

CABINET AGENDA



Monday, 9th February 2009

at 5 pm

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

- 3.1 To receive the Record of Decision in respect of the meeting held on 26th January 2009 (Previously Circulated)

4. BUDGET AND POLICY FRAMEWORK

- 4.1 Corporate Plan Update for 2009/10 – Proposed Outcomes and Actions – *Assistant Chief Executive*
4.2 Medium Term Financial Strategy – Budget and Policy Framework 2009/2010 to 2011/2012 – *Corporate Management Team*

5. KEY DECISIONS

No items

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Former Eldon Grove Sports Centre – *Director of Adult and Community Services and Director of Neighbourhood Services*
6.2 Transfer of Commissioning Responsibilities for 16-18 year old Education and Training to Local Authorities – Stage 2 – *Director of Children's Services*
6.3 Biodiversity Report 2008 – *Director of Neighbourhood Services*

7. ITEMS FOR DISCUSSION

No items

8. ITEMS FOR INFORMATION

- 8.1 Local Area Agreement – Annual Refresh 2009/10 – *Head of Community Strategy*

9. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 9.1 Formal Response to the Executive's Budget and Policy Framework Proposals for 2009/10 – *Scrutiny Co-ordinating Committee*
- 9.2 Final Report – Scrutiny Investigation into the Use of Agency Workers within the Council – *Scrutiny Co-ordinating Committee*
- 9.3 Final Report – Scrutiny Investigation into the Use of Agency Workers within the Council – Action Plan – *Chief Personnel Officer*

CABINET REPORT

9 February 2009



Report of: Assistant Chief Executive

Subject: Corporate Plan update for 2009/10 - Proposed Outcomes and Actions

SUMMARY

1. PURPOSE OF REPORT

To enable Cabinet to discuss the proposed outcomes and actions for inclusion in the Council's Corporate Plan for 2009/10. The Corporate Plan is for the 3-years 2008/9 to 2010/11. This coincides with the Local Area Agreement and the Government's Comprehensive Spending Review and allocation of funding to local government which is reflected in the Council's own Medium Term Financial Strategy.

2. SUMMARY OF CONTENTS

This report proposes the outcomes and actions for each of the eight community strategy aims and the council's organisational development priorities. The purpose of the plan is to describe the Council's priorities for 2009/10, including how weaknesses will be addressed, opportunities exploited and better outcomes delivered for local people.

3. RELEVANCE TO CABINET

The Corporate Plan is part of the Council's overall service planning and budget arrangements. It forms part of the Council's Budget and Policy Framework for reporting purposes. It is a key document that sets out the Council's priorities and contribution to achieving the Community Strategy aims. The Corporate Plan is developed in conjunction with the Local Area Agreement (LAA) to ensure the outcomes included in the Local Area Agreement are embedded in the Council's Corporate Plan.

The Corporate Plan is an important document because it formally communicates the council's vision and priorities.

4. TYPE OF DECISION

Budget and Policy Framework.

5. DECISION MAKING ROUTE

Scrutiny Coordinating Committee will consider the Organisational Development proposals on 13 February, and the Service Scrutiny Forums will meet individually (between 2 March and 6 March) to consider the remaining proposals on a departmental basis and report back, by written report, to Scrutiny Coordinating Committee on 20 March. The scrutiny process has been agreed with Chair of Scrutiny Coordinating Committee.

Cabinet will be given further opportunities to consider the Corporate Plan as further progress is made. Final approval of the Plan will be by Council in June/July 2009.

6. DECISION(S) REQUIRED

Cabinet is asked to consider the proposed Corporate Plan Outcomes and suggest any revisions.

Report of: Assistant Chief Executive

Subject: Corporate Plan update for 2009/10 – Proposed Outcomes and Actions

1 PURPOSE OF REPORT

- 1.1 To enable Cabinet to discuss the proposed outcomes and actions for inclusion in the Council's Corporate Plan for 2009/10. The Corporate Plan is for the 3-years 2008/9 to 2010/11. This coincides with the Local Area Agreement and the Government's Comprehensive Spending Review and allocation of funding to local government which is reflected in the Council's own Medium Term Financial Strategy.

2 BACKGROUND

- 2.1 The Corporate Plan is part of the Council's overall service planning and budget arrangements. Cabinet has already considered pressures and priorities as part of the process of agreeing budgets for 2009/10. As budget decisions are finalised these will be reflected in the Council's plans for 2009/10.
- 2.2 The Corporate Plan is the Council's top-level plan, setting out the Council's top priorities and contributions for delivering the Community Strategy aims in 2009/10 and those matters which do not form part of the community strategy but which are priorities for the Council.
- 2.3 The Corporate Plan is an important document because it formally communicates the council's vision and priorities. The process for producing the plan has been designed to ensure risk is minimised and that the Corporate Plan is fit for purpose.
- 2.4 As in previous years the Corporate Plan outcomes have been developed in conjunction with the Local Area Agreement (LAA) to ensure the outcomes and targets included in the LAA are embedded in the Council's Corporate Plan. The LAA sets out the "deal" between central government, the Council and partners to improve services and the quality of life in Hartlepool.
- 2.5 The Corporate Plan is based around the Hartlepool Partnership's Community Strategy aims, which have been adopted by the Council. Therefore the proposed Corporate Plan outcomes have been organised around the eight Community Strategy themes, with an additional section proposing outcomes, and actions, around organisational development priorities (as in previous years).
- 2.6 The Corporate Plan outcomes and actions approved by Council in June will be incorporated into the Council's performance management system and progress reported quarterly to Cabinet and Scrutiny Co-ordinating Committee.

- 2.7 The focus of the Corporate Plan for 2009/10 is on priority activities for improvement at a strategic level rather than day to day service delivery outcomes. The operational service delivery outcomes and actions are picked up through Departmental service plans, which are reported to individual portfolio holders.
- 2.8 Cabinet is asked to consider whether the outcomes and actions identified, properly reflect the council's priorities and if they wish, suggest amendments.

3 THE CORPORATE PLAN

- 3.1 As in previous years the plan will be produced in 2 parts. Part 1 describes the Council's overall aim, contributions to the Community Strategy aims and outcomes and actions.
- 3.2 The proposed list of outcomes and actions for inclusion in the 2009/10 plan, at appendix A, is not a final definitive list. Officers will continue to review the contents over the coming months, and will amend, if deemed appropriate and if changing priorities demand it. Any proposed changes to the list of outcomes and actions will be brought to Cabinet for consideration.
- 3.3 Part 2 will continue to contain the detailed supporting information relating to performance statistics. The Council now has greater flexibility about what performance statistics it chooses to publish following the replacement of Best Value performance indicators with the National Indicator set. Part 2 for 2009/10 will include performance statistics relevant to the Corporate Plan drawn from National and local indicators. Where available, the information provided will include 2007/8 and 2008/9 outturns and targets for 2009/11, 2010/11 and 2011/12.
- 3.4 The performance information cannot be collected until after 31 March, and is therefore not available at present. As with previous years, this will be presented to Cabinet and Scrutiny Coordinating Committee in May/June for consideration. At this stage Cabinet is therefore only being asked to consider the Corporate Plan outcomes and actions, which are attached at Appendix A, although Cabinet will be given further opportunities to consider the Corporate Plan as further progress is made.
- 3.5 In addition, and in line with previous years officers will be identifying those key performance indicators which underpin the Corporate Plan. This process, as in previous years, will commence once the outcomes and actions have been agreed and will be brought to a future Cabinet meeting for approval.

4 TIMETABLE FOR CONSIDERING THE PLAN AND NEXT STEPS

- 4.1 The key dates for completing the plan are as follows.
- 4.2 Scrutiny Coordinating Committee and the Scrutiny Forums will be asked to consider the proposals in February/March, and then Cabinet and Scrutiny Coordinating

Committee will be asked to agree both Part 1 and Part 2 of the Corporate Plan May/June. Final approval of the Plan will be by Council in June/July.

5 RECOMMENDATION

- 5.1 Cabinet is asked to consider the proposed Corporate Plan Outcomes and Actions and suggest any revisions.

Corporate Plan 2009/10 – Proposed Outcomes and Actions

Jobs and the Economy

Outcome : Attract Investment (Outcome Lead : Israr Hussain)

Code	Action	Lead Department / Division
CORP JE01	Continue to work with partners to provide key manufacturing and service sector infrastructure including appropriate sites and premises including the development of the Southern Business Zone	Regeneration and Planning Services Department
CORP JE02	Work with Tees Valley Regeneration and PD Ports for the redevelopment of Victoria Harbour within Hartlepool Quays	Regeneration and Planning Services Department

Outcome : Be globally competitive (Outcome Lead: Mick Emerson)

Code	Action	Lead Department / Division
CORP JE03	Support the local economy through discretionary rate relief mechanisms; the promotion of the small business rate relief scheme; accelerating invoice payment procedures to businesses within the Borough	Finance Division (CED)
CORP JE04	Continued development of Hartlepool's Business Incubation System and business support programme including the development of the visitor economy network	Regeneration and Planning Services Department
CORP JE05	Develop and facilitate entrepreneurial activities including working with young people to foster the enterprise culture in the town	Regeneration and Planning Services Department

Outcome : Create more employment opportunities for local people (Outcome Lead : Patrick Wilson)

Code	Action	Lead Department / Division
CORP JE06	Develop employment and training initiatives in partnership with key stakeholders for residents [including targeting individuals from the most deprived wards] which meet the demands of the local labour market and the business community	Regeneration and Planning Services Department

Outcome: Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (Outcome Lead: Tom Argument)		
Code	Action	Lead Department / Division
CORP JE07	Reduce the level of young people who are Not in Employment, Education or Training (NEET)	Children's Services Department
CORP JE08a	Reduce the proportion of children in poverty	Children's Services Department
CORP JE08b	Coordinate the implementation of the Council's Child Poverty Strategy and Action Plan in relation to economic participation	Regeneration and Planning Services Department
CORP JE09	Implement the Hartlepool 14-19 Strategy	Children's Services Department
CORP JE10	Implement the Machinery of Government Changes (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper	Children's Services Department

Outcome: Promote Hartlepool's interests in economic regeneration policy making at the national, regional and sub-regional levels (Outcome Lead: Derek Gouldburn)		
Code	Action	Lead Department / Division
CORP JE11	Pursue due recognition of Hartlepool's economic role, needs and opportunities in national, regional and sub-regional policy	Regeneration and Planning Services Department
CORP JE12	Coordinate Key Regeneration Programmes ¹	Regeneration and Planning Services Department

Outcome: Support and promote appropriate physical and economic regeneration and pursue external funding opportunities (Outcome Lead: Andy Golightly)		
Code	Action	Lead Department / Division
CORP JE12	Coordinate Key Regeneration Programmes ¹	Regeneration and Planning Services Department

¹ The Action CORP JE12 Coordinate Key Regeneration Programmes has different activities relevant to both outcomes and these will be reported appropriately.

Lifelong Learning and Skills

Outcome : Enjoy and Achieve (Outcome Lead : Caroline O'Neill)		
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Code	Action	Lead Department / Division
CORP LLS01	Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median	Children's Services Department
CORP LLS02	Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1 - 2 improve the proportion of pupils progressing by 2 National Curriculum levels in English	Children's Services Department
CORP LLS03	Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1 - 2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths	Children's Services Department
CORP LLS04	Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2 - 4 improve the proportion of pupils making at least 2 National Curriculum levels progress	Children's Services Department
CORP LLS05	Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths	Children's Services Department
CORP LLS06	Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A*-C grades at GCSE or equivalent, including English and Maths	Children's Services Department
CORP LLS07	Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4	Children's Services Department
CORP LLS08	Provide enrichment opportunities: Increase the percentage of pupils participating in extra-curricular activities	Children's Services Department
CORP LLS09	Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra-curricular activities	Children's Services Department
CORP LLS10	Provide enrichment opportunities: Improve the availability of curriculum enrichment activities for all pupils including educational and residential visits, music, sport, creative and performing arts	Children's Services Department

Outcome : Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (Outcome Lead: Diane Martin)		
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Code	Action	Lead Department / Division
CORP LLS11	Facilitate the physical enhancement and improvement of key education facilities – College of Further Education	Regeneration and Planning Services Department

Outcome: Transform teaching and learning opportunities, supported by £100m+ investment from Building Schools for the Future and the Primary Capital Programme (Outcome Lead: Paul Briggs)		
Code	Action	Lead Department / Division
CORP LLS12	Select Building Schools for the Future Information & Communications Technology (ICT) Managed Service provider through Official Journal of the European Union notice and competitive dialogue	Children's Services Department
CORP LLS13	Select Building Schools for the Future Design and Build provider from National Framework through invitation to express interest and mini competition	Children's Services Department
CORP LLS14	Initiate ICT Managed Service at St Hild's School	Children's Services Department
CORP LLS15	Initiate construction work at Dyke House School	Children's Services Department
CORP LLS16	Procure initial Primary Capital Programme Projects, with a capital value of £8.4m	Children's Services Department
CORP LLS17	Implement the Schools Transformation Programme	Neighbourhood Services Department

Health and Wellbeing

Outcome : Improved Health (Outcome Lead: Madeleine Johnson)
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Code	Action	Lead Department / Division
CORP HW01	To improve the health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan	Adult and Community Services Department
CORP HW02	To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities	Adult and Community Services Department

Outcome : Be Healthy (Outcome Lead: Sally Robinson)
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Code	Action	Lead Department / Division
CORP HW03	Work with partners to reduce health inequalities e.g. by promoting breastfeeding, reducing smoking in pregnancy, tackling obesity	Children's Services Department
CORP HW04	Work with partner agencies, young people, schools and families to reduce under 18 conception rate by 55% from 1998 baseline and improve sexual health	Children's Services Department
CORP HW05	Work with partner agencies, young people, schools and families to tackle substance misuse (including alcohol)	Children's Services Department
CORP HW06	Actively contribute to the health and future well being of the Children of Hartlepool	Neighbourhood Services Department

Outcome : Exercise of choice and control and retention of personal dignity (Outcome Lead: Jill Harrison)

Code	Action	Lead Department / Division
CORP HW07	To ensure all service developments have involvement from service users and their carers	Adult and Community Services Department
CORP HW08	To ensure that all service users and carers have the opportunity to plan, direct and commission their own support	Adult and Community Services Department
CORP HW09	To increase the number and range of supported accommodation options	Adult and Community Services Department
CORP HW10	Increase social inclusion for people with mental health issues	Adult and Community Services Department

Outcome: Improved Mental Health and Wellbeing (Outcome Lead: Carl Bashford)		
Code	Action	Lead Department / Division
CORP HW11	To support people with mental health issues into paid employment	Adult and Community Services Department
CORP HW12	To increase social inclusion for people with mental health issues	Adult and Community Services Department

Outcome: Easier Access to Services (Outcome Lead: Jill Harrison)		
Code	Action	Lead Department / Division
CORP HW13	To ensure that carers are supported effectively to support their family members for as long as they wish	Adult and Community Services Department
CORP HW14	To work with the community in Owton to implement the Connected Care Scheme	Adult and Community Services Department
CORP HW15	To ensure that services are culturally sensitive and are able to respond flexibly to the diverse needs of the community	Adult and Community Services Department
CORP HW16	To ensure easier access to both universal and targeted services that are tailored to individual needs	Adult and Community Services Department
CORP HW17	To develop appropriate partnerships with the voluntary sector by setting up the Steering Group and implement the Strategy	Adult and Community Services Department
CORP HW18	Improve access to psychological interventions	Adult and Community Services Department
CORP HW19	To ensure integrated services are delivered in conjunction with Health where appropriate	Adult and Community Services Department

Outcome: To safeguard and improve health and well-being for people working, living and visiting the borough (Outcome Lead: TO BE CONFIRMED – ACSD LEAD DEPARTMENT)		
Code	Action	Lead Department / Division
CORP HW20	Deliver advice and enforcement on legislation in relation to Public Protection issues	Neighbourhood Services Department

Community Safety

Outcome : Reduced Crime (Outcome Lead: Brian Neale)		
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Code	Action	Lead Department / Division
CORP CS01	Ensure compliance with section 17 of Crime and Disorder Act 1998, by supporting all Council Departments in developing their understanding and responsibilities to preventing and reducing crime and disorder when delivering services	Regeneration and Planning Services Department
CORP CS02	Contribute to developing partnership approaches to reduce the levels of violence and disorder specific to the town centre night-time economy and domestic related incidents, together with addressing alcohol related crime and disorder across Hartlepool	Regeneration and Planning Services Department

Outcome : Reduced harm caused by illegal drugs and alcohol (Outcome Lead: Chris Hart)		
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Code	Action	Lead Department / Division
CORP CS03	Ensure effective drug treatment services and interventions	Regeneration and Planning Services Department
CORP CS04	Strengthen alcohol treatment and support services	Regeneration and Planning Services Department

Outcome : Improved neighbourhood safety and increased public confidence, leading to reduced fear of crime and anti-social behaviour (Outcome Lead: Sally Forth)		
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Code	Action	Lead Department / Division
CORP CS05	Reduce anti social behaviour and criminal damage, including deliberate fire setting	Neighbourhood Services Department ; Regeneration and Planning Services Department
CORP CS06a	Plan for Contest / Prevent agenda	Neighbourhood Services Department
CORP CS06b	Promote community cohesion and engagement within communities, including the co-ordination of the local Prevent strategy	Regeneration and Planning Services Department

Outcome: Reducing offending and re-offending (Outcome Lead: Chris Catchpole)		
Code	Action	Lead Department / Division
CORP DRAFT CS07	Improve the effectiveness of criminal justice interventions for adult offenders who are supervised by the Reduction of Re-offending team.	Regeneration and Services Department Planning
CORP DRAFT CS08	Promote integrated offender management	Regeneration and Services Department Planning
CORP DRAFT CS09	Support the implementation of the 'Team Around the School' model and extend the early identification and support for those children and young people who are at risk of offending	Regeneration and Services Department Planning

Outcome: Stay Safe (Outcome Lead: Sally Robinson)		
Code	Action	Lead Department / Division
CORP CS10	Effectively implement the recommendations from Care Matters to improve outcomes for looked after children	Children's Services Department
CORP CS11	Develop and implement an e-safety strategy	Children's Services Department
CORP CS12	Develop the work of the Local Safeguarding Children Board to achieve the wider safeguarding agenda, reflecting local priorities	Children's Services Department

Environment

Outcome: Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local natural environment (Outcome Lead: Sarah Scarr)

Code	Action	Lead Department / Division
CORP EN01	Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change	Regeneration and Planning Services Department
CORP EN02	Review significant features of Hartlepool's natural environment	Regeneration and Planning Services Department
CORP EN03	Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment.	Regeneration and Planning Services Department

Outcome: Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (Outcome Lead: Albert Cope)

Code	Action	Lead Department / Division
CORP EN04	Improve and maintain the natural and built environment	Neighbourhood Services Department
CORP EN05	Protect the natural and built environment and enforce environmental legislation when appropriate	Neighbourhood Services Department

Outcome: Provide a sustainable, safe, efficient, effective and accessible transport system (Outcome Lead: Mike Blair)

Code	Action	Lead Department / Division
CORP EN06	Deliver the Local Transport Plan	Neighbourhood Services Department
CORP EN07	Establish an integrated transport structure	Neighbourhood Services Department

Outcome: Make better use of natural resources and reduce the generation of waste and maximise recycling (Outcome Lead: Colin Ogden)		
Code	Action	Lead Department / Division
CORP EN08	Implement the Joint Tees Valley Waste Management Strategy	Neighbourhood Services Department

Outcome: Prepare for the impacts of and secure local and global action to tackle climate change (Outcome Lead: Sylvia Tempest)		
Code	Action	Lead Department / Division
CORP EN09	Develop and deliver corporate environmental strategies	Neighbourhood Services Department
CORP EN10	Develop Energy Management "invest to save" programme for Council buildings	Neighbourhood Services Department

Outcome: Promote community involvement in positive action to reduce poverty through fair trade and promoting peace and security (Outcome Lead: Sylvia Tempest)		
Code	Action	Lead Department / Division
CORP EN11	Promote Hartlepool as a Fair Trade Town	Neighbourhood Services Department

Housing

Outcome : **Balancing Housing supply and demand** (Outcome Lead: Nigel Johnson)

Code	Action	Lead Department / Division
CORP HO01	Pursue a strategic housing market renewal programme in partnership with Tees Valley Living and key local partners	Regeneration and Planning Services Department
CORP HO02	Enable development of affordable housing	Regeneration and Planning Services Department

Outcome : **Improving the quality of existing housing** (Outcome Lead: John Smalley)

Code	Action	Lead Department / Division
CORP HO03	Encourage improvements to homes to meet and exceed 'decent homes standards'	Regeneration and Planning Services Department
CORP HO04	Improve the energy efficiency of houses	Regeneration and Planning Services Department

Outcome : **Changing housing needs and Meeting the Housing Needs of Vulnerable People** (Outcome Lead: Nigel Johnson)

Code	Action	Lead Department / Division
CORP HO05	Provide support services to increase the opportunity for residents to live independently in the community	Regeneration and Planning Services Department
CORP HO06	To ensure the delivery of high quality housing support services through efficient and effective contracts with providers	Regeneration and Planning Services Department

Outcome : **Access to Housing** (Outcome Lead: Lynda Igoe)

Code	Action	Lead Department / Division
CORP HO07	Ensure there is access to a choice of good quality housing to buy or rent, to meet the aspirations of residents and encourage investment	Regeneration and Planning Services Department
CORP HO08	Open the Housing Options Centre	Regeneration and Planning Services Department

Culture and Leisure

Outcome : Enrich individual lives, strengthen communities and improve places where people live through enjoyment of leisure, culture and sport (Outcome Lead: John Mennear)
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Code	Action	Lead Department / Division
CORP CL01	Develop and deliver strategies to improve cultural, leisure facilities and events	Adult and Community Services Department
CORP CL02	To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible mediums	Adult and Community Services Department

Outcome : Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (Outcome Lead: John Mennear)
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Code	Action	Lead Department / Division
CORP CL03	To increase opportunities for participation in a wide range of cultural and leisure activity focussing on areas of disadvantage	Adult and Community Services Department

Strengthening Communities

Outcome: Empower local people to have a greater voice and influence over local decision making and the delivery of services (Outcome Lead: Karen Oliver)
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Code	Action	Lead Department / Division
CORP SC01	Ensure that sound mechanisms are in place which engenders a culture that provides the opportunities for meaningful public participation in Service Delivery	Neighbourhood Services Department
CORP SC02	Ensure a fit for purpose Local Strategic Partnership	Regeneration and Planning Services Department
CORP SC03	Coordinate the preparation, implementation, review and partnership monitoring of the Local Area Agreement	Regeneration and Planning Services Department

Outcome: Make a positive contribution (Outcome Lead: John Robinson)
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Code	Action	Lead Department / Division
CORP SC04	Support parents and carers to fulfil their responsibilities to their children effectively	Children's Services Department
CORP SC05	Promote children and young people's participation in decision making	Children's Services Department
CORP SC06	Promote emotional wellbeing in children and young people	Children's Services Department
CORP SC07	Work with partner agencies to reduce youth offending	Children's Services Department
CORP SC08	Improve the level of young people's participation in positive activities	Children's Services Department
CORP SC09	Provide opportunities for young people to participate in influencing decision making processes	Neighbourhood Services Department

Outcome: Improving quality of life and ensuring service providers are more responsive to neighbourhood needs with particular focus on disadvantaged areas (Outcome Lead: Catherine Frank)		
Code	Action	Lead Department / Division
CORP SC10	Ensure Neighbourhood Managers have appropriate support in the implementation of Neighbourhood Action Plans	Neighbourhood Services Department
CORP SC11	Ensure the delivery of the Neighbourhood Renewal in the Borough	Regeneration and Planning Services Department
CORP SC12	Continue the programme of Neighbourhood Action Plans (NAP) preparation, implementation and review	Regeneration and Planning Services Department
CORP SC13	Support the development and implementation of regeneration programmes within disadvantaged areas.	Regeneration and Planning Services Department

Outcome: Improving Financial Inclusion (Outcome Lead: John Morton)		
Code	Action	Lead Department / Division
CORP SC14	Developing money management training/awareness in partnership with the education sector	Finance Division (CED)
CORP SC15	Developing referral arrangements from PCT channels to improve the awareness of financial support packages for those in need	Finance Division (CED)
CORP SC16	Supporting the development of Hartlepool's Financial Inclusion Partnership	Finance Division (CED)

Outcome: Freedom from discrimination and harassment (Outcome Lead: Wally Stagg)		
Code	Action	Lead Department / Division
CORP SC17	Enhance Equality and Diversity arrangements and mainstream into all Council service activities	Human Resources Division (CED)

Outcome: Ensure communities are well prepared to respond to emergency situations (Outcome Lead: Denis Hampson)		
Code	Action	Lead Department / Division
CORP SC18	Ensure that robust emergency planning arrangements are in place	Neighbourhood Services Department

Organisational Development

Outcome : Improve Performance Management and risk management arrangements (Outcome Lead : Andrew Atkin)
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Code	Action	Lead Department / Division
CORP OD01	Continued development of service planning and performance management arrangements	Corporate Strategy Division (CED)
CORP OD02	Implement Risk Strategy to ensure robust risk management arrangements are in place	Corporate Strategy Division (CED)
CORP OD03	Develop and improve the effectiveness of the Overview and Scrutiny Function	Corporate Strategy Division (CED)
CORP OD04	Prepare for introduction of Comprehensive Area Assessment in 2009	Corporate Strategy Division (CED)

Outcome : Improve Governance Arrangements (Outcome Lead: Peter Devlin)

Code	Action	Lead Department / Division
CORP OD05	Development of Governance Arrangements	Legal Services Division (CED)
CORP OD06	Ensure arrangements are in place to deal with new and existing legislation	Legal Services Division (CED)

Outcome : Improve financial management and reporting (Outcome Lead : Mike Ward)
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Code	Action	Lead Department / Division
CORP OD07	Formalising the budgetary roles and responsibilities of the departmental and central finance teams	Finance Division (CED)
CORP OD08	Improving accounting reporting mechanisms by developing linkages between performance and financial management	Finance Division (CED)
CORP OD09	Development of annual reports	Finance Division (CED)
CORP OD10	Improving awareness of the Council's financial position	Finance Division (CED)

Outcome : Improve access and understanding between the Council and the Public (Outcome Lead: Joanne Machers)		
Code	Action	Lead Department / Division
CORP OD11	Develop the Contact Centre to increase the range of services provided	Human Resources Division (CED)
CORP OD12	Implement the Communicating with your Council plans	Corporate Strategy Division (CED); Human Resources Division (CED)

Outcome : Improve Elected member and Workforce arrangements (Outcome Lead: Joanne Machers)		
Code	Action	Lead Department / Division
CORP OD13	Implement Elected Member Development Strategy	Human Resources Division (CED)
CORP OD14	Implement the People Strategy and Workforce Development Strategy	Human Resources Division (CED)

Outcome : Improve efficiency and effectiveness of the organisation (Outcome Lead: Mike Ward)		
Code	Action	Lead Department / Division
CORP OD15	Develop and implement Business Transformation Programme	Corporate Strategy Division (CED); Finance Division (CED)
CORP OD16	Development of transactional services (i.e. payroll services, income management services)	Finance Division (CED)
CORP OD17	Restructuring responsibilities for financial management and support	Finance Division (CED)
CORP OD18	Review 5 year procurement plan	Neighbourhood Services Department
CORP OD19	Review procurement strategy	Neighbourhood Services Department

CABINET REPORT

9th February, 2009



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY - BUDGET
& POLICY FRAMEWORK 2009/2010 TO 2011/2012

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to finalise the Medium Term Financial Strategy (MTFS) and to determine the detailed 2009/2010 Budget and Council Tax proposals to be referred to Council on 12th February, 2009.

2. SUMMARY OF CONTENTS

- 2.1 The report provides a detailed overview of the financial issues affecting the Council in relation to:
- the 2008/2009 Outturn Strategy;
 - Capital programme 2009/2010 to 2011/2012;
 - General Fund and Council Tax 2009/2010 to 2011/2012.
- 2.2 The aim of the 2008/2009 outturn strategy is to maximise ongoing financial flexibility. This is achieved through the proposed strategy for managing 2008/2009 departmental overspends and proposals for setting aside resources for a range of one-off issues and support for future years budgets.
- 2.3 The financial position for 2009/2010 and beyond is significantly more challenging than previously anticipated. At a local level this is owing to increased pressures in relation to Children's and Adult Social Services and Job Evaluation. The local position will also be affected by the impact of the recession. The most visible initial sign of this locally will be a significant reduction in investment income owing to interest rates falling to levels not seen for over 50 years. Other income streams will come under increasing pressure in 2009/2010.
- 2.4 This is not an entirely new problem as the Council has been funding a structural deficit for a number of years from the use of reserves. The previous strategy reflected the planning assumption that the budget could be brought back into balance over a number of years through a combination of increasing grant allocations, Council Tax increases, the achievement of efficiencies and the control of costs. The latter factor is the most difficult to

achieve owing to the demand lead nature of many services, particularly Children's and Adult Social Services.

- 2.5 In 2009/2010 the position can be managed by increasing the level of temporary support to £5.1m, compared to £2.7m planned in February, 2008. This position is not sustainable beyond 2009/2010. Therefore, a strategy will need to be developed during 2009/2010 to address the structural deficit, which arises because expenditure is increasing at a faster rate than income.
- 2.6 The Business Transformation programme will make a significant contribution to reducing the structural budget deficit and achieving future year's efficiency targets. However, the Business Transformation programme will not fund the whole of the budget deficit and other measures will need to be identified during 2009/2010 to put the budget onto a sustainable basis as detailed in the following table.

	2010/11 £'000	2011/12 £'000
Revised Budget Deficit (as detailed in paragraph 7.13)	1,525	1,312
Add - 2010/11 3% efficiencies	2,522	0
Add - 2010/11 and 2011/12 cumulative 3% efficiencies	0	5,107
Less - 2010/11 Business Transformation efficiencies	0	(2,140)
Deficit before Business Transformation Efficiencies	4,047	4,279
Less - 2010/11 Business Transformation efficiencies	(2,088)	
Less - 2010/11 and 2011/12 cumulative Business Transformation efficiencies		(1,105)
Net Forecast Deficit *	1,959	3,174

- 2.7 The above forecasts assume costs pressures do not exceed the headroom included in budget forecasts. The deficit for 2011/12 may reduce by £1.9m if the 2010/11 net deficit is bridged on a sustainable basis. BUT it could also increase by £1.3m if the 2011/12 grant is frozen at the 2010/11 level, rather than increasing by 2.5% as assumed in the above forecast.
- 2.8 A grant freeze in 2011/12, which is the first year of the next Comprehensive Spending Review, is now an increasing risk owing to the impact of the recession on the Government's financial position. It is becoming clearer that the recession will be deeper and more prolonged than anticipated just a few months ago. As a result the Government's own financial position will deteriorate and therefore its ability to fund public services.
- 2.9 Against this back ground the Council is effectively facing annual budget deficits of £4m in 2010/11 and 2011/12.

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to finalise the proposals it wishes to put forward to Council.

4. TYPE OF DECISION

- 4.1 Budget and Policy Framework.

5. DECISION MAKING ROUTE

- 5.1 Council on 12th February, 2009.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

CABINET REPORT

9th February, 2009



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY - BUDGET
& POLICY FRAMEWORK 2009/2010 TO 2011/2012

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to finalise the Medium Term Financial Strategy (MTFS) and to determine the detailed 2009/2010 Budget and Council Tax proposals to be referred to Council on 12th February, 2009.

2. BACKGROUND

- 2.1 At your meeting on 22nd December, 2008, Members considered a detailed report on the budget. These issues have now been considered by the relevant Scrutiny Committees and a detailed report from Scrutiny Co-ordinating was presented to last meeting. Consultation has also taken place with the Trade Unions and representatives of Hartlepool's Business Sector. Further details are provided later in the report.
- 2.2 As Members will be aware from previous years this stage of the budget process is extremely challenging as a number of key decisions need to be made in a very short timescale:
- 9th February, 2009 – Cabinet finalises 2009/2010 Budget proposals;
 - 12th February, 2009 – Council considers Cabinet's 2009/2010 Budget proposals;
 - 26th February, 2009 – Council approves the overall Council Tax level, incorporating Police, Fire and Parish Council precepts;
 - Council Tax bills produced and issued by 17th March, 2009;
 - 1st April, 2009 – first monthly Council Tax direct debits collected.

3. POLICY DRIVERS

- 3.1 Previous budget reports have advised Members that the development of the Medium Term Financial Strategy (MTFS) reflects various national and local service priorities, which are underpinned by a range of service expenditure and corporate policy drivers. These issues are detailed in various strategy

documents prepared by the Council, which set out the Council's key objectives. The documents include:

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

- 3.2 The MTFS details the financial implications of the various strategies and the issues affecting the financial sustainability of services. This latter issue is driven by the Council's policy for uplifting base budgets to reflect the impact of inflation with additional top ups for specific policy driven service priorities. This policy reflects Members' views and feedback during the 2005/2006 budget consultation process that the overall balance of the budget is "about right" and should be maintained if resources were available. Clearly in the current financial climate this will not be possible. Therefore, the MTFS enables Members to determine those areas it wishes to prioritise.
- 3.3 The MTFS indicates that a balanced budget can be set for 2009/2010, although for 2010/2011 onwards the Council faces a significant structural deficit. The recent decision by Cabinet to approve the Business Transformation Programme will provide a significant contribution towards the structural deficit. The Business Transformation Programme is inextricably linked to the MTFS and will be a major policy driver for the next three or four years. The successful delivery of the Business Transformation Programme will be a key component of the Council's strategy for bridging the structural budget deficit, although it will not address the entire deficit.
- 3.4 Another important policy driver is the level of Council Tax, which funds 42% of the Council's net budget. This factor will become increasingly important in a period of reducing grant increases and continued upward pressure on demand lead services for children, people with physical or mental disabilities and older people, together with the affordability of the tax given the impact of a recession.

4. OUTTURN STRATEGY

- 4.1 Assessments of the current year's financial position have previously been reported. The key issues identified in these reports are detailed in the following paragraphs.

4.2 Stock of Council Funds

- 4.3 As reported previously the stock of the Council's funds has increased owing to two one-off factors. Firstly, the receipt of the final years Local Authority Business Growth Incentive (LABGI) grant and secondly the contribution to General Fund Balances in 2007/2008. These factors cannot be repeated. The Government are consulting on a new LABGI scheme which will come into force in 2009/2010, with the first grants expected to be paid in 2010/2011. The total amount distributed will be £150m, compared to

£1billion distributed under the existing methodology - this is an 85% reduction. Hartlepool's share of the new grant is anticipated to be £0.12m.

- 4.4 Cabinet has previously indicated that they wish to allocate part of the increased stock of resources to manage the following budget risks. It is assumed that Cabinet will wish to include these proposals in the budget proposals to be put forward to Council

**Value
Of Risk
£'000**

Timing of RTB Receipts from Housing Hartlepool

400

The existing Medium Term Financial Strategy is based on using significant reserves over the period 2008/2009 to 2011/2012. These resources will come from the Budget Support Fund and the remaining RTB income which the Council is due to receive from Housing Hartlepool over the period 2008/2009 to 2011/2012.

However, owing to the credit crunch and the impact this is now having on consumer confidence, the reduction in the availability and affordability of mortgages and house price reductions, there is a greater risk that the RTB income will not be received by 2011/2012 and will be received over a longer period.

For planning purposes it assumed that receipts over this period will be £1.0m, which equates to £0.25m per annum for the four years 2008/2009 to 2011/2012. This would leave a temporary shortfall of £0.4m. Given the level of change in the market at the moment this may prove to be optimistic and there may be a higher shortfall which needs to be managed. This position will be kept under review.

Funding Initial Budget Deficits 2009/2010 and 2010/2011

639

The existing MTFS approved in February, 2008 anticipated budget deficits in 2009/2010 of £0.402m and £0.237m in 2010/2011. Cabinet previously determined to allocate one-off resources to address these initial deficits.

1,039

- 4.5 The Council should also benefit financially from the achievement of Local Public Service Agreement 2 (LPSA) Reward Grant. The level of reward grant depends on the achievement of various service outcomes. Half of the reward grant is paid as a capital grant and half as a revenue grant. The grant will be paid in two equal instalments in 2010/2011 and 2011/2012.
- 4.6 It was previously reported that assuming the minimum reward grant is earned the Council will receive a total grant of £1.8m. However, this amount includes the Partner's share of the reward grant. The Council's share of the

minimum grant is approximately £0.96m. The following strategy is therefore suggested for using the Council's share of the LPSA 2 reward grant:

- Revenue Reward Grant – earmark to increase stock of funds and review usage as part of 2010/2011 budget strategy as at that stage the amount will be more certain.
- Capital Reward Grant – as part of the current years approved budget Cabinet and Council determined to earmark £0.45m of the anticipated Capital Reward Grant of £0.48m for Building Schools for the Future costs. It is suggested that the remaining amount is earmarked to support capital projects, but not committed until 2010/2011 when the amount will be more certain.

4.7 In summary the uncommitted stock of resources is £2.186m, which is slightly lower than reported in December of £2.217m.

	<u>Adverse/ (Favourable) Variance £'000</u>
Timing of RTB Receipts from Housing Hartlepool	400 (a)
Funding Initial Budget Deficits 2009/2010 to 2010/2011	639
Uncommitted General Fund Reserves	(790)
Earmarked for Bus Service	93 (b)
Legal Services Restructure	23 (c)
LABGI Year 3 Grant Allocation	(2,100)
LPSA 2 Reward Grant	<u>(482)</u>
Total December, 2008	(2,217)
Earmarked for Supported Bus Services 1, 6, 7 and 7a	<u>31 (d)</u>
	<u>(2,186)</u>

a) Risk that this will increase thereby reducing one-off funds.

b) This funding was approved by Council on 11th December, 2008 and provided £49,000 to continue services 1, 6, 7 and 7a until March, 2009 and £44,000 to continue the Hospital Transport service until 31st March, 2009.

c) Cabinet has previously indicated support for a revised Legal Services structure. Part of these costs are one-off. It is therefore suggested to fund these costs from the available one-off resources.

d) Additional proposal approved by Cabinet 26th January, 2009, for submission to Council on 9th February, 2009, for a funding decision. This funding would allow services to continue until August, 2009.

4.8 **2008/2009 Budget Position Forecast Outturn**

4.9 A detailed Corporate Plan and Revenue Financial Management report was submitted to Cabinet in November, 2008, which included forecast outturns.

This report indicated that there will be an overspend on departmental budgets of £2.6m at the year-end. This position reflects the following key issues:

- Increased expenditure on demand lead services for Looked After Children. Pressure on this area is increasing as a result of the “Baby P” case, which has resulted in an increase in the number of referrals to Children’s Services.;
- Increased demand lead pressure on Learning Disabilities and Services for Older People;
- Inflationary pressure – fuel costs;
- Reduction in income – owing to the impact of the credit crunch on a range of income streams, including land charges, car parks and shopping centre income. The latter will be affected by Woolworth’s decision to call in the administrators;
- Delays in the achievement of efficiencies.

- 4.10 The budget position for the first nine months of the financial year was being reviewed at the time this report was reported. The initial work indicates there will be no change in the overall outturn strategy. Details of departmental forecast outturns are summarised below: -

Forecast Departmental Outturn 2008/2009

Department	Forecast Overspends/(Underspends)		
	Non Pay Budget (details Appendix A)	Pay Budget	Net Position
	£’000	£’000	£’000
Adult & Community Services	2,015	(600)	1,415
Chief Executive	465	(465)	0
Children’s Services	1,098	(357)	741
Neighbourhood Services	598	(157)	441
Regeneration & Planning	230	(230)	0
Total	4,406	(1,809)	2,597

- 4.11 Cabinet previously determined to consult on the proposal to carry forward these amounts as Managed Overspends against Department’s three-year budgets, pending a report back from CMT on the implications of implementing this strategy.
- 4.12 CMT have now considered the implications of carrying forward Managed Overspends against Departmental three-year budgets and in December suggested that this strategy is not adopted for a number of reasons:
- A significant proportion of the overspend relates to demand lead Children’s and Adult Social Services. These trends will continue in

2009/2010 and additional resources will be required for these areas. Therefore, it will not be possible to reduce expenditure in these areas to repay 2008/2009 overspends without having an adverse impact on services;

- Assuming the overspends were repaid over either a two or three year period then additional annual efficiencies and/or service cuts of between £0.8m and £1.3m would need to be made. This equates to a reduction of 1% to 1.6%, in addition to the existing efficiency targets;
- The Chancellor in his recent Pre-Budget Report announced a 50% increase in the efficiency target for Local Government. This announcement is likely to be followed by lower grant increases for Council's in 2011/2012 and beyond and increased pressure for lower Council Tax increase. Against this background the repayment of overspends will be extremely challenging;
- A significant deterioration in the financial position for 2009/2010 and increased budget risks for this year. Further details are provided later in the report.

4.13 In December CMT therefore suggested an alternative strategy for funding the 2008/2009 overspends as it is recognised that the Council cannot simply write this amount off against General Fund Balances.

4.14 This alternative strategy would involve capitalising various one-off projects which it was planned to fund from the current years revenue budget from Revenue Contributions to Capital Outlay (RCCOs) or the Capital Funding Reserve. The Capital Funding Reserve is a Revenue Reserve carried forward from last year to fund capital expenditure commitments which were carried forward from last year. This proposal would release revenue resources to offset departmental overspends. On the downside the existing capital expenditure commitments still need to be funded and the only alternative funding source is Prudential Borrowing.

4.15 The revenue cost of using Prudential Borrowings in 2008/2009 will be an additional budget pressure in 2009/2010. This pressure could be avoided in 2009/2010 by earmarking part of the 2008/2009 RCCO's to meet the first year's repayment costs. In 2010/2011 the repayment costs will need to be a first call on the £1.5m headroom included in the 2010/2011 budget forecast.

4.16 The above strategy will enable the 2008/2009 overspends to be addressed and avoid starting the new financial year with a significant outstanding financial liability. As detailed later in the report the Council's financial position will become increasingly challenging. Significant action will need to be taken in 2009/2010 and 2010/2011 to protect the Council's financial position on a sustainable basis. This position could be unmanageable if departments are also required to repay 2008/2009 overspends over the same period.

4.17 It is recognised that this strategy cannot be repeated and overall expenditure in 2009/2010 and futures years will need to be managed within

the overall budget. This may mean that demand lead overspends, which are unavoidable, need to be funded by in-year reductions in other areas.

- 4.18 **Centralised Estimates, Building Schools for the Future (BSF) and Tall Ships**
- 4.19 It has previously been reported that the credit crunch is paradoxically having a positive impact on investment income, which for the first six months of the year is better than anticipated. This is a complex area and the net increase is driven by favourable cash balances in the early part of the year, abnormally high short term interest rates driven by the credit crunch, offset by a restriction in counter parties to protect the Council's investments. The downside to this security is a lower interest rate on the investment. However, as reported in the Treasury Management Strategy the primary principle governing the Council's investment criteria is the security of its investment and then the return on the investment. In the current climate a more risk adverse approach is appropriate. It was reported that it is anticipated investment income will exceed the budget by around £2m. This is net of a temporary shortfall on efficiencies which are being achieved later than anticipated.
- 4.20 A detailed assessment of the Base Rate reductions announced by the Bank of England has been undertaken. This assessment has considered the impact of these changes on LIBOR (London Inter-Bank Offered Rate), which influences investment rates on the Council's investments as the normal links between the Base Rate and LIBOR have not yet been re-established. At this stage a planning figure of £2m is still appropriate, although there is still a downside risk. This risk has been managed over the last few weeks by locking some investments into two-year deals at rates higher than those expected for new investments over the next two years. These investments are with banks covered by the Government's guarantee. Action has also been taken to reduce investment risk by netting down investments and borrowings.
- 4.21 Members have previously approved the principle of allocating the Council's investment income to firstly offset losses of income, the additional costs in relation to Building Schools for the Future (BSF) and Tall Ships. This proposal will substantially fund these additional one-off costs. Any shortfall will need to be funded over the next two years.
- 4.22 For planning purposes it is suggested that £1.5m is set aside for BSF and £0.5m for Tall Ships when resources are available. Hopefully, these amounts can be set aside from the current year's investment income. However, it must be recognised that there will need to be additional provision made for BSF.
- 4.23 The Tall Ships budget is dependent upon the level of Park and Ride income. As expenditure will be committed before this income is received it would be appropriate to provide a risk contingency to protect the Council's financial

position if income is less than anticipated owing to adverse weather when the Tall Ships visit. In the event that this risk contingency is not needed this money can be returned to the General Fund in 2010/2011.

- 4.24 The feasibility of insuring this potential loss of income has been explored and in principle it is possible to insure for the cancellation or abandonment of an event. This insurance is available for events where income is known in advance where tickets are sold, as insurance underwriters can assess risk and therefore determine an insurance premium. In the case of the Tall Ships Event the Park and Ride income cannot, in insurance terms, be adequately assessed in advance as the number of potential visitors is unknown. Therefore, insurance underwriters cannot assess this risk. They will not use the policy holders estimated income as there is no basis for verifying these figures as is the case for events where tickets are sold. Consequently, insurance underwriters are either unwilling to quote, or where they do the rates are prohibitively expensive when compared to the potential risk. Insurance may be more appropriate to cover costs incurred in the unlikely scenario the event is cancelled owing to adverse weather delaying or preventing the arrival of the Tall Ships. This issue is currently being examined in more detail.

4.25 **Review of 2008/2009 One-Off Items**

- 4.26 As part of the 2008/2009 budget package Cabinet and Council approved funding for a number of relatively low value one-off issues. This included £40,000 for the cost of relocating Children and Families staff. The costs of this scheme have been less than anticipated and resources of £37,000 are uncommitted. It is suggested that these resources are reallocated to partly fund the one-off costs of the Government Connects project which total £43,000. The remaining one-off costs will be funded from managed revenue underspend resources within the Chief Executives Department. This project also has ongoing revenue costs as detailed in the Chief Executives Department's pressures (Appendix E).

4.27 **Ongoing Service and Financial Issues**

- 4.28 A number of issues which have arisen in 2008/2009 will continue in 2009/2010 and future years, as detailed in Appendix A. As these issues predominately relate to services for vulnerable people it is assumed that Members will, in accordance with their existing priorities wish to reflect these issues in the budget proposals for 2009/2010 detailed later in the report.

5. CAPITAL PROGRAMME 2009/2010 TO 2011/2012

5.1 Government Capital Allocations

- 5.2 The availability of resources for the Capital Programme will continue to be affected by the level of supported capital allocations provided by the Government. These allocations take the form of specific capital grants, or supported prudential borrowing allocations, which must be repaid from the

Council's revenue budget. These allocations cover key Government priorities, which are closely aligned to the Council's own priorities and objectives. These areas account for the majority of available capital resources. As part of the current MTFS Members reaffirmed their commitment to using these allocations for the three years up to 2010/2011. Cabinet needs to confirm that they will continue this strategy to cover 2011/2012.

5.3 Local Initiatives

- 5.4 The Capital Strategy and Asset Management Plan approved by Cabinet on 31st March, 2008, indicated that Government capital allocations will not fund all capital expenditure priorities, particularly areas with a high local priority which do not fall within the areas which attract Government funding. Therefore, as part of the current MTFS Members determined to use Unsupported Prudential Borrowing to fund local priorities. As the cost of using unsupported Prudential Borrowing needs to be met from the revenue budget annual revenue provisions of £0.1m were included in the budget forecasts for 2007/2008 to 2009/2010. This supports annual capital expenditure of £1.2m. Detailed proposals for using this amount in 2009/2010 are set out in Appendix B, Table 1. These proposals include an allowance for over-programming which will be a first call on the 2010/2011 allocation.
- 5.5 Cabinet previously determined that they wish to continue with this strategy for 2010/2011 and 2011/2012. The revenue forecasts detailed later in the report reflect the continuation of this strategy.
- 5.6 The detailed preparation of the 2009/2010 revenue budget has identified a range of health and safety and property improvements issues which need to be undertaken as soon as practical. It was initially suggested that a revenue pressure of £0.5m was needed for the next three years. However, owing to the nature of these works and the revenue position it would be appropriate to fund these works from capital resources. It is therefore proposed that a revenue pressure of £0.1m is included in the 2009/10 budget proposals, which will provide a capital sum for these items of £1.2m. Detailed proposals for using these resources are still being assessed and it is suggested Cabinet seeks delegated authority from Council to approve the detailed proposals for using this amount.
- 5.7 As part of the existing MTFS it was also determined to use unsupported borrowing to provide annual allocations for the three years up to 2010/2011 for a number of small initiatives, detailed in the following table. Members need to determine if they wish to continue to support these initiatives up to 2011/2012.

Annual
Allocations
£'000

- | | | |
|--|---------------------------------|-----|
| | Community Safety Initiatives | 150 |
| | Disabled Adaptations | 50 |
| | Neighbourhood Forum Minor Works | 156 |
- 5.8 The revenue budget forecast for 2009/2010 includes a provision of £0.3m to support a capital contribution towards the development of the H₂O Centre of £3m. As reported recently the development of the H₂O Centre is not likely to occur in the medium term. Therefore, Cabinet determined to re-allocate the existing H₂O revenue provision of £0.3m to support investment in the Mill House Leisure Centre. As this is likely to take some time to develop and then implement it is unlikely that the £0.3m revenue provision will be needed in 2009/2010. The options for using this provision are considered later in the report.
- 5.9 **Prudential Borrowing Limits and Treasury Management and Investment Strategy**
- 5.10 For Cabinet's information the decisions made in relation to the capital programme will be included in the Prudential Borrowing Limits which need to be referred to Council on 12th February 2009 for approval. This report will also include the Treasury Management and Investment Strategy, which also require Council approval.
- 5.11 **Strategic Land and Property Acquisitions**
- 5.12 The credit crunch and economic downturn are causing significant problems in the private sector and companies are reviewing their balance sheets to protect their financial position and release resources for core business activities. The latter is particularly important as a result of the continued reluctance of banks to provide new borrowing facilities or to even continue to provide existing credit facilities. The Government have recently announced a further series of measures to address problems in the Banking Sector. Although even if successful these measures will take time to work through the system.
- 5.13 In the meantime, companies will pursue their own financial strategies to maximise their ability to survive the recession. These measures will include the sale of assets, including development land.
- 5.14 This situation may provide opportunities for the public sector to assist the private sector and also secure longer term benefits for the community through the acquisition of private sector land and property. This is likely to require a multi agency approach to ensure an appropriate strategy is in place for developing such land and property to release future benefits for the community when the economy recovers from the current recession.
- 5.15 The key benefit of this strategy would be to facilitate the public ownership of development land and property. This will enable the Council in conjunction with its partners to set the development agenda once the recession is over and the private sector begins to invest. The benefit to the community may

include the availability of land for private and social housing and/or the generation of resources for capital investment from future increases in land values.

- 5.16 The Council is in a unique position to facilitate this strategy by providing bridging funding for strategic land acquisition through the use of providing Prudential Borrowing. The only downside is the revenue consequences of using Prudential Borrowing. However, the current low interest rates and changes in the regulations in 2008 for the repayment of such costs reduce these costs from 2009/2010 onwards.
- 5.17 It is suggested Cabinet approve such a strategy in principle for inclusion within the Budget and Policy Framework proposals to be submitted to Council. Detailed cases would need appropriate Cabinet and Council approval.

6. GENERAL FUND AND COUNCIL TAX

6.1 Background

- 6.2 An initial assessment of the national and local factors affecting the Council's financial position for 2009/2010 and beyond was reported on 13th October, 2008. Since that time there have been significant and unprecedented international and national developments which will shape the world economy for the foreseeable future.
- 6.3 These changes include actions by Governments across the world to stimulate economic activity. It is hoped these actions will reduce the severity of the recession and avoid the downturn becoming a depression.
- 6.4 The actions taken by Governments have also been supported by Central Banks reducing interest rates. In the UK the Bank of England has reduced interest rates from 5% in October, 2008 to 1.5% in January, 2009. Put in an historical context, this equals the lowest official rate since the Bank of England was established in 1694. The scale and speed of these reductions is unprecedented and underline the severity of the economic position. It is anticipated that the Bank of England will reduce interest rates further early in 2009.
- 6.5 In the very short term the Council is isolated and largely protected from turmoil in the world economy. In the Medium Term these events will impact on the Council as outlined in the following paragraphs.
- 6.6 **The Chancellor's Pre-Budget Report**
- 6.7 Details of the Pre-Budget Report were presented to Parliament by the Chancellor on 24th November, 2008. Key issues include:

- An increase of £5billion in Public Sector efficiencies for the three years to 2010/2011. This is on top of the £30billion already planned;

- For the three years from 2011/2012 (i.e. the period covered by the next Comprehensive Spending Review) the growth in public expenditure will fall from 1.9% announced in the 2008 Budget to only 1.1%. This is the increase for the whole of the public sector.
- A “fiscal stimulus” package of £20billion aimed at shoring up the economy.
- Forecast increase in Government borrowing from 40% of national income to 57% by 2014/2015.
- An increase in employer’s National Insurance contributions from April, 2011. This will have an adverse impact on the Council and a detailed assessment will be made when detailed regulations implementing this change are available.

6.8 The current three-year settlement for Local Government is generally regarded as the tightest for a decade. At a local level the Council has benefited from changes to the grant formula, although these benefits have been diluted as a result of the continuation of the floor damping arrangements. The key message from the Pre-Budget Report is that the position in 2011/2012 and beyond will be much more challenging and Local Government as a whole will see much lower grant increases or even reductions in existing grant levels.

6.9 **Local Government Grant Settlement 2009/2010 and 2010/2011**

6.10 In November, 2008, the Local Government Minister announced an increase in the overall Local Government efficiency target, which reflects the Chancellor’s Pre-Budget Report announcement to increase the overall Public Sector efficiency targets. For local authorities the overall target has been increased from £1billion per year to £1.5billion - a 50% increase. This compares to an increase in the overall Public Sector efficiency target of approximately 17%.

6.11 Consultation on the Provisional 2009/2010 grant settlement closed on 7th January, 2009. The Department for Communities and Local Government have written to thank the Council for responding to the consultation and have stated “our comments along with all others received during the consultation period, will be carefully considered when making final decisions on the provisional settlement”. The Council’s response covered:

- Thanking the Minister, in these challenging financial times, for maintaining the previously announced grant allocations for 2009/2010 and 2010/2011;
- Express concern that local authority efficiencies targets have been increased by 50%, compared to a total increase for the Public Sector of 17%;
- Express concern at the impact of the proposed increase in employer’s national increases contributions from April, 2011, which is contrary to the Government “new burdens” principle. It is therefore suggested the Minister seeks additional grant funding from the Treasury to make this change cost neutral for local authorities.

- 6.12 Details of the final grant allocations for 2009/2010 and provisional allocations for 2010/2011 were announced on 21st January, 2009. As expected there have been no changes to the grant allocations announced in November, 2008.
- 6.13 **Impact of Pre-Budget Report**
- 6.14 As indicated earlier in the report the Council is isolated in the short-term from the impact of the economic down turn and the issues announced in the pre-budget report. The confirmation of previously announced grant allocations for 2009/2010 and 2010/2011 also provides a period of financial stability for the Council.
- 6.15 In the Medium Term local authorities will face a significantly more challenging financial position as the Pre-Budget Report and the 2009/2010 Local Government Grant Settlement have stated that for the three years from 2011/2012 growth in public expenditure will fall to only 1.1%.
- 6.16 Given the Government's priority to Education and Health this means other service areas, including local authorities will receive lower increases or even reductions over this period.
- 6.17 In practice, lower levels of public spending growth will continue for a much longer period, probably for two or three Comprehensive Spending Review periods, as it will take a long time for Government finances to recover from the current recession. This assumption reflects the Chancellor's statement that Government borrowing is forecast to increase for the next six years and it will not be until 2015/2016 that the Government will only be borrowing to invest.
- 6.18 Once the recession is over it is extremely unlikely that the economy will benefit from the same economic factors which had driven the economy for the last ten years i.e. rising house prices and banks/building societies ability and willingness to provide cheap credit. It is clear that one of the major consequences of the "credit crunch" will be a return to more prudent levels of borrowing and risk assessment by banks. This will mean growth in the Private Sector will be lower than in previous years and consequently so will the Government's tax revenues.
- 6.19 Against the above background it is becoming clearer that from 2011/2012 the Council will face a much more challenging financial position. As indicated later in the report action will need to be taken in 2009/2010 and 2010/2011 to ensure the Council is prepared for a period of lower growth in Government grants, increased efficiency targets and continued downward pressure on Council Tax.
- 6.20 **Local Budget Issues 2009/2010**

6.21 An initial examination of the local issues facing the Council for 2009/2010 was reported in October, 2008, as summarised below. These forecasts reflected the following assumptions:

- Annual Council Tax increases of 3.9%;
- The achievement of 3% efficiencies in 2009/2010 to 2010/2011;
- Provision for 2010/2011 pressures, etc. of £1.5m;
- 2011/2012 pressures, etc. to be funded from efficiencies;
- Phased use of the Budget Support Fund and LABGI grant.

Feb. 08 Forecast 2009/10 £'000		October Forecasts			
		2009/10 £'000	2010/11 £'000	2011/12 £'000	Cumulative £'000
5,536	Gross Budget Gap (includes £1.5m headroom 09/10 & 10/11)	5,536	3,759	614	
(2,460)	3% Efficiency Target	(2,460)	(2,522)	0	
3,076		3,076	1,237	614	
(2,674)	Planned Use of Reserves	(2,674)	(1,000)	(500)	
	<u>Changes since February 2008 forecasts</u>				
0	Continuation of SCRAPT capital allocation	0	100	200	
0	2009/10 Pressures, contingency and terminating grants	2,824	2,895	2,967	
0	Provision for 2009/10 Pressures etc.	(1,500)	(1,538)	(1,576)	
0	Use of 2008/09 LABGI grant	(402)	(237)		
402	REVISED BUDGET DEFICIT	1,324	1,457	1,705	4,486

6.22 Detailed proposals for achieving the 3% efficiency target in 2009/2010 were reported to Cabinet in October and these proposals are detailed at Appendix C. An assessment of the severance costs arising from these 3% efficiencies and the proposed additional 1% reductions detailed later in the report has now been completed. In total it is estimated that these costs will be in the order of £0.8m to £1m. It is hoped that these costs will be at the lower end of this range. For planning purposes it would be prudent to make provision for a maximum potential cost of £1m. As there are no one-off resources available to fund these costs it is suggested that these costs be funded on a loan basis and repaid over a five year period. A strategy for funding the repayment costs is detailed later in the report.

6.23 A comprehensive review of the initial planning assumptions has been completed. These issues fall into a number of categories and are covered in detail in the following paragraphs:

- Additional Pressures identified since October, 2008;
- 2009/2010 Pressures Review;
- 2009/2010 Contingency Review;
- 2009/2010 Terminating Grants Review;
- Area Based Grant Review;
- Review of Corporate Planning assumptions;
- Review of 2008/2009 Pressures, contingency, Terminating Grants and Priorities;

- Review of 2007/2008 Pressures, contingency, Terminating Grants and Priorities;
- Temporary Benefits 2009/2010.

6.24 Additional Pressures Identified Since October, 2008 - £2.705m permanent plus £0.45m temporary

6.25 As indicated in October an initial assessment of the issues facing the Council had been completed by the Corporate Management Team over the previous two/three months. This assessment is carried out much earlier than in other authorities owing to Hartlepool's constitutional arrangements and is based on information available at that time. More detailed work on these issues has now been completed to reflect the latest available information and trends for the first six months of the year. This work indicates that additional unbudgeted pressures need to be included in the 2009/2010 budget forecast in relation to the following items: -

- i) Job Evaluation – additional pressure of £0.9m (includes employer's National Insurance and Pension costs)

Provision for the estimated costs of implementing Job Evaluation has previously been made within the budget forecasts for the period up to 2010/2011. These forecasts were based on the completion of 90% of Job Evaluations, an assessment for the net impact of changes in various allowances, the potential costs of appeals and the annual pay award for 2008/2009 not exceeding 2.5%. This assessment was completed in February, 2008.

Implementation of the new pay and grading system took place over the period April to September, 2008 and resources were dedicated to paying staff new salaries and arrears of pay. Once this exercise was complete a detailed costing exercise was undertaken in November to establish the actual costs of the new pay and grading system.

This exercise has identified an additional increase in basic pay of £0.4m. When account is taken of employer's National Insurance and Pension costs the total additional cost is £0.5m. The additional cost reflects a reduction in the number of employees in protection, which increases ongoing costs, changes in job matchings and allowances from the initial planning assumptions.

Cabinet need to recognise the significant volume of appeals lodged and therefore the risk that the cost of successful appeals may exceed the available provision for appeals. Therefore for planning purposes the report currently assumes the whole of this provision will be needed. Work is being done to refine the estimate for this item, which may enable this provision to be reduced, particularly if it is reviewed alongside the provision for pay awards as there is an increasing likelihood of downward pressure in this area.

ii) Looked After Children – additional pressures £0.67m

As indicated earlier in the report the Council is currently incurring additional expenditure in the current year owing to higher numbers of Looked After Children and more complex cases. These trends are forecast to continue in 2009/2010. In addition, following the outcome of the “baby P” court case there has been an increase in the number of referrals to Children’s Social Services. Therefore some provision has been made in the above figure for increased costs of such cases. As this position is extremely complex and affected by referrals from various partner agencies e.g. Police, Medical Staff, etc., this position will need to be monitored closely.

iii) Older People, Learning Disabilities, Agency and Mental Health Agency – additional pressure of £0.8m

The Council is also incurring additional expenditure in the current year on the above services owing to demographic pressure, higher client numbers and more complex cases. These trends are forecast to continue in 2009/2010. An assessment of new cases and changes in service levels for 2009/2010 has also been made. This is a complex area as service requirements are assessed on an individual basis which impacts on the costs of providing services.

iv) Adult Services Care Package and Transport Efficiencies – additional pressure of £0.45m (temporary)

The existing base budget anticipated making efficiency on a specific care package of £0.2m. This efficiency has been delayed owing to a legal challenge to the proposed change. It is anticipated that these issues will be resolved during 2009/2010. As it is not certain when these issues will be addressed it would be prudent to make provision for these costs on a temporary basis.

Similarly the anticipated transport saving from the establishment of the Integrated Transport Unit is taking longer to achieve. It would also be prudent to make a temporary provision for this item being delayed.

v) Energy Costs – additional pressure of £0.23m

The Council has previously benefited from lower energy costs from long term contracts negotiated via NEPO (North East Purchasing Organisation). These contracts have now ended and market prices are at considerably higher levels and expected to continue at these levels.

vi) Concessionary Fare – additional pressure of £0.105m

Contract negotiations have recently commenced across the Tees Valley with bus operators. It is expected that costs will increase owing to higher costs being incurred by operators.

- 6.26 The additional pressures identified increase the budget deficit to £4.5m (inclusive of £0.45m of temporary costs). This clearly has significant implications for 2009/2010 and the sustainability of the budget and current service levels. In view of this position the Corporate Management Team have completed a comprehensive review of the overall budget position and have identified permanent budget reductions of £1.482m, as detailed in paragraph 6.27 to 6.47.
- 6.27 **2009/2010 Pressures Review – Reduction £0.046m**
- 6.28 The initial schedule of pressures totalled £1.679m. This included an initial assessment of the Adult Social Services and Children's Services pressures totalling £1.02m. As indicated in paragraphs 6.24 (ii) and (iv) additional funding is needed for these areas. Therefore, scope for reducing the remaining pressures is limited. A review of the remaining items has identified reductions totalling £0.046m covering a number of issues as detailed in the final page of Appendix E.
- 6.29 **2009/2010 Contingency Review – Reduction £0.437m (net)**
- 6.30 The initial budget report suggested a total contingency provision of £0.885m. A detailed review and risk assessment of these items has been completed and a number of items can be reduced or eliminated from the contingency. One of the main reductions is the deletion of the £0.17m vehicle fuel price increase in the anticipation that falls in crude oil prices arising from lower demand will feed through into lower petrol and diesel prices before the start of 2009/2010. There is a small risk that this does not occur. However, given the economic down turn it is not anticipated this risk will materialise. The other major reduction relates to the Children's Fund item of £0.155m, which will continue to be grant funded for 2009/2010.
- 6.31 The requirements in relation to Service Level Agreement with Housing Hartlepool for Richard Court and Housing waiting list management have also been quantified and reflected in the revised contingency. Details of the contingency are provided in Appendix F.
- 6.32 **2009/2010 Terminating Grants – Reduction £0.062m**
- 6.33 The initial budget report identified Terminating Grants totalling £0.26m. A review of these items has identified reductions totalling £62,000. Details of Terminating grants are provided in Appendix G.
- 6.34 **Area Based Grant – Review £0.287m**
- 6.35 The Area Based Grant (ABG) was introduced as a late change to the 2008/2009 Local Government Grant Settlement. As there was insufficient time to assess this change for 2008/2009 the ABG was allocated on the basis of the indicative allocation used by the Government for determining the overall level of the ABG.

- 6.36 The Government is sending mixed messages on the future use of the ABG. On the one hand the Government have indicated that the ABG is “a Single Area Based Grant with no strings attached”, which infers the Council has complete discretion on the use of this grant. On the other hand specific Government departments expect authorities to ring-fence individual elements of the ABG.
- 6.37 In practise, flexibility is limited because many services previously funded from specific grants have now been incorporated in the ABG and these services are high priority areas for the Council, or cover services of a statutory nature, for example, Connexions, Teenage Pregnancy funding, Road Safety, etc.
- 6.38 Against this background the Council only has limited flexibility for using the ABG. Notwithstanding these constraints a detailed review of the Area Based Grant has been undertaken and this has identified £0.287m to support services/projects currently funded from the Council's core budgets. This amount has been identified by capping increase in some ABG allocations to a 2.5% increase and from taking some of the uncommitted element of the Working Neighbourhood Fund element of the ABG. Detailed proposals for using the Area Based Grant are set out in Appendix H, which reflects the latest information provided by the Government. The proposals for the Working Neighbourhood Fund element of the ABG provide funding for a range of training and business support projects which are particularly relevant in the current economic downturn.
- 6.39 From a practical perspective the final decision on ABG grant allocations will not be made until February, 2009, when Council considers the overall 2009/2010 Budget and Policy Framework proposals. In the meantime the Council needs to notify Partners of their allocation for 2009/2010.
- 6.40 It is also suggested that the Council provides indicative ABG allocations for 2010/2011 and advises Partners that these allocations will be confirmed next year provided the Government does not reduce the overall ABG allocation and projects continue to deliver agreed outcomes.
- 6.41 **Review of Corporate Planning Assumptions – Reduction £0.5m**
- 6.42 The initial budget forecast included a pay award planning assumption of 2.5%. It is anticipated that during 2009/2010 there will be downward pressures on Public Sector pay awards as inflation falls, the recession reduces pay awards in the private sector and unemployment increases. In November CMT reviewed this for 2009/2010 and suggested that the planning assumption for pay increases is reduced to 2%. This will reduce the budget requirement by £0.2m.
- 6.43 It is also proposed that the salary turnover target is increased by 0.5% to reflect the higher turnover of staff in the current year. This will also reduce the budget requirement by £0.2m. It is also suggested that a further £0.1m

increase is made to the salary turnover target to reflect the impact of Job Evaluation. Together these two proposals increase the efficiency savings to be achieved from vacancies to £1.1m. If Members approve these proposals the total salary turnover target will be challenging and achievement will need careful management by the Corporate Management Team. The implementation of the Business Transformation Programme will make this task more challenging during the implementation phase. It is suggested that the achievement of the turnover targets is delegated to the Corporate Management Team and the existing Monitoring of Vacancy Panel replaced by quarterly progress reports to Cabinet and Scrutiny Co-ordinating Committee.

- 6.44 **Review of 2008/2009 Pressures, Contingency, Terminating Grants and Priorities – Reduction £0.05m**
- 6.45 A detailed review of these items has been completed. It is proposed that the “Corporate IT Priority” of £50,000 can be reduced by £35,000 following the extension of the Northgate contract and the establishment of an investment fund. Similarly, savings on the “Members IT” provision of £15,000 can be made as costs have been less than anticipated.
- 6.46 **Review of 2007/2008 Pressures, Contingency, Terminating Grants and Priorities – Reduction £0.1m**
- 6.47 Similarly, a detailed review of these items has been completed. A saving of £0.1m can be taken on the Learning Disability budget which included a provision for dual running costs for an eighteen/twenty four month period which ends on 31st March, 2009.
- 6.48 **Temporary Benefits 2009/2010 – Total Value £0.4m**
- 6.49 As indicated earlier the ongoing costs of Job Evaluation are higher than anticipated. Consequently there is a reduction in temporary protection costs for 2009/2010 of £0.2m.
- 6.50 The Council should also benefit from additional benefit subsidy income of £0.2m in 2009/2010. The sustainability of this income will depend on the level of benefit claimants and more importantly the grant rates paid by the Government. In previous years grant rates have been reduced as part of the Department for Work and Pensions efficiency programme. The recently announced increase in efficiency targets highlights the risk that grant rates may not be maintained. Therefore, it would not be prudent to anticipate this benefit continuing at this stage.
- 6.51 **Revised Budget Gap**
- 6.52 After reflecting the permanent and temporary factors detailed above the net budget deficit for 2009/2010 is £2.677m (including £0.45m of temporary costs).

- 6.53 This deficit is after reflecting the following previously approved issues for reducing the budget deficit.

Previously approved issues for reducing budget deficit

	£'000
3.9% Council Tax increase	1,433
3% Efficiency Target	2,460
Planned Use of Budget Support Fund	2,674
Planned Use of 2008/2009 LABGI Grant	<u>402</u>
	<u>6,969</u>

- 6.54 The following table summarises the latest budget position for 2009/2010, 2010/2011 and 2011/2012. The table also includes the 2009/2010 forecast reported in February, 2008.
- 6.55 The table indicates that the Council has a structural budget deficit as costs are forecast to increase faster than income. These deficits are net of planned annual efficiencies of 3% in each of the next three years. A strategy needs to be developed to address this position on a permanent basis to ensure the Council has a sound financial base.

Feb. 08 Forecast 2009/10 £'000		Latest Forecasts			
		2009/10 £'000	2010/11 £'000	2011/12 £'000	Cumulative £'000
5,536		5,536	3,759	614	
(2,460)		(2,460)	(2,522)	(2,585)	
3,076	(a)	3,076	1,237	(1,971)	
	Changes since February 2008 forecasts				
0	2009/10 Pressures, contingency and terminating grants	5,609	5,849	6,207	
	Provision for 2009/10 Pressures etc.	(1,500)	(1,538)	(1,576)	
0	Additional pressures identified since 13.10.08 Temp items	450	0	0	
0	Review 2009/10 Proposed Pressures etc.	(545)	(536)	(549)	
0	Area Based Grant Review	(287)	(414)	(424)	
0	Pay inflation reduction and turnover increase	(500)	(513)	(525)	
0	2008/09 Pressures etc, Review	(50)	(51)	(53)	
0	2007/08 Pressures etc, Review	(100)	(103)	(105)	
0	Headroom for 2011/12 Pressures etc.	0	0	2,000	
0	(b) Total Changes since February 2008 forecasts	3,077	2,695	4,974	
3,076	(a+b) GROSS BUDGET DEFICIT	6,153	3,932	3,003	
(2,674)	Less - Planned use Reserves February 2008 (temporary)	(2,674)	(1,000)	(500)	
0	Less - Changes since February 2008 forecasts				
0	Use of 2008/09 LABGI grant (temporary)	(402)	(237)	0	
0	Benefit Subsidy income (temporary)	(200)	0	0	
0	Lower Protection costs and funding reallocation (temporary)	(200)	0	0	
402	REVISED BUDGET DEFICIT	2,677	2,695	2,503	7,875

7. STRATEGY FOR BRIDGING NET 2009/2010 DEFICIT

- 7.1 As Members will appreciate there have been significant developments since the initial forecasts were submitted to Cabinet in October. The Corporate Management Team completed a detailed review of the budget position to identify areas where reductions can be made. These actions have reduced the budget deficit for 2009/2010 to £2.677m.
- 7.2 At this stage of the budget process it will be extremely challenging to identify specific proposals which can be implemented from 1st April, 2009, to address the whole of the 2009/2010 budget deficit. Such a strategy would be extremely risky in terms of timescale and implementing measures which are workable and sustainable.
- 7.3 In addition, implementing emergency measures could potentially jeopardise the achievement of the Business Transformation efficiencies as management capacity would need to be realigned to achieving emergency measures. It is envisaged that the Business Transformation Programme will enable efficiencies to be achieved in 2010/2011. In relation to 2009/2010 some efficiencies may be achieved towards the end of the financial year. It would not be prudent at this stage to build this into the 2009/2010 budget.
- 7.4 It is therefore suggested that a strategy is developed to address the underlying structural deficit over the next eighteen months, to ensure efficiencies and other measures can be implemented from 1st April, 2010.
- 7.5 As part of this strategy and the statutory requirement for the Council to set a balanced budget for the forthcoming financial year. Cabinet will need to determine how the 2009/2010 budget is balanced. The following measures are available for Cabinet's consideration:

Potential
Value
£'000

Measures identified before 22nd December, 2008

- | | |
|---|-----|
| i) Mill House – Prudential Borrowing Repayment budget (temporary) | 309 |
| <p>This amount is included to meet the repayment costs of using Prudential Borrowing. In practice this amount will not be needed in 2009/2010. This amount could therefore be earmarked as a one-off contribution towards the Mill House replacement, or taken as a temporary saving in 2009/2010. There may be a similar benefit in 2010/2011.</p> | |
| ii) Additional 1% efficiencies/savings target (permanent) | 820 |

Detailed proposals are set out at Appendix I. The achievement of these proposals will be challenging.

iii) Uncommitted one-off resources (temporary) 1,704

It was previously suggested that this amount be used over a three-year period to support the revenue budget. Given the size of the 2009/2010 budget deficit, consideration needs to be given to using a greater proportion of this amount to support the 2009/2010 budget. It should be noted that these resources total £2.186m, although only £1.704m will have been received by 31st March, 2008. This is therefore the maximum available to support the 2009/2010 budget.

iv) Additional 1% Council Tax increase (permanent) 370

Cabinet have previously approved an indicative 2009/2010 Council Tax increase of 3.9% and indicated that they do not wish to implement a higher increase. In view of the revised budget deficit Cabinet may wish to consider the impact of a 4.9% increase. An increase at this level should not be capped, although this cannot be guaranteed.

7.6 The measures identified above potentially provide £3.2m to offset the revised budget gap. For planning purposes it is assumed that Cabinet will wish to maintain the Council Tax increase at 3.9%, this reduces the amount available to £2.9m. This lower amount still exceeds the revised budget gap. For Members information the impact of alternative Council Tax increases is illustrated in the following table.

	2009/10 £'000	2010/11 £'000	2011/12 £'000	Cumulative £'000
<u>Option 1 - Current Position</u>				
Council Tax increase	3.9%	3.9%	3.9%	
Budget Deficit	2,677	2,695	2,503	7,875
<u>Option 2</u>				
Council Tax increase	3.9%	4.9%	4.9%	
Budget Deficit	2,677	2,325	1,763	6,765
<u>Option 3</u>				
Council Tax increase	4.9%	4.9%	4.9%	
Budget Deficit	2,307	1,955	1,393	5,655

7.7 In December, 2008, it was suggested that the net 2009/2010 deficit could be bridged by taking the temporary Mill House savings, using part of the uncommitted one-off resources and finally implementing additional permanent 1% efficiencies/savings. The latter factor would help reduce the underlying structural deficit and therefore reduce the challenge of achieving

future budget reductions. If this strategy is adopted the 2009/2010 budget deficit of £2.667m could be bridged as follows:

	£'000
Allocate the Mill House Loan Repayment	300 (Temporary)
Allocate part of uncommitted one-off resources (the unused amount can be allocated to support the 2010/2011 budget)	1,557 (Temporary)
Implement additional 1% efficiencies/savings	820 *

* Details of proposed additional 1% efficiencies/savings for all departments are provided at Appendix I.

- 7.8 Since the above measures were reported in December Cabinet has considered feedback from Scrutiny Co-ordinating Committee on these proposals. Scrutiny Co-ordinating Committee has indicated that they are unhappy with the proposed additional 1% efficiency/savings, with the exception of the proposals for the Chief Executives Department.
- 7.9 Since December work on a range of other corporate issues has also been completed and this potentially provides £0.5m to assist the 2009/2010 budget as follows:

<u>Benefit/(Cost)</u>	
<u>2009/10</u>	<u>2010/11</u>
	<u>to</u>
	<u>2013/14</u>
<u>£'000</u>	<u>£'000</u>

Measures Identified Since 22nd December, 2008

- | | | |
|------------------------------------|-------|---------------|
| i) Building Schools for the Future | (500) | Not yet known |
|------------------------------------|-------|---------------|

As indicated earlier in the report it is suggested that a provision of £1.5m is set aside for BSF costs as part of the 2008/2009 outturn strategy. It was also indicated that additional provision will need to be made for BSF. Work is still ongoing to quantify these costs and what element can be capitalised. For 2009/2010 (or perhaps early 2010/2011) it is estimated that an additional £0.5m will be needed for the upfront costs of the procurement/contract letting stage. This is an extremely complex process and Partnerships for Schools have indicated the Council needs to ensure this is properly resourced.

Beyond 2009/2010 additional resources will need to be set aside for BSF costs. The amounts will

depend on how much of these costs can be capitalised. Detailed assessments are ongoing and will be reported to Cabinet at each major stage of the BSF Programme. These costs are one-off therefore it is appropriate to fund from temporary savings, rather than as an ongoing commitment.

It is worth noting that these costs are significantly less than the one-off costs of the PFI route.

ii) Repayment of Severance Costs	(200)	(200)
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As suggested earlier in the report the severance costs arising from the implementation of 3% efficiencies and additional 1% budget reductions should be repaid over a five year period.

iii) Lower Borrowing Costs	300	300
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This benefit reflects the anticipated lower interest rates of new borrowings in 2008/2009 and 2009/2010. This will be a permanent benefit as the Council locks into lower interest rates than previously anticipated.

iv) Investment Income	700	Not yet known
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A detailed assessment of anticipated investment income and cash flows for 2009/2010 has now been completed. This forecast reflects the significant reduction in interest rates which will be earned on the Council's investments. The Council will continue to get some benefit in 2009/2010 from the continuation of existing investment deals. However, as these investments mature it is anticipated average interest rates on new investments will fall to 1.5%, although this may be optimistic if the Base Rate is reduced zero percentage. At this stage there is too much uncertainty to forecast investment income beyond 2009/2010.

v) Council Tax Base and Collection Fund Surplus	190	90
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There will be a benefit of £0.19m from the Final 2009/2010 Council Tax Base (£0.09m) and the 2008/2009 Collection Fund Surplus (£0.1m). The Collection Fund surplus is a temporary benefit, which is unlikely to be sustainable at this level

owing to the impact of the recession. At this stage the forecasts for 2010/2011 and 2011/2012 anticipate annual surpluses of £0.2m. These forecasts will need to be reviewed on an annual basis and may reduce to zero, or even become deficits, if the recession is prolonged.

As these benefits arise from statutory calculations this amount must be reflected in the 2009/10 budget. This effectively reduces the amount of one-off resources (detailed in paragraph 7.5 (ii)) which need to be used to balance the 2009/10 budget. The unused resources can therefore be used to support the budget in 2010/11 and beyond.

vi) Energy Costs	30	30
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Whilst market prices have begun to reduce and should continue to fall as demand reduces owing to the recession, the new contracts will still be above existing contract prices. Therefore, increased provision is needed, although a small reduction on this figure can now be taken.

Uncommitted Resources	<u>520</u>	<u>220</u> *
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* For planning purposes the potential £0.22m in 2010/2011 is anticipated to be needed for BSF costs. This position will need to be reviewed as part of the 2010/2011 budget process.

7.10 The changes detailed in the previous paragraph indicate the budget position is still changing and this reflects the more uncertain environment the Council is currently operating in.

7.11 Members need to determine how they wish to use the uncommitted resources available for 2009/2010 of £0.52m, whilst recognising that some of these resources are only temporary. Fundamentally, Members need to determine if they wish to use these resources to either

- a) reduce the value of the additional 1% efficiencies/savings which need to be implemented; or
- b) reduce 2009/2010 proposed Council Tax increase; or
- c) allocate to support future years budgets; or
- d) a combinations of items a) to c).

7.12 For planning purposes the forecasts in the remainder of the report assume Cabinet will maintain the Council Tax increase for 2009/2010 at 3.9% (which will protect the Council's future resource base) and implement all of the

additional 1% efficiencies/savings. This strategy would provide additional temporary resources to help manage future year's budgets.

- 7.13 The following table summarises the impact of the above strategy on the budget position for 2010/2011 and 2011/2012

Feb. 08 Forecast 2009/10 £'000		Latest Forecasts			
		2009/10 £'000	2010/11 £'000	2011/12 £'000	Cumulative £'000
402	REVISED BUDGET DEFICIT (as detailed in paragraph 6.54)	2,677	2,695	2,503	7,876
0	Mill House Loan Repayment budget (temporary)	(300)	0	0	
0	1% Additional 2008/09 savings (permanent)	(820)	(841)	(862)	
0	One off uncommitted resources (temporary)	(1,557)	(330)	(330)	(2,217)
402	NET FORECAST DEFICIT	0	1,525	1,312	

- 7.14 The figures in the above table for 2010/11 and 2011/12 are net of the annual 3% efficiency targets and indicate that the measures to balance the 2009/2010 budget do not address the underlying structural deficit. They do, however, provide more time to address this position. However, in 2010/2011 this strategy will require the identification of total efficiencies of £4m, as detailed below. These figures assume that new pressures in 2010/2011 and 2011/12 can be contained within the available headroom of £1.5m and £2m respectively. If this is not the case additional efficiencies or service reductions will need to be identified.

2010/2011 Total Efficiency Target

	£'000
Existing Net 2010/2011 Budget Deficit	1,525
Existing 3% Target	<u>2,522</u>
	<u>4,047</u>

- 7.15 The next section details the contribution the Business Transformation Programme will make towards addressing the budget deficits in 2010/11 and future years.

8. STRATEGY FOR BRIDGING 2010/2011 AND 2011/2012 DEFICITS AND LINKAGES TO BUSINESS TRANSFORMATION PROGRAMME

- 8.1 The strategy outlined in the previous section enables the Council to set a balanced budget for 2009/2010. This strategy **does not address the underlying structural deficit**, as it relies on the increased use of reserves and one-off benefits to maintain spending at a higher level than the Council's ongoing resources will allow. In effect this strategy provides more time for the development and implementation of a longer term approach for efficiencies. Cabinet has previously indicated that it wishes to develop such

an approach to address budget issues and to move away from the salami slicing of the past.

- 8.2 A detailed Business Transformation Programme report was submitted to Cabinet on 25th January, 2009, outlining that detailed Business Cases have identified gross cashable opportunities totalling £8.2m (including the departmental restructure). These efficiencies would take four to five years to deliver, owing to the longer timescale for service delivery options and Asset Management. Cabinet note this position and approved the proposed Business Transformation Programme.
- 8.3 In terms of integrating the Business Transformation Programme and MTFs the overall profile has been estimated at £0.9m in 2009/2010, £4.4m in 2010/2011 and £6.0m by 2011/2012. Some of these efficiencies have already been included within the efficiency proposals for 2009/2010. In total this is estimated to be £1.6m in total, with no additional benefit for 2009/2010 over and above existing efficiency proposals. A summary of the proposed efficiencies is shown below:

	2009/10 £000s	2010/11 £000s	2011/12 £000s	Full Year £000s
Restructure and Management Structures	320	1850	1850	1850
Transactional Services	145	625	900	900
Non Transactional Services	120	300	300	300
Asset Management	150	290	440	510
Service Delivery Options	200	1350	2500	4600
Customer Services	To follow			
Total	935	4415	5990	8160

- 8.4 The costs of implementing the programme, net of resources of £0.44m already set aside, are £3.78m, which includes £3.14m for potential severance costs (including redundancies and early retirements). A summary of costs is shown below:

	2009/10 £000s	2010/11 £000s	2011/12 £000s	Total £000's
Potential Severance costs (Including Voluntary redundancies and early retirements)	1910	1230	0	3140
Programme Team	334	169	32	535
Other Programme costs (incl Project management, business process reengineering etc)	330	200	15	545
Total	2574	1599	47	4220

- 8.5 The guidance for Invest to Save proposals in this programme are a maximum three year pay back for staffing and three years for other

investments. Preference would normally be given to those proposals with shorter pay back periods. However, decisions should be moderated by non-financial factors where appropriate.

- 8.6 Given the magnitude of the severance and other one-off costs and the need to take to revenue the maximum saving possible use of reserves to fund these costs would be the most flexible approach. Unfortunately, as Members will recall from previous reports the Council's reserves are generally allocated to meeting other risks/issues, as such this is not directly a feasible option. The exception to this being the Council's insurance fund which is also currently allocated to underpinning the historic costs of Job Evaluation. There is some possibility that there maybe scope in this when the Council has a better assessments of the risks facing it from JE appeal for release of some monies as a contribution towards such severance costs. In the meantime it would not be unreasonable to use the insurance fund and other reserves to fund loans to cover the one-off severance and other costs subject to repayment over a maximum period of five years.
- 8.7 As indicated previously the Business Transformation Programme will not address the whole of the underlying budget deficit, although it should make a significant contribution towards the budget deficits currently identified for 2010/2011 and 2011/2012. A summary of the Business Transformation proposals is provided below.

	Annual Efficiency £'000	Cumulative Efficiency £'000
Value of Programme for 2009/10 budget	0	0
Value of Programme for 2010/11 budget	2,088	2,088
Value of Programme for 2011/12 budget	1,105	3,193
Value of Programme for 2012/13 budget	2,020	5,213
Value of Programme for 2015/16 budget	427	5,640
Value of Programme for 2016/17budget	320	5,960

- 8.8 The table below summarises the impact of the Business Transformation Programme on the budget positions for 2010/2011 and 2011/2012 and identifies gross annual deficits for these years of £4m. The table also shows the net anticipated deficits assuming the planned Business Transformation efficiencies are implemented as planned. Clearly, if these items are delayed this will increase the net deficits which need to be bridged from other budget reductions.

	2010/11 £'000	2011/12 £'000
Revised Budget Deficit (as detailed in paragraph 7.13)	1,525	1,312
Add - 2010/11 3% efficiencies	2,522	0
Add - 2010/11 and 2011/12 cumulative 3% efficiencies	0	5,107
Less - 2010/11 Business Transformation efficiencies	0	(2,140)
Deficit before Business Transformation Efficiencies	4,047	4,279
Less - 2010/11 Business Transformation efficiencies	(2,088)	
Less - 2010/11 and 2011/12 cumulative Business Transformation efficiencies		(1,105)
Net Forecast Deficit *	1,959	3,174

- 8.9 The above forecasts also assume that future demographic pressures in 2010/2011 and 2011/2012 do not exceed the available headroom in these years, which maybe optimistic. The deficit for 2011/12 may reduce by £1.9m if the 2010/11 net deficit is bridged on a sustainable basis. BUT it could also increase by £1.3m if the 2011/12 grant is frozen at the 2010/11 level, rather than increasing by 2.5% as assumed in the above forecast.
- 8.10 A grant freeze in 2011/12, which is the first year of the next Comprehensive Spending Review, is now an increasing risk owing to the impact of the recession on the Governments financial position. It is becoming clearer that the recession will be deeper and more prolonged than anticipated just a few months ago. As a result the Government's own financial position will deteriorate and therefore its ability to fund public services.
- 8.11 Against this back ground the Council is effectively facing annual budget deficits of £4m in 2010/11 and 2011/12.

9. SCRUTINY CO-ORDINATING COMMITTEE FEEDBACK AND CONSULTATION MEETING

- 9.1 A detailed report was presented on 23rd January 2009 setting out Scrutiny Co-ordinating Committee feedback on the draft budget proposals referred for Scrutiny in December. The key issues related to concerns about the proposed additional 1% efficiencies, particularly for Adult and Community Services and Children's Services.
- 9.2 Detailed consultation meetings have been held with the Trade Unions and representatives from the Business Sector. Minutes of these meetings are attached at Appendix I.
- 9.3 Feedback has also been provided from the various political group briefings and Cabinet has been asked to consider seeking Council approval of the following issues: -
- to make further representation to the Government about the floor damping adjustment and the adverse impact this has on the Council's financial position, in particular, the impact on the Council's ability to

provide services for children, adults with physical or mental health disabilities and older people;

- to ensure that compulsory redundancies are only implemented after exploring redeployment to vacant posts, or posts temporarily filled using agency staff, where the person to be redeployed has the necessary qualifications, skills and experience;
- to undertake a corporate review of pricing policies across the Council as part of the 2010/2011 budget process.

10. ROBUSTNESS OF BUDGET FORECAST AND RISK ASSESSMENT

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

10.2 I would advise Members that in my opinion the budget forecasts suggested in this report for 2009/2010 are robust. This opinion is based on consideration of the following factors:

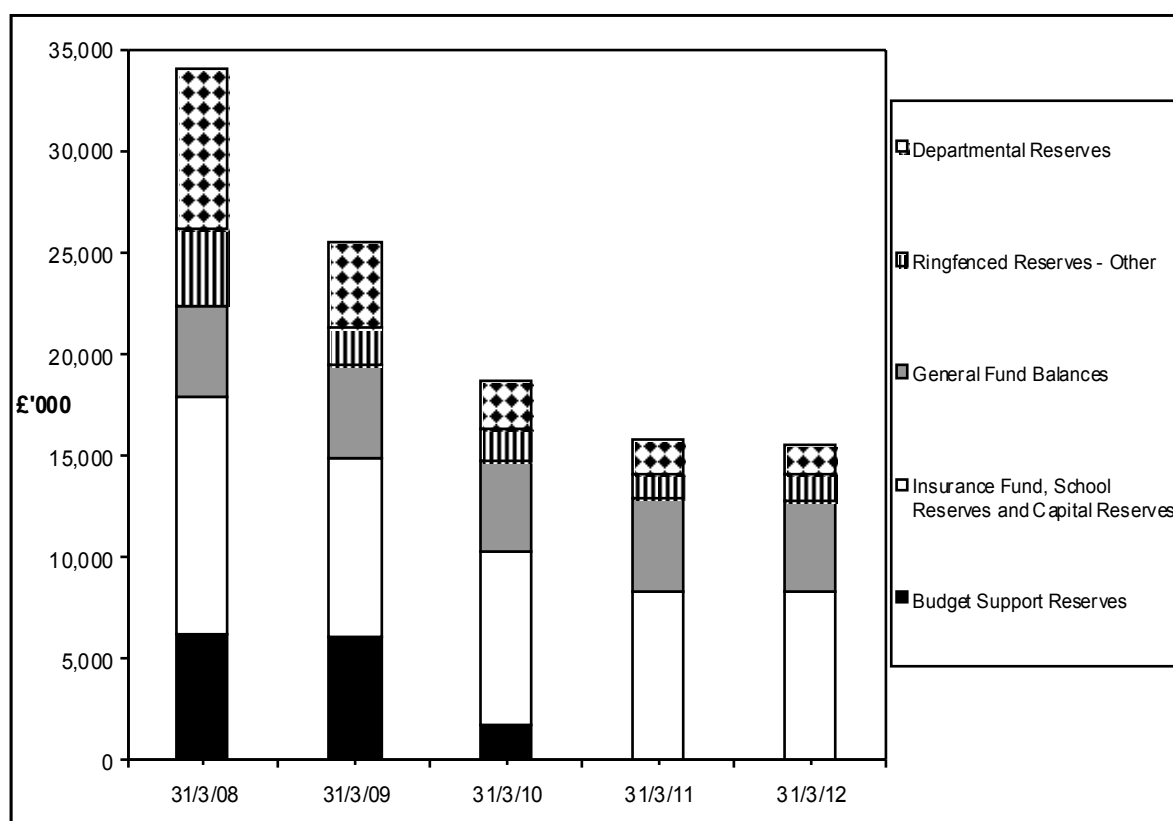
- The detailed work undertaken by individual Directors in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provisions for cost of living pay awards and inflation during 2009/2010;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The assumption that Members will approve the budget pressures, termination grants, contingency, 3% efficiencies and strategy for bridging the budget detailed in the report. If Members do not approve pressures, contingency and efficiencies the budget forecasts will not be robust as expenditure in these areas will inevitably exceed the available budget. If the proposed efficiencies are not approved, alternative savings will need to be identified before the start of the new financial year to balance the budget.
- The assumption that Members will approve the proposal to passport grants which have been mainstreamed and grants included in the Area Based Grant.
- The costs of implementing Job Evaluation do not exceed the provision included in the budget requirement.

10.3 Further details of the key financial assumptions underpinning the budget are detailed at Appendix J.

10.4 The robustness of the budget forecasts also takes account of the main areas of risk affecting the budget for 2009/2010 as detailed in Appendix J. In line with the Council's overall Risk Management Strategy the Authority

11. REVIEW OF RESERVES

- 11.1 The Council's reserves have been established over a number of years. Members have approved contributions to reserves as part of each year's revenue budget process and/or within each year's outturn strategy. Reserves are reviewed on an annual basis to enable Members to develop a strategy for using reserves to support the budget over a number of years and the achievement of the Council's policy aims.
- 11.2 In accordance with the Local Government Act 2003 this review followed CIPFA's guidance note on Local Authority reserves and balances, which requires local authorities to adopt clear protocols setting out:
- the reason for/purpose of reserve;
 - how and when the reserve can be used;
 - procedures for the reserves management and control;
 - a process and timescale for review of the reserves to ensure continuing relevance and adequacy.
- 11.3 These issues are covered in detail in Appendix L the key details are considered in the following paragraphs.
- 11.4 In overall terms the Council's reserves at 31st March, 2009, are anticipated to be £25m.
- 11.5 It is anticipated that reserves will reduce to £15.5m over the next four years as resources are released to support the revenue budget, to meet one-off costs of Building Schools for the future and to meet the temporary protection costs of implementing Job Evaluation. In addition, departments also plan on using Managed Revenue and Strategic Change Reserves. This position is summarised in the table below and further details are provided in paragraphs 11.6 to 11.9 and Appendix L.



11.6 Specific Reserves

11.7 These are amounts that have been set aside to meet specific commitments. The main items are summarised below:

i) Capital Reserves:

These are earmarked to finance capital expenditure repaid from the previous financial year, or to meet future capital expenditure liabilities.

ii) Insurance Fund:

This provides for all payments that fall within policy excesses or relate to self-insured risks. The fund currently covers the estimated value of unpaid outstanding claims.

iii) Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs of strategic changes to improve services, or reduce costs.

11.8 General Fund Balances

- 11.9 These reserves have also generally been set aside for specific purposes to enable the Council to manage its financial position over more than one financial year. However, whilst these reserves are needed for future commitments, these items do not meet the strict statutory definition of a Specific Reserve and are therefore carried as General Fund Balances. Details of these reserves are set out at Appendix K. The main reserves and proposals for using these reserves, where applicable, are detailed below: -

i) Unearmarked General Fund Balances:

Previous reports have recommended that this reserve should be maintained between 2% and 3% of the Revenue Budget. The Council is able to operate with reserves at this level owing to the availability of departmental reserves and the Council's Managed Under/Overspends policy. The reserve is available to meet unbudgeted emergency expenditure. However, any use of these reserves would need to be repaid in the following year.

The Council's General Fund Balances currently equates to 3% of the revenue budget.

ii) Revenue Managed Underspends and Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs, or strategic change costs, which will improve services, or reduce costs.

iii) Budget Support Fund Reserve:

This reserve is committed to support the revenue budget over the period 2008/2009 and 2011/2012. The level of reserves committed to support future budget currently exceed reserves available. It is hoped the shortfall will be bridged from future RTB receipts, although there is some risk to these receipts owing to the recession and this position will be reviewed annually as part of the budget process.

iv) Schools Reserves:

These reserves have arisen from the local management of school budgets and enable schools to manage their activities over more than one year.

12. DIVERSITY ASSESSMENT

- 12.1 The Council has a number of legal responsibilities arising from equality and diversity legislation including: eliminate harassment and unlawful discrimination; promote equality of opportunity; and promote good relations, positive attitudes and participation. The Council will wish to take these responsibilities into account as it considers and makes budget decisions.

- 12.2 As budget pressures, priorities, efficiencies and terminating grants have been identified officers have made an assessment of the impact relevant to diversity and equalities legislation.
- 12.3 A detailed summary of the diversity assessments is included at Appendix M, which identifies the following key issues:
- Efficiencies largely assessed as neutral
 - Pressures and additional pressures identify significant positive diversity impacts
 - Additional 1% reductions identify significant negative impacts
 - Terminating grants and contingencies are assessed as being neutral or positive overall
- 12.4 The diversity assessment process in relation to the budget for 2010/11 will be further developed to ensure Cabinet and Council are appropriately informed in respect of diversity and budget decisions.

13. HELP FOR THE LOCAL ECONOMY

- 13.1 The budget proposal provides assistance for the local economy through a variety of funding streams. This includes resources allocated through the Area Based Grant and Working Neighbourhood Funds and capital funding for Economic Development and Regeneration initiatives.
- 13.2 In addition, to address one of the major concerns of companies arising from the recession, the Council is reducing the payment period for Hartlepool companies from thirty working days, to ten working days. This is a challenging timetable for the Council and this change was introduced at the start of December. Since making this change 62% of invoices from Hartlepool companies have been paid within ten working days. Officers are working to improve this percentage.
- 13.3 Similarly, a range of initiatives will be pursued to help local businesses ensure they are paying the correct business rates.

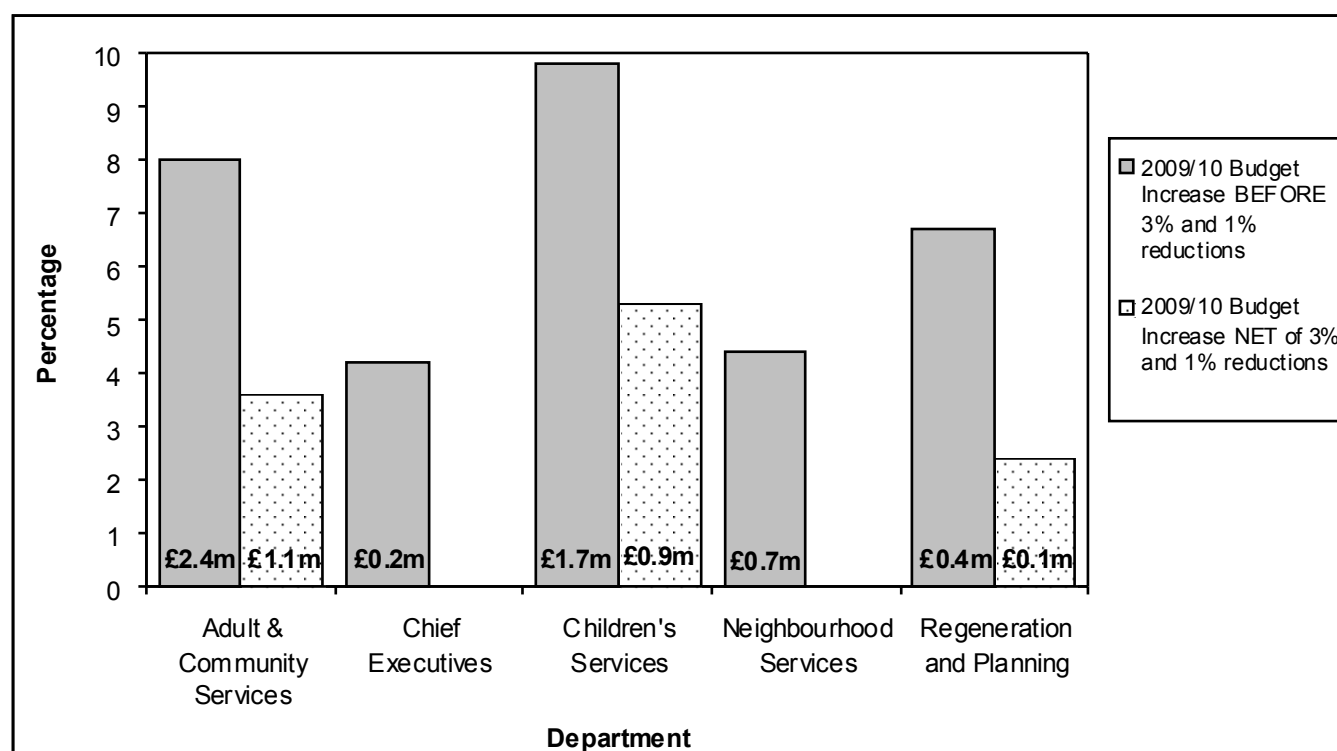
14. CONCLUSION

- 14.1 As reported previously there will be an overspend on departmental budgets in the current year of £2.6m. The Corporate Management Team has considered the implications of carrying this amount forward and repaying over the next three years. It is suggested that this option is not adopted owing to the more challenging financial position for 2009/2010 and beyond. An alternative strategy for funding this overspend is suggested which avoids departments starting 2009/2010 in debt. This strategy also avoids the use of General Fund Balances, which are forecast to be 3% at the end of the current financial year, which is the minimum prudent level. The overriding objective of the outturn strategy is to maximise resources carried forward to support future years risks. The proposals in the report enable this to be

achieved and £2.186m is available to assist future budgets from the 2008/2009 outturn.

- 14.2 In February, 2008 it was reported that the sustainability of the budget position in 2009/2010 and beyond depended on the achievement of efficiency savings and cost increases not exceeding the available budgeted headroom. On this basis small deficits were forecast for these years.
- 14.3 The financial position for 2009/2010 and beyond is significantly more challenging than previously anticipated. At a local level this is owing to increased pressures in relation to Children's and Adult Social Services and Job Evaluation. The local position will also be affected by the impact of the recession. The most visible initial sign of this locally will be a significant reduction in investment income owing to interest rates falling to levels not seen for over 50 years. Other income streams will come under increasing pressure in 2009/2010.
- 14.4 The 2009/2010 and 2010/2011 position has been assisted by the Government's confirmation of previously announced grant allocations for these years. Beyond 2010/2011 Government grant allocation will be less favourable owing to the impact of the recession on the Government's own financial position. However, despite the grant stability for the next two years the Council still faces an increased structural budget deficit for 2009/2010 and beyond.
- 14.5 This is not an entirely new problem as the Council has been funding a structural deficit for a number of years from the use of reserves. The previous strategy reflected the planning assumption that the budget could be brought back into balance over a number of years through a combination of increasing grant allocations, Council Tax increases, the achievement of efficiencies and the control of costs. The latter factor is the most difficult to achieve owing to the demand lead nature of many services, particularly Children's and Adult Social Services.
- 14.6 In 2009/2010 the position can be managed by increasing the level of temporary support to £5.3m, compared to £2.7m planned in February, 2008. This position is not sustainable beyond 2009/2010. Therefore, a strategy will need to be developed during 2009/2010 to address the structural deficit, which arises because expenditure is increasing at a faster rate than income.
- 14.7 The Business Transformation programme will make a significant contribution to reducing the structural budget deficit and achieving the 2010/2011 efficiency targets included in the budget forecasts. However, the Business Transformation programme will not fund the whole of the budget deficit and other measures will need to be identified during 2009/2010 to put the budget onto a sustainable basis from 1st April, 2010.
- 14.8 Detailed proposals for achieving the 3% efficiency target in 2009/2010 are set out in the report. It is suggested that the severance costs of achieving these efficiencies are funded on a loan basis repayable over five years.

- 14.9 The future budget position will not be helped by the impact of the current recession which will result in lower growth in public sector expenditure in the next Comprehensive Spending Review, covering the three years 2011/2012 to 2012/2013. The Chancellor recently stated that public sector growth will be only 1.1% over this period. As Education and Health are likely to be given priority, whatever the outcome of the next election, other areas of the public sector, including local authorities are likely to be given a lower priority. At best this will mean lower increases in grants than in recent years. At worst even cuts in funding. At the same time demographic pressures will continue.
- 14.10 On a more positive note the 2009/2010 budget provides additional resources for services, in particular, Children's Services and Adult Services as summarised in the table below. The table shows the gross budget increase before efficiencies and the net position after efficiencies. For the Chief Executives department and Neighbourhood Services the 2009/10 budgets after efficiencies are the same as current year's budgets. The figures all exclude the impact of Job Evaluation.



15. RECOMMENDATIONS

- 15.1 In order to finalise the budget proposals to be referred to Council it is suggested that the following issues be put forward to Council.

15.2 2008/2009 Outturn Strategy

- 15.3 Approve the proposal to earmark the increase in the stock of funds (paragraph 4.7) as follows:
- £400,000 to manage RTB timing risk;
 - £639,000 to fund initial budget deficits for 2009/2010 and 2010/2011;
 - £31,000 for Bus Services (note Council 11th December, 2008, approved £93,000 for Bus Services, including £44,000 for the Hospital Transport Service);
 - £23,000 for one-off costs associated with the revised Legal Services restructure;
 - £2,217,000 to support the 2009/2010 to 2010/2011 budgets.
- 15.4 Approve the proposals that capital expenditure up to the value of £2.6m which it was planned to fund from revenue budgets (RCCO's) and the Capital Funding Reserves should be funded from Prudential Borrowing. The resulting repayment costs in 2009/2010 will be funded by earmarking part of the 2008/2009 RCCO's and from 2010/2011 these costs will be a first call of the £1.5m budget headroom (paragraph 4.14).
- 15.5 Approve the proposal to earmark the revenue resources released from recommendation 15.4 to fund the 2008/2009 departmental overspends (paragraph 4.15).
- 15.6 Approve the proposal to earmark the 2008/2009 additional investment income firstly to offset income shortfalls during the recession, then £1.5m for Building Schools for the Future costs and £0.5m as a risk contingency for potential income shortfalls on the Tall Ships budget which may arise from adverse weather when the ships visit. In the event that the Tall Ships amount is not needed these resources should be returned to the General Fund in 2010/2011 (paragraph 4.22).
- 15.7 Approve the proposal to reallocate the saving of £37,000 on the 2008/2009 one-off items to partly meet the one-off capital costs of the Government Connects Project (paragraph 4.26).
- 15.8 **Capital**
- 15.9 Approve the proposals that Government capital allocations should be passported.
- 15.10 Approve the proposal to continue Capital investment of £1.2m in local priorities for the three years 2009/2010 to 2011/2012, which will be funded from unsupported borrowing. Details proposals for 2009/2010 are set out in Appendix A, Table 1.
- 15.11 Approve the proposal to provide Capital investment of £1.2m in 2009/2010 to fund a range of health and safety and property improvements and request Council to delegate authority to Cabinet to approve the detailed proposals for using this amount.

- 15.12 Approve the proposal to use unsupported borrowings to support the following capital investment in 2009/2010 (paragraph 5.7).

£'000

Community Safety Initiatives	150
Disabled Adaptations	50
Neighbourhood Forum Minor Works	156

- 15.13 Seek Council approval of the principles for strategic land and property acquisitions subject to the appropriate Cabinet and Council approval of detailed cases.

15.14 2009/2010 Revenue Budget

- 15.15 Approve the proposed 3% efficiencies detailed in Appendix C and the proposal to repay associated severance costs over five years, subject to compulsory redundancies only being implemented after exploring redeployment of staff to vacant posts, or posts temporarily filled using agency staff, where the person to be redeployed has the necessary qualifications, skills and experience.

- 15.16 Approve the revised net pressures etc., as detailed in the following Appendices and the additional requirements identified in paragraph 6.24:

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

- 15.17 Approve the proposed 2009/2010 allocations and 2010/2011 indicative allocations of the Area Based Grant detailed in Appendix G, including the use of £0.287m to support services/projects currently funded from the Council's core budget. Note that in the event that Council in February, 2009, do not approve individual ABG allocations the Council will need to underwrite such schemes for a three month period to enable Partners to comply with statutory redundancy timescales.

- 15.18 Approve the revised corporate planning assumptions for reducing the provision for pay awards by 0.5%, saving £0.2m (paragraph 6.42) and increase in the salary turnover target of £0.3m (paragraph 6.43).

- 15.19 Approve the reduction in 2008/2009 pressures etc. of £50,000 (paragraph 6.44).

- 15.20 Approve the reduction in 2009/2010 pressures etc. of £100,000 (paragraph 6.46).

- 15.21 Approve the temporary measures for reducing the budget gap from reduced job evaluation protection costs £0.2m (paragraph 6.49) and additional benefit subsidy income £0.2m (paragraph 6.50).
- 15.22 Approve the proposed 2009/2010 Council Tax increase of 3.9%.
- 15.23 Approve the proposal to bridge the net budget gap for 2009/2010 of £2.677m as follows and to note that this does not address the underlying structural budget deficit which will need addressing during 2009/2010:

	<u>£'000</u>
• Allocate the Mill House Loan Repayment budget	300
• Implementation of additional 1% efficiencies/savings	820
• Final Council Tax Base and Collection Fund Benefit	190
• Reduction in Energy costs pressure	30
• Using part of the uncommitted one-off resources	1,337*

* The proposed use uncommitted one-off resources is £0.22m lower than anticipated in December 2008 owing to the benefit of the Final Tax Base, Collection fund and reduction in energy pressure.

- 15.24 Approve the proposed indicative annual Council Tax increase for 2010/2011 and 2011/2012 of 3.9% per annum.
- 15.25 Note the net Business Transformation saving anticipated for the period 2010/2011 to 2016/2017 (paragraph 8.3) and approve the principle of funding one-off Business Transformation severance costs (£3.14m) and one-off implementation costs (£0.68m) on a loan basis repayable over a five year period from the gross savings achieved from implementing the Business Transformation Programme.
- 15.26 Approve the principle of centralising transport and property maintenance budget to facilitate the achievement of the relevant Business Transformation efficiencies.
- 15.27 Approve the proposal to seek Council support to make further representation to the Government about the floor damping adjustment and the adverse impact this has on the Council's financial position, in particular, the impact of the Council's ability to provide services for children, adults with physical or mental health disabilities and older people.
- 15.28 Approve the proposal to undertake a corporate review of pricing policies as part of the 2010/2011 budget process.

4.2 Appendix A

SUMMARY OF KEY ONGOING 2008/09 SERVICE ISSUES

	2008/2009 Forecast Outturn Adverse/ (Favourable) £'000	2009/2010 Budget Pressure/ (Saving) £'000	
<u>Adult and Community Services</u>			
- Working Age Adults Increase demand owing to demographic trends and increasing need for services.	850	855	Pressure
In 2008/2009 there will also be a one-off pressure of £450,000 from a delay in achieving transport and a specific care package efficiency.	450	450	Pressure
- Mental Health Increase demand for residential placements.	200	200	Pressure
- Older People Care Increase demand owing to demographic trends and increasing need for services, especially Older People with dementia	368	390	Pressure
<u>Children's Services</u>			
- Children and Families Support Cost of increased number of Looked After Children and associated care, including preventative work and Special Guardianship orders.	856	1,145	Pressure
<u>Corporate Issues</u>			
- Energy Costs Higher prices at end of existing contracts	276	285	Pressure & Contingency
- Job Evaluation This area is not overspending in 2008/09, but is identified as a risk area owing to the potential impact of appeals and other changes. Therefore, an increased provision is included in the base budget for 2009/10 and future years.	0	900	Pressure
<u>Temporary Corporate Savings</u>			
- Centralised Estimates In 2008/09 the Council has earned higher interest on its investments and cash flows than expected. Owing to reductions in interest rates this level of income will not be sustainable in 2009/10. However, it is expected that there will be a reduced benefit of £1m in 2009/10. As detailed in the main report part of this amount is earmarked for one off costs relating to Building Schools for the Future and to meet the repayment of severance costs.	(2,000)	(1,000)	

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2009/10 to 2011/12

TABLE 1 - FORECAST CAPITAL RESOURCES 2009/10 to 2011/12

	Forecast Resources 2009/2010					Forecast Resources 2010/2011 (Provisional)					Forecast Resources 2011/2012 (Provisional)				
	Prudential Borrowing	Supported Capital Expenditure (Capital Grant)	Other Capital Funding	Scheme Specific	Total	Prudential Borrowing	Supported Capital Expenditure (Capital Grant) SCE(C)	Other Capital Funding	Scheme Specific	Total	Prudential Borrowing	Supported Capital Expenditure (Capital Grant) SCE(C)	Other Capital Funding	Scheme Specific	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Supported Service Specific Allocations															
- Local Transport Plan	1,469	402			1,871	1,469	382			1,851	1,469	382			1,851
- Children's Services - See Note 1	1,012	7,326			8,338	526	6,128			6,654	526	6,128			6,654
- Adult Social Services		1,663			1,663		169			169	0	169			169
Total Supported Service Specific Allocations	2,481	9,391	0	0	11,872	1,995	6,679	0	0	8,674	1,995	6,679	0	0	8,674
Unsupported Corporate Prudential Borrowing															
Community Safety Strategy	150				150	150				150	150				150
Neighbourhood Forum Minor Works Allocation	156				156	156				156	156				156
Disabled Access Adaptations	50				50	50				50	50				50
Replacement of Mill House	0				0	3,000				3,000	0				0
Health & Safety Property Improvements	1,200				1,200	0				0	0				0
Capital Priorities	1,200				1,200	1,200				1,200	1,200				1,200
	2,756	0	0	0	2,756	4,556	0	0	0	4,556	1,556	0	0	0	1,556
Unsupported Departmental Prudential Borrowing															
Replacement Wheelie Bins	45				45	45				45	45				45
Vehicle procurement	1,000				1,000	1,000				1,000	1,000				1,000
	1,045	0	0	0	1,045	1,045	0	0	0	1,045	1,045	0	0	0	1,045
Useable Capital Receipts and RCCO															
Education Planned Maintenance	0	0	0	567	567	0	0	0	579	579	0	0	0	590	590
	0	0	0	567	567	0	0	0	579	579	0	0	0	590	590
Specifically Funded Schemes															
NDC				800	800				160	160				0	0
Youth Capital Fund				65	65				65	65				0	0
Housing Market Renewal				2,915	2,915				2,408	2,408				2,408	2,408
Housing SHIP				1,608	1,608				1,664	1,664				1,664	1,664
English Partnerships				0	0				1,850	1,850				3,000	3,000
General Sure Start Grant				387	387				388	388				388	388
Disabled Facilities Grant (DFG)				179	179				186	186				186	186
	0	0	0	5,954	5,954	0	0	0	6,721	6,721	0	0	0	7,646	7,646
Total Forecast Resources	6,282	9,391	0	6,521	22,194	7,596	6,679	0	7,300	21,575	4,596	6,679	0	8,236	19,511

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2009/10 TO 2001/12

TABLE 2 - FORECAST CAPITAL EXPENDITURE COMMITMENTS 2009/10 TO 2011/12

	Forecast Expenditure Commitments 2009/2010				Forecast Expenditure Commitments 2010/2011				Forecast Expenditure Commitments 2011/2012			
	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000
<u>Specifically Funded Schemes</u>												
NDC		800		800		160		160		0		0
Youth Capital Fund		65		65		65		65		0		0
Housing Market Renewal		2,915		2,915		2,408		2,408		2,408		2,408
Housing - SHIP		1,608		1,608		1,664		1,664		1,664		1,664
Housing - English Partnerships		0		0		1,850		1,850		3,000		3,000
General Sure Start Grant		387		387		388		388		388		388
Disabled Facilities Grant (DFG)		179		179		186		186		186		186
	0	5,954	0	5,954	0	6,721	0	6,721	0	7,646	0	7,646
<u>Misc Schemes</u>												
Education Planned Maintenance	567			567	579			579	590			590
	567	0	0	567	579	0	0	579	590	0	0	590
<u>Unsupported Corporate Prudential Borrowing</u>												
Community Safety Strategy		150		150		150		150		150		150
Neighbourhood Forum Minor Works Allocation		156		156		156		156		156		156
Disabled Access Adaptations		50		50		50		50		50		50
Replacement of Mill House		0		0	3,000			3,000		0		0
Health & Safety Property Improvements		1,200		1,200		0		0		0		0
Capital Priorities - See Note 3		1,200	0	1,200		1,200	0	1,200		1,200	0	1,200
	2,756	0	0	2,756	4,556	0	0	4,556	1,556	0	0	1,556
<u>Unsupported Departmental Prudential Borrowing</u>												
Replacement Wheelie Bins		45		45		45		45		45		45
Vehicle Procurement		1,000		1,000		1,000		1,000		1,000		1,000
	0	1,045	0	1,045	0	1,045	0	1,045	0	1,045	0	1,045
<u>Supported Service Specific Priorities</u>												
Local Transport Plan		1,871		1,871		1,469	382	1,851		0		1,851
Children Services		1,012	7,326	8,338		526	6,128	6,654		0		6,654
Adult Social Services		0	1,663	1,663		0	169	169		0		169
	2,883	8,989	0	11,872	1,995	6,679	0	8,674	0	0	0	8,674
Total Forecast Commitments	6,206	15,988	0	22,194	7,130	14,445	0	21,575	2,146	8,691	0	19,511

APPENDIX B

APPENDIX C

Note 1

A bid has been made to bring forward £2m of 2010/11 Primary Capital grant resources into 2009/10. This has been reflected in the forecast figures.

Note 2

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

Project	2009/10 Allocation £'000	2010/11 Allocation £'000
<u>Schemes approved as part of 2008/09 Budget Process</u>		
Civic Centre Ramp Access	151.0	(a)
Highways Schemes	40.0	(a)
Coast Protection (North Pier)	100.0	(a)
Economic Development - Industrial and Commercial	100.0	(a)
Regeneration Match Funding	100.0	(a)
<u>Proposal to be allocated as part of 2009/10 Budget Process</u>		
Grayfields Mini soccer pitches	74.0	(b)
Energy Efficiency schemes	20.0	(b)
Non-adopted highway areas	100.0	(b)
Wharton Terrace Area (Removal of planters)	50.0	(b)
Municipal Buildings Fire system	12.5	(b)
Disabled facilities grants	100.0	(b)
Central library	100.0	(b)
Regeneration match funding	75.0	(b)
Economic Development - Industrial and Commercial	75.0	(b)
Shopping parade improvements	50.0	(b)
Mill House Leisure	350.0	(b)
Less 2009/10 over programming	(297.5)	(b)
<u>Proposal to be allocated as part of 2010/11 Budget Process</u>		
Less 2009/10 over programming		297.5 (b)
Proposal to be allocated as part of 2010/11 Budget Process		902.5
	1,200.0	1,200.0

Notes

a) These schemes are to be funded over two years commencing 2008/09 and committed £0.491m of the 2009/10 allocation. Council approved these schemes on 14th February 2008

b) The 2009/10 total shows an over programming of £0.298m. The Programme will be managed to ensure 2009/10 expenditure does not exceed resources, which may mean costs are rolled forward into 2010/11.

CLT Portfolio	A&CSD CS Dept/ Div	Budget heading / Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	1. Unlikely/Risk probability .	Risk score	Risk status	Rate the Diversity impact	All Diversity strand's)	No Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
CLT	A&CSD CS	Community Forest	7. C&L	Membership of North East Community Forest ended following merger of NECF with Groundwork Trust . In future work to be bid for on a project by project basis.	Efficiency		28	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	No	
CLT	A&CSD CS	Grounds Maint Contract 1 and 2	7. C&L	Reconfigure attendant provision at Grayfields and Summerhill at a lower cost than the current contractual Arrangements	Efficiency		13	4	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
CLT	A&CSD CS	Art Gallery Tourist Information	7. C&L	Streamlining of site management rosters and <u>minor</u> adjustments to service opening times, including streamlined private view arrangements.	Efficiency		18	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0.4	
CLT	A&CSD CS	Art Gallery Maritime Experience Museum of Hartlepool	7. C&L	To get better value from suppliers by reviewing contracts and replacing them with more efficient ways of working.	Efficiency		22	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	0.5	
CLT	A&CSD CS	Libraries General Reference Library	7. C&L	Reduce expenditure on library stock; using internal and external data to enable better and more informed purchasing choices to be made. Stock and community profiling in 2009/10 to help identify local usage and key areas of stock. Benefits; improved stock turn [stock attracts more issues], stock better reflects user requirements	Efficiency		15	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	No	
CLT	A&CSD CS	Central Library Relief Register	7. C&L	Introduction of RFID ie. self issue & receipt of library books, at the Central Library. RFID agreed by Cabinet and approved by IT Partnership Board subject to further clarification of cost analysis. Benefit: staff released from repetitive and manual tasks to improve customer services.	Efficiency		21	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	1.0	
CLT	A&CSD CS	Community Centres	7. C&L	Restructure of cleaning and caretaking staff within Community Centres to deliver service at lower cost than current arrangements.	Efficiency		20	15	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0.0	

Portfolio	Dept/ Div	Budget heading / Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand's)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
CLT	A&CSD CS	Community Development	7. C&L	Reduction in printing, training and project development fund budgets whilst maintaining service level.	Efficiency		12	0	0	0	1. Low	2. Possible	2	Green	Negative	All	No	0.0	
CLT	A&CSD CS	Borough Building	7. C&L	Redine the working arrangements within the Borough Hall and Sports Centre to maximise targeted activity and use.	Efficiency		20	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	2.0	
CLT	A&CSD CS	Arts Development	7. C&L	Redirect investment in professional artist fees. This includes reduction of budget from Tees Valley investment Fund to allow direct spend in Hartlepool.	Efficiency		10	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	2.0	
APHS	A&CSD ASC	Support, Time & Recovery Team	3. H&C	Current Support Time and Recovery service over staffed by 2 posts (currently vacant). Reducing this service by these 2 posts will not affect provision and retains the number of staff needed to deliver the service.	Efficiency		39	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	2.0	
APHS	A&CSD ASC	Brooklyn Day Centre	3. H&C	Access ing people to mainstream provision rather than building based statutory provision thereby promoting choice and social inclusion.	Efficiency		5	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	Nil	
APHS	A&CSD ASC	Warren Road Day Centre	3. H&C	Reduction in the number of senior link workers to allow a flatter management structure and more flexible working to promote a more modernised and efficient service and release cash for Individual Budgets.	Efficiency		60	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	3.5	
APHS	A&CSD ASC	Learning Disabilities SWAT Team	3. H&C	Co-location of LA and NHS Learning Disability teams at Warren Road, enabling efficiencies across rent and utilities.	Efficiency		30	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	Nil	
APHS	A&CSD ASC	Sensory Loss Team	3. H&C	Physical Disabilities team to be relocated within loclity teams to promote integrated and seamless service provision. Team Manager post, currently vacant, to be disestablished.	Efficiency		45	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	1.0	

Portfolio	Dept/ Div	Budget heading / Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand's)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
APHS	A&CSD ASC	Sensory Loss Team	3. H&C	Physical Disabilities team to be relocated within locality teams to promote integrated and seamless service provision. Team clerk post, currently filled by temporary postholder, to be disestablished.	Efficiency		20	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	1.0	
APHS	A&CSD ASC	Warren Road Day Centre	3. H&C	Relocation to share accommodation and thereby reduce costs of rent and utilities by sharing the costs across the LA and NHS.	Efficiency		3	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	Nil	
APHS	A&CSD ASC	Learning Disabilities Agency	3. H&C	Use of the fair price tool kit across the Tees region to allow efficient and equitable pricing by reviewing contracts.	Efficiency		30	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	Disability	No	Nil	
APHS	A&CSD ASC	Learning Disabilities Agency	3. H&C	End block contract for respite care beds service and develop alternative, smaller unit with other respite care alternatives in line with personalised services.	Efficiency		50	0	0	0	2. Medium	1. Unlikely	2	Green	Neutral	Disability	No	Nil	
APHS	A&CSD ASC	Adults Management	9. OrgD	Review of planning function to link to wider reorganisation of Adult Social care to ensure more efficient processes.	Efficiency		44	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	1.0	
APHS	A&CSD ASC	Care Management Team 2	9. OrgD	Integration of management structures with PCT.	Efficiency		45	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	1.0	
APHS	A&CSD ASC	Duty Team	9. OrgD	Re-alignment of skill mix within Duty team - capacity at first point of contact unaffected.	Efficiency		10	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0.0	

Portfolio	Dept/ Div	Budget heading / Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand's)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
APHS	A&CSD SS	Support Services	9. OrgD	Review of divisional admin staff planned for late 2008. Links to wider Business Transformation programme.	Efficiency		37	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	2.0	
APHS	A&CSD SS	Workforce Planning & Development	9. OrgD	Changes to deployment of training resources, including possible procurement and partnership gains.	Efficiency		15	0	0	0	1. Low	3. Likely	3	Green	Neutral	All	No	No	
APHS	A&CSD SS	Finance Section	9. OrgD	Finance Section receive and manage benefits on behalf of many service users. Departmental Review planned for late 2008, including processes and numbers of referrals.	Efficiency		25	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	1.0	
APHS	A&CSD ASC	Older People Purchasing	9. OrgD	Hartfields Extra Care Village to be utilised rather than residential care for older people who require substantial levels of support to remain safe. Improve quality of live. Manage financial resources more effectively.	Efficiency		125	0	0	0	2. Medium	3. Likely	6	Amber	Neutral	All	No	No	
CLT	A&CSD CS	Leisure Centres	7. C&L	Review of Mill House Leisure Centre staffing and rostering arrangements to maximise efficient working.	Efficiency		20	10	5	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	3.0	
APHS	A&CSD ASC	Integrated Care Team 1 and 3	9. OrgD	Integration of internal Homecare service and Intensive Support team to create new Direct Care & Support Service. Integration with PCT will support the introduction of Telehealth and offer a more efficient service around rapid response cases. Focussing on early intervention and using specialist workforce to deliver outcomes and transfer less complex work to independant sector.	Efficiency		193	0	0	0	2. Medium	4. Almost certain	8	Red	Neutral	All	No	6.7	

ADULT AND COMMUNITY SERVICES - PROPOSED EFFICIENCIES

[illegible]

CHIEF EXECUTIVES DEPARTMENT - PROPOSED EFFICIENCIES
4.2 Appendix C

Perf Portfolio	CED CS	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000										
Perf	CED CS			9. OrgD	A reduction in a variety of operating expenses within Corporate Strategy division including, as a result of reviews of paper circulation, reductions in printing costs	Efficiency		9.1	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
Perf	CED CS			9. OrgD	Reviews of consultation activity and changes in practise have resulted in a reduced need for fieldwork activities to undertake scheduled consultation	Efficiency		7.0				1. Low	1. Unlikely	1	Green	Neutral	All	No	0	The reduction in fieldwork activities will have no direct impact on staffing as these workers are employed only for specific consultation exercises on short term contracts
Perf	CED CS			9. OrgD	Minor reductions in operating expenses	Efficiency		2.5				1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
Perf	CED CS			9. OrgD	Reduction in printing costs for Corporate Plan as take up of hard copies has reduced significantly in recent years	Efficiency		1.0				1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
Fin	CED F	Accountancy		9. OrgD	Following the implementation of new Financial Management System and review of working practices a vacant Accounting Technician post can be deleted. Whilst, this proposal will not impact on current operational requirements, it reduces capacity to support non core activities, such as new corporate initiatives, support for departmental finance teams when they have vacancies, or support of new grant regimes.	Efficiency		22.0				1. Low	2. Possible	2	Green	Neutral	All	No	-1.0	Staffing reduction already achieved as post vacant.

4.2 Appendix C

[illegible]

CS Portfolio	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
CS	CSD R&SS	Admin	2. LLL	In setting the 2008/09 budget the department had to incorporate £100k for the back scanning of social care records to comply with legislation. This exercise involves temporary staffing and equipment costs and the exercise should be completed by 31st March 2009.	Efficiency		100	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	-4	Temporary contracts will not be extended for 4 staff.
CS	CSD R&SS	Premature Retirement Costs	2. LLL	The department is continuing to experience reduced costs on its PRC (Premature Retirement Costs) budget as former employees and their dependents die. Based on current commitments, savings of £30,000 are projected in 2009/10.	Efficiency		30	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
CS	CSD P&SI	Youth	8.5IC	A mini restructure as part of integrated working between Connexions and the Youth Service will result in a managerial post being saved. This will release a vacant post yielding a net saving of £40k. There would be no adverse impact on provision for young people.	Efficiency		40	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	This will involve the transfer of a mainstream funded post to PAYP grant funding with longer term risk if grant is discontinued. Currently secure until 2010/2011.
CS	CSD S&SS	Exmoor Grove	3. H&C	Staffing and premises savings have been identified resulting from changes to the shift patterns and opening hours at Exmoor Grove with no adverse impact on service delivery or children accessing service.	Efficiency		90	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
CS	CSD S&SS	Resource Centres	4. Csa	Efficiencies from maintenance and building costs associated with family resource centres.	Efficiency		20	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
CS	CSD R&SS	Admin Support	2. LLL	Reduction in admin support posts across the Children's Services Department through rationalisation of service and maximising potential benefits of current vacancies.	Efficiency		54	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	These savings can be made without redundancy
CS		School Improvement Partners	2. LLL	Review arrangements in relation to School Improvement Partners and OfSTED inspections to maximise income and reduce costs.	Efficiency		12	6	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0	Some minimal impact on services to schools.

CHILDREN'S SERVICES - PROPOSED EFFICIENCIES

4.2 Appendix C

CS Portfolio	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
CS			Co-ordinators	2. LLL	Deletion of Outdoor Education Co-ordinator post.	Efficiency	40	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	Currently a vacant post.
CS		School Development & Curriculum	2. LLL	This budget is used to support "one-off" initiatives and to help those schools in challenging circumstances. Deletion of this funding may increase the risk of schools moving into Ofsted or cause for concern category and/or pupil performance declining.	Efficiency		40	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	Possible adverse impact on schools
CS	CSD R&SS		Pupil Support	2. LLL	Further reduce the subsidy paid to support attendance at Lanehead and Carlton Outdoor Centres by pupils other than those from low income families. Hartlepool currently provides higher subsidies than Middlesbrough and Redcar and Cleveland Councils although the gap narrowed as a result of the 2008/09 budget.	Efficiency	5	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	
CS	CSD R&SS		Admin Support	2. LLL	Reduction of admin support posts across the Children's Services Department through rationalisation of service.	Efficiency	126	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	5	These savings can be made whilst maintaining appropriate service levels but could lead to up to 5 redundancies.
CS	CSD R&SS		Primary Swimming	2. LLL	Savings could be made from the use of swimming pools and rationalisation of staff employed to deliver the primary swimming programme. This could involve redundancy costs and/or one off costs to buy out existing contracts.	Efficiency	10	0	0	0	2. Medium	3. Likely	6	Amber	Neutral	All	No	1	
CS	CSD S&SS		Commissioning	4. Csa	Efficiencies could be realised via improved commissioning and procurement practice with external suppliers of daycare.	Efficiency	26	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	
							593	6	0										

NEIGHBOURHOOD SERVICES - PROPOSED EFFICIENCIES
4.2 Appendix C

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	Budget Value			Cost of efficiency saving £000	Risk Impact	Risk probability	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000										
NC	NSD PP	Pride in Hartlepool		5. Env	External Sponsorship for Pride in Hartlepool	Efficiency		5	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
NC	NSD F&BD	Admin		9. OrgD	Revised reception arrangements at Church Street Offices releasing 0.5 FTE	Efficiency		10	10	10	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	1	
APHS	NSD PP	Consumer Services	36741	3. H&C	Savings in licensing operations based on income predictions / operational needs.	Efficiency		20	0	0	0	2. Medium	2. Possible	4	amber	Neutral	All	no	0	There may be a risk if there are changes in these needs.
APHS	NSD PP	Cems and Crens (36743)		3. H&C	Additional income by increasing burial and cremation charges by 10%.	Efficiency		44	29	13	0	2. Medium	2. Possible	4	amber	Neutral	ALL	No	no	
Fin		FM ex Property Services		5. Env	Restructure building maintenance and management section	Efficiency		35	0	0	0	2. Medium	2. Possible	4	amber	Neutral	All	No	1	
Fin	NSD PS	Asset and Property Management		5. Env	Reconfigure property management service with retirement of staff member	Efficiency		40	0	0	0	2. Medium	2. Possible	4	amber	Neutral	all	no	1	
NC	NSD TS	Road Safety	36711	5. Env	Advertising and marketing within road safety section	Efficiency		5	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	all	No	0	e.g. marketing of driver training scheme
nc	NSD NM	Env		5. Env	Rationalisation of supervision of weekend working	Efficiency		10	2	0	0	2. Medium	2. Possible	4	amber	Neutral	all	no	0	A review of weekend operations to be carried out to identify areas of efficiency and duplication

4.2 Appendix C

NC Portfolio	NC Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	09/10 £000	10/11 £000	11/12 £000	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
NC	NSD NM	Waste Disposal		5. Env	Reduction of end market costs for the recycling of plastic and cardboard	Efficiency		20	0	0	0	1. Low	1. Unlikely	1	green	Neutral	all	no	0	
NC	NSD NM	FM		5. Env	Restructure of Facilities Management Services	Efficiency		30	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	all	no	1	
nc	NSD NM	Grounds		5. Env	Reconfigure schools grounds maintenance service releasing 0.5 FTE	Efficiency		10	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	all	No	1	
NC	NSD NM	Env Enforcement		5. Env	Fine income generation through the introduction of dog control orders	Efficiency		10	2	2	0	1. Low	1. Unlikely	1	Green	Neutral	all	no	0	
nc	NSD NM	Neighbourhood Management		5. Env	Restructure savings within Neighbourhood Management	Efficiency		92	0	0	0	2. Medium	2. Possible	4	amber	Neutral	all	no	0	
nc	NSD All	overall budgets		9. OrgD	Cash freeze a range of budget headings at 2008/09 level.	Efficiency		25	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	all	No	0	
Fin	NSD PS	N/S facilities management	36278		Reduction of one further member of FM team dealing with schools. Minimal risk.	Efficiency	Dept.	32	0	0	56	2. Medium	2. Possible	4	Amber	Neutral	All	No	1	

4.2 Appendix C

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Efficiency Classification	09/10 £000	10/11 £000	11/12 £000	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
APHS	NSD PP	Admin Civic	36730		Reduction in administrative IT support, saving in one post.	Efficiency	Dept.	20	0	0	10	1. Low	2. Possible	2	Green	Neutral	All	No	1	
NC	NSD TS	Engineering consu	36702		Removal of Principal Engineer post as part of the exercise to combine Building and engineering consultancy divisions.	Efficiency	Dept.	45	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	1	
NC	NSD NM	Grounds maint	36632		Rationalisation of supervisory arrangements resulting in a reduction of two posts.	Efficiency	Dept.	24	0	0	60	2. Medium	2. Possible	4	Amber	Neutral	All	No	1	
APHS	NSD PP	consumer services	36741		Reduction in one technical officers post, Low impact work can be absorbed by current team.	Efficiency	Dept.	15	0	0	8	1. Low	2. Possible	2	Green	Neutral	All	No	1	
APHS	NSD PP	Markets	36745		Markets supervision function to be transferred to neighbourhood management. Saving one part time post.	Efficiency	Dept.	10	0	0	2	1. Low	2. Possible	2	Green	Neutral	All	No	1	
NC	NSD NM	Street cleansing	36291		Modernisation of Cleansing and grounds maint function resulting in savings on vehicle usage.	Efficiency	Dept.	19	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	
								521	43	25										

REGENERATION AND PLANNING PROPOSED EFFICIENCIES

Portfolio	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability	Risk score	Risk status	Rate the Diversity impact	All Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
RS	R&PD P&ED	Economic Development: Contribution to Sub Regional Partnerships	1. Jobs	Reduction in the HBC contribution to the Joint Strategy Unit. It is expected that the JSU will once again reduce their budget to reflect the national cashable efficiency target. The final saving will depend on the inflation factor used and population statistics applied by the JSU but a reduction in the region of £5,000 could be possible with no effect on the council's services	Efficiency	5	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
NC	R&PD Ho	Housing Advice / Private Sector Housing	6. Ho	Reduction of a number of supplies and services headings within the Housing Division's budget. A number of minor budgets can be reduced or removed which would together generate a small scale efficiency without a major effect on the service.	Efficiency	15	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
RS	R&PD CStr	Community Strategy	8.StC	Reduction in several supplies and services headings within the Community Strategy Division's budget. A number of small budgets can be reduced which would generate a small scale efficiency with a limited negative impact on services.	Efficiency	3	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
RS	R&PD SS	Admin	9. OrgD	Reduction in several supplies and services headings within the Support Services Division's budget. Several budgets can be reduced which would generate a small scale efficiency with only a minimal affect on the service.	Efficiency	5	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
RS	R&PD Reg	Planning Policy and Regeneration Management	5. Env	A mini restructure within the Planning Policy and Information Team and reduction in budget for supporting the production of Local Development Framework (LDF) related documents by the team and any associated research / consultancy support. This does carry some risk to the delivery of a statutory process but nevertheless is deemed manageable within overall budget resources.	Efficiency	10	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	No	0	
RS		Inflation Freeze		An inflation freeze imposed on various non contractual budget headings. It is proposed to manage a number of headings without implementing a 2.5% inflation allowance. It is felt that such a freeze could be implemented without a major negative affect on departmental services.	Efficiency	9	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0	

Portfolio	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
RS	R&PD CSaf	Youth Offending	4. Csa	YOS Commissioning: Youth Offending Service (YOS) provides a comprehensive service to young offenders, and also works with their family and victims. Several services are provided by the voluntary sector, and the Service Level Agreements have been re-negotiated on an annual basis. A programme to re-commission these services will be developed for 2008-2010. Specifications will be reviewed following consultation with service users	Efficiency	4	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0	
RS	R&PD CSaf	Youth Offending	4. Csa	YOS Sessional Workers: The Youth Offending Service requires a pool of sessional workers, with different skills, knowledge and experience to support the full-time staff with their supervision of young offenders. Sessional workers have a contract with HBC which allows them to work flexibly, to suit the requirements for each individual young offender. They are not contracted to work fixed hours per week and are paid by the hour. This proposal will change the funding for sessional workers from HBC mainstream budget, to a grant budget. All other arrangements will remain the same	Efficiency	10	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0	
RS	R&PD CSaf	Community Safety	4. Csa	Cost of Accommodation. HBC currently supports the Police occupation at 6 of the 7 local offices by funding (or contributing to) the rates, repairs and maintenance and rent (where appropriate) of these buildings. One of these buildings (9 Church Street) is however shortly to be vacated by the Police and it is proposed to accommodate the Partnership's Reducing Re-offending Team within this office. Contributions from the Drug Interventions Programme and Probation towards the running costs of the building will result and consequently reduce the cost to the authority.	Efficiency	10	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0.0	
RS	R&PD CSaf	Youth Offending	4. Csa	YOS Admin Post: Due to a full-time vacancy arising with the YOS, a review of the admin capacity has been undertaken and an efficiency saving of 0.5 Fte can be achieved.	Efficiency	10	0	0	0	1. Low	2. Possible	2	Green	Neutral	All	No	0.5	Some additional risk of not being able to make this saving exists due to lack of clarity in respect of actual staffing budgets available as a result of the Job Evaluation exercise

Portfolio	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
RS	R&PD SS	Admin	9. OrgD	Reduction in staffing resources within the Support Services Division. Further work would be required to identify the most appropriate course of action to achieve this efficiency although there appears to be an opportunity (albeit fairly limited) to do this without negatively impacting on existing permanent employees. This would however increase the pressure on team members who at the start of 2007/08 began to support the newly transferred Housing Division with no additional resource.	Efficiency	7	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0.3	Some additional risk of not being able to make this saving exists due to lack of clarity in respect of actual staffing budgets available as a result of the Job Evaluation exercise
NC	R&PD Ho	Strategic Housing	6. Ho	Reduction in the budget for research activities and specialist studies on Housing. Ongoing specialist work is required to statutorily assess housing needs for the council's housing and planning strategies and to support bids for funding. This proposed reduction does carry risk of the authority failing to adequately identify or respond to local need in statutory services. Some mitigating measures exist through the continuing work with other authorities at the sub regional and regional level and the introduction of Choice Based Lettings will contribute to our understanding of current and emerging housing issues.	Efficiency	10	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	
RS	R&PD P&ED	Development Control	5. Env	Development Control fee income: projected fee income increase reflects increased fee rates, widened scope of charging for applications (including related to discharging of conditions) and projected level of future applications, based on patterns over 2007-8, 2008-9 to date and assumptions based on known schemes in the pipeline. Such increase would reduce the net cost of the DC service, whilst allowing the maintenance of existing level of service and performance (which contributes towards level of Housing and Planning Delivery Grant received). Fee income level is monitored throughout the year and overall service budget will be managed to take account of any variance from projected fee income level. There is however RISK attached to this proposed efficiency in view of the reliance on external factors and in particular the current uncertainties in relation to the economic climate.	Efficiency	20	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	
RS	R&PD Reg	Major Regeneration Projects	5. Env	Major Regeneration Projects: A reduction on this budget heading would be necessary to meet a 3% efficiency saving target. The budget is used primarily to support the Victoria Harbour programme and as such is a high priority. There is a risk of not securing grant funding as a result of this reduction and the lower resource level may slow the momentum of preparation of related schemes.	Efficiency	20	0	0	0	2. Medium	2. Possible	4	Amber	Neutral	All	No	0	Reduction in this budget may not be well-timed given the overall Victoria Harbour position

4.2 Appendix C

REGENERATION AND PLANNING TOTAL

Adult and Community Services - Pressures

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
APHS	A&CSD ASC	Older People	3. H&C	Closure of St.Cuthberts Day Centre has led to displaced individuals needing services that are delivered at a more expensive cost than those previously provided by the Diocese.	Pressure	45	0	0	0	3. High	4. Almost certain	12	Red	Positive	Age	No	0	
APHS	A&CSD ASC	Learning Disabilities Agency	3. H&C	14 young people with autism and high level, complex needs will become adults in 09/10 and require costly packages of care to ensure that they have a quality of life and maximum opportunities to access mainstream and ordinary opportunities in their community. Initial pressure increased by £55,000 to reflect additional case.	Pressure	355	0	0	0	3. High	3. Likely	9	Red	Negative	Disability	No	0	Every effort made to secure funding partnership with health for these high cost packages
APHS	A&CSD ASC	MH Agency	3. H&C	Increasing number of people with mental illness and dual diagnosis or autistic spectrum disorder requiring high cost packages. Pressure on budget and statutory duty to meet assessed needs.	Pressure	200	0	0	0	3. High	3. Likely	9	Red	Negative	Disability	No	0	Statutory duty to meet assessed need. Frequently split funding with LD services or PD services.
				Total Adult & Community Services		600	0	0	0									

4.2 Appendix D

Perf	Portfolio	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	No Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
				9. OrgD	Safer workforce - HR Operational support increased to ensure compliance by Depts in respect of safer workforce practices. Major areas include recruitment, structure/checking of personal files etc. Additional and on-going training of managers in departments required. Risk to the Authority in respect of non compliance in respect of procedures will be increased. Potential effect on Councils rating. Independent Safeguarding Authority - increased work in relation to registration/clearance of employees. Failure to support could result in the employment of individuals who pose a risk to children / vulnerable adults.	Pressure	53	0	0		3. High	3. Likely	9	Red	Neutral	All	No	0	
Perf		CED HR		9. OrgD	Tees Valley and Durham Communications service - (BSL interpretation). Previously funded from Human Resources managed revenue underspend. The Council has extended the contract for another three years. This service provision is essential so as not to discriminate the deaf people from using our services. The benefits are that we will be complying with the Equality legislation and promoting equal opportunities to all our customers. Diversity consultations with ethnic minorities, Lesbian, Gay, Bi-sexual and Trans-gender (LGBT) community, people with disabilities and to start a religious forum. Previously funded by Corporate Strategy as new initiative. Equality Act 2006 looks for compliance in providing services to all the diversity strands. The benefits are immense as this would lead to providing services to all sections within our communities free from discrimination.	Pressure	13	0	0	0	3. High	3. Likely	9	Red	Positive	Disability	No	0	This payment is to cover the admin costs as the usage is re-charged to the relevant departments. Corporate strategy funded these as they were initiatives. Now with their budget pressures, they cannot continue to fund these existing consultations.

4.2 Appendix D

Per Portfolio	CED All Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	All Diversity strand(s)	No Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
			9. OrgD	<p>The Government have been developing, for some considerable period of time, a mechanism to allow the secure sharing of data between public sector organisations. Whilst this development has been ongoing for a period of time the Government, through a variety of government departments are now mandating the use of this mechanism, called Government Connects, for the sharing of key elements of information. The first, though not likely to be last, government department to mandate it's use for information is Department for Work and Pensions (DWP). Government Connects, from April of next year, will be the only place that the authority can access DWP data which is essential for the ongoing operation of the Benefits function in the authority. Although this is the only government department to do this to date there are likely to be other departments taking such a stance in the near future. Not enabling the connection to Government Connects will mean that there are mandatory parts of the benefits service which the authority will be unable to provide with a subsequent impact on a high performing and important service.</p> <p>Government connects is currently partially funded from central resources but this funding will cease in 2011 hence the increased revenue costs of 24K</p>	Pressure	9	0	24		3. High	4. Almost certain	12	Red	Negative	All	No	0	There are two elements to the pressure. A capital cost to enable connect £ 43 K and an ongoing revenue impact of £ 9K
Fin	CED F		Accountancy 9. OrgD	<p>From 2010/11 Local Authorities will need to comply with International Financial Reporting Standards (IFRS) when preparing the Annual Statement of Accounts. Work on complying with these requirements will need to be undertaken during 2009/10 to ensure compliance with IFRS from 2010/11 as these changes are extensive. Compliance with IFRS will be extremely challenging and experience from the private sector, which has already adopted IFRS, indicates that there is a significant increase in the work required to produce statutory accounts and a 20% increase in external audit fees. It is envisaged that an additional accountant will be required to comply with IFRS. Non compliance with IFRS would result in the External Auditor qualifying the Accounts, which in turn impacts on the Use of Resources and CPA/CAA (Comprehensive Performance Assessment/Comprehensive Area Assessments) scores.</p>	Pressure	42	1	2		3. High	3. Likely	9	Red	Neutral	All	No	1	Pressures reduced by £21,000 for 2009/10 as part of cost can be funded from departmental resources in 2009/10.

4.2 Appendix D

						Budget Value													
Perf	Portfolio	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	09/10 £000	10/11 £000	11/12 £000	Cost of efficiency saving	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
	Perf	CED HR	Election Expenses	9. OrgD	Election postage caused by increase in postal voters and new regulations relating to poll cards to all electors	Pressure	8	0	0		2. Medium	3. Likely	6	Amber	Neutral	All	No	0	
Perf		CEX L	Legal	9. OrgD	A restructure of the Legal Services Division to compensate for the dissipation of staff and to meet increasing workloads as reported to the Council’s Cabinet on 18th August, 2008. The Cabinet agreed to the recommendation to restructure in principle through the addition of the post of a Solicitor (commercial/procurement), Legal Assistant (Childcare) and a Trainee Solicitor. Latter post included as priority.This was to meet additional functionality, increasing caseloads and to meet and comply with statutory requirements/obligations against a service with a low resource base. Pressures upon the service includes; increasing childcare caseloads and the adoption of the Public Law Outline governing the conduct of childcare proceedings, work involved with regeneration/partnering initiatives, school transformation/BSF, Freedom of Information and Data Protection compliance, Crime and Disorder Act provisions, equal pay/JE implementation, the locally based assessment and determination process, major corporate the Division’s Lexcel accreditation.	Pressure	63	2	2		2. Medium	2. Possible	4	Amber	Neutral	All	No	2	
					Total Chief Executives		188	3	28										
					Less Pressures reduced since October 2008		(21)												
					- Implementation of IFRS		167												
					Total Chief Executives														

							Budget Value													
Portfolio	CS	Dept/ Div	Budget heading/ Cost Centre	Corp Strategy theme	Description	Type of budget proposal	09/10 £000	10/11 £000	11/12 £000	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments	
	CS	CSD S&SS		Looked After Children	4. Csa	The increased costs of care proceedings resulting from the Public Law Outline are expected to continue at an annual cost of at least £100,000 per year. This was highlighted when the 2008/09 budget was set and is being funded from contingencies in the current year.	Pressure	100	0	0	0	3. High	4. Almost certain	12	Red	Neutral	All	No	0	
	CS	CSD S&SS		Agency Residential	4. Csa	Anticipated commitments for the provision of residential care to children looked after exceed base budget. Commitments based on current children remaining in placement (which is anticipated) and no new placements being made. Budget volatile and subject to change based on presenting needs of children, costs may increase further.	Pressure	100	0	0	0	3. High	3. Likely	9	Red	Neutral	All	Yes	0	
	CS	CSD S&SS		Fostering Agency	4. Csa	Anticipated commitments for independent foster placements for children looked after, based on current numbers in 08/09 financial year. Numbers unlikely to reduce.	Pressure	275	0	0	0	3. High	3. Likely	9	Red	Neutral	All	Yes	0	
	CS	CSD P&SI		Integrated Working	4. Csa	Revenue implications of implementing electronic assessment and social care records. Implementation of these systems is required by DCSF and failure to do so would lead to significant adverse inspection outcome. These systems underpin the development of integrated working to secure better outcomes for children	Pressure	20	0	0	0	3. High	4. Almost certain	12	Red	Neutral	All	No	0	Grants from government only covered capital investment not ongoing revenue costs.
	CS	CSD P&SI		Parent Partnership	3. H&C	Funding to increase the capacity of the Acorn Therapeutic Team to deliver Parent Partnership Services as required by Special Educational Needs regulation. New national exemplar standards have been issued by DCSF in 2007 and further capacity is needed if the service is to reach these standards.	Pressure	5	0	0	0	3. High	3. Likely	9	Red	Neutral	Disability	No	0	This will allow a 'top up' of funding available in the budget to recruit additional staffing to provide additional hours.

4.2 Appendix D

[illegible]

Portfolio	Fin	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
		NSD PS	Asset and Property Management		The latest property condition surveys indicate that there is £2.5M of Essential works required within the next two years to prevent serious deterioration of fabric two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation and a further £2.2M work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation. At current funding levels this will leave a shortfall which will result in a increase of aUrgent work that will be required to prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation. Pressure will support £1.2m of prudential borrowing to begin to address this issue.	Pressure	100	0	0		3. High	4. Almost certain	12	red	Neutral	All	No		Needed to deliver Use of Resources requirement in Asset Management i.e. having a plan to reduce backlog of maintenance
		NSD PS			Emergency Planning / Callout arrangements at Richard Court - change after March 2009	Pressure	10	0	0	0	4. Extreme	4. Almost certain	16	red					Pressure deleted as covered by contingency item.
		No Budget			There is a legislative requirement to maintain additional closed churchyards that come on stream e.g we have now to take responsibility for Holy Trinity at Seaton Carew. This includes general grounds maintenance, boundary walls etc.	Pressure	10	0	0		3. High	3. Likely	9	red					Pressure deleted, will fund from existing budgets.
		NSD NM		5. Env	Waste Disposal - includes increase in landfill tax of £8 / per tonne	Pressure	115	?	?		4. Extreme	4. Almost certain	16	red					Actual figure to be determined once gatefee for 09/10 confirmed
		NSD NM			Weed Control - European legislation has banned the use of dioron, the Authority can only use contact treatment which will involve 3 treatments a year. The use of bikes to spray chemicals have been banned which will result in an improved but more expensive targetted manual treatment	Pressure	40	0	0		4. Extreme	4. Almost certain	16	red					Pressures reduced following tendering exercise for provision of service.

Portfolio	Dept/ Div	Budget heading/Cost Centre	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
						09/10 £000	10/11 £000	11/12 £000										
	NSD NM			Household Waste Recycling Centre Contract out to tender this financial year. Expected contract rates will increase.	Pressure	50												Will be in a more informed position in December to give an accurate figure. Therefore, item moved to contingency and £43,000 included in the overall contingency provision.
				Total Neighbourhood Services		325	0	0										
				Less Pressures reduced since October 2008														
				- Emergency Planning / Callout arrangements at Richard Court - change after March 2009		(10)												
				- Closed Churchyards		(10)												
				- Weed Control		(10)												
				Household Waste Recycling		(50)												
				Net Total Neighbourhood Services		245												
Total all departments						1,633	(A)											
Total Pressures identified in October						1,679	(B)											
Reduction in Pressures						46	(A less B)											

4.2 Appendix D

Adult and Community Services - Contingency

Chief Executive's Department - Contingency

[illegible]

4.2 Appendix E

Children's Services - Contingency

	Portfolio	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Gross Value 09/10 £000	Risk Probability	Value included in contingency (based on risk probability)	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	All Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
CS		Lifelong Learning	22463	2. LLL	Provision of capacity to manage the transfer of 16-19 education and training funding to the local authority. This is required to ensure that effective planning can be put in place to ensure sufficient places for young people can be commissioned from 2010. Funding would provide for a lead officer and a project officer.	Pressure	105	Medium	63	0	3. High	3. Likely	9	Red	Neutral	All	Yes	2	This links to national Machinery of Government changes which transfer 16-19 funding from the Learning and Skills Council to Local Authorities.
CS		Community Facilities	Various	2. LLL	A review of the sustainability of Community Facilities operating from schools is under review as requested by the Children's Services Scrutiny Forum. Some facilities are operating at a deficit and it is unlikely that they will be able to generate sufficient income to break even. After maximising access to early years and Standards Funding available to schools it is likely that annual subsidies of between £100,000 and £200,000 per year will be required.	Pressure	150	Medium	42	0	3. High	3. Likely	9	Red	Neutral	All	Yes	0	Reduction reflects risk assessment reduction of £50,000 and clarification of existing funding of £58,000 already provided in base budget for this risk.
CS	CSD P&S	Children's Fund	12651	3. H&C	3) Six family resource workers to provide intensive support to families to divert them from the need to refer to higher level services. This team will provide a resource for the consultant social worker / team around the school.	Pressure	155	Very Low	0	0	3. High	4. Almost certain	12	Red	Neutral	All	Yes	6	Reduction reflects announcement of grant funding for 2009/10.
					Total Contingency		410		105			4. Almost certain							

4.2 Appendix E

Neighbourhood Services - Contingency

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Gross Value 09/10 £000	Risk Probability	Value included in contingency (based on risk probability)	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
NC	NSD PP	Consumer Services	36741		New changes in trading standards legislation e.g. unfair commercial practices / business to business complaints.	Pressure	20	Very Low	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	Yes	0	In the Summer this was initially assessed as high risk. This risk has now been reassessed and is not expected to occur in 2009/10. Therefore, no provision has been included in the contingency for this amount.
	NSD PS	Energy Costs	Various		Rising energy costs. The volatile market makes it almost certain that energy prices will rise by 25% at least in some areas such as electricity this may be more. This will have an adverse affect on budgets across the Council.	Pressure	100	High	85	0	4. Extreme	4. Almost certain	12	red	Neutral	All	Yes	0	
	NSD F&BD	Fuel Price increase	Various	5. Env	Fuel Price increase	Pressure	170	Very Low	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	Yes	0	In the Summer this was initially assessed as high risk as oil prices were still increasing. These increases have now been reversed as demand for oil has reduced owing to the recession. Therefore, for 2009/10 it is not anticipated that additional resources will be needed for this risk. The position will need to be monitored closely during 2009/10.
	NSD NM	Recycling		5. Env	This increase is almost certain because of the collapse in the recycling market	Pressure	35	High	30	0	4. Extreme	4. Almost certain	12	red	Neutral	All	Yes	0	
	NSD NM	Recycling		5. Env	Household Waste Recycling Centre Contract out to tender this financial year. Expected contract rates will increase.	Pressure	50	High	43	0	4. Extreme	4. Almost certain	12	red	Neutral	All	Yes	0	Moved from pressures list.
					Total Contingency		375		157			4. Almost certain							

4.2 Appendix E

Regeneration and Planning - Contingency

Portfolio	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Gross Value 09/10 £000	Risk Probability	Value included in contingency (based on risk probability)	Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Age Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments		
RS	R&PD CSaf	Straightline Project	12107	4. Csa	Straightline Project. This is an alcohol awareness project for young people either found in possession of alcohol by the Police or who are indentified by other agencies. This successful and well regarded project is funded from LAA Reward Grant. Continued funding will depend on the public's perception of two elements of anti social behaviour (i) teenager hanging around (ii) rowdy and drunken behaviour. This reliance on public perception for future project funding poses some risk and it is proposed a contingency arrangement is considered.			35	Medium	21		2. Medium	2. Possible	4	Amber	Positive	Age	Yes	1	This funding is likely to have a positive impact in terms of diversity as young people are direct recipients of this support service
		Community Safety			Monitoring of CCTV cameras is currently undertaken by Housing Hartlepool, under a Service Level Agreement (SLA), which comes to an end in March 2009. Costs associated with the SLA are historical, dating back to the mid 1990s, when the council took over the responsibility for CCTV from the Police. The current arrangement with Housing Hartlepool is inextricably linked to the services they provide for Telecare and community alarm monitoring, as part of the Supporting People programme. The monitoring centre staff also provide the Council's emergency and out-of-hours contact point. CCTV monitoring costs paid by the Council do not currently cover Housing Hartlepool's overheads costs for the monitoring centre. The budget increase would cover these overhead costs and ensure continued arrangements for all Council services currently provided from the centre. The increase for 2009/10 has been based on a tendering exercise for CCTV monitoring at Longhill industrial estate, conducted during 2007/08, when Housing Hartlepool won the contract, as the tenderer with lowest price. Increases in subsequent years will be based on RPI.	Pressure		38	High	38	0	4. Extreme	4. Almost certain	12	red	Neutral	All	Yes	0	
NC		SLA Waiting List management			Management and operation of the housing waiting list to ensure proper allocation of housing on the basis of need. This is a statutory service of Hartlepool Council as the Housing Authority. The service is provided through an SLA by Housing Hartlepool, which is the main social housing provider enabling integration with landlord functions, at a nominal cost. Through a required review a realistic cost has been negotiated for the provision of this service and Housing Hartlepool have agreed to provide 50% of the cost subject to Board approval. This provision covers the estimated non budgeted cost to the Council.	Pressure		71	High	60		4. Extreme	4. Almost certain	16	Red	Positive	All	Yes	0	
					Total Contingency			144		119										

Total all departments	1,034	448 (A)
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Total contingency identified in October		885 (B)
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Reduction in contingency		437 (B less A)
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4.2 Appendix F

Less Terminating Grants reduced since October 2008	
Football Development	(22)
Swimming Development	(30)
Supporting People	(10)
	97

Neighbourhood Services - Terminating Grants

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
	NSD NM				NDC (New Deal for Communities) Environmental Task Force. Funding is reducing on a phased basis commencing 2008/09 and funding for this year 1 reduction was provided in current year budget. Funding is now needed to year 2 reduction.	Term. Grant	45	23		0	2. Medium	4. Almost certain	∞	Red	Neutral	All	No		Agreed last year as rolling programme
					Total Neighbourhood Services		45	23	0										

Regeneration and Planning - Terminating Grants

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	Description	Type of budget proposal	Budget Value			Cost of efficiency saving £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Treat as contingency item	Staffing Impact	Other Comments
							09/10 £000	10/11 £000	11/12 £000										
RS	R&PD CSaf	Anti Social Behaviour	12109	4. Csa	Family Intervention Programme (FIP). Grant to support this programme (originally £100k) is tapering and reducing to zero by 2011/12. The FIP was established by Government as part of the Respect Action Plan published in January 2006 and is intended to provide support and challenge in order to change the behaviour of anti-social families with school age children alongside rolling out parenting advice budget. A budget to continue this programme in Hartlepool is proposed.	Term. Grant	56	19	33		2. Medium	3. Likely	6	Amber	Positive	Age	No	3	This funding is likely to have a positive impact in terms of diversity as young people are principal recipients of this service
					Total Regeneration & Planning		56	19	33										

Total all departments	198 (A)
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Total Terminating Grants identified in October	260 (B)
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Reduction in Total Terminating Grants	62 (A less B)
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PROPOSED AREA BASED GRANT ALLOCATIONS (NON WORKING NEIGHBOURHOOD FUND PROJECTS)

4.2 Appendix G

Grant stream	Lead Dept	2008/09 Base	2009/10		2010/11		Comments
			2009/10 Indicative Government Allocation	Revised allocation proposal	2010/11 Indicative Government Allocation	Revised allocation proposal	
		£'000	£'000	£'000	£'000	£'000	
Supporting People Administration	A&CS	145	134	149	115	153	Note 1
Preserved Rights	A&CS	314	289	322	270	330	Note 1
Supporting People Projects	A&CS	0	0	30	0	60	Note 3
Local Involvement Networks	A&CS	99	99	99	99	99	Note 2
Learning & Disability Development Fund (via PCT in 2007/8)	A&CS	105	106	106	106	106	Note 2
Adult Social Care Workforce (formerly HRDS and NTS)	A&CS	281	289	260	297	273	Note 1
Carers - 80% Adult	A&CS	384	410	410	436	420	Note 4
Mental Capacity Act and Independent Mental Capacity Advocate Service	A&CS	52	66	66	63	63	Note 4
Mental Health	A&CS	336	355	344	373	352	Note 4
Sustainable Travel General Duty	CS	7	7	7	7	7	Note 2
Teenage Pregnancy	CS	144	144	144	144	144	Note 2
14-19 Flexible Funding Pot	CS	31	31	31	31	31	Note 2
Child Death Review Processes	CS	17	17	17	18	18	Note 2
Children's Social Care Workforce (formerly HRDS and NTS)	CS	42	42	42	41	41	Note 2
Children's Fund	CS	395	395	395	395	395	Note 2
Choice Advisers	CS	25	25	25	25	25	Note 2
Education Health Partnerships	CS	52	43	43	43	43	Note 2
Secondary National Strategy - Behaviour and Attendance	CS	68	68	68	68	68	Note 2
Secondary National Strategy - Central Co-ordination	CS	108	108	108	108	108	Note 2
School Development Grant (Local Authority Element)	CS	287	287	287	287	287	Note 2
School Improvement Partners	CS	42	42	42	42	42	Note 2
School Intervention Grant	CS	26	26	26	26	26	Note 2
Primary National Strategy - Central Co-ordination	CS	75	72	72	72	72	Note 2
Carers - 20% Children	CS	96	102	99	109	102	Note 4
Care Matters White Paper	CS	69	99	90	116	92	Note 5
Connexions	CS	1,114	1,169	1,142	1,285	1,171	Note 4
Extended Rights to Free Transport	CS	18	40	18	62	19	Note 4

PROPOSED AREA BASED GRANT ALLOCATIONS (NON WORKING NEIGHBOURHOOD FUND PROJECTS)

4.2 Appendix G

Grant stream	Lead Dept	2008/09 Base	2009/10		2010/11		Comments
			2009/10 Indicative Government Allocation	Revised allocation proposal	2010/11 Indicative Government Allocation	Revised allocation proposal	
Extended Schools Start Up Costs	CS	265	477	477	196	196	Note 6
Positive Activities for Young People & Neighbourhood Support Fund	CS	332	434	404	507	474	Note 5
Child and Adolescent Mental Health Services	CS	214	224	223	234	229	Note 4
Child Trust Fund	CS	1	2	2	2	2	Note 6
Road Safety Grant	NS	188	175	175	169	169	Note 2
School Travel Advisers	NS	35	35	35	35	35	Note 2
Rural Bus Subsidy	NS	29	30	30	31	31	Note 2
Climate Change (Planning Policy Statement)	??	23	23	23	23	23	Note 7
Stronger Safer Communities Fund - BSC, ASB & DPSG elements	R&P	182	182	182	182	182	Note 2
Young People Substance Misuse Partnership	R&P	41	41	41	41	41	Note 7
Cohesion	R&P	26	49	47	75	49	Note 5
Stronger Safer Communities Fund - Neighbourhood Element	R&P	413	258	258	0	0	Note 7
Resources allocated to support existing projects currently funded from Council's core budget which can now be funded from the Area Based Grant.		0	0	57	0	156	
		6,081	6,395	6,395	6,133	6,133	

Notes

1) The indicative Government allocations will not enable services to be maintained at existing levels. Therefore, it is proposed to provide additional resources for these schemes to maintain services by maintaining the existing budget provision uplifted for inflation.

2) The indicative Government allocations are sufficient to continue these schemes.

3) Last year the Government indicated the Supporting People Grant would be included within the Area Based Grant. On 26th November 2008 the Government announced that this grant will not be included in the Area Based Grant. However, the 2009/10 Supporting People Grant will be frozen at the 2008/09 level of £3.985m. It is therefore proposed to provide a small addition to this grant to provide for increased costs of maintaining a small number of schemes.

4) Budget allocation increased by 2.5% to reflect the Council's policy for increasing base budgets. This produces a slightly lower allocation than suggested by the indicative Government allocation, which reflects the realignment of ABG resources in line with Council's priorities and flexibility for using grant.

5) 2009/10 Budget allocations increased by more than 2.5% to reflect the Council's policy decision to largely passport the indicative Government allocations. For 2010/11 a 2.5% inflationary increase has been applied which is consistent with the Council's policy for increasing base budgets.

6) Indicative allocations front load this project as funding is needed for one off set-up costs. Therefore, these allocations been passported.

7) Items added Area Based Grant from 2009/10.

PROPOSED WORKING NEIGHBOURHOOD FUND ALLOCATIONS (AREA BASED GRANT)

Project	Lead Dept	2008/09 Base ('000)	2009/10 Proposed Allocation ('000)	2010/11 Proposed Allocation ('000)
Skills to work - HBC	A&CS	50	51	52
Economic impact evaluation of the Tall Ships	A&CS	0	15	15
Belle Vue Sports	A&CS	43	44	45
Exercise Referral - HBC	A&CS	27	28	28
Connected Care - Manor Residents	A&CS	24	25	25
Mobile Maintenance - HBC	A&CS	21	46	47
Mental Health Dev. & NRF Support Network - Hartlepool MIND	A&CS	89	91	93
Integrated Care Teams - PCT	A&CS	40	20	0
Primary/Secondary Schools Direct Funding - HBC	CS	400	410	420
Education Business Links - HBC	CS	50	51	53
New Initiatives - HBC	CS	40	41	42
Project Coordination - HBC	CS	5	5	5
Hartlepool "On Track" Project - HBC	CS	50	51	53
14-19 Reform Support	CS	0	60	65
Environmental Enforcement Wardens	NS	155	158	162
Environmental Action Team	NS	100	103	105
Schools Environmental Action Officer	NS	25	63	65
Women's Opportunities - HBC	R&P	72	74	76
Enhancing Employability - HBC	R&P	3	8	8

4.2 Appendix G

Project	Lead Dept	2008/09 Base ('000)	2009/10 Proposed Allocation ('000)	2010/11 Proposed Allocation ('000)
Homelessness Project - DISC	R&P	91	159	163
Carers into Training and Employment - Hartlepool Carers	R&P	45	46	48
Targeted Training - HBC	R&P	107	119	122
Jobs Build - HBC	R&P	29	80	82
Workroute ILM - HBC	R&P	204	239	245
Progression to Work - Assisting local people into work - HBC	R&P	249	276	283
Volunteering into Employment - HVDA	R&P	81	100	102
Community Employment Outreach - OFCA	R&P	92	109	112
Community Employment Outreach - Wharton Annex	R&P	50	51	52
Community Employment Outreach - West View Employment Action Centre	R&P	12	51	52
Job Club - Owton Manor West Neighbourhood Watch & Resident's Association	R&P	40	41	42
West View Project	R&P	36	37	38
Hartlepool Worksmart - Improving the Employment Offer - HBC	R&P	17	28	29
Incubation Systems and Business Skills Training - HBC/OFCA	R&P	233	274	281
Business & Tourism Marketing - HBC	R&P	10	20	21
Financial Inclusion - HBC	R&P	0	40	40
Local Employment Assistance - OFCA	R&P	46	47	48
Jobsmart - HBC	R&P	35	36	37
Youth into employment - Wharton Trust	R&P	39	39	40
Introduction to construction - Community Campus	R&P	16	16	17

4.2 Appendix G

Project	Lead Dept	2008/09 Base ('000)	2009/10 Proposed Allocation ('000)	2010/11 Proposed Allocation ('000)
Adventure traineeship - West View Project	R&P	39	40	41
Employment support - Hartlepool MIND	R&P	50	51	52
Support for existing businesses to expand (new projects to be sought)	R&P	0	57	120
Active Skills - West View Project	R&P	26	26	27
Career Coaching - HVDA	R&P	36	37	38
Level 3 Progression - HCFE	R&P	81	83	85
Administration of LLP	R&P	4	4	4
Support for adults into Skills for Life and NVQ Level 2 courses including Citizenship Learning (new projects to be sought)	R&P	0	62	130
Safer Streets & Homes, Target Hardening	R&P	200	170	170
Dordrecht Prolific Offenders Scheme	R&P	125	128	131
NRF Project Assistant	R&P	24	25	25
ASB Officer & Analyst	R&P	70	71	73
COOL Project	R&P	65	67	68
FAST	R&P	190	194	199
Landlord Accreditation Scheme	R&P	10	10	10
LIFE - Fire Brigade	R&P	33	34	35
Neighbourhood Policing	R&P	0	200	200
HMR- Support for Scheme Delivery	R&P	120	123	126
Community Empowerment Network Core Costs	R&P	137	140	144
Community Chest	R&P	90	90	90
NAP Residents Priorities	R&P	221	221	221

4.2 Appendix G

Project	Lead Dept	2008/09 Base ('000)	2009/10 Proposed Allocation ('000)	2010/11 Proposed Allocation ('000)
NAP Development	R&P	40	40	40
Neighbourhood Renewal/Hartlepool Partnership	R&P	90	90	90
NR & Strategy Officer (including Skills & Knowledge)	R&P	50	51	53
Resources allocated to support existing projects currently funded from Council's core budget which can now be funded from the Area Based Grant.	R&P	0	230	258
TOTAL		4,327	5,396	5,643

Adult and Community Services Department - Proposed 1% Additional Budget Reductions

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
	A&CSD CS			7. C&L	Switching locker operation at the Leisure Centres to a coin retain system (20p) rather than coin return.		Saving	14.0				2. Medium	2. Possible	4	Amber				Scheme to attempt securing increased income generation, the cost of conversion to coin retention is subject to staff time only. Staff are currently reviewing regional comparators for access to Swimming and leisure facilities – this is confirming that Hartlepool is a low charging authority and to reach regional average charging we could potentially increase all prices by as much as 33%. From April 2009 over 65's and under 16's are able to access free swims. May lead to non-use of lockers and risk of property theft, vandalism to lockers and amount of lost property.

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
	A&CSD CS			7. C&L	Closure of Community Service/Building ie. Branch library or community Centre		Saving	45.0				3. High	3. Likely	9	Red			2.5	No short term easy options. Library service has achieved reductions and has shown via the planned review of 'delivered vehicle service' in 7/08 that savings targets can be achieved. This is supported by the measured reduction in staffing referred to above. Determination of any service closure late in the financial year would only result in a part year saving. The saving identified of £45K excludes the £17K referred to previously for lunchtime closure. Quick closure would take no account of the asset management of the site. The site contains a very popular and active Bowling green and the multi-use games area which are not part of this proposal. Emerging forward plan discussions indicate there may be a case for a review of Foggy Furze Library. Specific implications for an early closure are: 2.5 fte redundancies - Withdrawal of heavily used library service - Impact on the library performance indicators - Impact on user groups
	A&CSD CS			7. C&L	Keep Community Pool at a standstill position		Saving	15.0				3. High	3. Likely	9	Red				Community Sector are currently undergoing a funding crisis in certain areas leading to increased pressure on the Fund.
	A&CSD ASC			3. H&C	A social work team to be disbanded, cases to be spread across the other social work teams to achieve savings. Loss of Team Manager Band 14 and Principal Practitioner Band 13.		Saving	100.0				3. High	3. Likely	9	Red			2	Some 600 cases are currently serviced by this team so there will be additional pressure placed on other teams - Redundancy costs likely

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
	A&CSD ASC			3. H&C	Reduction of one Resisted Manager Band 10 within the homecare services. This service is currently managed by 2 registered managers.		Saving	34.0				3. High	3. Likely	9	Red			1	Risks around being able to meet further identified developments around floating support across social care. Redundancy costs likely
	A&CSD ASC			3. H&C	Reduction in management capacity to reduce by 2 band 13 posts - these posts cover such areas as Quality Assurance, Safeguarding, Complaints, Service Development and project management. (a 3rd post has already been put forward as an efficiency)		Saving	86.0				3. High	3. Likely	9	Red			2	2 fte would be at risk. Risks around ensuring Safeguarding and service development are met to meet government standards and maintain recently received 3 star status. Redundancy costs likely
	A&CSD ASC			3. H&C	A variety of measures leading to a reduction in social work expenditure.		Saving	53.0				3. High	3. Likely	9	Red				Risks around not meeting statutory requirements such as assessment waiting times and service delivery timescales.
								347	0	0	0								

Chief Executives Department - Proposed 1% Additional Budget Reductions

Portfolio	Perf	CED	Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
										09/10 £000	10/11 £000	11/12 £000									
	Perf	CED CS				9. OrgD	A further review and increase in the base charges for the registrars service including the range of services provided and any premium charges for enhanced service provision and the recouping of overhead through charging	Efficiency	Dept.	9.0			0	1. Low	3. Likely	3	Green	Neutral		0	
	Perf	CED CS				9. OrgD	Advancing the review of the provision of the econsulation system to release savings from external hosting of the service in advance of expected renegotiation. This is dependant on being able to reach agreement with provider	Efficiency	Dept.	2.0			0	1. Low	3. Likely	3	Green	Neutral		0	
	Fin	CED F	Accountancy			9. OrgD	A Service Level Agreement with the North East Fire Control Company (Limited) for the provision of various financial services was agreed at the end of November. This agreement will generate income of £13,000 in 2009/10.	Efficiency	Dept.	13.0	0	0	0	1. Low	1. Unlikely	1	Green	Neutral	All	0	
	Fin	CED F	Various Finance			9. OrgD	Reduction in divisional overtime budgets which will not affect service delivery as increased use of IT has increased productivity.	Efficiency	Dept.	10.0	0	0		2. Medium	1. Unlikely	2	Green	Neutral	All	0	
	Perf	CED L	Legal			9. OrgD	Deletion of Modern Apprentice post. This proposals is dependant upon the approval of the proposed new legal structure, which is a pressure for 2009/10. Appointments within the new structure will provide alternative training arrangements.	Efficiency	Dept.	5.0	0	0		2. Medium	2. Possible	4	Amber	Neutral	All	0	
	Perf	CED HR	Members Development Budget			9. OrgD	Reduce existing budget requirement to level of current expenditure. Slight risk that if there is an increase in training needs the budget provision will not be sufficient.	Efficiency	Dept.	7.0	0	0		2. Medium	2. Possible	4	Amber	Neutral	All	0	
	Perf	CED HR	Human Resources			9. OrgD	Increasing Service Level Income from provision of services to organisations outside of Council.	Efficiency	Dept.	7.0	0	0		2. Medium	1. Unlikely	2	Green	Neutral	All	0	
										53	0	0	0								

Children's Services - Proposed 1% Additional Budget Reductions

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
CS	CSD S&SS	Agency Fostering	17211	3. H&C	The commissioning team has recently contracted with an independent fostering agency which could generate savings on placement costs during 2009/10 in the event of new care packages being required.	Efficiency	Dept.	12.0			0	2. Medium	2. Possible	4	Amber	Neutral	All	0	
CS	CSD S&SS	Family Support	17213	3. H&C	Recommissioning of mother and toddler services providing home visits, equipment and running groups.	Efficiency	Dept.	26.0			0	2. Medium	2. Possible	4	Amber	Negative	Gender	0	
CS	CSD P&A	Standard s Fund	22267	2. LLL	Deletion of the departmental base budget previously required to match fund Standards Fund allocations prior to grant changes. This will limit LA support to the value of grants received and may lead to the need for schools to make increased contributions towards new initiatives.	Efficiency	Dept.	77.5			0	3. High	3. Likely	9	Red	Neutral	All	0	
CS	CSD P&SI	Youth	12420	7. C&L	Recommissioning of the Positive Activities for Young People (PAYP) programme through improved integration between the Youth and Connexions Services	Efficiency	Dept.	71.5			?	3. High	3. Likely	9	Red	Neutral	All	3	Cessation of temporary contracts plus possible redundancy / early retirement
CS	CSD P&A	Training	22365	2. LLL	Reduce conference and training budgets by approximately 10%. Attendance at conferences will be restricted to essential items only and opportunities for personal development will be limited. All training bids are assessed and prioritised by the Workforce development team and some needs may be unmet.	Efficiency	Dept.	11.0			0	3. High	3. Likely	9	Red	Neutral	All	0	
								198	0	0	0								

Neighbourhood Services - Proposed 1% Additional Budget Reductions

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
NC	NSD TS	Dial a ride	16202		Discontinuation of service	Efficiency	Dept.	189.0	0	0		2. Medium	2. Possible	4	Amber	Neutral	All	1	
								189	0	0	0								

Regeneration and Planning - Proposed 1% Additional Budget Reductions

Portfolio	Dept/ Div	Budget heading/ Cost Centre	Cost Centre Code	Corp Strategy theme	1. A description of the service pressure/ priority/ efficiency/ terminating grant/reduction 2. The risks if proposal not approved and any mitigating measures already taken or planned. 3.The benefit or outcome to be gained from the proposal.	Type of budget proposal	Efficiency Classification	Budget Value			Cost of achieving 1% reduction £000	Risk impact	Risk probability .	Risk score	Risk status	Rate the Diversity impact	Diversity strand(s)	Staffing Impact	Other Comments
								09/10 £000	10/11 £000	11/12 £000									
RS	R&PD P&ED	Economic Development: Contribution to Sub Regional Partnerships	19302	1. Jobs	Contribution to Joint Strategy Unit: It is understood that the JSU has recently been requested to reduce their budget to reflect the difficult budget situation which exists for all of the Tees Valley Local Authorities. This saving is based on an assumption that a 10% reduction could be achieved in total, ie a further 7% on top of the 3% efficiency already reported. Some adverse effect on the service provided is likely on a reduction at this level.	Efficiency	Dept.	15	0	0	0	2. Medium	3. Likely	6	Amber	Neutral	All	0	Probable affect on staff levels at JSU
RS	R & PD	Departmental Structures	n/a	9. OrgD	An additional 1% reduction would likely necessitate a reduction in staffing. A full assessment would need to be carried out to identify the post(s) and areas of work where such a reduction could be made with least impact on the overall service. Some redundancy cost may be incurred.	Efficiency	Dept.	44	0	0	n/a	2. Medium	4. Almost certain	8	Red	Neutral	All	1.0	
								59	0	0	0								

Total all departments	846
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Target for 1%'s	820
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Adult and Community Services £10,000 above target and Neighbourhood Services £15,000

BUDGET CONSULTATION MEETING WITH TRADE UNIONS

**Minutes of Meeting held on 13 January 2008
at 1.00pm in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Mike Ward, Chief Financial Officer
Andrew Atkin, Assistant Chief Executive
Chris Little, Assistant Chief Financial Officer
Joanne Machers, Chief Personnel Officer
Dave Stubbs, Director of Neighbourhood Services
Jill Harrison, Assistant Director of Commissioning

Councillors
Mayor S Drummond

Trade Union Representatives
Edwin Jeffries (Sec, HJTUC)
Malcolm Sullivan (GMB)
Stephen Williams (UNISON)
Tony Watson (UNISON)
Ann Sharp (UNISON)
Hans Ruysenaars (Regional Officer - ATL)

Carly Lupton, CEMT Support Officer (Minutes)

1.	Presentation
<p>MW provided a detailed overview of the issues affecting the budget and policy framework proposal for 2009/10 to 2011/12, explaining the changes since November and sought views from the Trade Unions. MW indicated that the presentation provides a summary of the overall budget report submitted to Council on 22nd December 2008. MW also advised that the budget has gone to formal scrutiny and scrutiny will report back to Cabinet.</p>	
<p>EJ made the following comments on the presentation:</p> <ul style="list-style-type: none"> • Income needs to be maximised within the authority wherever possible. • Need to support local economy wherever possible • Need to reduce impact on jobs 	<p>MW explained that in recent years money has been acquired to boost the budget from one-off sources and that this year due to the current economic climate this has not been possible to the same extent. Therefore a managed reduction is required and we need to manage the process the best way possible. It is important that we ensure that we are still the best performing & most efficient authority in the North East.</p>

<p>EJ made the following comments on Employment:</p> <ul style="list-style-type: none"> • The freeze on recruitment was welcomed • Asked that voluntary redundancies & early retirement be offered before compulsory redundancies with incentives to encourage volunteers. • Number of agency workers to be reduced significantly 	
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BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 16 January 2009
at 1-2.30pm in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Chris Little, Assistant Chief Financial Officer
Peter Scott, Director of Regeneration & Planning

Councillors
Mayor S Drummond

Business Representatives
John Megson
Adrian Liddle
Peter Olson
Brian Beaumont

Emma Armstrong, CEMT Support Officer (Minutes)

1.	Presentation
<p>CL provided a detailed overview of the issues affecting the budget and policy framework proposal for 2009/10 to 2011/12 following on from the last consultation meeting and sought views from the Business Sector.</p> <p>Apologies from Mike Ward, Paul Walker.</p> <p>Main reason for overspend – Children's and Adults complex cases.</p>	

Comments Made	Response
Increased contingency for Housing Hartlepool Right to Buy, but they are only having the uptake of 1 house sale a month. 10 houses a year- HBC income £70K.	CL explained that the budget proposals recognise this risk and this issue will be kept under review .
If Brierton School is closing next financial year, is there to be a budget reduction for Brierton pupils when they transfer to another school?	CL explained that funding is determined on a formula basis and follows pupils.
What is the Council doing to address Staff Sickness levels?	PS indicated that this area is being actively managed and sickness levels have been reduced in the current year. Council is committed to further improvements.
Why do areas with Parish councils pay more Council Tax?	<p>CL explained there are 2 elements to Parish Council expenditure:</p> <ul style="list-style-type: none"> - concurrent functions which are services provided in the pay area which are funded by HBC; - precept funded expenditure, which is funded from an additional Council Tax for the Parish Council and reflects additional services in the Parish area. <p>In comparison to other areas Parish Council Tax levels are modest.</p>
Can you provide details of Business Transformation Programme (BTP)?	<p>CL provided an overview of the key areas covered by BTP, which cover – Management Restructure, Service Delivery, Procurement, ICT, Assets, and Transactional Services.</p> <p>Agreed to send copy of report to the group.</p>
Expressed concerns about shopping centre and business units closing down. Did you expect this and have you planned for it?	<p>CL advised that in 2008/09 income is actually better than expected and the Council has already received full year income, which includes surrender charges for business which have closed down. Future risk to income stream is recognised and position will be monitored closely</p> <p>PS indicated HBC are trying to encourage businesses into the shopping centre, a meeting is to take place with the shopping centre owners to investigate this.</p>

4.2 APPENDIX J

SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

Budget Assumption	Financial Standing and Management
The treatment of inflation and interest rates	<p>The proposed resource allocations for 2009/10 include 2% for anticipated cost of living pay awards for all staff and 2.5% general inflation on non pay expenditure. In addition, where it is anticipated costs will increase by more than inflation these issues have been specifically reflected in the pressures and contingency provision included within the budget requirement.</p> <p>The salary budgets include an allowance for staff turnover based on the level of turnover achieved in previous years. This varies to reflect individual department's specific circumstances.</p> <p>Provision has been made for Pension costs based on the latest Actuarial valuation.</p> <p>Interest expose is managed through the Treasury Management Strategy. Investment income has been protected by locking into forward investment deals. Similarly, the risk of increasing borrowing costs has been managed by having a mix of fixed rate borrowings and the use of LOBO loans with various maturity profiles.</p>
Estimate of the level and timing of capital receipts	<p>The authority has taken a prudent approach to using capital receipts to fund its capital programme and only committed resources which it is certain to achieve through two large land sales. It is anticipated that these sales will be completed towards the end of 2008/09, or early in 2009/10, which is before the resources will need to be available to fund existing capital expenditure commitments.</p>
The treatment of demand led pressures	<p>Individual Portfolio Holders and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the change over more than one financial year. In some key instances it will not be possible in 2009/2010 to absorb some demand pressures and appropriate provision has been included in the budget requirement for 2009/10, to meet these commitments.</p>
The treatment of planned efficiency savings/productivity gains	<p>All Directors have a responsibility to deliver services within the approved resource allocations. Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis</p>

	through the managed overspend rules until a permanent efficiency is achieved.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital development	The Council has secured funding from the Building Schools for the Future programme. A strategy has been approved for funding the up front costs of this scheme and resources have been set aside to fund these costs.
The availability of other funding to deal with major contingencies and the adequacy of provisions	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide service departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. This includes the use of Managed Underspends from previous years or temporary corporate funding to enable departments more time to address adverse conditions. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years. In addition, the Council's outturn strategy will address a number of specific issues arising in 2008/2009. Some of these trends will continue in future years. Therefore, these issues have been built into the 2009/10 budget requirement.
Equal Pay	The Council has completed the detailed evaluation of all jobs and developed a new pay and grading structure, which will be implemented with effect from 1 st April 2007. The budget requirements for 2009/10 onwards include provision for the estimated costs of implementing the new pay and grading system, including the incremental impact of these changes in 2008/09 and the following 2 years.

2009/10 FINANCIAL RISK MANAGEMENTRisk Rating

A simplified version of the Risk Assessment criteria used in the Council's Risk Management Strategy has been used to rank budget risks. This assessment rates risk using the convention of green/amber/red, as defined below, although different levels of risk within each category have not been defined. The risk assessment helps inform the Council's budget monitoring process as it identifies areas that need to be monitored more closely than other budgets. These procedures help ensure that departments can manage budgets and services within the overall departmental resource allocation and the Council's overall financial management framework, which enable departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

The value of expenditure/income on individual areas, together with the percentage of the authority's net budget, are shown in the table below to highlight the potential impact on the Council's overall financial position.

Green - these are unlikely events which would have a low financial impact.

Amber - these are possible events which would have a noticeable financial impact.

Red - these are almost certain to occur and would have a very significant impact. Provision would need to be made for such events in the budgets.

EXPENDITURE ITEMSCORPORATE RISKS

Financial Risk	Risk Rating	2009/10 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay costs - Single Status and costs of living pay award	Amber	50,470	50%	<p>The Council agreed a new pay and grading structure in May 2008, which was implemented with effect from 1st April 2007. A significant number of employees have submitted appeals in respect of their new grading. A provision for the potential cost of appeals has been included in the MTFS. As the results of these appeals will not be known for sometime there is a risk that costs may exceed this provision.</p> <p>The MTFS also includes provision for a cost of living pay award from 1st April 2009. There is likely to be downward pressure on this area, owing to the impact of the recession. It is anticipated that the above provisions should be sufficient to meet additional costs in 2009/10, although this area will need to be managed carefully.</p>
Higher costs of borrowing and/or lower investment returns	Green	5,804	5.8%	<p>Interest payable on Council's borrowings or interest earned on investments could be higher/lower than forecast.</p> <p>The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the CFO's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors.</p> <p>The risk in relation to Council Borrowings is for new borrowings that may be required to finance the capital programme as existing borrowings are fixed. There is still a risk that LOBO loans may be recalled. However, as interest rates on these loans are now higher than prevailing market rates this risk has reduced. The Council has established an interest equalisation reserve of £0.4m to assist/manage this risk.</p> <p>The unprecedented low levels of interest rates have resulted in a significant reduction in investment income. This change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis.</p>
I.T.	Green	2,561	2.6%	<p>The partnership contract is subject to an inflationary increase that is outside of the Council's control and this, together with the potential for agreed contract changes, mean this budget is subject to potential change in excess of the budget. However based on the contract value and current economic conditions this is not considered to be a significant risk. In addition, this risk has been mitigated as part of the contract extension as these savings in the first instance are earmarked to offset any inflation increases. Although, in the current climate it is unlikely that inflation will be a significant factor.</p>

Financial Risk	Risk Rating	2009/10 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Planned Maintenance Budget	Amber	215	0.2%	<p>Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk.</p> <p>From 2002/03 the Council provided 2.5% real term growth for this budget to start addressing these issues. It was recognised that this would not be sufficient and at some point significant resources would need to be allocated to address these issues. As provision to support Prudential Borrowing to address the issues in relation to Mill House and the Civic Centre has now been made as follows, this risk is assessed as Amber for budget purposes:</p> <p>The Revenue Budget Strategy includes provision to support Prudential Borrowing of £3m from 2009/10 for the replacement of the Mill House wet side.</p> <p>The Revenue Budget Strategy includes provision to support Prudential Borrowing to fund £1.2m of capital priorities and a further £1.2m to support Health & Safety property improvements.</p>
Failure to comply with relevant local authority financial legislation/regulations, NI and taxation regulations	Amber	N/A	N/A	<p>The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.</p> <p>The Council has specific reserves to cover this risk.</p>
Delivery of Planned Savings	Amber	2,405	2.4%	<p>Planned efficiencies include £0.220m from the revised arrangements for providing Learning & Disability support packages and £0.991m for various restructuring efficiencies across the Council.</p> <p>Detailed savings are identified in Appendix H</p>
<u>CHILDREN'S SERVICES</u>				
Individual School Budget	Amber	55,557	N/A	<p>These resources are delegated from the Authority's Dedicated Schools Grant in accordance with the local fair funding formula. The overall level of DSG is determined by pupil numbers and falling rolls are resulting in minimum year on year increases. Individual governing bodies are responsible for the usage and control of delegated budgets with support from the LA's Schools Finance team. Schools are allocated multi-year budgets and encouraged to hold strategic reserves. A clawback scheme to deal with excessive reserves was introduced in 2007 as was an enhanced monitoring and reporting role for the LA. As part of the annual budget setting process and with approval from the Schools Forum, the LA retains an amount of DSG funding for Transitional Support. This is allocated to support schools that require additional monies to meet required educational standards. This may be prompted by Ofsted inspections or from concerns raised by the Children's Services Management Team.</p> <p>Unspent transitional support budgets are transferred to an earmarked reserve and carried forward for future years.</p> <p>The on-going revenue sustainability of Hartlepool's Secondary Schools will need to be a key considerations in determining implementation of the Schools transformation programme.</p>
Individual Pupils Budget allocated during the year to schools for high level SEN pupils	Green	1,628	1.6%	<p>The Local Authority retains DSG funding to support pupils with special educational needs by agreement with the Schools Forum. This funding is allocated to schools each term to cover their costs of employing Teaching Assistants and rates are reviewed each year as part of the annual budget process.</p> <p>Pressure on this budget is directly influenced by the numbers of children requiring support in any given year and the SEN manager liaises with schools to share costs with them on an ongoing basis.</p>
Home to School Transport Costs	Amber	1,700	1.7%	<p>The Department's home to school transport contracts are regularly renewed to ensure competitive prices and best value. Provision of transport is determined by the HTS Transport policy but costs are directly influenced by the needs of pupils which vary from term to term. There is also a degree of uncertainty regarding the exact requirements over forthcoming years owing to (i) Extended Schools and increased out of school activities, (ii) the Education and Inspection Act extending entitlement to free transport for low income families, (iii) The schools transformation programme (iv) reductions/changes in the Supported Bus Routes funded by Neighbourhood Services. The highest area of spending relates to the requirement to transport special needs pupils which is demand led, invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Integrated Transport Unit.</p>

Financial Risk	Risk Rating	2009/10 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Building Schools for the Future	Amber	N/A	N/A	There are increased revenue costs to the department arising from the implementation of the BSF and PCP programmes and no mainstream recurring budgets are available. An earmarked reserve was established to cover the initial costs of the Project Team and other associated costs that can be predicted. A medium term spending plan has been provided which demonstrates the need for additional funding in future years and additional funding of £2 million has been provided in the 2009/10 MTFS proposals. Detailed assessments are ongoing and will be reported to Cabinet at each major stage of the BSF programme.
Carlton Outdoor Education Centre	Red	130	0.1%	Responsibility for operating the Carlton Centre was passed to the LA when the Borough was created in 1996. Since that time running costs have been subsidised and shared via a joint authority service level agreement. Stockton withdrew from the agreement in 2004 and this led to the successful establishment of an external income target for the centre which compensated for the loss of Stockton's contribution. Due to financial pressures at Redcar and Cleveland BC they have recently given notice to withdraw from the agreement. It is unclear at this stage when they will cease making contributions or whether Stockton schools will continue to attend Carlton without a LA subsidy. The viability of the Centre with only Hartlepool and Middlesbrough funding will need to be carefully considered during 2009. In the meantime the Centre does have an earmarked reserve which should provide revenue funding to maintain operations throughout 2009/10.
Increased demand in places at independent schools for pupils with high level of SEN	Amber	600	0.6%	There are various circumstances in which the Department can be faced with unavoidable cost pressures arising from SEN children who may move into the Borough at any time. For example the home LA is responsible for fees at independent special schools which are invariably very expensive. Where it is necessary for Hartlepool children to attend special schools in other Authorities these are invariably high cost and conversely placements in Hartlepool Schools from other LA's may cease resulting in a loss of income.
Increased Demand for Looked After Children Placements	Red	4,407	4.4%	There is a national trend of increased costs for the placement of children with foster parents or other types of care. There is also constant pressure to pay 'competitive' rates to carers which may exceed inflationary increases. The department has reviewed its placement procedures and has taken steps to recruit additional in house carers to minimise its financial exposure to the volatile price increases levied by the Independent Sector. The departments recently established Commissioning Team continues to examine options to work more effectively with private sector providers. The introduction of "Direct Payments" represents a further evolving risk that clients will cease to "purchase" existing LA services. Within the 2009/10 departmental budget a modest contingency sum has been requested to mitigate against in year additional cost pressures relating to Looked After Children.

NEIGHBOURHOOD SERVICES

Environment, Environmental Action and Town Care Management	Amber	7,097	7.1%	There are a number of legislative changes that having an detrimental impact on this budget. These include the Waste Implementation Programme, Waste Incineration Directive and Waste Acceptance criteria.
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ADULT & COMMUNITY SERVICES

Demographic changes in Older People	Amber	14,922	14.9%	<p>Increasing number of elderly people, high percentage of chronic health problems and market pressures on price.</p> <p>Increased pressure on intermediate care services and ensuring discharge from hospital is not delayed. Older people needs becoming more complex due to increased life expectancy.</p> <p>Implementation of 'Putting People First' LAs now directed to reconfigure services to include focus on prevention, universal services and early intervention.</p> <p>Ongoing risk in relation to Continuing Health Care (S28A) disputes.</p> <p>Provision in medium term financial plans to minimise impact of increases generated from Independent sector.</p>
Demographic changes in Working Age Adults	Red	7,462	7.4%	Increasing numbers of people with learning disabilities surviving into adulthood with increasingly complex needs. High numbers of frail elderly carers requiring increased levels of support and increasing levels of early on-set dementia and

Financial Risk	Risk Rating	2009/10 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
				<p>old-age; expectations of improved quality of life; long-term effect of closure of long-stay hospitals</p> <p>Investment in medium term identified along with development of alternatives to residential care eg Supporting people. Increased number of people coming through transition with autistic spectrum disorders and increasing complex needs.</p> <p>Increasing numbers of people with physical disabilities surviving into adulthood and old age; expectations of improved quality of life; increased choice & control</p> <p>Investment in medium term identified along with development of alternatives to traditional methods of service delivery.</p>
The Property Maintenance budget is insufficient to meet service community services requirements	Amber	273	0.3%	<p>The maintenance budget which covers a large majority of the department's properties has only ever been increased by 'inflation'. This budget has consistently overspent in recent years and is likely to overspend in 2008-09. It may reach the point where buildings need to close as there is insufficient funding available.</p> <p>The responsible officer works closely with Property Services and is always seeking other funding sources.</p>

INCOME ITEMSADULT & COMMUNITY SERVICES

Non-achievement of income targets	Amber	(1,216)	-1.2%	<p>The nature of Sport & Recreation, Museums & Heritage and Strategic Arts budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced.</p> <p>Budget forecasts are based on revised charges and trends from previous years which indicate the budget should be achievable. Position will be monitored closely throughout the year.</p>
Non-achievement of income targets	Amber	(936)		<p>The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and throughput increases the risk of not achieving previous levels of contribution. The global financial position may also impact of the level of income individuals have to take into account at the start and during the financial assessment process.</p>

NEIGHBOURHOOD SERVICES

Car Parking	Amber	1,825	1.8%	<p>Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk the planned level of income may not be achieved.</p>
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REGENERATION AND PLANNING

Fee Income - Planning & Building Control	Amber	620	0.6%	<p>The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.</p>
Rent Income - Economic Development Service	Green	187	0.2%	<p>Rent income is paid by new/growing businesses in the Brougham Enterprise Centre and Industrial Units. Whilst the recent major investment programme for these managed workspace units should help to secure good occupancy levels, factors beyond the department's control, most notably the prevailing national economic conditions, may increase the risk of non-payment and/or under occupancy during 2009/2010</p>

4.2 Appendix L

Fund	Page Number	Actual Balance at 31/3/2008 £'000	Forecast Use Of Reserves					Estimated Balance at 31/3/2012 £'000
			2008/09	2009/10	2010/11	2011/12	Total	
			£'000	£'000	£'000	£'000	£'000	
Budget Support Reserves	2	6,141	(24)	(4,442)	(1,628)	(47)	(6,141)	0
Ringfenced Reserves - Schools	4	3,982	(500)	(250)	(250)	0	(1,000)	2,982
Capital Reserves	5	2,492	(2,492)	0	0	0	(2,492)	0
General Fund Balances	6	4,506	0	(790)	0	0	(790)	3,716
Ringfenced Reserves - Insurance	7	5,302	0	0	0	0	0	5,302
Sub-total A		22,423	(3,016)	(5,482)	(1,878)	(47)	(10,423)	12,000
Ringfenced Reserves - Other	8-11	3,738	(1,856)	(343)	(318)	33	(2,484)	1,254
Departmental Reserves	12-27	7,861	(3,688)	(1,726)	(744)	(207)	(6,365)	1,496
Sub-total B		11,599	(5,544)	(2,069)	(1,062)	(174)	(8,849)	2,750
Total - A + B		34,022	(8,560)	(7,551)	(2,940)	(221)	(19,272)	14,750

Forecast Balance as at 31st March	34,022	25,461	17,911	14,971	14,750
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4.2 Appendix L

Fund	Actual Balance at 31/3/2008 £'000	Forecast Use Of Reserves					Estimated Balance at 31/3/2012 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used
		2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	Total £'000			
<u>Budget Support Reserves</u>									
Budget Support Fund	5,941	176	(4,442)	(1,628)	(47)	(5,941)	0	To support the overall budget. (FBR Reserve has been consolidated into this reserve)	The balance shown uncommitted as 31/3/2010 is allocated within the existing budget strategy to support the 2010/11 budget
Stock Transfer Reserve	200	(200)	0	0	0	(200)	0	The reserve will be earmarked towards diseconomies of scale over 3 years commencing 2006/07.	Proposal approved by Cabinet
<u>Total Budget Support Reserves</u>	6,141	(24)	(4,442)	(1,628)	(47)	(6,141)	0		

4.2 Appendix L

Ringfenced Reserves - Schools									
Schools	3,982	(500)	(250)	(250)	0	(1,000)	2,982	To enable individual schools to manage their budgets over more than one financial year in accordance with the implementation of multi-year budgets.	Individual schools determine usage as part of their detailed budget plans either to support general running costs or to fund specific projects. In response to national and local concerns over the high level of school balances the Schools Forum approved a claw back scheme and an enhanced role for the LA in monitoring the effective management of school balances. The level of balances is expected to reduce accordingly.
Total Ringfenced Reserves - Schools	3,982	(500)	(250)	(250)	0	(1,000)	2,982		
Capital Reserves									
Capital Funding	2,406	(2,406)	0	0	0	(2,406)	0	This reserve is fully committed to fund rephased capital expenditure.	It is assumed that this reserve will be used in 2008/09. Although if capital expenditure is rephased the reserve will be carried forward to match these commitments.
Maritime Av Remedial	86	(86)	0	0	0	(86)	0	Originally for road maintenance responsibilities within the Marina inherited from TDC. Reserve reallocated to meet the costs of providing flower beds within Marina as part of Tall Ships visit.	It is assumed this reserve will be used in 2008/2009.
Total Capital Reserves	2,492	(2,492)	0	0	0	(2,492)	0		

Detailed Analysis of Reserves

4.2 Appendix L

<u>General Fund Balances</u>								
General Fund Balances	4,506	0	(790)	0	0	(790)	3,716	Reserve will only be used to meet expenditure commitments that cannot be funded from the approved budget or other reserves. Any use of this reserve will need to be repaid within the following year. Balance increased in 2007/08 from repayment of 2006/07 Bonus Buyout Costs
<u>Total General Fund Balances</u>	4,506	0	(790)	0	0	(790)	3,716	

4.2 Appendix L

Ringfenced Reserves - Insurance								
Insurance Fund	5,302	0	0	0	0	0	5,302	<p>The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. For motor vehicle own damage, the excess is £1,000. However, the excess is £100,000 for the Property/Combined Liability policy on each claim. The All Risks policy covers those items considered to be of value and at greatest risk of theft or damage. The Council's experience whilst operating with these excesses has been favourable. Nevertheless, the Council's total exposure in any one year has substantially increased and is currently £4.75m. The net value of this reserve consists of the insurance fund balances less amounts advanced to departments to fund service improvements. These amounts will be repaid over a number of years to ensure resources are available to meet insurance claims that will become payable.</p> <p>The reserve is used to meet self insured claims as and when they arise. The Insurance Fund is subject to an annual review to ensure adequate funds are available to meet known liabilities when they amounts become payable. In practice there can be a significant lead time between a claim being recognised and the actual payment to the claimant. However, it is essential that resources are earmarked when a liability is identified to ensure resources are available to make payments when they become due. The value of the fund is currently matched by identified claims which have not yet been finalised. Interest is credited to this to ensure the fund is protected against inflation. The forecast reduction reflects the settlement of historic claims and not an unplanned fall in the value of the fund.</p>
Total Ringfenced Reserves - Insurance	5,302	0	0	0	0	0	5,302	

4.2 Appendix L

Ringfenced Reserves - Other									
Museums Acquisition	62	0	0	0	0	0	62	To support the purchase of museums exhibits	Reserve maintained to provide funds if necessary
Maritime Festival	31	(31)	0	0	33	2	33	Created to enable the department to manage the budget over more than one financial year	Festival held in 2008/2009. Reserve fully utilised.
School Rates	106	0	0	0	0	0	106	The Schools Rates Adjustment arose from reductions in school rates payable following the review of rateable values.	Reserve is used as a 'balancing' figure each year to ensure that there is a 'budget neutral' effect on schools ie. the Reserve is used to adjust the schools budget to equal actual rates costs.
Youth Service - General	55	(9)	0	(46)	0	(55)	0	Youth Advisory Group Balances carried forward from previous years and a planned contribution towards Greatham CC maintenance which wasn't required.	Reserves built up by the Youth Service are not expected to be needed to support service delivery costs. The balance of funding is earmarked as a contribution towards a potential new £200,000 capital project for a Skatepark at Rossmere in 2010/11.
Youth Service - Brierton Exclusion Project	34	0	0	(34)	0	(34)	0	Brierton school funds a specific 'exclusion' project run by the Youth Service at the school - this is the cumulative surplus generated on this scheme from income being greater than expenditure incurred.	The Youth Service has absorbed the costs of providing this service and wish to use this funding as a contribution towards a potential new £200,000 capital project for a Skatepark at Rossmere in 2010/11.
Supporting People Implementation	461	0	0	0	0	0	461	To be used to mitigate repayment of grant and ease budget pressure over transition period as new grant regime come into effect in addition to costs arising from Audit Commission inspection.	To meet expenditure commitments no longer covered by grant income.
Youth Offending Reserve	187	(45)	(72)	(70)	0	(187)	0	Created from planned underspends in previous years to fund YOS initiatives	To support YOS Prevention Initiatives over the forthcoming years as follows: 2008/09 £45k , 2009/10 £72k & 2010/11 £70k.

4.2 Appendix L

CRB Checks Reserve	37	(37)		0	0	(37)	0	Following changes in CRB regulations a greater number of checks are required and some of these are more detailed	The reserve was used substantially in 2007/8 to meet the costs of paying for checks and to fund a new CRB system. The balance is expected to be spent in 2008/9
Custodian Properties	143	(143)		0	0	(143)	0	This covers the residual costs of former County Council buildings, including Gurney House lease termination and dilapidation costs.	The exact time this reserve will be needed is not yet clear and depends on lease negotiations with the property owners
Tall Ships reserve	159	0		(159)	0	(159)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Tall Ships Office	223	(140)	(83)	0	0	(223)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Marketing & Publicity	43	(43)	0	0	0	(43)	0	This reserve has been set aside to support the Tall Ships visit in 2010.	
TSE Tall Ships Event Technical	51	0	(51)	0	0	(51)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Tall Ships Fleet Technical	60	0	(60)	0	0	(60)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Tall Ships Event Management	6	(5)	(1)	0	0	(6)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Marketing & Publicity	43	(43)	0	0	0	(43)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
TSE Sponsorship / Corporate	120	(82)	(38)	0	0	(120)	0	This reserve has been set aside to support the Tall Ships visit in 2010	To be reviewed each year in line with additional funding generated.
Lotteries Reserve	416	0	0	0	0	0	416	The Lotteries Reserve, consists of the proceeds of the civic lottery and donations received. It is used for grants and donations to local organisations.	Reserve can only be used for donations to local organisations. Individual requests are approved on a case by case basis. The principle for using the reserve is that the balance is preserved and any interest on it is distributed as grants.

4.2 Appendix L

Emergency Planning	81	0	0	0	0	0	81	This reserve is held on behalf of the 4 districts under the joint arrangement, to meet potential additional costs arising under revised Civil Defence arrangements implemented from 1st April 2005.	Reserve will be used to meet additional costs identified.
Collection Fund Surplus	(160)	0	0	0	0	0	(160)	Reserve established from increased Council Tax income arising from increase in Tax Base and improved recovery of Council Tax.	Reserve can only be distributed to precepting and billing authorities in proportion to respective precepts on the fund. HBC share of surplus is used to support the Budget by reducing the amount to be funded from Council Tax.
Anti Social Behaviour Team Reserve	0	18	(9)	(9)		0	0	To fund rent at 73 Jutland Road	Rent approximately £8k p.a. for 3 years commencing 2008/09
The Way Forward Reserve	237	(227)	(10)	0	0	(237)	0	Reserve established to meet potential future costs arising from implementation of Council's 'Way Forward ' strategy. - Business Transformation Programme	As costs as they arise during 2008/09
Income Tax and VAT Reserve	250	0	0	0	0	0	250	On completion of Inland Revenue Reviews or when VAT payments are required under partial exemption.	Costs approved by CFO
Termination Costs Reserve - existing	855	(855)	0	0	0	(855)	0	These costs were previously funded through the capital programme. Following a change in Government regulations expenditure below a de-minimus level can no longer be capitalised. Therefore, provision was made to establish a revenue reserve to meet these	Expected to be committed in 2008/09
Cabinet Projects	4	0	0	0	0	0	4	This reserve is to be used to fund one-off Cabinet Initiatives	To be determined by Cabinet
	32	(26)	(6)	0	0	(32)	0	This reserve has been set aside to support the Home Library Service	To be used to fund the Home Library Service until part way through 09-10.
LPSA Social Inclusion Home Library Surve									
LPSA Social Inclusion Participation in Spo	33	(20)	(13)	0	0	(33)	0		

4.2 Appendix L

LPSA Older People - Improving Pre Admis	44	(44)	0	0	0	(44)	0
LPSA Carefirst Upgrade	56	(56)	0	0	0	(56)	0
LPSA Housing Condition Survey	69	(69)	0	0	0	(69)	0
						0	0
Total Ringfenced Reserves - Other	3,738	(1,856)	(343)	(318)	33	(2,484)	1,254

4.2 Appendix L

Departmental Reserves Seaton CC 'Management' - Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.	108	0	0	0	0	0	108	Balance carried forward from previous years	Ringfenced for Seaton CC Management Committee and the redevelopment of the site.
Adult Education	150	0	0	0	0	0	150	Created from LSC grant fund to address short and long term pressures from within the Adult Education service.	Reserve will be used to support staff pressures created through changing priorities.
BSF Swim Strategy / Mill House	36	0	(16)	(20)	0	(36)	0	This covers the costs of planning and preparing for the proposed leisure centre and the future of Mill House.	Ongoing review by CFO, Director of Adult & Community Services and Sport & Recreation Manager.
Community Grants Pool	124	(124)	0	0	0	(124)	(0)	Reserve created in 2006/07 from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community.	The Reserve will be used to enhance the existing base budget provision for Community Grants.
Tree Management	6	(6)	0	0	0	(6)	0	Required work could not be completed in 2007/08 so this funding has been set aside to finance this work in 2008/09.	The Reserve will be used in 2008/09 on Tree Works originally postponed in 2006/07.
Football Development	7	(1)	(2)	(4)	0	(7)	0	Income generated by the Football Development Programme has been ring-fenced and set aside to help support this Programme on an on-going basis.	The Reserve will be used to fund the Football Development initiative as and when the grant reduces.
CONTROCC Implementation	74	(74)	0	0	0	(74)	0	Reserve ringfenced for implementation of a new Contract Management System (CONTROCC).	Reserve expected to be utilised in 2008-09
Libraries - RFID self issue	46	(46)	0	0	0	(46)	0	To fund new self-issue system at central Library	Reserve expected to be utilised in 2008-09
Countryside	14	(14)	0	0	0	(14)	0	To fund Countryside works	Reserve expected to be utilised in 2008-09
Sports & Recreation - Sports Awards	13	(1)	(12)	0	0	(13)	0	To fund sports coaches training awards	Reserve expected to be utilised in 2008-09

4.2 Appendix L

Community Facilities in Schools	(34)	30	4	0	0	34	0	To enable Community Facilities within Schools to manage their budgets over more than one financial year.	A review of the financial position on all school based community facilities has been undertaken during 2008. Following a report to the Schools Forum all schools are now clear on the funding options for their schemes and deficits built up over recent years are being repaid from school balances over 3 years. For those schemes that are not sustainable additional funding has been requested as part of the Children's Services 2009/10 budget submission.
City Learning Centre	137	0	(37)	(50)	(50)	(137)	0	This balance represents surpluses carried forward from external income generated from lettings etc..	The reserve will provide funding for in-year overspends and for exit strategies should funding cease. In addition the CLC service is to be transferred from Dyke House to St Hilda's School and funds will be used to cover relocation and service developments.
Extended Schools - New Opportunities Funded Out of School Care	(80)	40	20	20	0	80	0	This is a 'deficit' Reserve resulting from brought forward deficits on a number of schools extended schools programmes resulting from reductions in NOF grant funding.	A review of the financial position on all NOF funded school based activities has been undertaken during 2008. All schools are now clear on the financial position on their schemes and the current funding available. Those schools whose schemes have built up deficits over recent years are being repaid from school balances over 3 years. The viability of some schemes is being reviewed.

4.2 Appendix L

A2L Reserve	81	(81)	0	0	0	(81)	0	This Reserve was originally created to fund additional 'one-off' costs at the Access to Learning Centre. Although no longer required for this purpose it is to be used to contribute towards the capital costs of Temporary Accommodation arising from the closure of Brierton school.	To be used to contribute towards the capital costs of Temporary Accommodation arising from the closure of Brierton school.
Broadband Implementation Reserve.	110	(110)	0			(110)	0	To assist with the increased costs of Broadband in Schools.	The Reserve is to be used alongside the Standards Fund grant received for the 'Computers for Pupils' initiative in secondary schools to enhance the ICT capacity and availability to all secondary pupils.
Behaviour & Attendance	3	(3)	0	0	0	(3)	0	Reserve created to provide additional resources towards this area of the Service.	Funding allocated via the Behaviour and Attendance Partnership during 2008/09
Play and Care	5	(5)	0	0	0	(5)	0	Reserve created in previous years to provide sustainability to Play Networking Project including Play Grants to voluntary organisations.	Reserve to be used to contribute to the out of school care financial shortfall in 2008/09.
BSF Implementation Costs	838	(838)	0	0	0	(838)	0	Combination of departmental underspends from previous years and corporate funding towards BSF Implementation costs.	The Reserve is being used to fund the costs (ie. revenue running costs) of the Schools Transformation Team incorporating the revenue costs of the Primary Capital Programme in addition to BSF. This schedule does not account for the additional £2m of funding it is proposed to contribute towards these costs as detailed in the main budget report. As also indicated in the Report additional resources will need to be set aside for BSF costs however the amounts depend on how much of these costs can be capitalised.

4.2 Appendix L

Teenage Pregnancy	19	(19)	0	0	0	(19)	0	Reserve was created from income generated by the Teenage Pregnancy initiative which has been set aside to enhance the TP Programme.	Funds are being used in 2008/09 to develop and print further training packs for primary and secondary schools.
Dedicated Schools Grant - LA Underspend from 2007/08	266	(266)	0	0	0	(266)	0	The Dedicated Schools Grant (DSG) is a ring-fenced grant for use on 'schools' budgets only. The balance arises from underspends in 2007/08 on the local authority elements of the DSG.	The Schools Forum in 2008/09 have determined that this budget will be used to contribute towards BSF capital costs of temporary accommodation arising from BSF (£198k), £17.5k towards Brierton closure costs eg. uniforms etc, £37.5k to Springwell school and £13k for primary school based behavioural support
Transitional Support Fund	185	200	(385)	0	0	(185)	0	This is a combination of previous years underspends against this particular budget heading and DSG (ring-fenced) underspends.	The Schools Forum determine the value held in this fund and the criteria by which funding is allocated which, by its nature, is for 'emergency' type uses in schools hence no profile has been provided. No payments have been made during 2008/09 but a bid received in December is currently being evaluated.
Parenting Support	20	(5)	(15)	0	0	(20)	0	This was created from additional income over and above the grant generated from the Parenting Support Programme in 2007/08.	This funding will be allocated in 2008/09 and 2009/10 to train psychology and teaching staff in a programme targeting parents of children with special needs.
Staff Accommodation	1	0	0	0		0	1	Reserve was created to fund the accommodation costs arising from the creation of the Children's Services department. This is the residual balance outstanding.	

4.2 Appendix L

Connexions	90	(90)	0	0	0	(90)	0	Responsibility for Connexions transferred to the authority in 2007/08. This Reserve consist of income generated by the service and residual balances transferred to the authority resulting from the transfer of responsibility.	Funding of £20,000 is being allocated during 2008/09 for lead practitioner training of social work staff. The balance of £70,000 has been offered up to assist in the funding of the 2008/09 corporate outturn position on the basis that JE cost pressures will not occur in the Connexions service.
Early Years Development Childcare Plan	119	(119)	0	0	0	(119)	0	This reserve has been created to develop the provision of services that will provide education for all 3 and 4 year olds	The reserve has been used in 2008/09 to compensate PVI nurseries for the change to single entry school reception admissions. This resulted in pupils starting school up to a term earlier. Funding was also allocated to Seaton Carew Nursery and to the St John Vianney early years centre.
14-19 Agenda	54	(54)	0	0	0	(54)	0	This reserve was created in 2007/08 to assist in the funding of the new 14-19 Education Agenda including Diplomas etc	This funding is being used during 2008/09 to support the introduction of the new 14-19 diplomas.
Housing Reserve	10	30	0	(40)		(10)	0		£40k 2010/11 to be used to support development of the Housing Service
Regeneration Reserve - Specific	165	(77)	(73)	(15)		(165)	0	Mainly PDG funding	Largely allocated to Planning related expenditure.
Regeneration MRU	264	12	(16)	(218)	(42)	(264)	0	Created to enable department to manage budget over more than one year.	To support Regen staffing where grants reduced (£16K in 09/10 , £100k in 10/11 & £42k in 11/12) & £118K for Victoria Harbour scheme in 10/11)..
Local Plan	38	(7)	0	(31)	0	(38)	0	To implement new Local Development Framework within Planning .	Includes £5k in 2010/11 for Victoria Harbour Scheme.

4.2 Appendix L

Organisational & Corporate Workforce Development	33	(30)	(2)	(1)	0	(33)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund the following areas: E Learning Software Workforce Development Projects Celebrating Success Member Development Talent Pool
HR Service Improvement	13	(13)	0	0	0	(13)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund the following areas: LLPG Staff Costs (GIS) Team Building HR Peer Review
Contact Centre	5	(5)	0	0	0	(5)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund Contact Centre Staffing
Resource Investment	5	(5)	0	0	0	(5)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund the following areas:- IT Development and Printing Unit
Support to Members	25	(25)	0	0	0	(25)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund Member Development
Election Services	8	(8)	0	0	0	(8)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 to fund Elections Costs following changes in legislation
Legal	9	(9)	0	0	0	(9)	0	Created to enable department to manage budget over more than one year.	To be used to cover honoraria during 2008/09
New HR / Payroll System		300	(300)				0	Created to fund the costs associated with a new integrated HR and Payroll System	

4.2 Appendix L

Social Inclusion / Credit Union		100	(100)					0	Created to fund the Social Inclusion Programme	
Finance - The Way Forward	60	0	(60)	0	0	(60)		0	Created to meet potential future costs arising from implementation of Council's 'Way Forward' Strategy	To be used in 2009/10
Finance - Wireless Benefits	47	(47)	0	0	0	(47)		0	Created to cover costs not funded from DWP grant.	Reserve to be used to fund Wireless Project. This scheme previously attracted grant funding.
Finance - Audit Section	79	(79)	0	0	0	(79)		0	Created to enable department to manage budget over more than one year.	To fund the IT investment required to support the move towards remote/site working following strategic review.
Finance - Accountancy Section	114	(70)	(44)	0	0	(114)		0	Created to enable department to manage budget over more than one year.	To be used in 2008/09, and 2009/10 to fund temporary staffing costs following strategic restructure, and introduction of International Financial Reporting Standards
Finance - IT Investment	199	0	(199)	0	0	(199)		0	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority	To be used in 2009/10 as contributions towards :- roll out of EDRMS, implementation of FMS, and HR/Payroll Investment.
Finance - Home Working	50	(50)	0	0	0	(50)		0	Created to fund costs associated with implementation of Home Working Initiative.	To be used in 2008/09
Finance - Agency Staff R&B	50	(50)	0	0	0	(50)		0	Created to fund cost of employing contract staff to smooth out workload peaks/resource shortfalls	To be used in 2008/09

4.2 Appendix L

Finance - IT Developments R&B	16	(16)	0	0	0	(16)	0	Created to fund IT development costs to cope with new DWP Security requirements and further Kirona scripting changes	To be used in 2008/09
Finance - R&B	37	(37)	0	0	0	(37)	0	Created to fund cost of IT equipment	To be used in 2008/09
Finance - Grant Flow Pilot	30	(30)	0	0		(30)	0	Created to fund costs associated with Grant Flow Pilot	To be used in 2008/09
Finance	186	0	(186)	0	0	(186)	0	Established to fund additional costs identified with implementation of FMS & e- Procurement	Timing of usage to be determined.
Finance R & B - Two Scanners	37	(37)	0	0	0	(37)	0	Created to fund costs associated with the purchase of two scanners	To be used in 2008/09
Finance R & B - Internal Bailiff Development	30	(30)	0	0	0	(30)	0	Created to fund costs associated with Internal Bailiff Development	To be used in 2008/09
Finance R & B - Intercept Software	6	(6)	0	0	0	(6)	0	Created to fund costs of Intercept Software	To be used in 2008/09
Finance R & B - Financial Inclusion Programme	50	(50)	0	0	0	(50)	0	Created to fund costs of Financial Inclusion Programme	To be used in 2008/09
Finance R & B - Project 2011	50		(50)	0	0	(50)	0	Created to fund costs relating to Project 2011	To be used in 2009/10
Corporate Strategy	350	(220)	(115)	(15)	0	(350)	0	Created to enable department to manage budget over more than one year.	To be used in 2008/09 and 2009/10 as follows:- Performance Management Development, Corporate Consultation, ACT Implementation and Enhancing Council Profile. Also in 2009/10 for ICT/Project 2011
Registrars	30	(30)	0	0	0	(30)	0	Created to enable department to	To be used in 2008/09 for building maintenance.

4.2 Appendix L

National Graduate Development Reserve	1	(1)	0	0	0	(1)	0	Created to fund a National Graduate Trainee for the benefit of the whole Council	To be used to fund National Graduate Trainee salary and training contributions for 2008/09
Swimming Pool Maintenance	95	0	0	(50)	(45)	(95)	0	It was decided not to install a moveable floor at Brinkburn Pool which was the original purpose of this Reserve. The Children's Services, Performance Management and Regeneration, Liveability and Housing Portfolio Holders have requested that this be earmarked for the general upkeep of Swimming Pools within the town.	This funding will be used to fund essential maintenance costs relating to provision of the primary swimming service operating from schools and Brinkburn pool. A programme of works will be determined in 2009/10 following the update of condition surveys.
Carlton Refurbishment	140	0	0	(70)	(70)	(140)	0	Ring-Fenced Reserve created from underspends on the Carlton budget during refurbishment to cover the LEA contribution towards any second phase of capital development at Carlton Outdoor Centre.	It had been intended that this reserve would be used to fund future phases of development at the Centre. However, in January 2009 Redcar and Cleveland BC advised the LA that they would be withdrawing from the joint authority agreement due to corporate financial pressures.
Playing for Success	60	(20)	(14)	0	0	(34)	26	Reserve created from income generated within Playing for Success to cover future costs relating to the PFS initiative.	PFS grants are tapering out so this Reserve is used to cover additional expenditure relating to the PFS initiative. £20,000 is being used in 2008/09 for a new radio studio and kitchen. £13,500 is required in 2009/10 to hire the HUFC box.
Information Sharing & Assessment	1	(1)	0	0	0	(1)	0	Reserves created from underspends on the ISA programme to be used to finance specific ISA initiatives.	Reserve to be spent on various Information, Sharing & Assessment initiatives.

4.2 Appendix L

Social Care Records Back-Scanning Costs	0	80	(80)			0	0	The department's 2008/09 budget included £100,000 to engage temporary staff in a statutory exercise to back scan children's social care records. For technical reasons this exercise could not be completed .	A corporate solution to the technical difficulties will enable this exercise to go ahead during 2009/10.
Economic Development	213	(95)	0	(118)	0	(213)	0	To fund Economic Development staff as temporary programme money ceases	As major funding programmes begin to come to an end the balance will be required to assist in the management of staff contracts.
Energy Saving Fund (climate Change Levy)	14	0	0	0	0	0	14		
Strategic Procurement Review Reserve	50	0	0	0	0	0	50	To fund the strategic review of corporate procurement practices and strategy in order to assess efficiency and effectiveness and develop new strategies for the future.	Timing depends on progress re implementation of centralisation
SRB Match Funding	40	0	0	0	0	0	40	Expected to be committed 2007/08	
LATS Equalisation Review	15	0	0	0	0	0	15	Used to store notional income until value is realised	Depends on when value can be realised. The market for LATS is very new and proper values have not yet been established
Interest Equalisation	400	0	0	0	0	0	400		
Pride in Hartlepool	35	(35)	0	0	0	(35)	0	This reserve was set up to carry forward the underspend on the Pride in Hartlepool revenue budget.	
Remedial Repairs	41	(41)	0	0	0	(41)	0	This includes amounts set aside by Neighbourhood Services Internal Works to fund remedial repairs to works already undertaken.	
Cashfinder Savings	16	0	0	0	0	0	16		
Other Fund School Balances	0	0	0	0	0	0	0		
Business Transformation	500	0	0	0	0	0	500		

4.2 Appendix L

Corporate Funding Reserve	176	0	0	0	0	0	176		
NDC Fund	1,500	(1,500)	0	0	0	(1,500)	0		
Mill House	176	0	(44)	(132)	0	(176)	0	The reserve arose from a rates rebate following a review of the leisure centre rateable values	The reserve is earmarked to fund essential maintenance at Mill House Leisure Centre from 2006/07 onwards until it is replaced by the H2O Centre
<u>Total Departmental Reserves</u>	7,861	(3,688)	(1,726)	(744)	(207)	(6,365)	1,496		

4.2 Appendix M

Summary of Diversity Assessments

The Council has a number of legal responsibilities arising from equality and diversity legislation including: eliminate harassment and unlawful discrimination; promote equality of opportunity; and promote good relations, positive attitudes and participation. The Council will wish to take these responsibilities into account as it considers and makes budget decisions.

As budget pressures, priorities, efficiencies and terminating grants have been identified officers have made an assessment of the impact relevant to diversity and equalities legislation.

The six strands considered in this assessment are gender, disability, race, sexual orientation and religion and faith groups. Officers were asked to rate the impact of proposals as negative, neutral or positive on the assumption that the budget proposal was approved and funded. The process has been valuable in the context of the budget process but we have identified further improvement that can be made for next year and the guidance and briefing will be reviewed for 2010/11 budget process. The Council will generally wish to minimise negative impacts and maximise positive impacts.

The analysis provided here focuses on proposals assessed as having a negative or positive impact. This section of the report summarises the result of those assessments to assist members in reaching appropriate decisions in terms of which pressures, priorities, efficiencies and terminating grants to support. This analysis is based on the proposals reported to Cabinet on 22 December 2008.

Pressure s

The proposals reported to Cabinet on 22 December 2008 identified 21 pressures in total with a total value of £1.654m. In terms of diversity impact of the proposals, if funded, 4 are positive and 17 neutral. The total value of the positive pressures is £0.613m and further details about these are given below.

The two most significant positive rated pressures were identified by Adult and Community Services with a value of £0.555m. The pressures were:

1. To provide care packages for young disabled adults (£355,000); and
2. Adults with mental illness and dual diagnosis or autistic spectrum disorder requiring high cost packages (£200,000).

The remaining two positive pressures were to meet costs pressures identified by Adult and Community Services and Chief Executive's departments:

3. Older people transferring from the St Cuthbert's Day Centre being close by the Diocese; (£45,000 – Adult and Community Services)

4. BSL interpretation service provided through the Tees Valley and Durham Communications service and consultation with diversity communities (£13,000 – Chief Executive's); and

Full details of the pressures can be seen at Appendix D.

The main report (paragraph 6.24) also identifies a number of additional pressures with a value of £3.1555m. These pressures have not been fully evaluated for diversity impact by departments. However four are likely to have positive impact if approved:

- Looked After Children – additional pressures £0.67m. The Council is currently incurring additional expenditure in the current year owing to higher numbers of Looked After Children and more complex cases.
- Older People, Learning Disabilities, Agency and Mental Health Agency – additional pressure of £0.8m. The Council is also incurring additional expenditure in the current year on the above services owing to demographic pressure, higher client numbers and more complex cases.
- Adult Services Care Package and Transport Efficiencies – additional pressure of £0.45m (temporary). The existing base budget anticipated making efficiency on a specific care package of £0.2m.
- Concessionary Fare – additional pressure of £0.105m Contract negotiations have recently commenced across the Tees Valley with bus operators. It is expected that costs will increase owing to higher costs being incurred by operators. delayed owing to a legal challenge to the proposed change

The remaining two pressures are likely to be neutral:

- Job Evaluation – additional pressure of £0.9m (includes employer's National Insurance and Pension costs)
- Energy Costs – additional pressure of £0.23m The Council has previously benefited from lower energy costs from long term contracts negotiated via NEPO (North East Purchasing Organisation). These contracts have now ended and market prices are at considerably higher levels and expected to continue at these levels.

These additional pressures are included in the summary table in the conclusion section.

Efficiencies

The proposals reported to Cabinet on 22 December identified 89 efficiency proposals in total with a value of £2.46m. Only one proposal was assessed as having a negative impact, with all others assessed as having a neutral diversity impact.

The single efficiency proposal with a negative diversity rating is from the Community Development function of Adults and Community Services department and is to reduce

“printing, training and project development fund budgets whilst maintaining service level” with a value of £12,000.

The full list of proposed efficiencies is at Appendix C.

Additional 1% reductions

The proposals reported to Cabinet on 22 December identified 22 proposals in total with a value of £0.846m. Eight proposals are assessed as having a negative impact, with all others assessed as having a neutral diversity impact.

Sum of 09/10 £000	Rate the Diversity impact		
	Negative	Neutral	Grand Total
Dept			
Adults and Community Services	333	14	347
Chief Executive's		53	53
Children's Services	26	172	198
Neighbourhood Services	189		189
Regeneration and Planning		59	59
Grand Total	548	298	846

Six proposals by Adults and Community services have potential negative impacts. These are:

- Closure of Community Service/Building i.e. Branch library or community Centre (£45.000)
- Keep Community Pool at a standstill position (£15.000)
- A social work team to be disbanded, cases to be spread across the other social work teams to achieve savings. Loss of Team Manager Band 14 and Principal Practitioner Band 13. (£100.000)
- Reduction of one Resisted Manager Band 10 within the homecare services. This service is currently managed by 2 registered managers. (£34.000)
- Reduction in management capacity to reduce by 2 band 13 posts - these posts cover such areas as Quality Assurance, Safeguarding, Complaints, Service Development and project management. (a 3rd post has already been put forward as an efficiency) £86.000)
- A variety of measures leading to a reduction in social work expenditure. (£53.000)

The remain two proposals are from Children's Services and Neighbourhood Services

- Recommissioning of mother and toddler services providing home visits, equipment and running groups. (£26.000)
- Discontinuation of Dial a Ride service (£189.000)

The full list of proposed efficiencies is at Appendix H.

Terminating Grants

The proposals reported to Cabinet on 22 December 2008 identified 5 terminating grants in total with a value of £0.198m. In terms of diversity impact the proposals, if funded, 4 are positive and 1 neutral. The value of the terminating grants with a positive impact is £0.153m. They range in value from £31-56,000 in 2008/9 from Adults and Community Services and Regeneration and Planning.

1. LPSA grant for delivery of the expanded Home Library Service. (£31,000 – Adult and Community Services)
2. Grant funding for Football Development Officer, P/T admin officer & development programme due to be exhausted by August/September 2009. This has been funded to date by NRF, Football Foundation and NDC. (£33,000 – Adult and Community Services)
3. Current 3 year GP Referral programme LPSA funded, due to exhaust March 2009. In 2008/09, some financial support (£22k) being made available by the PCT which is unconfirmed at present whether this is year on year funding or not. (£33,000 – Adult and Community Services)
4. Family Intervention Programme (FIP). Grant to support this programme (originally £100k) is tapering and reducing to zero by 2011/12. The FIP was established by Government as part of the Respect Action Plan published in January 2006 and is intended to provide support and challenge in order to change the behaviour of anti-social families with school age children alongside rolling out parenting advice budget. A budget to continue this programme in Hartlepool is proposed. (£56,000 – Regeneration and Planning)

The full list of terminating grants to be funded is at Appendix G.

Contingencies

The proposals reported to Cabinet on 22 December 2008 identified 14 proposed contingencies in total with a gross value of £1.034m and £0.448 included in the contingency based on the risk value. In terms of diversity impact the proposals, if funded, 4 are positive and 10 neutral. The value of the contingencies with a positive impact is £0.171m. They range in value in the contingency fund from £10-60,000 in 2009/10.

1. Launch of Government's free swim initiative consists of 2 elements - Over 60's for which the available funding is known and for under 16's, available funding currently unknown. (£10,000 – Adult and Community Services)
2. Abdiel Centre - risk of closing owing to Extra Care scheme at Derwent Grange - possible displacement of individuals resulting in similar circumstance to closure of St. Cuthbert's. (£45,000 – Adult and Community Services)
3. Straightline Project. This is an alcohol awareness project for young people either found in possession of alcohol by the Police or who are identified by other agencies. This successful and well regarded project is funded from LAA Reward

Grant. Continued funding will depend on the public's perception of two elements of anti social behaviour (i) teenager hanging around (ii) rowdy and drunken behaviour. This reliance on public perception for future project funding poses some risk and it is proposed a contingency arrangement is considered... (£21,000 – Regeneration and Planning)

4. Management and operation of the housing waiting list to ensure proper allocation of housing on the basis of need. This is a statutory service of Hartlepool Council as the Housing Authority. The service is provided through an SLA by Housing Hartlepool, which is the main social housing provider enabling integration with landlord functions, at a nominal cost. A realistic cost has been negotiated for the provision of this service and Housing Hartlepool has agreed to provide 50% of the cost subject to Board approval. This provision covers the estimated non budgeted cost to the Council. (£60,000 – Regeneration and Planning)

The full list of terminating grants to be funded is at Appendix G.

Summary Position

Type of proposal	Diversity rating Value £000		
	Negative	Neutral	Positive
Efficiencies	12	2,448	0
Pressures	0	1041	613
Additional pressures from Cabinet report 22/12/08	0	1,200	2,025
Additional 1% reductions	548	298	0
Terminating grants	0	45	153
Contingencies	0	863	171

Key points

- Efficiencies largely assessed as neutral
- Pressures and additional pressures identify significant positive diversity impacts
- Additional 1% reductions identify significant negative impacts
- Terminating grants and contingencies are assessed as being neutral or positive overall

The diversity assessment process in relation to the budget for 2010/11 will be further developed to ensure Cabinet and Council are appropriately informed in respect of diversity and budget decisions.

CABINET REPORT

9th February 2009



Report of: Director of Adult and Community Services and
Director of Neighbourhood Services

Subject: FORMER ELDON GROVE SPORTS CENTRE

SUMMARY

1. PURPOSE OF REPORT

To seek Cabinet approval to the proposed granting of a lease to Eldon Grove Tennis Club and to seek a decision around some proposed changes to the agreed terms for occupation.

2. SUMMARY OF CONTENTS

The report outlines progress that has been made since Cabinet decided to approve terms for the granting of a lease to the tennis club, including a change to the proposed development.

In light of the change to the development, proposed amendments to the original terms are proposed for Cabinet to consider.

3. RELEVANCE TO CABINET

The Eldon Grove site has been declared a surplus asset, but with potential to provide key contribution to community sports provision.

4. TYPE OF DECISION

Non key.

5. DECISION MAKING ROUTE

Cabinet on 9th February 2009.

6. DECISION(S) REQUIRED

That Cabinet consider the proposals put forward.

Report of: Director of Adult and Community Services and Director of Neighbourhood Services

Subject: FORMER ELDON GROVE SPORTS CENTRE

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to the proposed granting of a lease to Eldon Grove Tennis Club and to seek a decision around some proposed changes to the agreed terms for occupation.

2. BACKGROUND

- 2.1 Members will recall that at the Cabinet meeting on 8th December 2008 proposals for the granting of the lease and changes to the previously agreed terms for occupation were considered
- 2.2 Cabinet agreed to defer a decision on the proposals pending representatives from the Tennis Club presenting an update and scheme details.
- 2.3 The Tennis Club representatives subsequently made a presentation to the Mayor's Briefing on 26th January 2009.
- 2.4 The presentation clarified the initial scheme proposed and accepted by the Council in respect of the redevelopment of the site into a Community Tennis Centre. An explanation of the planning application for an indoor facility and floodlights was given, including the reasons for refusal. This was followed by a successful application for outdoor facilities only in order to progress with the scheme and the relevant grant applications. The Club did point out that in future years an indoor facility and floodlighting (as technology improves) will be considered if local support can be achieved.
- 2.5 The Tennis Club's presentation is attached as confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely,(para 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

3. CONSIDERATIONS

- 3.1 The proposed lease to Eldon Grove Tennis Club had been approved on a 'subject to planning' basis. In November 2007, Eldon Grove submitted a planning application to develop 2 indoor tennis courts. A report went to Planning Committee with a recommendation to approve the proposal but the Committee resolved to refuse permission for the development.

The Tennis Club decided to review their plans for the site and in July this year they submitted a planning application for the provision of 2 outdoor all weather surface courts and the erection of a changing / toilet facility. This received planning permission on 17th October 2008 and at this time, the tennis club approached the Council requesting that the transaction to lease the land be resumed.

- 3.3 The Council's Legal Section have reopened their file on the matter and have made approaches to the Tennis Club's legal team, but officers have noted that there may be some changes to the terms that had previously been agreed. This report therefore details where possible changes are proposed.

4. PROPOSALS

- 4.1 The proposals for this transaction are contained within the confidential **Appendix 2. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely,(para 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

5. RECOMMENDATIONS

- 5.1 That Cabinet consider the proposals put forward.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The proposed development has changed since the original terms were agreed.

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CABINET REPORT

9th February 2009



Report of: Director of Children's Services

Subject: TRANSFER OF COMMISSIONING
RESPONSIBILITIES FOR 16-18 YEAR OLD
EDUCATION AND TRAINING TO LOCAL
AUTHORITIES - STAGE 2

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek approval for proposals in preparation for the transfer of commissioning responsibilities for 16-18 education and training to the Council within a Tees Valley sub-regional arrangement.

2. SUMMARY OF CONTENTS

- 2.1 By 2010 it is the government's intention to transfer funding for 16-19 participation in education and training from the Learning and Skills Council to local authorities, giving local authorities clear responsibility for commissioning across the whole 14-19 sector and for delivering the government's intention that by 2015 all young people will stay in education or training to at least 18 years of age.
- 2.2 This report highlights issues for Cabinet to consider as part of this funding change.

3. RELEVANCE TO CABINET

- 3.1 Long-term funding, governance and organisational implications.

4. TYPE OF DECISION

- 4.1 Non key decision.

5. DECISION MAKING ROUTE

5.1 Cabinet on 9th February 2009.

6. DECISION(S) REQUIRED

6.1 Members are asked to approve the Stage 2 proposal for submission to GONE (Government Office North East) and the DCFS (Department for Children, Schools and Families).

6.2 In addition, members are asked to authorise the Director of Children's Services to continue discussions with other Tees Valley and North East local authorities to develop effective arrangements for the future commissioning and funding of post 16 education and training in readiness for implementation in September 2010.

Report of: Director of Children's Services

Subject: TRANSFER OF COMMISSIONING
RESPONSIBILITIES FOR 16-18 YEAR OLD
EDUCATION AND TRAINING TO LOCAL
AUTHORITIES - STAGE 2

1. PURPOSE OF REPORT

- 1.1 To seek approval for proposals in preparation for the transfer of commissioning responsibilities for 16-18 education and training to the Council within a Tees Valley sub-regional arrangement.

2. BACKGROUND

- 2.1 In September 2008, following Cabinet agreement, the 5 Tees Valley Authorities submitted to the Director of Children and Learners GONE a joint statement of intent outlining how the Tees Valley Authorities intend to work together as a sub-regional group to deliver their new responsibilities for the strategic commissioning of 14-19 education and training on transfer from the LSC in 2010. Individual Cabinets signed up to the sub-regional arrangement. Stockton was identified as the lead authority for the interim phase.
- 2.2 The proposed Tees Valley Sub-Regional Group (SRG) has now been ratified. Stage 2 of the process is an assessment, carried out by DCSF in March 2009, to enable a readiness to deliver judgment to be made regarding the group's capacity to deliver at sub-regional level. Groups are invited to submit proposals detailing their commissioning and other partnership arrangements by the end of February 2009, to enable an assessment to be made by April 2009. This is intended to allow sufficient time for working/shadowing relationships to be agreed with the LSC for the start of the commissioning year in September 2009.
- 2.3 By the end of February 2009, the Sub-regional Group must submit a plan to Government Office North East outlining how ready it is for operating in the transition year including:
- Governance arrangements;
 - Decision making process;
 - Dispute resolution;
 - Staffing needs;
 - Reporting processes, and
 - Financial and performance accountabilities.

- 2.4 A national panel will review the plan and make decisions on the readiness of the Sub-Regional Group. Individual feedback will be provided to the Sub-Regional Group via GONE from March 2009. The Tees Valley Stage 2 proposal is attached to this report at **Appendix 1**.

3. OUTCOME OF NATIONAL REVIEW OF STAGE ONE PROPOSALS

- 3.1 The proposal to establish a Tees Valley sub-regional commissioning group was submitted to the DCSF in October 2008. It was accompanied by similar proposals to establish a sub-regional grouping for the Tyne and Wear and Northumberland authorities. Durham will operate as a separate sub-region.
- 3.2 In early December, GONE provided feedback on Stage One proposals which indicated that these sensibly:
- Reflected travel to learn patterns and local geography and context;
 - Built on existing relationships and cross boundary working.
- 4.3 A number of points of clarification were raised in relation to proposed sub-regional groups in the North East including:
- How will learner flows across sub-regional groups and regions be managed?
 - How will regional planning groups ensure that the diverse issues of the region i.e. large rural area and city are heard with equal voice?
 - In those sub-regional groups with multi-sited colleges which cross boundaries, how will the commissioning dialogue be managed?
 - How will the regional planning group ensure the sub-regional planning groups are represented effectively and fairly?
 - How will the sub-regional groups ensure they are not dominated by powerful city councils or larger local authorities?

4. STAGE TWO GUIDANCE

- 4.1 DCSF guidance for Stage two of the transfer process requires the submission of more detailed proposals for sub-regional commissioning by the end of February 2009 to GONE. The timeline for Sub-Regional Groups (SRGs) to be ready for operation in September 2010 allows for a transition year beginning in April 2009. The plans to be submitted at Stage Two must focus on:
- Governance arrangements;
 - Decision-making processes;
 - Dispute resolution;
 - Staffing needs;
 - Reporting processes;

- Financial and performance accountabilities.

4.2 Criteria have been determined against which proposals will be assessed at regional and national level. Some are essential and some desirable at this stage and include;

- Clear and robust arrangements for governance including political sign off and whether local authorities will take on the majority of the commissioning arrangements or seek to pass this to the Young People's Learning Agency which is due to be established shortly;
- Collaborative and strategic contribution to local and regional priorities, details of how schools and colleges are to be involved in the development of SRGs and evidence of employer and provider engagement;
- An assessment of the resources, capacity and transition arrangements required to achieve the transfer of responsibilities.
- How policy and planning will help deliver the wider 14-19 agenda including the delivery of raising the participation age;
- How quality assurance and targets will raise performance and meet priorities

5. STAGE TWO PROPOSAL

- 5.1 In the light of the DCSF guidance, a Stage 2 proposal for the Tees Valley SRG has been drawn up (**Appendix 1**). This reflects the outcome of a number of local events with stakeholders including the 14-19 Partnership Board, work based learning providers, schools and colleges and continuing dialogue at sub-regional and regional level. It also builds on the strengths of existing sub-regional partnership arrangements within the MAA. Development of the proposal was led by Stockton Local Authority on behalf of the sub-region, supported by the LSC.
- 5.2 The proposal seeks to integrate the commissioning arrangements for 16-18 education and training within the governance arrangements of Tees Valley Unlimited (TVU) and to expand the two arrangements to address commissioning for the wider 14-19 agenda. A new 14-19 Sub-Regional Group (SRG) would be formed as one of the functional boards and could report either to the TVU Executive or through one of the already established Boards e.g. Employment and Skills.
- 5.3 The 14-19 SRG would comprise the Directors of Children's Services (DCSs) for each of the five Tees Valley authorities and would be supported by a commissioning group and 14-19 Partnerships in each local authority area. Each local authority would, through its local democratic arrangements, prepare its own commissioning plan for 14-19 education and training for determination by both the 14-19 SRG and Tees Valley Unlimited. Commissioning plans would also be reported to the regional group of DCSs to facilitate collaboration at regional level.

6. OPTION APPRAISAL

- 6.1 Doing nothing is not an option as this would not enable the Council to meet its new commissioning responsibilities in relation to 16-18 education and training.
- 6.2 Cabinet has already agreed that these responsibilities can be met within the constraints set by central government by joining with the other four Tees Valley authorities in a sub-regional group. Two options exist for establishing and supporting such a group.
- 6.3 The first option would be to create a new and stand alone decision-making structure which brings together the five Tees Valley authorities to determine annual commissioning arrangements. This would be costly and inefficient given an existing structure exists could be adapted for the purpose.
- 6.4 The second and preferred option is to build on the arrangements already in place through Tees Valley Unlimited and the MAA. This has a number of advantages in terms of:
- Providing links to existing cross-authority developments, particularly in terms of employment and skills;
 - Using already established mechanism for cross-authority political approval and decision-making;
 - Providing a cost effective and efficient means of meeting new responsibilities;
 - Providing a means of engaging providers and other stakeholders in the commissioning process through sub-groups.
- 6.5 This option also has the support of other Tees Valley authorities and regional Directors of Children's Services.

7. RISK ASSESSMENT

- 7.1 The decision to submit a sub-regional Stage 2 Proposal is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

8. FINANCIAL IMPLICATIONS

- 8.1 Revenue funding for 16-18 education and training would continue to follow the current Learning and Skills Council model with a new government agency, the 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 for the institutions in a local authority area rather than for the number of residents in an area.

There will be an annual reconciliation between plans and out-turn, with funding adjusted in the following year as necessary.

- 8.2 DCSF is 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.
- 8.3 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 during the shadow year 2009/10 which may have TUPE implications for the LSC and the Council.
- 8.4 DCSF is proposing to allocate funding to SRGs to build capacity through Stage 2. This funding will be available via GONE with the region receiving a minimum of £40,000 for this purpose. DCSF is also examining what additional capacity can be found to support individual local authorities through the transition from April 2009 onwards. Detailed information is not yet available.

9. LEGAL IMPLICATIONS

- 9.1 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.
- 9.2 From 2010 local authorities will have a statutory duty to provide learning places for pre-19 year olds, subject to legislation. By 2013 local authorities will have a statutory duty to deliver full participation for all 17 year olds in education and training, rising to 18 year olds by 2015. In addition, from 2010 they will have a duty to secure sufficient provision for young people up to the age of 19 (including learners with difficulties and/or disabilities up to the age of 25 and young people in juvenile custody up to the age of 18), in line with their responsibility for commissioning all children and young people's services. If the principle of incorporating the arrangements into TVU is agreed, the necessary amendments will need to be made to the TVU Joint Agreement of 31 March 2008. Additional powers in order to fulfil requirements of 14-19 commissioning of education and training will need to be delegated to the Corporate Director, CESC, as appropriate.

10. RECOMMENDATIONS

- 10.1 Members are asked to approve the Stage 2 proposal for submission to GONE (Government Office North East) and the Department for Children, Schools and Families attached as **Appendix 1**.

- 10.2 In addition, members are asked to authorise the Director of Children's Services to continue discussions with other Tees Valley and North East local authorities to develop effective arrangements for the future commissioning and funding of post 16 education and training in readiness for implementation in September 2010.

11. REASONS FOR RECOMMENDATIONS

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

12. BACKGROUND PAPERS

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

DCSF/DIUS documents:

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

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6.2 APPENDIX 1



TEES VALLEY

SUB REGIONAL GROUP

14-19 EDUCATION AND TRAINING

STAGE 2 PROPOSAL

9 January 2009

1. INTRODUCTION

- 1.1 In September 2008, in order to progress the Machinery of Government changes for education and training for 16-18 year olds, the 5 Tees Valley local authorities (LAs) submitted a Statement of Intent, to work together to form a Tees Valley Sub Regional Group (SRG). The Tees Valley authorities already work together strategically as a city region through Tees Valley Unlimited (TVU) and have agreed a multi-area agreement to establish a mechanism to support the regeneration and skills agenda. This is also relevant to the ambitions to be delivered through the Machinery of Government changes. 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.
- 1.2 This document sets out how the Tees Valley SRG would meet the requirements of the Stage 2 guidance on the transfer of responsibilities for 16-19 education and training and the integration of these arrangements into commissioning provision for 14-19 year olds in terms of:
- governance arrangements;
 - collaborative and strategic contribution;
 - resources and capacity;
 - policy and planning;
 - quality and targets.

2. GOVERNANCE ARRANGEMENTS

- 2.1 TVU is a partnership of public, private and voluntary bodies which co-ordinates activities, appropriate to a city region level, designed to improve the economic performance of the entire Tees Valley. The 5 Tees Valley LAs have signed a multi-area agreement which is testament to the strong and effective partnerships which exist, supported by a common vision for the region and vastly improved outcomes. Stockton Borough Council has been nominated as the lead partner to act on behalf of TVU and the 5 Tees Valley LAs.
- 2.2 The SRG would be aligned with TVU which has well established governance and accountable body arrangements approved by all Tees Valley LAs. This has advantages in that:
- A governance structure is already in place (Appendix 1) which can be adapted to incorporate the SRG.
 - A Joint Agreement between the 5 Boroughs approved by all 5 LAs is in place with Stockton-on-Tees Borough Council as lead LA.
 - Single Programme Agreements have been signed between each LA and Stockton-on-Tees Borough Council, the lead authority, on the duties regarding accountable bodies.
 - Clear decision making and accountability mechanisms are included in the formal arrangements.
 - Protocols for dispute resolution have been developed and can be adapted to ensure they are appropriate to the needs of the SRG.
 - Financial arrangements are in place.
 - Each LA would maintain its existing powers and voting rights.
 - The representation of Chief Executives and Elected Members from the 5 LAs on the Leadership Board would ensure a high level of support and challenge for decision making.

- Employers are represented through the Private Sector Business Group and on individual Boards. The CBI, North East Chamber of Commerce, Jobcentre Plus, One NorthEast and Government Office North East are members of the Executive.

- 2.3 The SRG would formally consist of the 5 Tees Valley local authorities but with engagement, participation and influence invited from both Durham and North Yorkshire authorities. This would reflect the significant flow of learners from parts of Durham and North Yorkshire into the city region and to a lesser extent, vice versa.
- 2.4 The component groups of the TVU would be amended with a new 14-19 group of TVU comprising the 5 Directors of Children's Services and the lead officer of the lead authority. This would be the final decision making group for the commissioning arrangements of 14-19 education and training provision with a defined purpose and remit, terms of reference, composition and accountability. This Board would fit into the TVU governance structure already in place. It would report to Chief Executives and Elected Members through the TVU governance structure.
- 2.5 The structure which would operate beneath the 14-19 Education and Training SRG is shown in Appendix 2 and is described below.
- A Commissioning group with membership from the 5 Tees Valley LAs, and representation from Further Education colleges, Sixth Form colleges, schools and Work Based Learning providers drawn from the individual LA 14-19 Partnerships will be established. A representative from the neighbouring SRGs in North Yorkshire and Durham would be invited to join this group which would consider all 5 LA commissioning plans, and report and make recommendations to the 14-19 Board. Minutes of the Commissioning Group would be reported to the Board to provide a decision trail. An annual timetable would be produced with key dates including meetings identified to ensure timely and transparent decision making.
 - The existing 5 Tees Valley 14-19 Partnerships would remain with their roles reviewed and aligned to one another where possible to ensure consistency whilst at the same time recognising any need for individuality. These 14-19 Partnerships already have mechanisms to include the learner and employer voice. Linkages already established with North Yorkshire and Durham 14-19 Partnerships would be further developed.

The purpose, terms of reference, membership and remit of each group in the structure would be agreed by the 14-19 Board.

- 2.6 There are a number of key principles which underpin the SRG proposals:-

The Learner

The learner is at the heart of the proposals and must always be the first consideration. The SRG would be focused on outcomes for young people through understanding their needs and aspirations.

Subsidiarity

The SRG would be a forum for the Tees Valley LAs to work and plan together to build a picture of demand, to review individual local authority 14-19 commissioning plans, to ensure coherence and to consider how to deploy commissioning resources in the most cost effective and efficient manner.

Partnership

The SRG would be an inclusive partnership co-ordinating activity across the Tees Valley. Members of the partnership would be asked to sign a Memorandum of Understanding which would outline the expectations of partnership members, protocols and responsibilities. In addition to commissioning provision it is envisaged that a number of cross cutting themes would be addressed through the SRG for example, quality assurance, Diplomas, provision for those with Learning Difficulties and Disabilities, Information Advice and Guidance (IAG), and Employer engagement. Task and finish groups would be established for specific pieces of work as appropriate.

Voting

All members of the Commissioning Group would be able to vote on proposals to be submitted to the SRG Board, allowing members to feel they can influence decisions.

Accountable Body

Each LA would retain its statutory accountability with the lead LA having responsibility for the co-ordination and secretariat of SRG.

- 2.7 Each local authority would retain its independence and would produce a commissioning plan for the learners in its borough in consultation with its 14-19 Partnership. The plan would be considered, alongside other local authority commissioning plans, by the Commissioning Group. Through the Commissioning Group each LA would have dialogue with the Colleges based in its borough on behalf of all LAs in the SRG
- 2.8 An Interim Regional Planning Group which meets fortnightly has been already established. During the developmental stage of the SRG, Stockton Borough Council, who is leading on behalf of the Tees Valley LAs, attends this group.
- 2.9 In due course, the Regional Planning Group would scrutinise the commissioning plans of the three SRGs to ensure that they are coherent, fall within the overall budget available and deliver the entitlement for all young people in the region. The Regional Planning Group would also work with the Regional Skills Partnership to ensure that commissioning plans reflect local skills needs.
- 2.10 Within the North East a 14-19 Regional Commission, though not a commissioning body, already exists to provide support to local 14-19 partnerships. It seeks to add value to local 14-19 delivery, and better connect the Regional Economic Strategy to service planning in each local area. The Regional Commission has identified and agreed priorities and actions where it can add value at the regional level to local delivery of 14-19 programmes. It currently provides a mechanism for communication, consultation and support to partners, ensuring that dialogue adds value to local delivery. For example, in autumn 2008 a successful regional event organised by the Youth Forum, a sub group of the 14-19 Commission, was held to hear young people's views on their experience of IAG.

3. COLLABORATIVE AND STRATEGIC CONTRIBUTION

- 3.1 Since the submission of the Statement of Intent collaborative work has been undertaken to develop the Stage 2 proposal and SRG in anticipation of ratification.
- 3.2 From 1 October 2008, arrangements have been in place with the LSC to 'align' the work of a Partnership Director to support Stockton, the lead local authority, in the development of the Stage 2 proposal.
- 3.3 A 'stakeholder' event was held with over 50 people attending from across the Tees Valley. The purpose of the event was to provide an initial opportunity for partners from the School, Sixth Form College, Further Education and Work Based Learning sectors along with representatives from LAs to contribute to the development of the SRG. Contact with neighbouring SRGs has been made and representatives were invited to the conference. A conference report has been circulated. Similar events will be held in future to update and engage stakeholders in developments.
- 3.4 A wide range of people from across the Tees Valley have been engaged to gather 'intelligence' to support the development of the SRG and the Stage 2 proposal and to ensure that key stakeholders have been given the opportunity to contribute.
- 3.5 Each local authority has nominated a senior officer as their lead on the development of the SRG. A Steering Group, with agreed Terms of Reference (TOR), has been established to share good practice and contribute to and support in the development of the Stage 2 proposal. Membership of the Steering Group includes representation from LAs, Further Education, Sixth Form Colleges, Schools and Work Based Learning providers. A representative from One Northeast is providing support as and when appropriate and is a member of the Steering Group. LA Chief Executives and Directors of Children's Services have been kept informed through progress reports.
- 3.6 The Steering Group considered a number of operational models for the SRG and proposed potential models to the Tees Valley Directors of Children's Services, for their agreement. The agreed model and structure for the SRG is set out in Appendix 2. This model has also been shared with Directors of Children's Services across the North East region and agreed as compatible with proposed regional arrangements.
- 3.7 LA Officers with responsibility for 14-19 meet on a monthly basis to share good practice and developments in their borough and where appropriate work collaboratively.
- 3.8 All 5 lead LA IAG professionals recently formed a TV CEIAG group to replace individual LA IAG groups and are jointly and collaboratively responsible for all CEIAG across the sub region. Their joint working is reported to all 14-19 Partnerships and would be monitored by the SRG. This joint approach ensures a cohesive and strategic approach so that all young people receive consistent, co-ordinated, good quality and impartial advice and guidance from providers and Connexions.
- 3.9 A strategy will be developed around working arrangements with the neighbouring SRGs of North Yorkshire and Durham. Representatives of these areas are already represented on the Darlington Borough Council 14-19 Trust.
- 3.10 In addition to collaborating through the SRG to plan and commission provision, the SRG will work with other key players such as RDA, GONE, the new Young People's Learning Agency (YPLA) and Skills Funding Agency (SFA) as part of a Regional Planning Group (RPG).

4. RESOURCES AND CAPACITY

- 4.1 In preparation for the transfer in 2010 each LA is now considering its proposed delivery and staffing needs and those of the SRG. The model of a shared service, to gain economies of scale is being given serious consideration and would reflect the TVU model. However until further details are available regarding the transfer of staff from the LSC no final decisions on staffing, costs or location can be made. There is a growing capacity issue within LAs as more initiatives are transferred from the LSC to the LAs. The work of Partnership Team staff from the LSC is being 'aligned' to LA working and this will develop further as time progresses. However this is an informal arrangement and the amount of support may differ between LAs. The LSC is working closely with LAs on the business cycle and plans are well established for both the tracking (2008/09) and transition (2009/10) years of commissioning.
- 4.2 Once the Stage 2 proposal has been submitted it is expected the Steering Group will continue to meet to further develop the SRG, to share good practice and to ensure that the SRG is ready to operate under Model B as defined by DCSF.
- 4.3 The Steering Group will develop an action plan between January and March 2009 pending the outcome of the Stage 2 proposal to take forward the work in progress and to include for example:
- Continuing relationship development within and between the 5 LAs and also with North Yorkshire and Durham SRGs
 - Establishing the SRG within TVU
 - Giving further consideration to delivery and staffing needs
 - Developing the purpose, TOR, membership and accountability of component groups building on the already agreed TOR of the Steering Group
 - Undertaking a self-assessment of readiness to operate Model B
 - Reviewing TVU protocols for dispute resolution to ensure they are appropriate to the needs of the SRG
 - Reviewing existing data sharing protocols
 - Developing a Memorandum of Understanding for partnership working
 - Reviewing 14-19 Partnerships to ensure they are aligned
 - Developing a three year strategic SRG plan
 - Establishing a group to lead on quality and develop a process to ensure that only quality provision is commissioned
 - Developing strategy around working arrangements with the neighbouring SRGs of North Yorkshire and Durham
 - Developing a strategy around cross cutting themes (e.g. IAG, Diploma Delivery)

5. POLICY AND PLANNING

- 5.1 The LSC will remain accountable for the commissioning of provision until 2010. However the SRG would work closely with LSC North East for the remainder of the 2008/09 tracking year and the 2009/10 transition year to ensure a smooth transition of responsibility for planning and funding of young people's provision in 2010. This would be based on the Principles and Framework for transition identified in '*Commissioning 14-19 Provision through Transition*'.
- 5.2 In future each LA will develop its own commissioning plans following a review of existing provider performance, and an analysis of learner and employer demand. The Young People's Learning Agency (YPLA) will provide integrated analytical services to the LAs along with regional level market intelligence to assist in the strategic analysis which

supports the planning and commissioning of provision. Particular attention will be given to the needs of learners with learning difficulties and disabilities (LLDD) to ensure capacity meets demand.

- 5.3 At all times consideration will be given to the neighbouring SRGs of North Yorkshire and Durham with relationships being developed in specialist areas. A process will be developed and agreed with them to share strategic analysis and to inform planning.
- 5.4 Partnerships focused on 14-19 developments already exist within each of the 5 Tees Valley authorities. These have seen the successful development of Diploma Gateway bids and subsequent planning for delivery of the new curriculum offer across the sub-region. Each LA has a common e-prospectus, which is available for young people across the region to access. The regional support provided in maintaining the e-prospectus would continue. 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.
- 5.5 Individual 14-19 Partnerships would be reviewed to ensure there is a common core and the effective representation of a broad provider base. Each LA would also review its 14-19 Plan to ensure an entitlement to the right learning opportunities and support is available and that they are prepared for the raising of the participation age in 2013.
- 5.6 There are a number of 'cross cutting themes' common to all LAs, for example, area wide prospectus and common application process; Diplomas; IAG; education business links; employer engagement and provision for LLDD. It is anticipated that one LA would take the lead in a cross cutting theme on behalf of the SRG so that expertise and good practice can be shared and a coherent offer be available. There are already a number of groups that work across Tees Valley and beyond. Where appropriate these established groups would be used rather than forming new ones.
- 5.7 Current data sharing protocols to ensure effective monitoring and tracking of all learners across the region will be reviewed.
- 5.8 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. Details of the inflow and outflow of young people both within and outside of Tees Valley were provided in the Stage 1 proposal (Statement of Intent). Each LA has a transport policy that meets the needs of its learners, and these policies will be reviewed.
- 5.9 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 will further support this transformation agenda.

6. QUALITY AND TARGETS

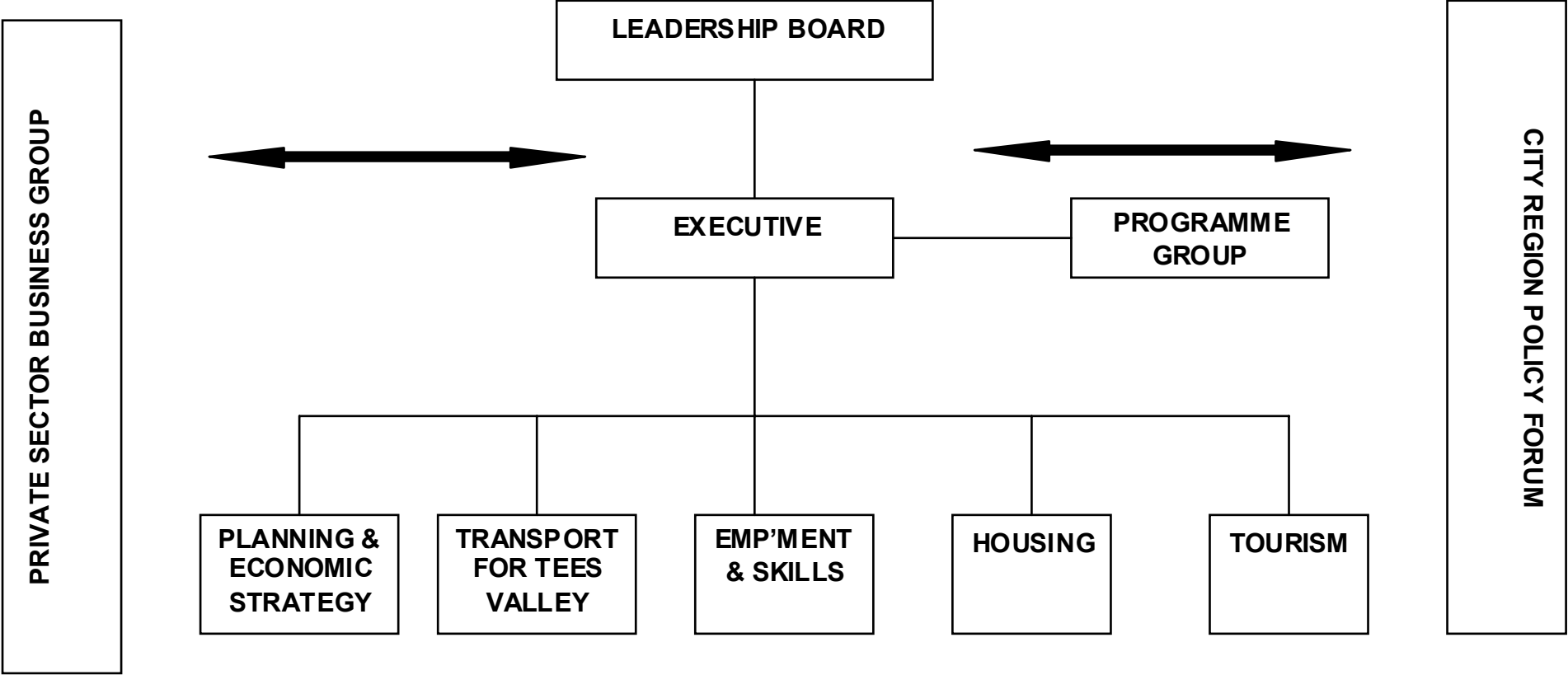
- 6.1 In moving towards a full entitlement based on high quality provision which is inclusive of new diploma lines there is likely to be an increase in collaborative arrangements with potential cross LA timetabling with specialist providers. LAs will want to ensure that they are purchasing high quality provision.

- 6.2 There are a range of existing mechanisms and indicators in place for quality improvement for example, Ofsted inspections, School Improvement Partners, Challenge and Support, Framework for Excellence and Minimum Levels of Performance. These along with, for example, the national indicator set and 14-19 progress checks ensure that provider performance is measured and appropriate support provided. The findings of these external reports will be taken into consideration and the SRG will develop criteria and clear lines of accountability that will ensure quality provision is being commissioned.
- 6.3 The requirements of the comprehensive spending review in terms of achievement of PSA targets, delivering increased participation to meet the ambition of raising the participation age and a dramatic increase in the proportion of young people entering apprenticeships will be considered.
- 6.4 All 5 LAs are committed to a consistent, transparent approach which has integrity in determining and monitoring the quality of provision offered to learners. Building upon the current good practice in Schools and Colleges appropriate staff and expertise from the LSC and LA School Improvement services will work together as a team to monitor and report regularly upon quality of providers to ensure informed and appropriate choices are made to suit individual learner needs across the Tees Valley. Common principles and protocols will be developed and shared with neighbouring SRGs. In addition, this team will report on the effectiveness of the sub regional QA procedures for annual review by the SRG Board.
- 6.5 Each institution or provider is currently responsible for the quality assurance of its own courses, using its own systems and frameworks of lesson observations, surveys, and data analysis. Analysis of learner surveys and data on retention, attendance, achievement and destinations will be collected by all partners to contribute to an overall evaluation of each provider. External, Inspection and Quality information about a provider and course will be collated and made available to participating schools.

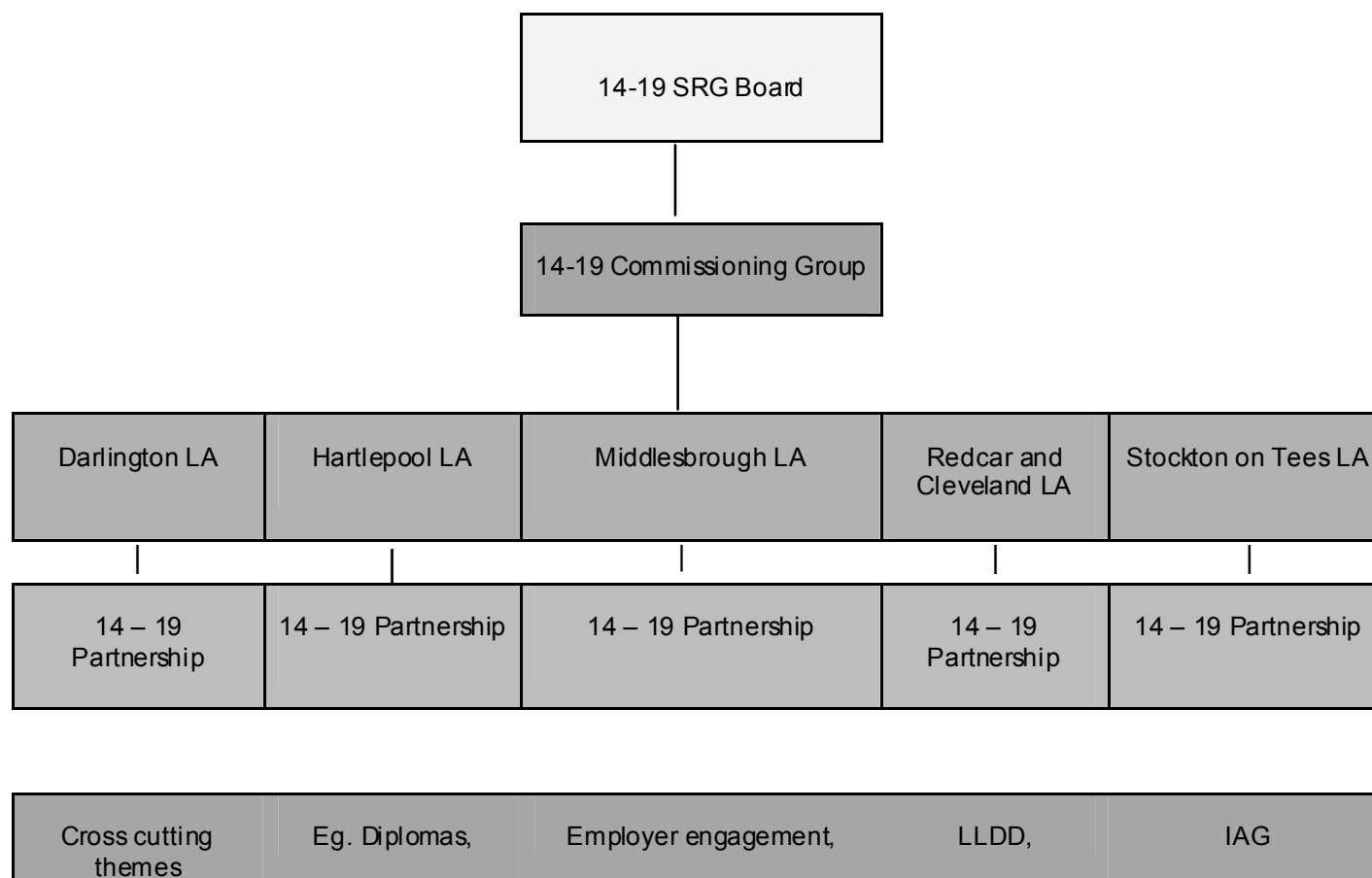
7. CONCLUSION

- 7.1 The Tees Valley authorities enjoy a strong and effective partnership across a wide range of areas, as evidenced by their common vision, vastly improved outcomes and ambitious MAA. As high performing local authorities with a strong track record of partnership working they welcome the opportunity to take a leader role through the 14-19 SRG, 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.

Appendix 1 – CURRENT TEES VALLEY UNLIMITED GOVERNANCE STRUCTURE



Appendix 2 - The Tees Valley Sub Regional Group Structure



- 14-19 Board - membership comprising Directors of Children's Services
- Commissioning Group - membership comprising representatives from each LA, along with representatives from FE, SFC, Schools, WBL
- Each LA would produce its own commissioning plan working with their 14-19 Partnership

CABINET REPORT

9th February 2009



Report of: Director of Neighbourhood Services

Subject: BIODIVERSITY REPORT 2008

SUMMARY

1. PURPOSE OF REPORT

To provide an update on the work that has been undertaken within the Neighbourhood Services Department to conserve and enhance biodiversity within the Borough. The report also provides details of how biodiversity will be taken forward in the future.

2. SUMMARY OF CONTENTS

This report provides a summary of the more detailed Biodiversity Report 2008 (attached as **Appendix 1**) which explains the main reasons for undertaking a proactive approach to enhancing and preserving biodiversity, highlights examples of 'good practice' that the department has introduced and finally makes recommendations for opportunities for furthering this work.

3. RELEVANCE TO CABINET

The 'Use of Resources' element of the Comprehensive Area Assessment now requires that consideration is given to the management of our natural resources and requires evidence to show planning and improvement with regards to areas such as energy, water and resource use. Biodiversity is included as a resource within this assessment.

The Natural Environment and Rural Communities Act 2006 places a statutory duty on the Local Authority to 'in exercising its functions, have regards to, so far as is consistent with proper exercise of those functions, the purpose of conserving biodiversity'.

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet only.

6. DECISION(S) REQUIRED

- That Cabinet note the Biodiversity Report 2008 and agree to support the adoption of the recommendations therein.
- That Cabinet agree to the Neighbourhood Services Department producing a Biodiversity Action Plan.
- That Cabinet agree to a review of the Action Plan after the first year and give consideration to extending the action plan to cover all services within the Council.

Report of: Director of Neighbourhood Services

Subject: BIODIVERSITY REPORT 2008

1. PURPOSE OF REPORT

- 1.1 To provide an update on work that has been undertaken within the Neighbourhood Services Department to conserve and enhance biodiversity within the Borough. The report also provides details of how biodiversity will be taken forward in the future.

2. BACKGROUND

- 2.1 In 2005 the Neighbourhood Services Department adopted an Environmental Sustainability Strategy. This strategy was introduced to:
- reduce any negative environmental impacts that may arise through the delivery of our services
 - introduce 'environmental best practice'.
 - work towards improving the environment within the Borough.
- 2.2 The Environmental Sustainability Strategy includes the aim; '*To protect and enhance the natural environment and ensure that the biodiversity of local wildlife and plants is valued and protected*'.
- 2.3 Hartlepool has many areas which are rich in wildlife and which are locally unique and important. These have evolved due to factors such as our coastal location and also because of our industrial heritage. The Borough also has a large number of areas where the diversity of wildlife is particularly poor and where wildlife does occur, it struggles to survive in the urban environment.
- 2.4 Hartlepool Borough Council has signed up to the Tees Valley Biodiversity Action Plan (TVBAP) which is being implemented through the Community Strategy.
- 2.5 Under Section 40 of the 'Natural Environment and Rural Communities Act 2006' – 'Every public body must, in exercising its functions, have regards to, so far as is consistent with proper exercise of those functions, the purpose of conserving biodiversity'.
- 2.6 The Audit Commissions approach for the 'Use of Resources' Assessment for 2008/09 has shifted emphasis. From 2008/09 the Key lines of Enquiry (KLOE) are more broadly based than previously, and

embrace wider resource issues such as people and workforce planning and the use of natural resources. The area of 'sustainability' has been enhanced significantly through the development of a framework for 'Use of Resources', with far greater emphasis on what has been done and achieved and plans in place to do this. Biodiversity is one of the areas of action and to achieve the desired level 3, it will be necessary to show evidence of strategic planning and the production of quantitative data to monitor improvement.

2.7 The Neighbourhood Services Department, with expert advice and support from the Councils Ecologist, has taken proactive measures to ensure that biodiversity is considered throughout our service delivery through some of the following mechanisms:

- development of partnership working (both cross-departmentally and with professional ecological bodies (e.g. Tees Valley Wildlife Trust).
- training of key staff.
- introduction of new working practices, e.g. cutting grass to different lengths, planting of wildflowers to attract wildlife, planting of trees, creation of wildlife habitats and altering the timing of hedge-cutting to allow birds to breed successfully.
- development of cemeteries as sites of natural interest.
- evaluation of land and property.
- Local Wildflower Growing Project 2008.
- Highway verge maintenance
- School Grounds Project
- Wildlife on the web project

2.8 The final section of the biodiversity report highlights outcomes and recommendations. The work that has been carried out so far has been significant and this has been acknowledged by both the Local Authority's Ecologist and the Tees Valley Biodiversity Officer. The Council has met, and at times exceeded its obligations under the Natural Environment and Rural Communities Act, and leads other authorities within the Tees Valley, if not regionally, with regards to the introduction of 'good working practice' that is beneficial to biodiversity.

2.9 The Biodiversity report was taken to the Environment Partnership on the 4th December 2008. This group fully supported the proactive approach that have taken to date with regards to biodiversity, and expressed agreement with the benefits of adopting the recommendations.

2.10 The Biodiversity Report recommends that the Department undertakes a number of actions in order to ensure continuous improvements in this area of work. These are as follows;

- to produce a Biodiversity Action Plan (BAP) for the partnership with the Tees Valley Biodiversity Office and the local authority

Ecologist. This will ensure that the work will compliment that which is being carried out sub-regionally through the Tees Valley Biodiversity Action Plan.

- to establish quantitative measures for monitoring the amount of land that is being actively managed to improve biodiversity in order to set targets for improvement.

- 2.11 The Neighbourhood Services Department Management Team have agreed to undertake the recommendations of the Biodiversity Report.
- 2.12 The recommendations within the report relate specifically to resources and services under the remit of Neighbourhood Services. It is further recommended that, a review of the Action Plan be undertaken after the first year and thereafter consideration be given to extending the action plan to cover all services within the Council.
- 2.13 The mechanisms for reporting and measuring improvement will be important in showing the evidence required for the Comprehensive Area Assessment 2009/2010

3. FINANCIAL IMPLICATIONS

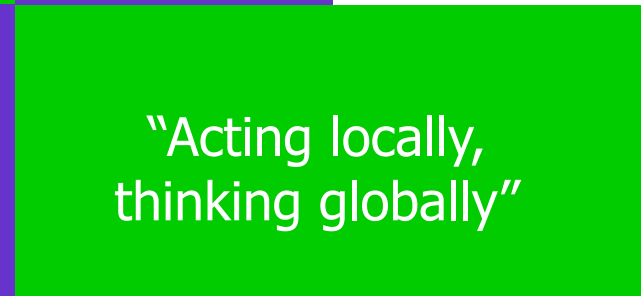
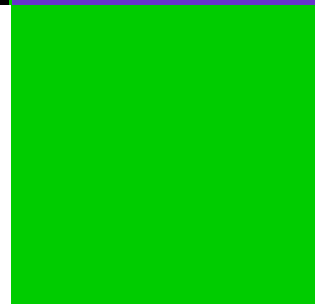
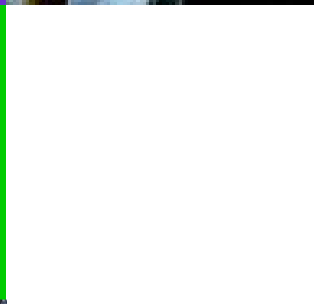
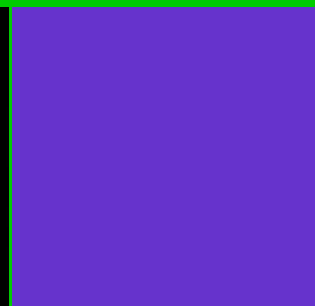
- 3.1 There are no financial implications; all additional work to improve biodiversity, has been carried out within allocated budgets or through obtaining external funding.

4. RECOMMENDATIONS

- That Cabinet note the Biodiversity Report 2008 and agree to support the adoption of the recommendations therein.
- That Cabinet agree to the Neighbourhood Services Department producing a Biodiversity Action Plan.
- That Cabinet agree to a review of the Action Plan after the first year and give consideration to extending the action plan to cover all services within the Council.



Biodiversity Report 2008



"Acting locally,
thinking globally"

NEIGHBOURHOOD SERVICES DEPARTMENT

Overview

In 2005 the Neighbourhood Services Department adopted an Environmental Sustainability Strategy. This strategy was introduced to reduce any negative environmental impacts that may arise through the delivery of our services, to introduce 'environmental best practice' and to work towards improving the environment within the Borough.

The strategy includes the aim;

'To protect and enhance the natural environment and ensure that the biodiversity of local wildlife and plants is valued and protected'.

This biodiversity report aims to provide a summary of all the work that has been undertaken since the adoption of the strategy and also to look at further opportunities for conservation and enhancement of biodiversity within the Borough.

The Neighbourhood Services Department is in the privileged position of being able to have a major impact on a large proportion of the natural environment of the Borough, through our management of Local Authority land and property and through the services which we deliver such as grounds maintenance.

Hartlepool has many areas which are rich in wildlife and which are locally unique and important. These have evolved due to factors such as our coastal location and also because of our industrial heritage. The Borough also has a large number of areas where the diversity of wildlife is particularly poor and where wildlife does occur, it struggles to survive in the urban environment.

Hartlepool Borough Council has signed up to the Tees Valley Biodiversity Action Plan (TVBAP) which is being implemented through the community strategy.

Under Section 40 of the Natural Environment and Rural Communities Act 2006 - 'Every public body must, in exercising its functions, have regards to, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity'.

The Department has embraced this statutory requirement and has taken proactive measures to ensure that biodiversity is considered throughout our service delivery. This has resulted in the department leading in best practice within the Tees Valley, if not regionally, with regards to our work to promote biodiversity.

Contents

1. What is biodiversity and why is it important?
2. Development of partnership working.
3. Training.
4. Introduction of new working practice.
5. Development of cemeteries as sites of natural interest.
6. Evaluation of land and property.
7. Wildflower growing project 2008.
8. Highway verge maintenance.
9. Other projects.
10. Outcomes and recommendations.

What is biodiversity and why is it so important ?

Biodiversity

Biodiversity is simply '*the variety of life on earth*', it is all living things around us.

It can be measured in a number of different ways;

Genetic – the variation between individuals of the same species.

Species – number and variety of species in a given area.

Ecosystem – communities of plants and animals, together with the physical characteristics of their environment for example soil type and climate.

Individual species have evolved over millions of years into a complex interdependence. This can be viewed as a jigsaw puzzle of inter-locking pieces. If you remove enough of the key pieces on which the framework is built then the whole picture may be in danger of collapse. At present we have no idea which key pieces we can afford to lose therefore the ecological arguments for preserving biodiversity are that we need to preserve it in order to maintain life.

It is now clear to most people that there is an urgent need for us to preserve biodiversity and much publicity has been given to certain key places, such as the tropical rain forests where it is recognised that the loss of trees and plants will have a large impact on the absorption of the climate changing gas carbon dioxide. It is also well known that the rainforest may also hold important plants which may create future medicines, but how does managing biodiversity in Hartlepool fit into this and why is it important?

Preserving biodiversity in Hartlepool

As a result of its industrial past and coastal location, Hartlepool now has one of the lowest levels of tree cover in the Country and many habitats have also been lost to urban growth and industry. Strangely and conversely, Hartlepool's industrial heritage and coastal location have also contributed to it having many areas of unique and rare habitats which support a wealth of nationally important wildlife like the Dingy Skipper butterfly and Purple Milk Vetch.

Most people would agree that areas of vegetation and their associated wildlife are much more attractive than concrete and buildings and human well-being is inextricably linked to the natural world.

In Hartlepool the Neighbourhood Services Department has taken a pro-active approach to biodiversity and is introducing subtle changes in our working practices to enhance our urban landscape and to preserve some of the towns 'wildlife treasures'.

Development of partnership working

The Neighbourhood Services Department has developed long standing relationships with a number of key partners, both external and within the Local Authority, such as The Tees Valley Wildlife Trust, the Local Authority Ecologist, Hartlepool Natural History Group, the Natural Environment sub-group of the Hartlepool Partnership and more recently the Wildflower Ark in Middlesbrough.

These groups have worked alongside the Neighbourhood Services Department to provide technical advice and support and to encourage the adoption of new methods of working and have most definitely been very important in giving us the confidence and ability to undertake these new and sometimes controversial initiatives.

It must also be acknowledged that the key to the Department's success in this area has undoubtedly been the willingness and enthusiasm to explore and adopt these new ideas by staff in all of our divisions, but particular credit should be given to Environmental Services, Client Services, Asset and Property Management Section, the Building Consultancy and Environmental Standards.

Training

In adopting a new approach to the management of Council land it was felt to be important to engage and inform those involved in delivering these services as to why these new methods were being introduced. This included staff working in grounds maintenance i.e. grass cutters, school grounds staff, Stranton Garden Nursery staff and also those delivering environmental education within schools.

A number of 'tailored' training sessions have now been delivered to over 30 staff by the Tees Valley Wildlife Trust. These informative sessions introduced everyone to the term 'biodiversity', looked at the wealth of wildlife which is to be found in Hartlepool and also looked at methods which can be adopted to improve habitats and increase the amount and types of plants and animals that can be found in them.

This training proved to be particularly beneficial not only to staff but also to the Tees Valley Biodiversity Officer who gained a great deal of local knowledge and information from our 'front line' staff.

In addition to this, further training was undertaken by employees on wildflower seed collection and propagation, this project will be explained in more detail later in the report.



Introduction of new working practice

Over the past thirty years Local Authority grounds maintenance has, on a national level, been primarily focussed on managing and creating an urban environment which is colourful and neat. Areas managed by the Local Authority were largely being planted with annuals and where grass cutting was expected to be of a uniform short length. This management regime whilst neat and attractive, provides limited habitat for our native plants and animals to thrive and is also not best practice with regards to sustainability.

Neighbourhood Services Department, after consultation with our expert partners, has acknowledged that by making slight changes to our management techniques a profound improvement to the biodiversity of an area can be achieved.

Examples of changes that have already been introduced;

Differential grass cutting

Allowing grass to grow to different lengths and by changing the frequency of grass cutting has a significant impact on the biodiversity of an area. Not only does longer grass provide a habitat for many birds and animals, but by allowing the other plants that occur in the grassed area to grow, flower and set seed, increases the number and spread of locally occurring wildflowers and plants. The new differential grass cutting regimes have been introduced into the following areas;

- schools
- cemeteries
- roadside verges

Part felling of trees

Many trees have traditionally been felled to ground level when they become too large and unsafe. By simply taking out most of the crown to make the tree stable and safe and letting it rot down or to part re-grow creates an excellent habitat for insects and birds such as woodpeckers.

Timing of hedge cutting

Changes have been made to when and how regularly hedgerows are cut in order to allow birds to successfully nest and their offspring to fledge.

Planting of wildflowers and bulbs to attract wildlife

Many areas have been planted with wildflowers and species of bulb which attract wildlife.

Planting of trees

With so few trees in the town, the Department is trying to maintain those which exist and also plant more on land which we manage, such as cemeteries.



Development of cemeteries as sites of natural interest

The Local Authority manages 4 cemeteries, some are 'Open Sites' which are currently used for burials and others where burials have now ceased or only take place occasionally.

The 'open' cemeteries are managed using the traditional approach of short cut grass and neatly managed flower beds. In the past few years some tree planting has been carried out to try to improve the biodiversity of the cemeteries but also to re-introduce traditional 'avenues' of trees to improve the overall appearance.

The older, less visited cemeteries such as Spion Kop and North cemetery have in recent years been targets for abuse and anti-social behaviour. It was decided to take action to improve these sites in order to get the 'right type of visitors' to come back and to ensure that friends and family of those buried there felt safe to visit.

Each of the sites had strong links to the local community so 'Friends of' groups were established to advise and assist in their development and were also instrumental in accessing additional external funding.

Development of cemeteries as sites of natural interest

Spion Kop Cemetery



Spion Kop Cemetery was built in 1856, designed by the renowned architect John Dobson. The site's cliff top, coastal location means that it is a natural and locally rare, 'coastal grassland' type of habitat which is rich in many plant species and has become home to many animals, in particular Moss Snails, Grasshoppers, Common Blue butterflies and birds such as Skylarks.

The natural vegetation is relatively low growing due to the nutrient poor soil, but the paths of the cemetery had been infilled with more nutrient rich grave arisings from elsewhere in the town and so longer, less species rich vegetation existed in these areas. Due to the ecological value of this site, extensive consultation was undertaken and the decision was made to try to enhance and maintain the natural flora.

This was achieved by the following methods;

- Differential cutting of the sandy, nutrient poor areas around the graves to allow the growth, flowering and seed dispersal of the important coastal grassland plants. These areas were left uncut from approximately April until late August and when cut the arisings were removed to prevent nutrients from being released back into the soil which would lead to nutrient enrichment and invasion by longer grasses.
- Short, regular cutting of the pathways to maintain a managed appearance, to allow access and to prevent the invasion of the more dominant grass species from the nutrient rich paths.
- The collection of seeds, propagation, growth and reintroduction of species found within the cemetery into areas such as the site of the old chapel where the soil had been stripped back and replaced with a sandy substrate more similar to the rest of the site.

In July 2005, Spion Kop Cemetery was awarded Local Nature Reserve status, in 2006 the cemetery received a Merit in the National Britain in Bloom 'Neighbourhood Awards' and in the same year gained a Civic Award from the Hartlepool Civic Society.

Through the overall efforts to improve the site including access, the entrance, drainage around the entrance and the introduction of signage and interpretation boards, many more people now visit the site to tend graves, to appreciate the wildlife and history and a much welcomed, significant decline in anti-social behaviour has resulted.



Development of cemeteries as sites of natural interest

North Cemetery

North cemetery was formerly the main cemetery in West Hartlepool, and houses the graves of many important people including one of the towns founders Sir William Gray.

The site lies in the heart of what was once a densely populated area and is the only real 'green space' to remain. In the 1970's the decision was made to remove many of the gravestones from the upper wooded area of the site and the remaining stones on the lower area have seen a great deal of abuse and vandalism in the past few years.

In recent years the cemetery has seen a great deal of anti-social behaviour and has been blighted by vandalism, litter and dog fouling.

The cemetery has an upper wooded area of mainly sycamore and most of the trees are of a similar age. A tree survey highlighted that the trees had a life expectancy of around 50 years and that this would mean that all of the wooded area would be lost at a similar time.

With a newly formed 'Friends group' many improvements have been undertaken to improve the ecological value of this site over the past 2 years, these have included;

- Planting of over 300 mixed native trees and a number of ornamental exotic species. This has taken place in distinct 'islands' in breaks in the canopy of the existing woodland and has formed an attractive area of longer grass which have become a new home to many plant and animal species such as vole, dragonfly and this area is the only place that the 'Goldilocks Buttercup' has been found in the Borough.
- Areas around the trees have been left uncut at the beginning of the year to allow the growth and spread of bluebells and snowdrops that have been found to already exist in the cemetery.
- Shrubs and bushes such as buddleia, holly and ivy have been reintroduced around the edges to offer cover for birds and as a habitat for insects.
- Areas of grass have been left uncut alongside Hart Lane during the summer months to create spring and summer meadows and surprising finds have included pyramidal orchids.
- Wildflower plants such as primrose and violet have been planted in the newly created meadow areas.
- Spring flowering bulbs, especially those beneficial to wildlife such as grape hyacinth, winter aconite and bluebells have been planted.
- Bird and bat boxes have been put into trees.
- Unsafe trees have had their crowns removed and been allowed to rot down naturally or have limited regeneration.

The Friends of North Cemetery Group and Hartlepool Borough Council have recently completed a Master plan Study and associated consultation programme to develop proposals for the future management and development of North Cemetery as a green space. A number of these projects target biodiversity enhancement, while others intend to provide an educational resource, such as wildlife interpretation Trail.



Evaluation of land and property

In 2007 Property Services commissioned the Local Authority Ecologist to undertake ecological surveys of all of the Local Authorities 'brown field' sites and a number of properties in order to identify whether there were any ecological factors which needed to be considered in managing the land or if it were to be sold. The following sites were found to be of particular ecological importance;

Land at West View Road

Over much of the area the soil is very sandy, almost sand in places, and alkaline. In this respect, it resembles Spion Kop cemetery. These factors might make it suitable for growing a range of similar coastal grassland plants that would be out competed by grasses in a heavier, more nutrient rich soil. At present there doesn't seem to be a lot of plant species diversity, though the site was visited at the wrong time of year to assess this accurately, however this could be improved with management. This sort of habitat should also support good numbers of butterflies.

Brenda Road Slag Banks

Much of this area appears to be a nutrient poor, alkaline soil which makes it potentially very suitable for wildflowers though as yet species diversity is moderate. There are some areas of semi-mature tree planting and a substantial area that is heavily grazed. Priority species known to be present are Skylarks and Grey Partridge associated with the grassland, though other species might be expected to be present. The grazed area is used extensively by foraging birds. The site is probably not of sufficient value to meet criteria for designation as a Local Wildlife Site though it could potentially achieve this over time with minimal management.

Coronation Drive & Drake's Park

Areas maintained as long grass with some botanical interest in places but with particular interest for insects and small mammals.

Autograss Site

This site is likely to qualify for designation as a Local Wildlife Site on account of its diverse flora and butterflies. It is also next to a Great Crested Newt breeding pond and has a number of BAP priority species such as Brown Hare, Skylark and Grey Partridge.

Whilst the above sites have significant ecological interest it should be noted that other sites will have some benefit for wildlife and most sites have the potential to have their wildlife value enhanced.

Wildflower growing project 2008



Neighbourhood Services have for many years been purchasing both wildflower seeds and 'plug plants' as part of our biodiversity work. Whilst the addition of these species has no doubt been important in helping to recreate more natural, bio-diverse areas of land, not only are these often more expensive but they are also sourced from other areas of the UK, if not Countries.

A suggestion arose from the Natural Environment sub-group of the Hartlepool Partnership, that the horticultural facility at Stranton Garden Nursery could be used to grow our own supply of wildflowers using the additional spare capacity that exists during the winter.

After consultation with the Council's Ecologist, it was decided that it was best to approach the 'Wildflower Ark' in Middlesbrough, an organisation which is responsible for collecting and propagating collections of important and often endangered local plants, primarily in the Cleveland area.

It was agreed that a group of Neighbourhood Services staff, including nursery staff, some of the Environmental Standards team, Countryside Wardens and some local volunteers would attend a training course to learn how to seed collect, propagate and grow local plants. The course highlighted the following benefits of undertaking and further developing this work;

- To collect seeds from local plants meant that the local genetics would be preserved rather than importing species (which are generally produced in Poland) which is very important to maintain the integrity of the genetics of our British flora.
- Local wildflowers can be grown to increase populations in areas where they are currently not found or are found in small numbers such as cemeteries and roadside verges.
- Locally rare species such as Goldilocks Buttercup found at North Cemetery or Thrift, found at Spion Kop Cemetery, could be collected and grown to ensure that a healthy population of that species is maintained in the area.
- Savings could be made by growing our own plants.
- Stocks of 'Hartlepool wildflowers' could be used to replant school grounds in wildlife areas, be used in public displays or even sold through the Stranton Nursery to further subsidise this important project.



Highway Verge Maintenance

The 'verges' are the margins between the highway boundary and the paved surfaces. Any tree, hedge or planted areas that lie within the verges are the Council's responsibility. A survey in 2002 identified 10,347 highways trees, 15km of highways hedges and 12,000km of verges.

Road Verges

One of the road verges in the Borough has been designated as a site of Nature Conservation Interest in the local plan. A further 5 road verges have been identified as having short sections of botanical interest. Road verges that are of low botanical interest can still have a great deal of value for small mammals and insects. Given the substantial area they cover road verges can make a significant contribution to the conservation of biodiversity if managed appropriately.

The Highways Maintenance Plan helps preserve biodiversity in rural verges by proactively creating different habitats. Areas of verge beyond the 'one metre swathe' are generally left to grow (provided that safety or access is not compromised). They are then cut back every third year to prevent woody growth from becoming established, which would make the verge inaccessible and increase the risk of roadside fires. This work is carried out in the autumn to allow wildflowers to seed before the cutting takes place.

In urban areas grass cutting practice needs to involve a different balance of highway safety, serviceability and sustainability. Usually, the first urban cut of the season will commence in March, with another 12 cuts taking place by the end of October. Mowing is carried out over the full verge width.

Hedges

The Tees Valley Biodiversity Action Plan contains an action for 'Ancient and Species Rich Hedges', some of which may be found along highway verges.

The cutting back of hedges is carried out outside the bird nesting season unless it constitutes an immediate hazard.



Other projects

Schools Environmental Action Initiative

The Schools Environmental Action Initiative was introduced to improve the ecological 'footprint' of Hartlepool schools by improving their resource use and environmental awareness. An initial 'pilot' has been delivered to St Hild's Secondary School and all of its feeder primaries.

School Grounds project

As part of this initiative a joint project has been delivered with Client Services School Grounds staff to investigate the potential of school grounds as important 'green spaces and wildlife corridors' within the urban environment and to look at the potential for creating wildlife gardens and to generally improve their biodiversity value. Areas have been reclaimed for wildlife, with trees and shrubs being planted, existing gardens and ponds have been regenerated and pupils have been involved in surveying the species that are found.

Wildlife on the Web project

The School Environmental Action officer is running a project with West View Primary School to produce a web based scheme which will provide information on all the animals that can be found within Hartlepool. Pupils will develop datasheets and photographs to highlight the wide range of interesting and important creatures that can be found.

Investigating habitats

Pupils from West View School went on a 'rock pool forage' at their nearest beach and with the assistance of the Countryside Wardens and Council Ecologist identified many of the plants and animals found there.



Other projects

North Shelter Redevelopment

When the North Shelter area at Seaton Carew was redesigned it was decided that there was the opportunity to do something novel and attempt to recreate the little-known part of Hartlepool's heritage, that is its coastal grassland.

Coastal grasslands are a disappearing habitat, which would once have fringed much of Britain's coastline. They are areas where the salt spray and sandy soil combine to create the right conditions for a unique range of colourful plants such as Thrift, Storksbill and Bloody Cranesbill. Examples of coastal grassland can still be found at Hart Warren Dunes and Spion Kop Cemetery.

The landscaped area at North Shelter was sown with a mixture of grass seed and the seeds of coastal grassland plants that were collected from Spion Kop Cemetery by the Hartlepool Countryside Volunteer Team and sown by pupils from Holy Trinity Primary School. These were supplemented by pot grown plants that had been grown from seed collected from locations on Cleveland's coast by the Wildflower Ark.

Once established, this area is designed to be kept short mown as with standard grassed areas but with the low-growing coastal wildflowers giving small splashes of colour.



Outcomes and recommendations

The work that has been carried out to date has been regionally significant and this has been acknowledged by both the Local Authority's Ecologist and the Tees Valley Biodiversity Officer.

The Council has met and at times exceeded its obligations under the Natural Environment and Rural Communities Act and indeed taken a progressive approach in this area.

It is very important to continue this excellent work and to maintain the high standard of service delivery that has been achieved so far.

Recommendations

At present all of the work that has been undertaken can only be measured on a qualitative basis and it is recommended that some more quantitative measurement be introduced. This will not only enable us to monitor progress and set targets, but can also be used in the newly introduced 'environmental sustainability' part of the Comprehensive Area Assessment.

Defra has developed a number of suggested indicators, one that may be most appropriate to adopt is;

'The % of Local Authority owned and managed land, without a nature conservation designation, managed for biodiversity'.

To calculate this may take some time, therefore at present it is recommended that key sites such as North Cemetery and Spion Kop cemetery and school grounds are surveyed to establish on an individual basis the percentage of land that is being managed for biodiversity.

The importance of communication and training has also been highlighted as being significant in the Department's success and it is recommended that this continues.

Finally, the report recommends that the Council looks at further opportunities for conserving biodiversity as part of its functions. This would be done by the production of a Biodiversity Action Plan that would complement the Tees Valley Biodiversity Action Plan.

For further information on this Biodiversity report or the Neighbourhood Services Sustainability Strategy please contact:

Environmental Standards

Public Protection

Neighbourhood Service Dept

Level 3

Civic Centre

Hartlepool

TS24 8AY

Or e-mail: helen.beaman@hartlepool.gov.uk

CABINET REPORT

9th February 2009



Report of: Head of Community Strategy

Subject: LOCAL AREA AGREEMENT – ANNUAL REFRESH
2009/10

SUMMARY

1. PURPOSE OF REPORT

To update on the LAA 2009/10 refresh process.

2. SUMMARY OF CONTENTS

Local Authorities have a statutory duty to prepare a LAA in partnership with the Local Strategic Partnership. The report presents the progress made and the next stages in the process of the annual refresh.

3. RELEVANCE TO CABINET

Hartlepool's new LAA was agreed by Council in May and is a three year agreement (2008-11) based on the Community Strategy that sets out the priorities for Hartlepool. It forms an agreement between Central Government and a local area represented by Hartlepool Borough Council and other key partners through the Hartlepool Partnership.

4. TYPE OF DECISION

Non Key. This report is for information and sets out the progress made and the remaining key stages in preparing the annual refresh submission. A further update will be brought to Cabinet on the 23 March 2009 before the final decision will be made by Council on the 26 March 2009 in advance of the Government's submission date of 27 March.

5. DECISION MAKING ROUTE

Cabinet 23 March 2009
Council 26 March 2009

6. DECISION REQUIRED

To note the progress made and next stages in this process.

Report of: Head of Community Strategy

Subject: LOCAL AREA AGREEMENT – ANNUAL REFRESH
2009/10

1.0 PURPOSE OF REPORT

- 1.1 To update on the LAA 2009/10 refresh process.

2.0 BACKGROUND

- 2.1 A LAA is a three year agreement based on local Community Strategies that sets out the priorities agreed between Central Government (represented by the regional Government Office) and a local area (represented by the local authority and other key partners through Local Strategic Partnerships). Hartlepool's LAA is structured around the themes of the Community Strategy and sets out agreed priorities that the Local Strategic Partnership will progress.
- 2.2 Hartlepool's new LAA was agreed by Council at its meeting in May and subsequently signed-off by Government in June 2008.

3.0 REFRESH PROCESS

- 3.1 The annual refresh process allows the opportunity to revise targets, set targets for those indicators where it has not yet been possible to set targets and also to consider any emerging priorities and potentially any new targets. **Appendix 1** shows the indicators that have been identified for consideration.
- 3.2 There are a number of issues that need careful consideration in determining any new targets or proposed changes to existing targets. These include the delay of the national Place Survey results and recent changes to the methodology associated with some of national indicators. Also the current economic climate has raised serious concern that many of the economic targets are unachievable, however due to the time lag on economic indicator outturns, it is not feasible at this time to argue a strong case for a reduction in the targets set. This is something that needs to be addressed in a future refresh of the LAA if the economic downturn continues as predicted.
- 3.3 Any proposed revisions to the **designated improvement targets** are being drafted by the respective lead officers to allow negotiations with Government Office who will make the submission and recommendation to the Secretary of State in April.

- 3.4 Any changes to the **local priority targets** are to be determined through the local decision making process but will be included in the submission to the secretary of state as these targets form part of the overall LAA.
- 3.5 A further update will be brought to Cabinet on the 23 March 2009 before the final decision will be made by Council on the 26 March 2009 in advance of the final Government Office submission date of 27 March.

4.0 TIMETABLE

- 4.1 The timetable below details the remaining key stages of the refresh process.

Task	Deadline
Draft Targets to Hartlepool Partnership Performance Management Group - 27 February	13 February
Submission of Targets to GONE	Friday 27 February
Final Targets for Cabinet - 23 March	12 March
Final Targets for Special Council on - 26 March	13 March
Final Submission to GONE	27 March
Secretary of State Approval	early April 2009

5.0 RECOMMENDATIONS

- 5.1 To note the progress made and next stage in the refresh process.

6.0 FURTHER BACKGROUND PAPERS

Hartlepool's new Local Area Agreement 2008-11 and the LAA Delivery and Improvement Plan 2008/09 are available at www.hartlepoolpartnership.co.uk

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Designated Improvement Targets

Indicator	Officer	Lead Department/Organisation	Notes
NI 5 Overall/General satisfaction with local area	To be confirmed	Chief Exec/ Regeneration and Planning Services /Neighbourhood Services	Awaiting Place Survey results, these should be available by mid February
NI 6 Participation in regular volunteering	To be confirmed	Chief Exec/ Regeneration and Planning Services/Adult & Community Services	Awaiting Place Survey results, these should be available by mid February
NI 8 adult participation in sport and active recreation	Pat Usher	Adult and Community Services	Revised targets drafted, to take account of the revised baseline. Revised targets are in line with previously agreed targets to achieve an increase of 4% from the 2005/6 baseline by 2010/11.
NI 9 Use of public libraries	Graham Jarritt	Adult and Community Services	Need to set targets – baseline confirmed and negotiation brief available.
NI 10 Visits to museums and Galleries	Jeff Pringle/David Worthington	Adult and Community Services	Need to set targets – baseline confirmed and negotiation brief available.
NI 11 Engagement in the Arts	Stephen Cashman	Adult and Community Services	Need to set targets – baseline confirmed and negotiation brief available.
NI 17 Perceptions of Anti Social Behaviour	Sally Forth	Regeneration and Planning Services	Awaiting results of consultation regarding calculation methodology. Should be available by end of January 2009.
NI 38 Drug related (class A) offending rate	Alison Mawson	Regeneration and Planning	Indicator deferred until 2009 by government department, Still awaiting confirmation of baseline calculation. Delayed till September 2009.
NI 110 Young Peoples participation in positive activities	Peter Davies	Children's Services	Draft targets set, however there is a query regarding national moderated figures and survey returns for Hartlepool.
NI 130 Social Care clients receiving Self Directed Support	Jill Harison	Adult and Community Services	Calculation methodology has been changed, negotiation brief has been issued.

8.1 Appendix 1

Indicator	Officer	Lead Department/Organisation	Notes
NI 151 Overall Employment Rate	Antony Steinberg	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
NI 152 Working age people on out of work benefits	Antony Steinberg	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
NI 153 Working age population claiming out of work benefits in the worst performing neighbourhoods	Antony Steinberg	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
NI 164 Working age population qualified to at least level 3	Lesley Monaghan	Learning and Skills Council	Revised targets prepared by LSC.
NI 166 Average Earnings of employees in the area	Antony Steinberg	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
NI 171 New business registration rate	Antony Steinberg	Regeneration and Planning Services	Targets still to be set. Deferred until 2009 by government department. Baseline confirmed in December 2008, awaiting confirmation of negotiating brief.
NI 186 Per capita CO ₂ emissions in the LA area	Sylvia Tempest	Neighbourhood Services	Recent changes to the DEFRA baseline require a review of targets.

Local Priority Targets

Indicator	Officer	Lead Department/Organisation	Notes
NI 111 First time entrants to the Youth Justice system aged 10–17	Chris Catchpole	Regeneration and Planning Services	Targets Set
NI 19 Re-offending rate by young people	Danny Dunleavy	Regeneration and Planning Services	Targets Set
NI 30 Re-offending rate of prolific and priority offenders	Chris Catchpole	Regeneration and Planning Services	Targets Set
NI 32 Repeat incidents of domestic violence	Alison Mawson	Regeneration and Planning Services	Awaiting confirmation of calculation method from Home Office
Deliberate fires in the <i>Whatever it takes</i> area	Dave Turton	Cleveland Fire	Awaiting confirmation of the geographical boundaries of the <i>Whatever it Takes</i> area. Baseline and targets then to be set. Dave Turton to phone on 13 th Feb to confirm current position
Youth Unemployment rate	Patrick Wilson	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
Youth Unemployment rate (narrowing the gap)	Patrick Wilson	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
Unemployment rate	Patrick Wilson	Regeneration and Planning Services	Under review due to the current economic situation. Revised targets yet to be worked up.
NI 55 Obesity among primary school age children in Reception year	Stephen Carter	Neighbourhood Services	PCT Vital Signs revisions contain new targets
NI 56 Obesity among	Stephen Carter	Neighbourhood Services	PCT Vital Signs revisions contain new targets

8.1 Appendix 1

Indicator	Officer	Lead Department/Organisation	Notes
primary school age children in year 6			
NI 65 The percentage of children who become the subject of a CP plan or were registered during the year, and were the subject of a CP plan, or were registered at 31 March who had been previously registered	Sally Robinson	Children's Services	This is a helpful operation indicator; however it is not particularly meaningful from an LAA perspective. It is proposed to remove this local indicator. This measure will still be monitored and reported through the statutory mechanisms in place via Children's Services.
NI 62 Percentage of Children Looked After at 31 March with three or more placements during the year	Sally Robinson	Children's Services	Confirmation of targets to correct a drafting error in the original LAA.
The Percentage of S47 enquiries which led to initial case conference and were held within 15 working days	Sally Robinson	Children's Services	This is a helpful operation indicator; however it is not particularly meaningful from an LAA perspective. It is proposed to remove this local indicator. This measure will still be monitored and reported through the statutory mechanisms in place via Children's Services.
NI 150 Adults in contact with secondary mental health services in employment	Joanna Forster Adams	Tees Esk and Wear Valleys NHS Foundation Trust	Targets still to be set.
NI 172 VAT Registered Businesses in the area showing growth	Antony Steinberg	Regeneration and Planning Services	Targets still to be set. Deferred until 2009 by government department. Baseline confirmed in December 2008, awaiting confirmation of negotiating brief.

8.1 Appendix 1

Indicator	Officer	Lead Department/Organisation	Notes
No. of learners achieving a level 1 qualification in literacy (NI 161 Neighbourhood Renewal Area)	Lesley Monaghan	Learning and Skills Council	Targets not able to be set by LSC until late February. If targets are not able to be set within the refresh timeframe, it is proposed to remove this indicator and re-consider in the 2010/11 refresh.
No. of learners achieving an entry level 3 qualification in numeracy (NI 162 Neighbourhood Renewal Area)	Lesley Monaghan	Learning and Skills Council	Targets not able to be set by LSC until late February. If targets are not able to be set within the refresh timeframe, it is proposed to remove this indicator and re-consider in the 2010/11 refresh.
All-age all cause mortality (NI 120 Neighbourhood Renewal Area narrowing the gap indicator)	Madeleine Johnson	Primary Care Trust	It is proposed to remove this local Indicator. The PCT have confirmed that they are unable to set meaningful targets for neighbourhood renewal areas and are exploring any other measures that could possibly be used as an indicator for improvements in health in the NRA in Hartlepool.
Mortality Rates from heart disease, stroke and related diseases in people under 75 (NI 121 Neighbourhood Renewal Area narrowing the gap indicator)	Madeleine Johnson	Primary Care Trust	It is proposed to remove this local Indicator. The PCT have confirmed that they are unable to set meaningful targets for neighbourhood renewal areas and are exploring any other measures that could possibly be used as an indicator for improvements in health in the NRA in Hartlepool.
Smoking during pregnancy	Madeleine Johnson	Primary Care Trust	Targets Set
NI 125 Achieving independence for older people through	Nicola Bailey	Adult and Community Services	Targets still to be set

8.1 Appendix 1

Indicator	Officer	Lead Department/Organisation	Notes
rehabilitation/intermediate care.			
NI 127 Self reported experience of service users	Nicola Bailey	Adult and Community Services	Targets still to be set.
NI 128 User reported measure of respect and dignity	Nicola Bailey	Adult and Community Services	Targets still to be set.
NI 136 People supported to live independently through social services	Jill Harrison	Adult and Community Services	Target revised from 3231 to 4698 which is now based on per 100,000 figure.
Improving Access to Psychological Therapies	Carl Bashford	Primary Care Trust	It is unlikely that targets will be able to be set within the refresh timeframe. It is proposed to remove this indicator and re-consider inclusion in the 2010/11 refresh.
Achieving decent homes standard in private sector housing including those occupied by private tenants	John Smalley	Regeneration and Planning Services	Targets still to be set.
NI 187 Tackling fuel poverty – people receiving income based benefits living in homes with low energy efficiency ratings	John Smalley	Regeneration and Planning Services	Targets still to be set. Methodology needs to be agreed with Government Department. It is unlikely that targets will be able to be set within the refresh timeframe. It is proposed to remove this indicator and re-consider inclusion in the 2010/11 refresh

CABINET REPORT

9 February 2009



Report of: Scrutiny Co-ordinating Committee

Subject: Formal Response to the Executive's Budget and Policy Framework Proposals for 2009/10

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2009/10.

2. SUMMARY OF CONTENTS

- 2.1 The report provides an overview of Scrutiny involvement in the Authority's budget setting process for 2009/10 together with their formal response to the Executive's Budget and Policy Framework Proposals.

3. RELEVANCE TO CABINET

- 3.1 Cabinet are requested to consider the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's finalised proposals, prior to the consideration of the finalised proposals at the meeting of Full Council on 12 February 2009.

4. TYPE OF DECISION

- 4.1 Not applicable in this instance.

5. DECISION MAKING ROUTE

- 5.1 Cabinet meeting of 9 February 2009 to assist the Executive in the finalisation of their Budget and Policy Framework Proposals for 2009/10 to be considered by Full Council on 12 February 2009.

6. DECISION(S) REQUIRED

- 6.1 It is recommended that the Cabinet considers the formal response of the Scrutiny Co-ordinating Committee as outlined in Section 3 of this report.

CABINET

9 February 2009



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S
BUDGET AND POLICY FRAMEWORK PROPOSALS
FOR 2009/10

1. PURPOSE OF THE REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2009/10.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the Scrutiny Co-ordinating Committee held on 31 October 2008, consideration was given to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2009/10.
- 2.2 At this meeting it was agreed that the initial consultation proposals were to be considered on a departmental basis by the appropriate Scrutiny Forum. With any comments/observations being fed back to the meeting of the Scrutiny Co-ordinating Committee held on 28 November 2008 to assist in the formulation of this Committee's formal response, presented to the meeting of the Cabinet held on 15 December 2008.
- 2.3 Following the Cabinet's determination of their finalised 2009/10 Budget and Policy Framework Proposals at their meeting on 22 December 2008, further consideration was given to the finalised proposals by the Scrutiny Co-ordinating Committee on 9 January 2009.
- 2.4 The Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums then repeated the same process followed during the consideration of the initial budget consultation consultations during 12 January 2009 to 16 January 2009, with collective feedback being considered on 23 January 2009 to enable a formal response to be determined and presented to the Cabinet on 9 February 2009.

- 2.5 During the consideration of the Executive's initial and finalised Budget and Policy Framework Proposals for 2009/10, the appropriate Cabinet Members were in attendance subject to their availability

3. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVE'S FINALISED BUDGET AND POLICY FRAMEWORK CONSULTATION PROPOSALS FOR 2009/10

- 3.1 As part of the Budget and Policy Framework consultation for 2009/10, Members of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums considered the departmental pressures, contingencies, terminating grants, efficiencies and budget reductions for their respective departments.
- 3.2 Members are largely supportive of the additional 1% budget reductions but only in circumstances where they do not have a detrimental effect on front line service provisions. As such outlined below are the summarised comments of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums:-
- 3.3 Adult and Community Services Scrutiny Forum: Relating to the proposed 1% additional budget reductions, Members felt that it was not equitable to apply the same percentage of reductions across all departments when the reductions to be made in this department were in areas that would place people in need at risk.
- 3.4 Members suggested that the capacity for savings be looked at on a department by department basis so that those departments with a greater capacity for creating savings without exposing vulnerable groups to unnecessary risks making a bigger contribution to the overall saving required.
- 3.5 In addition, Members wished it to be noted that they had reservations about all of the additional budget reductions suggested but reluctantly agreed to support the following as the least damaging options:-
- (a) Switching locker operation: The Forum did, however, suggest that pricing structures be reviewed across the department to try and generate further income;
 - (b) Keeping the community pool at a standstill position;
 - (c) Reduction of one registered manager within the homecare service; and
 - (d) Reduction in management capacity to reduce by 2 band 13 posts.
- 3.6 In relation to (c) and (d), the Forum did, however, raise serious concerns relating to the loss of highly trained and qualified staff and the increased workload and pressure placed on the remaining staff.

- 3.7 However, Members were not willing to support the following reductions, as they felt that these reductions impacted significantly on front line services offered to the community (a) and placed vulnerable people and those in need at risk (b) and (c):-
- (a) Closure of library or other community service / building;
 - (b) A social work team to be disbanded; and
 - (c) A variety of measures leading to a reduction in social work expenditure.
- 3.8 Chief Executive's Department – Members of the Scrutiny Co-ordinating Committee supported the Chief Executive's Department's budget proposals for 2009/10, in particular the proposed 1% additional budget reductions as they are not in areas that would place people in need at risk.
- 3.9 Members also expressed their disappointment having not received the additional information on the actual savings gained from the last organisational restructure exercise undertaken in 2004 and further requested that such information be made available to the Committee as soon as possible.
- 3.10 Children's Services Department – Members supported the Children's Services departmental Budget for 2009/10. The Forum did, however, like it to be noted that they had some concerns relating to the proposed 1% additional budget reduction for a reduction in the Department's training budget. Members were concerned that such a reduction in training should be kept to as minimal a reduction as possible, so that the effects did not have an impact on improving the skills and enabling staff to react to changing governmental demands.
- 3.11 Neighbourhood Services Department – Relating to the 3% savings, the Forum noted with interest the Neighbourhood Services Department's pressures and efficiencies. Members also noted:-
- (a) An additional pressure in relation to concessionary fares of £110k;
 - (b) An increase in proposed efficiencies of 10% (additional income through increased burial and cremation charges); and
 - (c) The requirement, in order to achieve the 3% savings rate, for 10 compulsory redundancies.
- 3.12 In considering the implications of a further 1% saving, should it be required, Members noted with concern that 5 additional redundancies would be required. Whilst the Forum welcomed indications that the Council's redeployment policy would be utilised where possible, Members were very concerned at the distress to employees that would be caused by the proposed redundancies.

- 3.13 In addition to this, Members were disappointed to find that the proposed additional 1% savings included a suggestion for the discontinuation of the Dial-a-Ride service. The Forum was clear in its view that it did not support this proposal and expressed concern at the isolation this would create for many disabled / vulnerable people who rely on the service.
- 3.14 In response to these concerns, the Director of Neighbourhood Services confirmed that should the Dial-a-Ride service continue the additional redundancies would need to be made from other service areas. Indications of which service areas would be affected by the additional 5 redundancies was not available for release at the time of the meeting.
- 3.15 Regeneration and Planning Services Department – Members supported the Regeneration and Planning Services departmental Budget for 2009/10. The Forum did, however, like it to be noted that:-
- (a) Members were very disappointed that a previous priority, relating to financial assistance for residents in conservation areas to replace windows with high quality UPVC windows, was now not being considered. Members expressed a desire for money to be found in the 2009/10 Budget to support this initiative; and
 - (b) Members highlighted under the area based grant that there was money allocated for Neighbourhood Policing. Members felt that any publicity relating to the Neighbourhood Policing / PCSOs, should mention that Hartlepool Borough Council makes a financial contribution towards the funding of these posts.

4. RECOMMENDATION

- 4.1 It is recommended that the Cabinet considers the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2009/10 , as outlined in Section 3 of this report.

**COUNCILLOR MARJORIE JAMES
CHAIR OF THE SCRUTINY CO-ORDINATING COMMITTEE**

January 2009

Contact:- Charlotte Burnham – Scrutiny Manager
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BACKGROUND PAPERS

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

- (i) Report of the Scrutiny Manager entitled '2009/10 Budget and Policy Framework Proposals' presented to the Scrutiny Co-ordinating Committee held on 9 January 2009;
- (ii) Minutes of the Scrutiny Co-ordinating Committee held on 9 and 23 January 2009;
- (iii) Minutes of the Neighbourhood Services Scrutiny Forum held on 12 January 2009;
- (iv) Minutes of the Children's Services Scrutiny Forum held on 13 January 2009;
- (v) Minutes of the Adult and Community Services and Health Scrutiny Forum held on 14 January 2009; and
- (vi) Minutes of the Regeneration and Planning Services Scrutiny Forum held on 16 January 2009.

CABINET REPORT

9 February 2009



Report of: Scrutiny Co-ordinating Committee

Subject: FINAL REPORT – SCRUTINY INVESTIGATION
INTO THE USE OF AGENCY WORKERS WITHIN
THE COUNCIL

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to outline the findings and conclusions of the Scrutiny Co-ordinating Committee's investigation into the use of agency workers within the Council.

2. SUMMARY OF CONTENTS

- 2.1 The Final Report outlines the overall aim of the scrutiny investigation, terms of reference, methods of investigation, findings, conclusions, and subsequent recommendations.

3. RELEVANCE TO CABINET

- 3.1 It is Cabinet's decision to approve the recommendations in this report.

4. TYPE OF DECISION

- 4.1 This is a Non-key decision.

5. DECISION MAKING ROUTE

- 5.1 The final report was approved by Scrutiny Co-ordinating Committee on 28 November 2008. Cabinet is requested to consider, and approve, the report at today's meeting.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is requested to approve the recommendations outlined in section 9.1 of the bound report, which is attached to the back of the papers for this meeting.



SCRUTINY CO-ORDINATING COMMITTEE

FINAL REPORT SCRUTINY INVESTIGATION INTO THE USE OF AGENCY WORKERS WITHIN THE COUNCIL

November 2008

CABINET

9 February 2009



Report of: Scrutiny Co-ordinating Committee

Subject: FINAL REPORT – SCRUTINY INVESTIGATION
INTO THE USE OF AGENCY WORKERS WITHIN
THE COUNCIL

1. PURPOSE OF REPORT

- 1.1 To present the findings of the Scrutiny Co-ordinating Committee following its investigation into the use of agency workers within the Council.

2. SETTING THE SCENE

- 2.1 Many organisations use agency workers to supplement their normal workforce during times of peak demand or exceptional absence. Over the recent years, Members have been of the opinion that the use of agency workers within the Authority is increasing. Consequently, it was agreed that the issue merited inclusion in the Committee's Work Programme for the 2006/07 Municipal Year.
- 2.2 Regrettably, the investigation into the 'Use of Agency Workers within the Council' has been postponed for the last two years due to a congested work programme. However, during the determination of the Committee's Work Programme for 2008/09, it was unanimously agreed that this issue be investigated as a matter of utmost priority.
- 2.3 Subsequently, at a meeting of Scrutiny Co-ordinating Committee held on 8 August 2008, the proposed Terms of Reference and Timetable for the undertaking of the scrutiny investigation were agreed, as outlined in paragraphs 3 and 4 of this report.

3. OVERALL AIM OF THE SCRUTINY INVESTIGATION

- 3.1 To gain an understanding of the use of agency workers within the Council and to make suggestions for improvements, where possible.

4. TERMS OF REFERENCE FOR THE SCRUTINY INVESTIGATION

4.1 The Terms of Reference for the scrutiny investigation were as outlined below:-

- (a) To gain an understanding of the purpose of using agency workers;
- (b) To consider the extent and cost of using agency workers across the Authority, how these costs have been funded together with the reasons for using agency workers;
- (c) To explore the Authority's overall corporate approach to the long-term use of agency workers; and
- (d) To identify suggestions for improvements, if possible, for the use of agency workers within the Council.

5. MEMBERSHIP OF THE SCRUTINY CO-ORDINATING COMMITTEE

5.1 The membership of the Committee was as detailed below:-

Councillors Akers-Belcher, Atkinson, Brash, R W Cook, S Cook, James, Kaiser, London, A Marshall, McKenna, Preece, Richardson, Shaw, Simmons, Wright and Young.

Resident Representatives: C Akers-Belcher, I Ryder and L Shields.

6. METHODS OF INVESTIGATION

6.1 Members of the Committee met formally between 8 August 2008 and 28 November 2008 to discuss and receive evidence relating to this scrutiny investigation and a detailed record of the issues raised during these meetings are available from the Council's Democratic Services.

6.2 A brief summary of the methods of investigation are outlined below:-

- (a) Written evidence from the Authority's Deputy Mayor with Portfolio for Performance;
- (b) Verbal evidence (supported by presentations and background papers) from the Authority's Chief / Assistant Chief Financial Officer and Chief Personnel Officer;
- (c) Verbal evidence from the Authority's Head of Procurement, Property and Public Protection;
- (d) Verbal evidence from a representative of the Local Trade Union;

- (e) Verbal evidence from representatives of the Authority's Service Departments; and
- (f) Briefing reports of the Scrutiny Manager that provided the relevant background information and key documentation.

7. FINDINGS

7.1 OVERVIEW OF THE AUTHORITY'S USE OF AGENCY WORKERS

7.2 Members were informed that the Authority's fundamental reason for using agency workers was to protect the delivery of services from the impact of capacity constraints whilst avoiding long term financial commitments.

7.3 The Committee was also keen to obtain a clear picture of the circumstances in which agency workers were used across the Authority. Based on the evidence presented to the Committee, it was found that the circumstances surrounding their use were as summarised below:-

- (a) 'Unexpected Use' – Sickness absence, unforeseen problem(s) and sudden increase in the volume of work; and
- (b) 'Expected Use' – Annual leave, long-term sickness absence, requirement of specialist skills, increase in the volume of work for a fixed period and recruitment and retention difficulties.

7.4 Members recognised the need of reactive and short-term use of agency workers, however, were surprised to find that there was no council-wide view or a centrally co-ordinated approach to their use. The Committee further learnt that the decisions to employ agency workers were devolved to managers in the departments concerned and that the corporate HR Division did not hold data on the Authority's usage as it was seen as a procurement function.

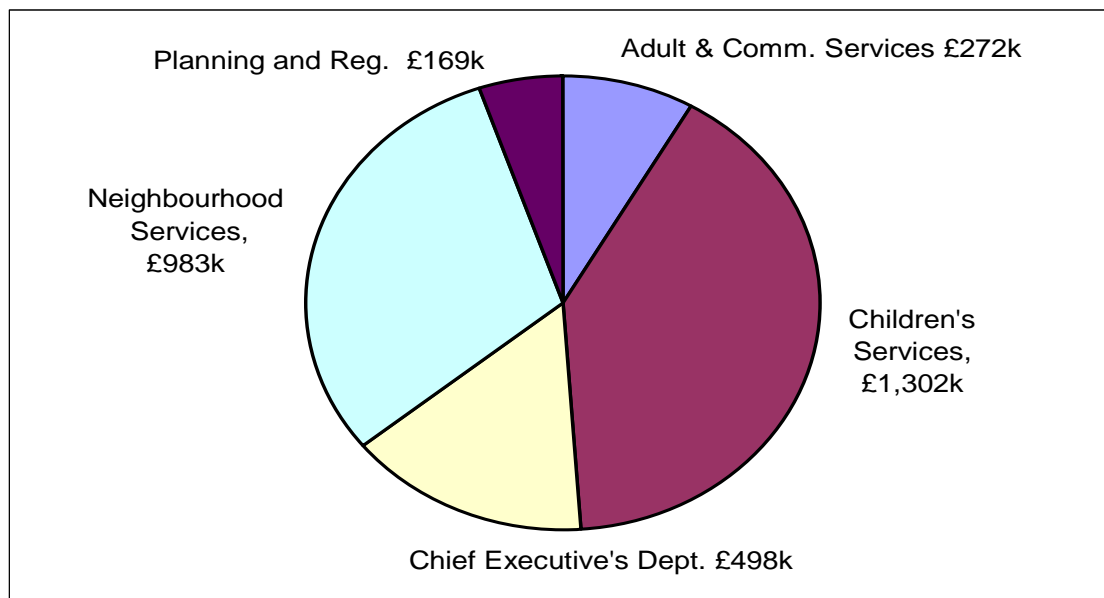
7.5 The area of work which the Authority reported to be most prevalent was that of administrative / clerical work, along with social care staff and other former manual areas such as grass cutting due to the seasonal nature of their work.

7.6 THE EXTENT AND COST OF USING AGENCY WORKERS ACROSS THE AUTHORITY DURING THE 2007/08 FINANCIAL YEAR

7.7 The Committee considered in detail the extent and cost of using agency workers across the Authority during the 2007/08 financial year.

7.8 Members were informed that the total expenditure for the use of agency workers and specialists throughout 2007/08 was approximately £3.224 million. In light of this evidence, the Committee were clearly concerned about the significant level of expenditure incurred by the Authority during 2007/08 and were therefore keen to gain an understanding of this expenditure on a departmental basis as illustrated in **Chart 1** overleaf.

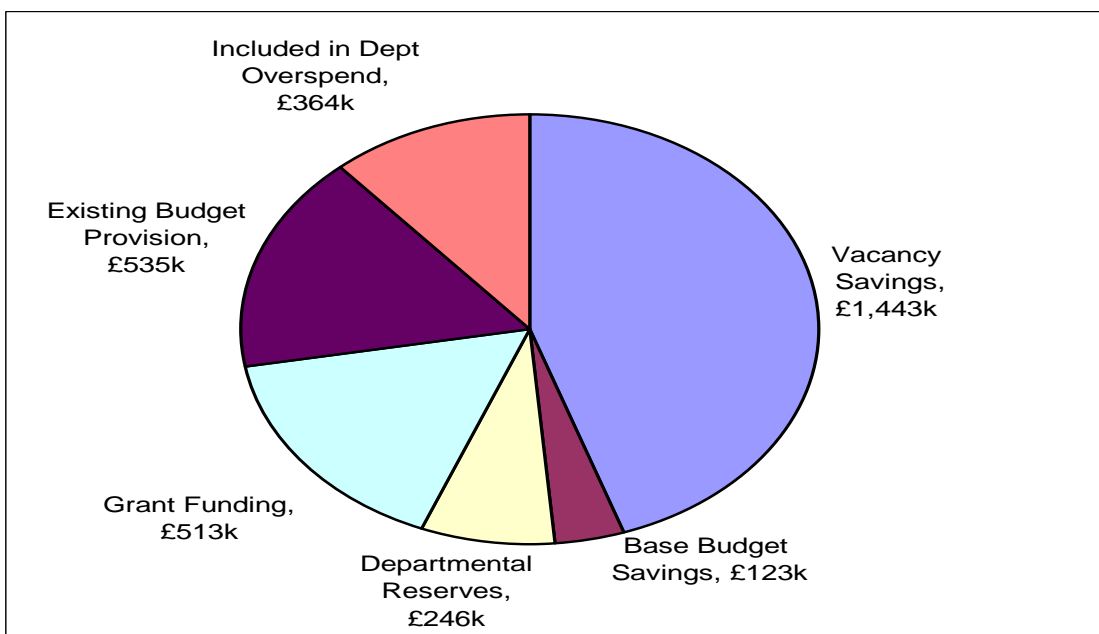
Chart 1- Analysis of Total Agency Expenditure 2007/08 - £3.224m



7.9 Such evidence presented to the Committee, clearly showed that during 2007/08 all of the Authority's Departments used agency workers / specialist skills in the delivery of their services, although the Children's Services and Neighbourhood Services Departments were more extensive in their usage.

7.10 A breakdown of how the total agency expenditure for 2007/08 was funded was also considered by the Committee, as illustrated in **Chart 2** below.

Chart 2 - Analysis of How Total Agency Expenditure for 2007/8 was Funded



7.11 Whilst it was evident that a significant proportion of the actual expenditure was funded through savings arising from vacant posts, Members were concerned to find that during 2007/08, £364,000 of the net costs formed part

of departments overspends, with the exception of the Chief Executive's Department.

- 7.12 In addition to the above, Members were also keen to examine the relative costs of employing agency workers compared to direct employees. Surprisingly, the Committee found that agency workers in the administrative / manual areas were broadly comparable with those of directly employed staff although rates for professional / specialist areas tended to be higher on average.
- 7.13 Whilst agency workers were mainly used by Departments to fill short-term gaps, Members found that the approach varied to occupational area. The Committee also learnt that the duration of engagement also varied from half a day to in excess of twelve months and due to exceptional circumstances one individual had been with the Authority for just over seven years. It was also found that turnover could be quite high when using agency workers, as they always had the ability to move on.

7.14 IDENTIFICATION OF POTENTIAL EFFICIENCIES / SERVICE IMPROVEMENTS

- 7.15 The Committee were encouraged to note that the analysis of data considered earlier by Members had already prompted key senior officers to consider the Authority's overall corporate approach to the use of agency workers.
- 7.16 Furthermore, the 2007/08 data now provided a clearer understanding of the spending patterns, to assist in the future reduction of costs, as prior to the 2007/08 financial year, service departments did not record their expenditure on the use of agency workers.
- 7.17 Members were also provided with assurances that there were various options currently under consideration for managing the future usage of agency workers across the Authority as summarised below:-
- (a) The implementation of the new HR/payroll system with effect from July 2009 would provide the necessary 'checks and balances' on minimising spend, demand and duration of engagement so that agency staff were not used for any vacancy without looking for other ways to solve the problem;
 - (b) The exploration of the function being controlled centrally within the Authority;
 - (c) The exploration of an Authority-wide internal agency to cover seasonal and short-term periods; and
 - (d) The renewal of the agency contract with the North East Procurement Organisation.
- 7.18 In addition to the above, the Committee was pleased to find that the Authority's Adult and Community Services Department had created trainee social work posts in response to recruitment and retention difficulties and also

increased the use of their temporary register to fill short-term gaps. Both practices were clearly demonstrating a significant reduction in their current use of agency workers and Members were of the view that such examples of good practice should be shared across the Authority.

8. CONCLUSIONS

8.1 The Scrutiny Co-ordinating Committee concluded:-

- (a) That whilst the use of agency workers / specialists within the Authority appeared to be fairly extensive with expenditure totalling to approximately £3.2 million during 2007/08, agency workers / specialists actually made up only a small proportion of the Authority's workforce;
- (b) That during 2007/08 all of the Authority's Departments used agency workers / specialists in the delivery of their services, some more extensive than others hence efforts should be made to reduce any future usage of agency workers / specialists;
- (c) That it was recognised that there are various circumstances during which it is necessary for the Authority to use agency workers / specialists, although any future length of engagement should be restricted to short periods of time;
- (d) That there was clearly a need for the Authority to introduce centralised control measures for the future engagement of agency workers / specialists including the process of appointment and selection, authorisation, budget control and the value for money obtained; and
- (e) That the Authority had employed a number of initiatives with measurable success to minimise their use of agency workers / specialists, although more innovative practices could be explored to further reduce the future dependency of agency workers / specialists across the Authority.

9. RECOMMENDATIONS

9.1 The Scrutiny Co-ordinating Committee has taken evidence from a wide range of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are as outlined below:-

- (a) That a review be undertaken to substantially reduce the current level of expenditure on the use of agency workers / specialists across the Authority;
- (b) That the current arrangements for the recruitment of agency workers / specialists across the Authority be centralised and appropriate control measures introduced;

- (c) That the duration of engagement for all agency workers / specialists be restricted to short-term use and not exceed twelve months;
- (d) That the Authority be encouraged to share innovative approaches to minimise the future demand of agency workers / specialists where appropriate;
- (e) That a feasibility study be undertaken to determine the appropriateness of establishing either a council-run agency or a joint procurement arrangement with neighbouring local authorities across the Tees Valley;
- (f) That there appears to be some conflict between the Council's recruitment and retention policies, namely the securing of temporary and permanent positions by modern apprentices versus permanent posts occupied in the short-term by agency workers and this should be addressed appropriately; and
- (g) That twelve months after the implementation of the new HR/payroll system and the introduction of centralised control measures for the recruitment of agency workers / specialists across the Authority, a detailed monitoring report on the level of expenditure and usage be submitted to this Committee and the appropriate Portfolio Holder thereafter.

10. ACKNOWLEDGEMENTS

- 10.1 The Committee is grateful to all those who have presented evidence during the course of this Scrutiny Investigation. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

Deputy Mayor with Portfolio for Performance;

Adult and Community Services Department: Principal Finance Manager;

Chief Executive's Department: Chief Financial Officer, Chief Personnel Officer and the Assistant Chief Financial Officer;

Children's Services Department: Director of Children's Services;

Neighbourhood Services Department: Head of Procurement, Property and Public Protection and the Head of Finance and Business Development;

Regeneration and Planning Services Department: Director of Regeneration and Planning Services and the Head of Support Services.

**COUNCILLOR MARJORIE JAMES
CHAIR OF SCRUTINY CO-ORDINATING COMMITTEE**

November 2008

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

BACKGROUND PAPERS

The following background papers were consulted or referred to in the preparation of this report:-

- (i) Report of the Scrutiny Manager entitled 'Scrutiny Investigation into the Use of Agency Workers within the Council – Draft Scoping Report' presented to the Scrutiny Co-ordinating Committee held on 8 August 2008;
- (ii) Presentation of the Authority's Chief Personnel Officer entitled 'Setting the Scene' delivered to the Scrutiny Co-ordinating Committee held on 19 September 2008;
- (iii) Joint Report of the Chief Financial Officer and Chief Personnel Officer entitled 'Information from Service Departments' presented to the Scrutiny Co-ordinating Committee held on 8 October 2008; and
- (iv) Minutes of the meetings of the Scrutiny Co-ordinating Committee held on 8 August 2008, 19 September 2008, 8 October 2008 and 28 November 2008.

CABINET

9 FEBRUARY 2009



Report of: Chief Personnel Officer

Subject: FINAL REPORT – SCRUTINY INVESTIGATION INTO
THE USE OF AGENCY WORKERS WITHIN THE
COUNCIL – ACTION PLAN

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To agree an Action Plan in response to the findings and subsequent recommendations of the Scrutiny Co-ordinating Committee's investigation into the use of agency workers within the Council.

2. SUMMARY OF CONTENTS

- 2.1 The report provides brief background information into the scrutiny investigation into the use of agency workers within the Council and provides a proposed Action Plan (**Appendix A**) in response to the Scrutiny Co-ordinating Committee's recommendations.

3. RELEVANCE TO CABINET

- 3.1 To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations of the Scrutiny Co-ordinating Committee, attached as **Appendix A** is the proposed Action Plan for the implementation of these recommendations.

4. TYPE OF DECISION

- 4.1 Non-Key.

5. DECISION MAKING ROUTE

- 5.1 The Action Plan and the progress of its implementation will be reported to the Scrutiny Co-ordinating Committee on 20 March 2009 (subject to availability of the appropriate Portfolio Holder(s)).

6. DECISION REQUIRED

- 6.1 That the Portfolio Holder approve the Action Plan (**Appendix A refers**) in response to the recommendations of the Scrutiny Co-ordinating Committee's investigation into the Authority's Kerbside Recycling Scheme.

Report of: Chief Personnel Officer

Subject: FINAL REPORT – SCRUTINY INVESTIGATION INTO
THE USE OF AGENCY WORKERS WITHIN THE
COUNCIL – ACTION PLAN

1. PURPOSE OF REPORT

- 1.1 To agree an Action Plan in response to the findings and subsequent recommendations of the Scrutiny Co-ordinating Committee's investigation into the use of agency workers within the Council.

2. BACKGROUND INFORMATION

- 2.1 To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations of the Scrutiny Co-ordinating Committee's investigation into the use of agency workers within the Council, attached as **Appendix A** is the proposed Action Plan for the implementation of these recommendations.
- 2.2 The overall aim of the scrutiny investigation was to gain an understanding of the use of agency workers within the Council and to make suggestions for improvements, where possible.

3. ACTION PLAN

- 3.1 As a result of the Scrutiny Co-ordinating Committee's investigation into the use of agency workers within the Council, the following recommendations have been made:-
- (a) That a review be undertaken to substantially reduce the current level of expenditure on the use of agency workers / specialists across the Authority;
 - (b) That the current arrangements for the recruitment of agency workers / specialists across the Authority be centralised and appropriate control measures introduced;
 - (c) That the duration of engagement for all agency workers / specialists be restricted to short-term use and not exceed twelve months;

- (d) That the Authority be encouraged to share innovative approaches to minimise the future demand of agency workers / specialists where appropriate;
 - (e) That a feasibility study be undertaken to determine the appropriateness of establishing either a council-run agency or a joint procurement arrangement with neighbouring local authorities across the Tees Valley;
 - (f) That there appears to be some conflict between the Council's recruitment and retention policies, namely the securing of temporary and permanent positions by modern apprentices versus permanent posts occupied in the short-term by agency workers and this should be addressed appropriately; and
 - (g) That twelve months after the implementation of the new HR/payroll system and the introduction of centralised control measures for the recruitment of agency workers / specialists across the Authority, a detailed monitoring report on the level of expenditure and usage be submitted to this Committee and the appropriate Portfolio Holder thereafter.
- 3.2 An Action-Plan in response to these recommendations has now been produced in consultation with the appropriate Portfolio Holder(s) and is attached at **Appendix A** which is to be submitted to the Scrutiny Co-ordinating Committee on 20 March 2009 (subject to the availability of appropriate Portfolio Holder).

4. RECOMMENDATION

- 4.1 The Cabinet is requested to approve the Action Plan attached as **Appendix A** in response to the recommendations of the Scrutiny Co-ordinating Committee's investigation into the investigation into the use of agency workers within the Council.

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN

NAME OF FORUM: Scrutiny Co-ordinating Committee

NAME OF SCRUTINY ENQUIRY: Scrutiny Investigation into the Use of Agency Workers within the Council

DECISION MAKING DATE OF FINAL REPORT: Cabinet of 9 February 2009

RECOMMENDATION	EXECUTIVE RESPONSE / PROPOSED ACTION	FINANCIAL IMPLICATIONS	LEAD OFFICER	DELIVERY TIM ESCALE	
(a)	That a review be undertaken to substantially reduce the current level of expenditure on the use of agency workers / specialists across the Authority;	Each department to review agency posts and ensure continuous assessments is in place as an ongoing exercise, with a view to reducing the numbers, exploring alternatives, improve planning and consider permanent appointments	Potential in reduction of numbers and, for example savings where expensive agency staff are replaced by permanent staff (but opposite could apply in some cases)	Joanne Machers	April 2009
(b)	That the current arrangements for the recruitment of agency workers / specialists across the Authority be centralised and appropriate control measures introduced;	New control protocols to be agreed by CMT and implemented across the Council, including the recording and monitoring of agency staff in post	Possible additional HR staffing and resourcing of central Procurement Unit via CPU in the interim, but ultimately HR/Payroll system could be used	Graham Frankland	May 2009
(c)	That the duration of engagement for all agency workers / specialists be restricted to short-term use and not exceed twelve months;	Instruction and guidance to service managers on the engagement of agency workers and the introduction of monitoring process	None, although changing agency staff may affect service provision, but this needs to be "managed"	Joanne Machers	March 2009

9.3 Cabinet 09.02.09 Final Report Scrutiny Investigation into the use of agency workers within the council action plan App A

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN

NAME OF FORUM: Scrutiny Co-ordinating Committee

NAME OF SCRUTINY ENQUIRY: Scrutiny Investigation into the Use of Agency Workers within the Council

DECISION MAKING DATE OF FINAL REPORT: Cabinet of 9 February 2009

RECOMMENDATION	EXECUTIVE RESPONSE / PROPOSED ACTION	FINANCIAL IMPLICATIONS	LEAD OFFICER	DELIVERY TIMESCALE	
(d)	That the Authority be encouraged to share innovative approaches to minimise the future demand of agency workers / specialists where appropriate;	Options to be pursued including a regional portal for staff recruitment, a Hartlepool recruitment pool were appropriate, succession planning and staff development / secondment opportunities. An exercise to exchange good practice between departments e.g. the use of casual lists, maintaining contact with leavers etc	Possible pressure for investment needs, but part of ongoing staff development and recruitment strategies	Joanne Machers	August 2009
(e)	That a feasibility study be undertaken to determine the appropriateness of establishing either a council-run agency or a joint procurement arrangement with neighbouring local authorities across the Tees Valley;	Joint procurement exercise across Tees Valley being pursued. Also potential option for NEPO arrangements. Future consideration of in-house provision required	Potential management costs of in-house option (if pursued)	Graham Frankland	May 2009 (Joint Procurement) March 2010 (In-house feasibility)
(f)	That there appears to be some conflict between the Council's recruitment and retention policies, namely the securing of temporary and permanent positions by modern apprentices versus permanent posts occupied in the short-term by	Recruitment and retention protocols around Modern Apprentices to be agreed and implemented prior to intake of Modern Apprentices	None	Joanne Machers	August 2009

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN

NAME OF FORUM: Scrutiny Co-ordinating Committee

NAME OF SCRUTINY ENQUIRY: Scrutiny Investigation into the Use of Agency Workers within the Council

DECISION MAKING DATE OF FINAL REPORT: Cabinet of 9 February 2009

RECOMMENDATION		EXECUTIVE RESPONSE / PROPOSED ACTION	FINANCIAL IMPLICATIONS	LEAD OFFICER	DELIVERY TIMESCALE
	agency workers and this should be addressed appropriately; and				
(g)	That twelve months after the implementation of the new HR/payroll system and the introduction of centralised control measures for the recruitment of agency workers / specialists across the Authority, a detailed monitoring report on the level of expenditure and usage be submitted to this Committee and the appropriate Portfolio Holder thereafter.	Provide monitoring report	None	Joanne Machers	September 2010