcomes
 - Poorly defined or unclear outcomes for the project areas resulting in delays, lack of effective management and decision making
- 11.6 The risks identified above are the reasoning behind the phasing and mobilisation phases identified in this report.

12 CONCLUSIONS

- 12.1 The agreement by Cabinet to the development of this programme and the subsequent agreement by Council to the funding have provided the authority with the opportunity to progress this matter broadly in line with the timescales established at the outset, i.e. for the work of the external advisers to be completed by late June / early July (this was delayed for a two week period to provide the opportunity for consideration of the opportunities identified).

The data and information collated through the work with the external advisers has provided the necessary baseline for the overall programme. The work of the advisers, in providing both the Outline Business Cases and a series of proposed implementation plans has met the objectives that were established at the outset.

- 12.2 The overall programme varies in degrees of complexity and the extent to which more detailed preparatory work is required to ensure that any

transition process operates effectively and that the costs and benefits of each element have been adequately determined.

- 12.3 It is proposed that the overall programme (as shown in 3.6 above) is agreed and that for each element of the programme a detailed implementation plan is developed by the programme team. This implementation plan will be developed for each area before the end of October 2008 in conjunction with an overall programme plan.
- 12.4 There are considerable benefits from viewing, and taking forward, the programme outlined in section 3.5 in its entirety. The Departmental Structures element to this is subject to consideration by Scrutiny and then by Cabinet (in late September). There are potentially valuable links between this and the broader programme of transformation to be implemented which, when managed as part of this programme offer the benefit of managed risk, clarity of outcomes and the opportunity to drive the programme of change.
- 12.5 The development of the overall programme is dependant upon the agreement to the establishment of the Programme Team as shown in Section 7. Within the programme team there will be identified project leads responsible for the development of the implementation plan for the agreed project areas.
- 12.6 The integration of the budget proposals and those from the Business Transformation programme is key to ensuring that they form a coherent package of change which can be effectively scoped, the phasing aligned and that the management of the change can be effectively delivered. The lead in times for a range of the proposals encompassed in the Transformation Programme will require detailed consideration of the phasing of the realisation of the efficiencies. This consideration will form part of the programme mobilisation phase as outlined in this report. It is important to note that the Transformation Programme forms an important part of the Medium Term Financial Strategy for the authority but will not, in the short term, remove the requirement for decisions to be taken which relate to the consideration of efficiencies outside of the programme.
- 12.7 It is important in programmes of the scope of the Transformation Programme to ensure that there is both effective planning and communication.

13 Recommendations

- 13.1 Cabinet are recommended to
- i. Agree to the implementation of the programme as outlined in the report
 - ii. Agree to the key programme areas as identified in sections 3.5 and 3.6 of the report forming the basis of the Business Transformation Programme (NB Departmental structures will be subject to separate consideration by Cabinet)

- iii. Agree to the establishment of the Programme Team as identified in section 9.2 of the report
- iv. Agree to the implementation of the project areas identified in section 8.4 of the report (ICT and Service Delivery Options) in the manner identified.
- v. Cabinet approve the re-allocation of the uncommitted Way Forward funding of £227K for the Business Transformation programme.
- vi. Agree to the outline timescales identified in the report for the determination of the detailed programme
- vii. Agree to receive future reports that may require decision.
- viii. Agree that the Business Transformation Programme Board should meet bi monthly to monitor the progress of the programme

CABINET REPORT

15 September 2008



Report of: Director of Adult and Community Services

Subject: FUTURE LEISURE FACILITY OPTIONS FOR THE
MILL HOUSE LEISURE CENTRE SITE

SUMMARY

1. PURPOSE OF REPORT

For Cabinet to consider the requirement to undertake a Feasibility Study to explore the future options for the Mill House Leisure Centre site and Brierton School site in respect of the Indoor Sports Facility Strategy and as a result of delays in respect of furthering the H2O concept.

2. SUMMARY OF CONTENTS

In 2005, Capita Symonds Consulting was appointed to undertake a feasibility study in respect of developing a major new water based leisure facility in Hartlepool, H₂O. Within the context of the study, consideration was also given to the future of the Mill House Leisure Centre, Hartlepool's existing main swimming and indoor sports facility.

In October 2007, Cabinet approved the adoption of the Indoor Sports Facility Strategy for Hartlepool. This study, also undertaken by Capita Symonds, included an assessment of swimming pool water space requirements for the town and highlighted the need for further work to be undertaken in respect of the future of the Mill House site.

Progress on taking forward the proposed H2O Centre concept is linked with the development of the overall Victoria Harbour proposals. The Victoria Harbour master plan for which the local planning authority resolved to grant outline planning permission included a site and adjacent water space for the H2O Centre, as a regional visitor attraction incorporating swimming facilities to replace the Mill House pool, within the proposed second phase of the overall development. The draft legal agreement, which would be a pre-requisite to any planning permission, required PD Ports to reserve the site

for the H2O Centre for a finite period, to allow for the overall development to progress and for the Council to secure the procurement of the H2O Centre.

Members will appreciate that it is extremely difficult to progress exploration of design, costing, funding and procurement options for the H2O Centre in advance of there being agreement and commitment of the overall Victoria Harbour plans. The latter are currently being discussed in considerable detail by the project partners with a view to establishing an overall formal agreement on the delivery of the project. While those discussions are not yet concluded, it is difficult to foresee the H2O Centre as conceived in the feasibility study being delivered until the middle of the next decade at the earliest.

With this current delay and the continued deterioration of existing facilities we face having to revise current thinking, the report seeks to outline a way forward

3. RELEVANCE TO CABINET

Executive to consider the issues, approve progress and appointment of existing consultant's extension to provide an options review and costings.

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet 15 September 2008

6. DECISION(S) REQUIRED

Cabinet to approve:-

1. The suggested approach to developing the Mill House site and in particular the replacement of the pool.
2. The undertaking of a feasibility study to explore future options for the Mill House site.
3. The appointment of Capita Symonds to undertake the outstanding piece of work for Hartlepool Borough Council in relation to the Mill House Leisure Centre site subject to satisfactory negotiations.

Report of: Director of Adult and Community Services

Subject: FUTURE LEISURE FACILITY OPTIONS FOR THE
MILL HOUSE LEISURE CENTRE SITE

1. PURPOSE OF REPORT

- 1.1 For Cabinet to consider the requirement to undertake a Feasibility Study to explore the future leisure options for the Mill House Leisure Centre site and Brierton School site in respect of the Indoor Sports Facility Strategy and as a result of delays in respect of furthering the H2O concept.

2. BACKGROUND

- 2.1 In 2005, Capita Symonds Consulting was appointed to undertake a feasibility study in respect of developing a major new water based leisure facility in Hartlepool, H₂O. This was in partnership with Tees Valley Regeneration and PD Ports PLC on a site identified within the Green Wave as part of the overall Victoria Harbour Development Master Plan.
- 2.2 The H₂O Centre concept was tested to ensure that it could not only contribute to meeting the future leisure needs of the town, but would also prove, with the inclusion of innovative features, to become a regional attraction as its primary purpose. It was envisaged that as Mill House Leisure Centre was beyond its economic life, its replacement would be via this new facility.
- 2.3 To further progress the justification for the need for a new indoor water based facility, however, a strategic approach in the provision of sports facilities for Hartlepool was first needed. This led to the production of the Indoor Sports Facility Strategy in October 2007 by Capita Symonds and a PPG17 Open Spaces Study in June 2008.
- 2.4 The Indoor Sports Facility Strategy included a major assessment of swimming pool water space requirements. This concluded that whilst we had over 1500m² available in the town, not all pools were in good condition and only one (Mill House) was publicly accessible, providing 50% of the available total water space.
- 2.5 In terms of swimming provision, the Strategy further concluded that, according to facility modelling specifications, Hartlepool actually required only 908m² of water space. It focused on the need to provide new swimming pool facilities at the Brierton site to enhance the existing Community Sports Centre facility, which would become a publicly accessible site, as well as those required to replace the existing pool provision at Mill House. It further concluded that the existing pool provision at High Tunstall School should be enhanced/refurbished to service the NW area of Hartlepool.

- 2.6 The Strategy Action Plan, amongst other things, also highlighted the need to undertake further feasibility work regarding the future of the Mill House site in its entirety. This was as a result of the future aspirations of Hartlepool United FC in terms of their development and the condition of the facilities at Hartlepool Indoor Bowls Club.

3. CURRENT SITUATION - MILL HOUSE SITE

(a) Mill House Leisure Centre

The Centre was originally opened in 1972 as a swimming baths and was subsequently extended to include a sports hall and other dry sports facilities in 1987. There has been no major investment in the site since the addition of the dry facilities, although there have been periodic refurbishment works to try and keep on top of building deterioration, rather than keeping pace with customer expectations.

Without doubt, the fabric of the older part of the Centre and the life of the mechanical and electrical services operating the entire site are exhausted and the short-term solution of 'patching' and 'making do and mend' are no longer options for the Council to take if we are to meet future needs and expectations.

Whilst overall existing satisfaction with facilities is generally good, time and time again dissatisfaction with the environment of Mill House Leisure Centre is expressed. Whilst satisfaction with what is provided is high, the environment within which it is provided is deemed very poor and the main cause of customer dissatisfaction.

Certainly the quality of certain aspects of the Centre, particularly changing facilities, catering and reception are not acceptable within modern quality building standards and customer expectations. More recently, over the past three months, there has been a significant and rapid deterioration of some aspects of the Centre; namely:-

Swimming Pool Filtration System - The filter beds are breaking down and filtration media (sand) is leaking into the swimming pool tanks, the filters are being refurbished.

Swimming Pool Circulation Pump - Of the three, two are required to circulate the pool water adequately and are operated in rotation. One has recently failed and is currently being assessed for either a repair or replacement.

Swimming Pool 3m & 5m Diving Platforms - Cracks have recently appeared on the underside of the diving platforms, which are currently closed from use.

Wetside Changing Rooms - These, in general, have deteriorated significantly and require considerable investment to bring up to a required standard.

Whilst these are serious deficiencies, they are contained to the older wetside part of the site, now 36 years old. The dry facilities, whilst over 20 years old, are in much better condition, as they are not exposed to the swimming pool water environment.

(b) Hartlepool Indoor Bowls Club

The Indoor Bowls Centre was built in 1972 and the facilities are operated by the Club on a lease arrangement from the Council who, as landlord, remain responsible for the building itself.

The Centre consists of an eight lane rink, changing, meeting rooms, cafe and bar facilities and is in need of considerable updating and modernising.

Officers had a recent meeting with officials from the Club, at their request, regarding their concerns for the future, around financial stability, a reduction in their membership and the poor condition of the building.

Linked into all of these issues and their future as a Club, as consultees as part of the H₂O Feasibility Study, they were very aware of the potential impact of the future direction of the Mill House site on them.

(c) Hartlepool United Football Club (HUFC)

As part of the Indoor Sports Strategy development, HUFC's Chief Executive and Chairman were consulted.

A series of further meetings have subsequently been held with the Club regarding their acquisition of the lease and their aspirations to develop improvements to the stadium and the training facilities which could ensue. The Club have an important role to play in any strategic review of the community sport facilities on the Mill House site as a neighbour and as a possible partner in future developments.

Without a clear way forward from the Council in respect of the adjacent area, such discussions lack focus in terms of a holistic approach.

4. PROGRESS WITH H₂O DEVELOPMENT

- 4.1 Progress on taking forward the proposed H₂O Centre concept is linked with the development of the overall Victoria Harbour proposals. The Victoria Harbour master plan for which the local planning authority resolved to grant outline planning permission included a site and adjacent water space for the H₂O Centre, as a regional visitor attraction incorporating swimming facilities to replace the Mill House pool, within the proposed second phase of the overall development. The draft legal agreement, which would be a pre-requisite to any planning permission, required PD Ports to reserve the site for the H₂O Centre for a finite period, to allow for the overall development to progress and for the Council to secure the procurement of the H₂O Centre.
- 4.2 Members will appreciate that it is extremely difficult to progress exploration of design, costing, funding and procurement options for the H₂O Centre in advance of there being agreement and commitment of the overall Victoria Harbour plans. The latter are currently being discussed in considerable detail by the project partners with a view to establishing an overall formal agreement on the delivery of the project. While those discussions are not yet concluded, it is difficult to foresee the H₂O Centre as conceived in the feasibility study being delivered until the middle of the next decade at the earliest.

5. FUTURE OPTIONS

- 5.1 Given that the concept of the H₂O “product” is now nearly three years old already and with further delays anticipated, Officers believe that, as a product, it needs revising and further reflection. Whilst the provision of a regional leisure attractor for Hartlepool as part of the Victoria Harbour scheme is, without doubt, still an important ambition and key objective for Hartlepool, there is equally a need to reconsider the potential of the Mill House site. Should this lead to a replacement of facilities within Mill House area, it would still be entirely open for the Victoria Harbour partners to pursue other forms of regional visitor attraction appropriate for the Victoria Harbour site.
- 5.2 A review of the future use of the Mill House site as a retained community sports hub within the centre of town would be consistent with the emerging Central Area Investment Framework, being developed in discussion with ONE Northeast (and to be reported to a future Cabinet meeting).
- 5.3 Whilst a detailed feasibility study will be required, Officers have developed the following potential Vision for the Mill House site:-
 - (a) demolish the existing Leisure Centre provision with the EXCEPTION of the 6 court Sports Hall and 2 squash courts (the dry facilities);
 - (b) design a new building to integrate with the remaining structure to provide a new facility with consideration given to the following elements:-

- new reception and foyer entrance areas linking into a Cafeteria and viewing area to the Pool Hall;
- 17m x 25m pool (8 lane) with boom and floating floor to allow multiple use (425m²);
- 13m x 7.5m learner pool (97.5m²);
- new dry and pool changing facilities (wetside as a changing village);
- Fitness Room and Dance Studio facility combined with social and function facilities;
- Potential indoor half-size third generation pitch (linked into the development of HUFC);
- new indoor bowls facility (could be achieved by integrating the existing building, reducing in size and refurbishing).

Coupled with a second new swimming pool provision at Brierton (13m x 25m 6 lane pool with learner pool - 422.5m² in total), this would meet the town's water space needs, although consideration would still need to be given to the High Tunstall pool in association with the Schools Transformation project.

Master planning for the whole Mill house area would need to ensure the integration of such leisure facilities with the Football Club's proposals and the need for continued public car parking. This planning would also investigate the prospect of redevelopment of the site whilst maintaining existing services in use.

6. FINANCIAL CONSIDERATIONS

- 6.1 It has been a long held view that, as a Council, the procurement of new leisure facilities is not something that can be achieved in isolation. However, of concern is the ability to attract additional investment to deliver projects and new facilities, hence the need to investigate a partnership approach to enable delivery. The cost of new facilities at Mill House and at Brierton will be considerable and dependent upon final design and sporting elements included.
- 6.2 The Council's capital programme is constrained and Regional regeneration funding is only likely to be available for the H₂O development or similar regional attraction as part of the Victoria Harbour development, rather than local leisure facilities.

- 6.3 The Council has already committed to providing £3m through Prudential borrowing and whilst some capital funding may become available for swimming facilities as part of the Government's recently announced initiative for swimming, it will not provide for all of the required schemes. Transferring the management of sites to the private sector, as part of a strategic partnership, or to a Trust will therefore need to be considered, owing to the possible financial benefits that could be gained as a result.
- 6.4 A wider partnership approach may also increase the ability to attract external capital funding. The proposed appointment of a consultancy to investigate and market test the concept, and investigate funding strategies is an essential next step.

7. CONCLUSIONS

- 7.1 The current condition of the public swimming facilities is the catalyst which brings increasing urgency to the need to review the current Strategy. This is supported by the emerging opportunities brought through the Schools Transformation project, the detailed townwide assessment of the Indoor Sports Facility Strategy and the aforementioned delays to the Victoria Harbour project. The discussions with HUFC are also relevant and any reserve matters need to be agreed to avoid loss of long term options in the Councils strategic use of the Mill House site
- 7.2 There is a pressing need to consider the future of the Mill House Leisure Centre and in particular the swimming pool at both short term (in keeping it in use) and long term (replacement).
- 7.3 There is an opportunity to consider the whole of the Mill House site to include the Indoor Bowling facilities and any potential future arrangements with the Football Club.
- 7.4 In order to assess the options and in particular the various funding and operational models the Council require some expert guidance. This could be provided by the extension to the existing arrangements with Capita Symonds.
- 7.5 The Swim Strategy currently has a reserve fund to assist towards the appointment of a recommended consultancy and Officers will pursue specific costs upon approval of the recommendations

8 RECOMMENDATIONS

Cabinet to approve:-

1. The suggested approach to developing the Mill House site and in particular the replacement of the pool.

2. The undertaking of a feasibility study to explore future options for the Mill House site.
3. The appointment of Capita Symonds to undertake the outstanding piece of work for Hartlepool Borough Council in relation to the Mill House Leisure Centre site subject to satisfactory negotiations.

CONTACT OFFICER: John Mennear, Assistant Director (Community Services)

CABINET REPORT

15th September 2008



Report of: Director of Children's Services

Subject: TRANSFER OF FUNDING AND COMMISSIONING
RESPONSIBILITIES FOR 16-18 EDUCATION
TRAINING TO LOCAL AUTHORITIES

SUMMARY

1. PURPOSE OF REPORT

To update Cabinet on changes to be made to funding and commissioning arrangements for education and training for 16-18 year olds from September 2010, to seek approval to plan for the new arrangements on a Tees Valley sub-regional basis and to submit a statement of intent to Government Office North East (GONE).

2. SUMMARY OF CONTENTS

The report explains the background to the new funding and commissioning arrangements for education and training for 16-18 year olds. Possible models to support future commissioning are explained and a proposal to develop a sub-regional model of commissioning is attached as an appendix to the report.

3. RELEVANCE TO CABINET

Long-term funding, governance and organisational implications.

4. TYPE OF DECISION

Non key decision.

5. DECISION MAKING ROUTE

Cabinet on 15th September 2008.

6. DECISION(S) REQUIRED

- To approve the proposal to plan for the transfer of 16-19 funding on a sub-regional (Tees Valley) basis.
- To approve the Statement of Intent for submission to GONE.
- To note that the Director of Children's Services will provide a further report to Cabinet on governance arrangements for the future commissioning and funding of post 16 provision early in 2009.

Report of: Director of Children's Services

Subject: TRANSFER OF FUNDING AND COMMISSIONING
RESPONSIBILITIES FOR 16-18 EDUCATION
TRAINING TO LOCAL AUTHORITIES

1. PURPOSE OF THE REPORT

To update Cabinet on changes to be made to funding and commissioning arrangements for education and training for 16-18 year olds from September 2010, to seek approval to plan for the new arrangements on a Tees Valley sub-regional basis and to submit a statement of intent to Government Office North East (GONE).

2. BACKGROUND AND EXTERNAL CONSULTATION

As reported to Cabinet on 1 September 2008, the Government is proposing to change arrangements for commissioning for education, training and skills development for 16 to 18 year olds and adults as part of the Machinery of Government changes announced in June 2007. Local authorities will be given clear responsibility for 14-19 provision in line with their responsibility for commissioning children and young people's services.

Under the new arrangements, local authorities rather than the Learning and Skills Council (LSC), would act as commissioners of provision in their area, to ensure that there is a place available for every young person leaving school. This is part of the Government's strategy of placing the leadership of the young person's agenda firmly with local authorities; the same agenda that previously saw the move into local authorities of the Connexions' information, advice and guidance service. The intended outcome of this strategy is that young people's participation in post 16 learning and training is increased in readiness for the raising of the participation age from 2013.

3. NEXT STEPS

The DCSF (Department for Children, Schools and families) has recently published information about the next steps to be followed by local authorities. By 26 September 2008, each local authority must submit a short proposal to Government Office North East outlining initial views on how the authority will undertake the new funding and commissioning responsibilities.

As previously indicated, Chief Executives and Directors of Children's Services have been considering possible future commissioning models. Analysis of travel to learn patterns strongly suggests that the Tees Valley would be an

appropriate sub-regional grouping. A joint proposal has been developed by the five Tees Valley Directors of Children's Services to reflect:

- travel to learn patterns;
- the Tees Valley city region and the Multi-Area Agreement;
- existing links between Tees Valley authorities on 14-19 education and training developments.

In addition, early consideration has been given to the arrangements which would be put in place to enable a Tees Valley sub-regional partnership to operate. Two models have been put forward::

- Model A, where a new national body, the Young People's Learning Agency commissions General Further Education (GFE) provision for the sub-region;
- Model B, where the sub-region appoints a lead authority to commission GFE provision on its behalf.

Discussions to date between the Tees Valley authorities have resulted in agreement to explore the opportunities for operating under Model B. It is recognised that there will be a need for further discussion/consideration of the detailed governance arrangements, how the lead authority model would operate in practice and the relationship with region wide arrangements. There will also be a need for consultation and discussion with 14-19 providers and other stakeholders. This work would be undertaken initially through the Tees Valley Directors of Children's Services with a view to reporting on possible governance models to each local authority's Cabinet.

A Statement of Intent (**Appendix 1**) has been drafted to meet GONE requirements for a short proposal from the sub-regional grouping outlining:

- Proposed local authorities within the sub-regional grouping, and supporting statements from each of the Director of Children's Services of the LAs involved in sub-regional grouping.
- Rationale for the grouping, including: a view about the match with travel to learn patterns; how it will help secure the delivery of the new curriculum offer; proposals to engage with neighbouring local authorities and groupings; and compatibility with local and regional priorities, plans and proposals;
- An early initial indication of whether the sub-regional group is intending to operate on Model A or Model B from September 2009 and a high level rationale for this decision.

GONE and the DCSF will require further information in early 2009, particularly on how the sub-regional grouping is progressing in terms of plans for constitution and governance.

4. OPTION APPRAISAL/RISK ASSESSMENT

Doing nothing is not an option as this would not enable Hartlepool to meet its new commissioning responsibilities in relation to 16-18 education and training.

It would be possible for Hartlepool to meet its responsibilities by joining a regional grouping of authorities for all purposes. Such a grouping will in any case be required for high level discussion/planning, particularly in dialogue with regional representatives of the Young People's Learning Agency, the Regional Development Agency and GONE.

It would also be possible for Hartlepool to commission 16-18 education and training on its own. This is not however recommended in the White Paper, would not be cost effective and would not enable the Council to exploit the benefits of cross-agency working set out in the Multi Area Agreement (MAA).

The preferred option is therefore to operate as a Tees Valley sub-region to:

- exploit the strong and effective partnerships already reflected in the MAA;
- to ensure cost effective commissioning that reflects the strong travel to learn patterns in the Tees Valley;
- strategically commission high quality provision so that all young people are able to access suitable learning opportunities to reach their potential.

Other authorities in the region are considering sub regional groupings and/or individual commissioning which could operate alongside the Tees valley sub-region and provide coherence at regional level.

5. FINANCIAL AND LEGAL IMPLICATIONS

Financial Implications

Nationally revenue funding for 16-18 education and training would continue to follow the current Learning and Skills Council model, with the new national Young People's Learning Agency providing indicative budgets at the start of the commissioning process. Final budgets at a local authority level will be based on commissioning plans and will be linked to the institutions in a local authority area. There will be an annual reconciliation between plans and out-turn, with funding adjusted in the following year as necessary.

The DCSF is also consulting on using this model for funding provision for 14-16 year olds as part of a school funding review. This would significantly change funding arrangements for secondary schools if progressed.

At this stage, it is unclear how local authorities will be funded for commissioning activities. This is currently being considered at national level and it is expected that existing LSC staff will transfer to sub regional/regional

arrangements in due course. This will be kept under review and any potential budget pressures will be identified as part of the annual revenue planning cycle.

Legal Implications

Governance arrangements will need to be agreed for sub regional and regional arrangements to ensure that the Council can effectively meet its responsibilities for commissioning 16-18 education and training.

6. RECOMMENDATIONS

- To approve the proposal to plan for the transfer of 16-19 funding on a sub-regional (Tees Valley) basis.
- To approve the draft Statement of Intent for submission to GONE (**Appendix 1**).
- To note that the Director of Children's Services will provide a further report to Cabinet on governance arrangements for the future commissioning and funding of post 16 provision early in 2009.

7. REASONS FOR RECOMMENDATIONS

To meet the government requirement that shadow groupings of local authorities are in place by March 2009 to manage the transfer of funding.

8. BACKGROUND PAPERS

DCSF/DIUS documents:

- I. Raising Expectations: Enabling the System to Deliver, March 2008
- II. Raising Expectations: Enabling the System to Deliver: Update and next steps, August 2008

9. CONTACT OFFICER

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RAISING EXPECTATIONS: ENABLING THE SYSTEM TO DELIVER

STATEMENT OF INTENT ON FUNDING AND COMMISSIONING OF 16-18 EDUCATION AND TRAINING

PROPOSAL

Tees Valley city region as a delivery group for 14-19 commissioning

1.1 Summary

- 1.1 In order to progress the Machinery of Government changes, groupings of local authorities need to identify how they intend to work together to commission 14-19 provision within their area(s). This is a two stage process, with the first stage being a short statement of intent and the second stage being a more comprehensive proposal. This is the statement of intent from the 5 Tees Valley local authorities, which must be submitted by September 26th 2008.

2.0 Travel to learn patterns

- 2.1 Commissioning arrangements for future provision for 14-19 education and training should reflect travel to learn patterns. In the Tees Valley, existing travel to learn patterns, and plans for new curriculum delivery, strongly support a sub-regional approach to strategic planning and commissioning of 14-19 education and training.
- 2.2 Within the 5 Tees Valley authorities there are 7 Further Education colleges, 4 sixth form colleges, 4 Academies, 7 state secondary schools with 6th forms, 35 other state secondary schools, 10 special schools, 4 private secondary schools with 6th forms and 1 private secondary school without a 6th form.
- 2.3 There are 13 Tees Valley secondary schools/academies subject to the National Challenge initiative focused on schools with less than 30% of pupils achieving 5 good GCSEs including English and mathematics.
- 2.4 In 2007 there were 13,892 learners aged 16-18 in FE and Sixth forms resident in the 5 Tees Valley LAs. Of these 13,490 (97%) attend college and FE provision within the 5 authorities and 221 (1.6%) attend provision in Durham or North Yorkshire. The provision in the Tees Valley is attended by 1,195 students from Durham and 2,440 students from North Yorkshire. A large proportion of North Yorkshire students are those from Catterick Garrison who attend outreach provision at the camp which is made by Darlington College.
- 2.5 There are 4,968 learners from the 5 authorities in Work Based Learning (WBL), and of these, 4,417 (89%) use provision within the 5 authorities. A further 368 (7%) receive provision in either Durham or North Yorkshire. There are 128 WBL providers operating across the 5 authorities.
- 2.6 There are 1,680 young people in the 5 authorities who are engaged in Entry to Employment (E2E) programmes and of these, at least 1,635 (97%) of them remain in provision within the 5 authorities. There are 22 E2E providers operating in the 5 authorities.

3.0 Existing partnerships/developments

- 3.1 Partnerships focused on 14-19 developments already exist within each of the 5 Tees Valley authorities and have seen the successful development of Diploma Gateway bids and subsequent planning for delivery of the new curriculum offer across the sub-region. Each local authority has a common electronic prospectus, which is available for young people from across the region to access, and work is ongoing to bring those documents together into a single offer. A sub-regional 14-19 partnership, with representation from all 5 14-19 partnerships already exists, with a mandate to develop a consistent approach to diploma delivery. A formalised sub-regional group for 14-19 commissioning could add impetus to this work and facilitate sub-regional commissioning.
- 3.2 Building Schools for the Future (BSF) Transforming Learning Programmes are underway across the 5 authorities, with alignment to LSC capital programmes where appropriate ensuring maximum benefit and value for money from both initiatives. A co-ordinated approach to 14-19 strategic planning and commissioning across the sub-region would further support this transformation agenda.
- 3.3 The Tees Valley GFE colleges have jointly commissioned KPMG to conduct an audit of quality and provision, to inform a sub-regional mapping exercise. Formalising the commissioning process on a sub-regional basis could build on this strong foundation and support co-ordinated delivery of a diverse offer for young people in the Tees Valley.

4.0 Aligning with Local Area Agreements

- 4.1 The 5 Tees Valley local authorities have each agreed common indicators within their Local Area Agreements. All 5 authorities have set targets to reduce the number of people of working age claiming benefits in the more deprived areas, and all have agreed targets to reduce NEETs.
- 4.2 Targets have also been set to increase qualification levels by age 19, reduce child poverty and improve overall employment rates.

5.0 The Tees Valley city region

- 5.1 The 5 Tees Valley authorities are a coherent sub-grouping for this work. They already work together strategically as a city region and have agreed a multi-area agreement which is relevant to the ambitions to be delivered through the changes to the Machinery of Government.
- 5.2 The Tees Valley City Region is based around the five local authority areas of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees. The sphere of influence of the Tees Valley extends from Peterlee and Durham City in the North to Northallerton in the South and from Richmond in the West to Whitby in the East. The city region has a population of 875,000, of whom 650,000 live in the 5 Tees Valley local authorities.
- 5.3 The Tees Valley economy is based on the largest integrated heavy industrial complex in the United Kingdom. The economic performance of the Tees Valley has been generally poor both compared to the UK and international comparisons. However, there are signs that the economic performance of the City Region is improving:
- Over the three year period to the end of 2006, 12,800 jobs have been created, primarily in the service industry;
 - Economic activity rates are rising from 71.8% of people of working age in 1999 to 75.6% in 2006;

6.2 APPENDIX 1

- Employment rates are rising – the proportion of people of working age in employment rose from 65.3% in 1999 to 71.0% in 2006, whereas nationally the rise was more modest, from 73.8% to 74.6%;
 - Unemployment rates have fallen from 6.3% in 1998 to 3.6% in 2007;
 - The City Region is performing at or above the national average in terms of qualifications except National Vocational Qualifications (NVQ) Level 4 – there are currently 22.3% of adults qualified to Level 4 in the Tees Valley compared to 27.4% nationally.
- 5.4 If we are to build on these successes, and accelerate growth, however, we continue to face a number of economic challenges, which include:
- To grow the Tees Valley economy faster than the UK average to narrow the gap in General Value Added (GVA);
 - To improve household income and develop less dependency on benefits;
 - To continue to increase economic activity and employment rates and reduce worklessness;
 - To upskill the workforce to obtain NVQ Level 3/4 qualifications; and
 - To reduce the people of working age with no qualifications. It is worth noting that a disproportionately high number of vacancies exist in the region for skilled trades and in the personal services and sales sectors.
- 5.5 The 5 Tees Valley authorities have signed a multi-area agreement (MAA) to establish a mechanism to support the regeneration and skills agenda. To begin with, the MAA is focused around three main capital funding streams but expects in the future to address skills and employability.
- 5.6 Work is ongoing to develop strategies for tackling high level skills and employability issues, and the MAA Sub Board for Employment and Skills has been charged with agreeing these strategies by the end of 2008. Partners are currently investigating the means by which skills and employability can be incorporated into the MAA, with the intention of developing a revenue-based MAA proposal for submission in 2009.
- 5.7 It has already been agreed that the inclusion of skills and employment in the MAA will need to recognise the changes that are proposed to take place as a result of the “Machinery of Government” proposals, specifically the transfer of responsibilities for training young people to the local authorities and the creation of the new Skills Funding Agency.
- 5.8 The terms of reference for the Employment and Skills Board currently include:
- To develop a City Region Employment and Skills Strategy
 - To identify the key skills needs of the City Region and the programmes required
 - To address issues relating to Employability, in particular the 20% of the working population with no qualifications
 - To co-ordinate delivery of the employment and skills work being undertaken by partners and advise statutory agencies on commissioning of mainstream funded delivery
 - To engage key City Region employers within the process
 - To encourage people to recognize the value of education and training
 - To improve the employment offer
 - To encourage people to become more innovative and enterprising in business, work and training
 - To prevent issues of underachievement and non-engagement arising at the outset
 - To ensure that the outputs are aligned with the RES and Regional Employability Framework

- 5.9 This body therefore provides a potential basis for the sub-regional planning functions to be developed for the Machinery of Government changes, but with a greater focus on 14-19 developments.
- 5.10 The MAA is intended to support the Tees Valley City Region, but the MAA proposal is made on behalf of the five Local Authorities of the Tees Valley alone, as many of the key 'asks' within the MAA could not include the whole of the administrative areas of Durham and North Yorkshire, as required by Government. However, the governance arrangements at sub-Board level include both Authorities, and, where appropriate, their lower tier councils, and the benefits of the MAA will be shared across the whole of the City Region.
- 5.11 It is proposed that a similar model be applied to the commissioning arrangements for 14-19 provision. The sub-regional grouping would formally consist of the 5 Tees Valley local authorities but with engagement, participation and influence from both Durham and North Yorkshire. This reflects the significant flow of learners from Durham and North Yorkshire into the city region and the government expectation that any local authority can only be fully engaged in a single sub-region.
- 5.12 The fact that the Tees Valley has been chosen to pioneer the MAA approach demonstrates the enormous progress made in the past decade in developing strong and effective partnerships, with vision for the area – and also proof that the authorities can deliver.

6.0 Statement of Intent

- 6.1 The Tees Valley authorities enjoy a strong and effective partnership across a wide range of areas, as evidenced by the common vision, vastly improved outcomes and ambitions reflected in the MAA. As high performing local authorities with a strong track record of partnership working they welcome the opportunity to take a leadership role as a sub-regional group of 5, in strategically commissioning high quality provision so that all young people are able to access suitable learning opportunities and reach their potential. This resonates with the region's vision for regeneration and growth.
- 6.2 The 5 Tees Valley authorities; Hartlepool, Darlington, Redcar & Cleveland, Middlesbrough and Stockton-on-Tees intend to form a sub-regional grouping to strategically commission 14-19 provision from 2010. It is the group's intention to explore the opportunities for operating under Model B of the two options offered by DCSF/DIUS, namely to appoint a lead authority to commission 14-19 education and training on their behalf.

CABINET REPORT

15 September 2008



Report of: Director of Adult and Community Services

Subject: A STRATEGY FOR MAXIMISING ACCESS TO LOW LEVEL SUPPORT SERVICES

SUMMARY

1. PURPOSE OF REPORT

To provide an update to Cabinet about the implementation of the low level support strategy for the citizens of Hartlepool which was produced to help ameliorate the impact of the introduction of revised eligibility criteria following the Fair Access to Care Services consultation.

2. SUMMARY OF CONTENTS

This report outlines progress made in relation to the implementation of the strategy which aims to ensure that citizens have access to those low level support services which promote their independence, to assist with the health and social care modernisation agenda and to complement new ways of funding services such as individualised budgets.

3. RELEVANCE TO CABINET

The strategy has a town-wide impact.

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet 15 September
For information and briefing, further update to be provided as strategy is implemented.

6. DECISION(S) REQUIRED

Cabinet are requested to note the progress made and monitor the implementation.

Report of: Director of Adult and Community Services

Subject: A STRATEGY FOR MAXIMISING ACCESS TO LOW LEVEL SUPPORT SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an update on the implementation of the low level support strategy for the citizens of Hartlepool.

2. BACKGROUND

- 2.1 The policy agenda for people requiring support from social care services is increasingly focusing on promoting independence and supporting people to exercise choice and control over their own lives. In relation to this direction of travel there is an acknowledgement that it is important to value people as contributors, partners and citizens and not just service recipients.
- 2.2 Throughout the country statutory services are increasingly focusing their financial resources on people with the highest levels of need (critical or substantial in terms of Fair Access to Care Services FACS criteria) and it is recognised that as a result of this a gap may develop regarding the need to ensure the provision of low level support services is available to support those with low level needs.
- 2.3 Low level support services refers to a range of practical services that respond to people's need for general non-specialist support with daily living skills, practical tasks, leisure opportunities, emotional support or access to learning.
- 2.4 These services do not provide personal care for people however they can improve a person's quality of life, promote or maintain their independence and thereby help them stay independent and remain in their own homes.
- 2.5 The range of services is potentially vast and may include: befriending, shopping, decorating, gardening and small repairs.
- 2.6 In Hartlepool to respond to this challenge and to have a more co-ordinated approach to the provision of low level services, we are implementing a broad strategy that will enable people to access support services that enable them to retain choice, control and dignity in their lives.

3. CONSULTATION

- 3.1 The need for low level support is something that has been recognised for sometime and is an issue that has been raised previously at the Hartlepool Partnership.
- 3.2 In 2001 the 50+ Forum ran a consultation event on the availability and provision of low level support services and in 2003 a mapping exercise was undertaken looking at the availability of such services in the New Deal for Communities area and this was updated and extended to cover the whole town in 2006.
- 3.3 Unfortunately although this work was extremely informative and indeed helped the development of this strategy, for sometime there was limited success in improving the coordination and availability of low level support services. This became particularly apparent when undertaking three consultation events with people as part of the development of a housing, care and support strategy for older people.
- 3.4 The learning from these consultation exercises informed the development of this strategy and this learning can be summarised as follows:
- Low level services are valued by people and they are seen to promote independence and maintain people in their own homes.
 - People are looking for good quality services delivered by people whom they can trust.
 - People are willing to contribute towards the cost of such services provided these costs are set at a reasonable rate.

4. AGREED WAY FORWARD

- 4.1 The low level support strategy identified a number of recommendations that require implementation in order to make low level support a reality, these are:
- To set up an information and advice service for people that provides comprehensive information about the range of low level support services available and assists people to access those services.
 - To ensure that services are of a high quality and people have trust in them by the development of an agreed set of quality standards for low level support.
 - To develop a trades' register to encourage and facilitate the use of low level support services in both voluntary and private sectors.
 - To establish a brokerage and development service to ensure a comprehensive range of affordable and trusted care and support services are developed.

- To develop a mixed economy approach to funding low level services with funding from statutory services targeted on infrastructure support and key services. Funding of general low level support would be through a combination of trading income, including charges to individual customers, contributions in kind and access to other sources of funding.

4.2 Ensuring that these recommendations are successfully implemented requires a coordinated corporate approach, with the Council working with Partners such as the PCT and Third Sector organisations to establish a programme of work that links up information development, information pathways, navigation and brokerage.

5. PROGRESS TO DATE

5.1 The Adult and Community Services Department are in the process of introducing an information and advice service based upon web based technology which is called Hartlepool Now.

5.2 The content management system has been commissioned and an outline site map created and delivered to the Provider to enable a prototype site to be created.

5.3 Consultation has taken place with Friends of the Library and The Artrium to decide on the site content and navigation.

5.4 The site is to be delivered by Mid - September for content upload. Site checking, review and further consultation is scheduled for October 2008. The initial launch is planned for mid – November whilst continuously adding new content.

5.5 A full launch is scheduled for early 2009 and we are currently awaiting the outcome of a bid to the Primary Care Trust for additional staffing resources to support the roll out across the town focussing upon libraries, community centres and the Contact Centre.

5.6 The cornerstone of the implementation of the Low Level Support Strategy is Hartlepool Now and once in situ and fully operational this can be used to support the other linked developments.

5.7 Regarding the other aspects of the strategy, a bid for funding has been put forward to the Primary Care Trust to support the development of these. After the introduction of Hartlepool Now, the trades register is of next significance and once established this will help to develop the mixed economy approach to funding low level support services and will ensure future sustainability of those services. Currently we are awaiting the outcome of the PCT bid, and once this is known more detailed plans will be drawn up for the trades register and coordinated services.

6. RECOMMENDATIONS

- 6.1 Cabinet are requested to note the progress made to coordinate low level services.

Background Papers

Cabinet Report 31 March 2008, A Strategy for maximising access to Low Level Support Services in Hartlepool

**Staying independent:
helping people live at home in Hartlepool**

**A summary of two strategies to help people
in Hartlepool stay in their own homes with
the support that they need**

September 2008

Other logos



Peter Fletcher Associates Ltd
Research and Consultancy

Introduction

Staying independent is something that most people take for granted. Being in control of our own lives, having an influence on where and how we live is fundamental to our quality of life.

Yet many people as they grow older or face chronic illness or disability find that the services they want or need to help them stay independent are either not there or are provided in ways that far from helping them to remain independent can actually make life more difficult for them.

This report looks at how services can be improved so that people who need support are better able to get what they need. It starts from the assumption that the vast majority of people want to stay in their own homes for as long as possible or, if that is no longer realistic, move to somewhere that is close to a 'normal' home. It summarises two much longer reports that look at, slightly different, issues. These reports are:

A strategy for older people's housing, care and support in Hartlepool, and

'Just a little bit of help': a strategy for maximising access to low level support services in Hartlepool.¹

These reports were written after extensive consultation with older people and organisations that provide services to older people. However many of the proposals in them will apply to younger adults with disabilities as well.

The reports:

- Look at what people in Hartlepool and elsewhere say they want by way of support to remain in their own homes
- Look at why services need to change
- Examine the services that are currently available and where there are gaps that need to be filled or services that need to be improved

¹ Copies of these reports can be obtained from ??

- Set out proposals for changes to services and the way that organisations such as the Council and the NHS work together to plan those services.

These reports contain over 30 recommendations. The Council and the Primary Care Trust (PCT) are now looking at these to see which are the top priorities for action. Then they will agree a plan that sets out how and when things are going to be changed. That plan will be a public document so that everyone can see what changes are going to be made and how they will be affected.

Example – Mr and Mrs Smith

Mr and Mrs Smith live in their own home and are becoming increasingly frail. They find the upkeep of the home an increasing burden but are frightened of getting anyone in to help because their neighbour had a bad experience with a rogue builder recently. They are becoming increasingly isolated. They have reached the point where they are seriously considering selling up and moving into a residential home because they think it will make their lives easier.

The district nurse comes in one day to dress a wound from a fall. She realises that they need some help and says she thinks there are services that could help them but doesn't give them any information herself.

Mr Smith rings a local community organisation but is told that they did provide some practical services that could have helped but their funding has run out and the services have been discontinued. They suggest he tries social services. Mr Smith rings them but is told he and his wife would not get any help as they don't need any assistance with personal care. He gives up at this point.

A few months later the house needs some work done. Mr Smith contacts a local builder who does eventually carry out some work but Mr and Mrs Smith find the whole process very stressful. They decide that they can no longer stay in their own home and they sell the house and move into a residential care home but they are very unhappy there.

After they have been in the home for 3 months the district nurse visits again and sees a definite deterioration in their physical and mental health.

Why are these reports needed?

Why did the Council and the PCT decide that these reports were needed? There are a number of reasons. Some are because of changes in society, some are about changes in the views of the people who use services now – or may need to use them in the future, some are about changes in the Council and the National Health Service (NHS). These are some of the main changes.

A big change is in the make-up of the local population of Hartlepool. Like everywhere else people in Hartlepool are living longer. By 2025 there will be over 30% more people over 65 living in Hartlepool. The numbers of people over 85 will increase even more – by 75%. More people living longer will almost certainly mean that there are more people who need support. It also

makes it even more important to help people stay healthy so that they won't need support.

Not only are there going to be more older people but the expectations of those people are changing as well. For example people who have owned their own homes are less likely to accept having to move to rented accommodation when they become too frail to stay where they are. Increasingly people want to buy sheltered housing rather than rent it. Yet there is currently no sheltered housing available to buy in Hartlepool. If it isn't provided then people may well move out of the town – and there is already some evidence that this is happening.

People also increasingly expect that they will be able to choose what services they get and when and how they are delivered. All too often in the past services have been offered to people on a 'take it or leave it' basis. People now expect more choice and they want services that support them rather than take over their lives.

More people are being supported to live at home rather than go into a care home or long-stay hospital. That is what most people say they want. But this can be more expensive for the Council and the NHS. That means that they have less money to spend on people who are not quite so ill or disabled – people who, for example, need help with practical jobs such as gardening or cleaning but who don't need help with personal care such as washing and dressing. Over the past few years the Council has been able to help fewer people – but the people who do get help are getting more help. It is not realistic to think that we can simply go back to providing support to everyone who might need it – that would be too expensive. Instead we need to find ways of helping people help themselves. That will be partly about helping people keep fit and healthy. But it is also recognising that in the future many people will have to pay for some services themselves. But it is part of the job of the Council to make sure those services are available and that people can afford them.

Another major change that is coming along is what are called 'individual budgets'. This means that instead of the Council

deciding what services to give to people they will give that person an individual budget. This will be the same as the amount of money the Council would have spent – but it will be up to that person to decide how it should be spent.

What do people want?

In the course of developing these plans we talked to older people in the town about what sort of support they wanted. We also looked at the national research in this area. There was a lot of similarity in what we found.

First of all it is worth remembering that the vast majority of older people live independently in their own homes. Only about 5% live in sheltered housing. Another 5% live in care homes. Even in Hartlepool, which has a lot of council housing, about 50% of older people own their own homes and the number is growing.

When we asked people about their plans for the future most people were clear that they wanted to stay where they were. But

they had a number of concerns about making sure this was possible. These included:

- Getting practical support – help with things like shopping, decorating and gardening
- Getting repairs done on the house (this was an issue for owner-occupiers)
- Getting to services – whether this was health services or things like leisure and social activities
- Getting information about what was available and then advice about what was best for them.

We also asked if people would be prepared to pay for some services in the future. There was a view that people shouldn't have to but there was also a recognition that they are going to have to in some cases. There was a clear view that if charges were made then they should not be means tested and should be the same for everyone.

Overall our consultations supported the picture that has emerged from the national research. People value services that offer practical support and are aimed at keeping people independent in their own homes. People are looking for services that are of good quality and delivered by people they can trust. People would be willing to contribute towards the cost of these services if charges are set at a reasonable level and were not means tested. Above all people emphasised the importance of being able to get good information and advice about what services are available and which options are best for them.

What services currently exist and what changes are needed?

Both reports look at the services that are currently available in Hartlepool. There are lots of services provided in the town – too many to go into detail in this summary. Many of these services are of high quality and are appreciated by the people who use them. Many need to be continued and in some cases extended.

However other services need to change to keep pace with recent developments and changing expectations. A good example is sheltered housing. There continues to be a demand for sheltered housing in the town. But there is growing evidence that many people are no longer prepared to accept 'bedsit' type accommodation. People increasingly want at least one separate bedroom. Also there is very little sheltered housing for lease or sale – only about 5% of sheltered housing is of this type. Yet already 50% of older people in the town own their own home and this proportion will grow. There is a need to provide more sheltered housing for sale or lease to give older people more choice.

There are a number of valued services that are struggling to keep afloat. Many of the so called 'low-level support' services that provide help with practical jobs like decorating and gardening are in this position. They often rely on short-term funding and are unable to meet the demand for their services. However simply expecting the Council to step in and provide funding is unrealistic – the Council doesn't have the money to do this. These services need to find new ways of getting money using a combination of

charging people for services and developing a bigger range of services which can generate enough income to keep them going.

Finally there are some areas where there are gaps in services that need to be filled. We have identified two major gaps.

Firstly is a new type of housing called 'extra care'. This is a bit like sheltered housing but includes personal care services as well so that people who are very disabled can be looked after there, rather than go into a care home. Often extra care housing schemes act as a focal point for their local community including facilities like a café that local people as well as residents can use. There is a big extra-care housing scheme being built in the town by the Joseph Rowntree Housing Trust at Hartfields. The first phase of this recently opened but more of this sort of housing is needed in other parts of the town.

Secondly there is a big gap in the availability of good and accurate information and advice about services. Being able to get good information about all the services that are available and

the different options open to people is essential to help people stay independent and choose what is best for them.

The reports make a lot of recommendations about changes that could be made. The Council and PCT are now looking at these to agree which are the most important and how the changes can be made.

What changes are we going to make?

The two reports show that, to use a well-worn cliché, 'the status quo is not an option'. Services will have to change to meet people's changing expectations about what services they want and how these are delivered and the growing numbers of older people in the town. We will prepare detailed plans for these changes but it is clear what the major areas of change will be.

Providing people with more options for their housing. This will include building sheltered housing for people to buy or lease so that they can continue to own their own home but also get the support that they need on site. It will also mean building more

extra care housing so more people have an alternative to residential care.

Planning homes and communities that will suit all people for all of their lives. Building what are called 'lifetime homes' that are suitable for people who are less mobile and that can be easily adapted, for example by putting in a stair lift, so that people can stay there rather than have to move to somewhere more suitable. When new developments are planned making sure that they encourage mixed communities with housing that is suitable for all groups not just, say, families with children or single people.

Developing more services that will support people in their own homes. This will mean a number of things including:

- Having more services that can provide support to people wherever they live – not just in sheltered housing
- Developing better services to support people with dementia to live in their own homes

- Making more use of new technology – what is known as ‘telecare’ – to enable people to stay in the community.

More services that help to prevent people needing care. There is some evidence that practical services providing help in the home, such as shopping, gardening, help with small repair tasks, can help people to stay independent for longer. We will see how we can develop more of these services. Also we will look at ways of helping people to use the services that already exist but which people are often reluctant to use because of concerns about their quality or reliability, for example, by setting up a ‘care and repair’ scheme.

Better information and advice. We will set up a service to make sure that people can get good information and advice about all the services that are available in the town. This will also include giving people information about the different housing options available and helping them decide which is best for them. The service will also help people to get services once they have decided what services they need.

Better planning of services. Finally we will be looking at how we plan services to make sure that the Council and PCT work better to plan services together and that we work with other people, including service users, to ensure that services are meeting local people's needs.

Telling us your views

Making these changes will take time. Building new houses, for example, can take many years. We are developing an action plan that will set out what we are planning to do and when. This will be available later in the year.

In the meantime if you have any comments or suggestions about how people can be best supported to remain independent or want to give us your views on anything in this report please get in touch. You can let us have your comments by:

- Post
- Telephone
- e-mail

Mr and Mrs Smith – after we make these changes

Mr and Mrs Smith live in their own home and are becoming increasingly frail. They find the upkeep of the home an increasing burden but are frightened of getting anyone in to help because their neighbour had a bad experience with a rogue builder recently. They are becoming increasingly isolated. They have reached the point where they are seriously considering selling up and moving into a residential home because they think it will make their lives easier.

The district nurse comes in one day to dress a wound from a fall. She realises that they need some help and, on her return to the surgery, accesses the older people's website. She quickly downloads some information which she sends to them. This includes:

- Information from the trades register about trusted trades people they can use to get some essential repairs done on the house. She also gives them the number of the local care and repair service who help them to organise the building work that needs doing
- Information about the preventative support service that can come in and clean the house on a regular basis for a small charge
- Information about local groups who provide activities that they could join
- She also refers them to a befriending service. A week later a volunteer calls round and ranges to come and visit them on a regular basis and also accompany them on occasional trips out

On the basis of this Mr and Mrs Smith decide that they will stay where they are. After 3 months the district nurse sees a definite improvement in the physical and mental health.

Report of: The Mayor

Subject: Cabinet Contingency Fund

1. PURPOSE OF REPORT

To seek agreement from Cabinet to help fund the launch of a comic by RESPECT with £6,000 from the Cabinet's contingency fund.

2. BACKGROUND

RESPECT are a voluntary organisation that provide vital services for the most needy children in Hartlepool. They provide services such as Counselling, bereavement services and support children who are being bullied, have drug problems and many other issues. RESPECT has gained national recognition for the work they do.

Some children who access RESPECT's services have been working with Keith Robson, a former illustrator and writer for the Dandy and Beano comics, to put together a comic, aimed at younger teenagers, which addresses many of the problems and issues that young people encounter. The results have been receiving plaudits from many quarters. It is hoped the first edition will be taken by all of the secondary schools in the town and two have already agreed to do so. Future editions are expected to be more widely distributed throughout the region.

A local solicitors' firm has agreed to sort out copyright and trademark issues at a reduced cost.

Costs –

First printing run (5000 copies) - £1,600

Second printing run (5000 copies) - £1,000

Launch - £1,000.

Second Edition (10,000 copies) - £2,600

Third Edition (10,000 copies) - £2,600

An income stream and further funding is expected for future editions.

3. RECOMMENDATIONS

Cabinet is requested to agree to fund the project to the tune of £6,000 as a one-off payment.

4. CONTACT OFFICER

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