

CABINET AGENDA



Monday, 8 February 2010

at 9.00 am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: CABINET:

The Mayor, Stuart Drummond

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

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Record of Decision in respect of the meeting held on 25 January (previously circulated)

4. BUDGET AND POLICY FRAMEWORK

- 4.1 Medium Term Financial Strategy – Budget and Policy Framework 2010/2011 to 2013/2014 – *Corporate Management Team*

5. KEY DECISIONS

- 5.1 Local Area Agreement Refresh – *Head of Performance and Partnerships*
5.2 Machinery of Government – *Director of Child and Adult Services*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Hartlepool Breastfeeding Strategy 2009-2012 – *Director of Child and Adult Services*
- 6.2 Fuel Poverty – Presentation – *Director of Child and Adult Services*
- 6.3 Youth Work in Greatham – Greatham Community Centre Lease between Hartlepool Borough Council and the Master and Brethren of the Hospital of God – *Children's Services Portfolio Holder*
- 6.4 Grading Appeals Process For Senior Managers – *Chief Personnel Officer and Chief Solicitor*

7. ITEMS FOR DISCUSSION / INFORMATION

- 7.1 Youth Offending Service – Outcome of Thematic Youth Crime Prevention Inspection – *Director of Regeneration and Neighbourhoods*
- 7.2 Building a Safe Confident Future – the Social Work Taskforce Final Report – *Director of Child and Adult Services*
- 7.3 Progress Report – Connected Care – *Director of Child and Adult Services*
- 7.4 Regional Procurement – *Director of Regeneration and Neighbourhoods*

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 8.1 Final Report – The Hartlepool Transport Interchange – *Regeneration and Planning Services Scrutiny Forum*
- 8.2 Action Plan – The Hartlepool Transport Interchange – *Director of Regeneration and Neighbourhoods*
- 8.3 Formal Response to the Executive's Budget and Policy Framework Proposals for 2010/11 - *Scrutiny Co-ordinating Committee*

CABINET REPORT

8th February, 2010



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY - BUDGET
& POLICY FRAMEWORK 2010/2011 TO 2013/2014

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 2010/2011 Budget and Council Tax proposals to be referred to Council on 11th February, 2010.

2. SUMMARY OF CONTENTS

- 2.1 The report provides a detailed overview of the financial issues affecting the Council in relation to:
- Capital programme 2010/2011 to 2013/2014
 - General Fund and Council Tax 2010/2011 to 2013/2014
 - The 2009/2010 Outturn Strategy
- 2.2 The financial position for 2010/2011 and beyond is significantly more challenging than previously anticipated. The budget proposals for 2010/11 deliver a balanced budget largely through the work undertaken to achieve the first stage of the Business Transformation Programme. This reflects the sound planning and implementation work done to date. In the proposals some £4.2 million of efficiencies are set out which more than achieve the increased efficiency target set by Central Government of 4%. Cuts in services are therefore not considered for 2010/11. The report proposes a Council Tax increase of 2.5%.
- 2.3 The report considers the financial impact of risks facing the council and sets out proposals to mitigate these. The essence of the 2009/10 closure strategy is to maximise risk mitigation to ensure that in 2010/11 these risks do not undermine the delivery of services.
- 2.4 The position for 2012 and beyond is bleak and deficits after all planned measures are undertaken of £4-5 million per annum are forecast. This is on the basis of an assumed 5% cut in Government grant which may turn out to be optimistic.

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 11th February, 2010.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

CABINET REPORT

8th February 2010



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY - BUDGET
& POLICY FRAMEWORK 2010/2011 TO 2013/2014

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 2010/2011 Budget and Council Tax proposals to be referred to Council on 11th February, 2010.

1.2 The format of this report considers:

- Background (2)
- Policy Drivers (3)
- Capital (4)
- General Fund and Council Tax (5)
 - National Position (5.1)
 - 2010/11 Budget and Council tax (5.2)
 - 2011/12 – 2013/14 Budget (5.3)
 - Scrutiny and Consultation Feedback (5.4)
 - Robustness of Budget (5.5)
 - Review of Reserves (5.6)
 - Critical Challenge (5.7)
 - Help for Local Economy (5.8)
- Current Year 2009/10 Outturn Strategy (6)
- Conclusion (7)
- Recommendations (8)

2. BACKGROUND

2.1 At your meetings on 21st September 2009 and 22nd December 2009, Members considered detailed reports on the budget. These issues have now been considered by the relevant Scrutiny Committees and a report from Scrutiny Co-ordinating Committee is detailed elsewhere on your agenda. Consultation has also taken place with the Trade Unions and representatives of Hartlepool's Business Sector.

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:

- 8th February, 2010 – Cabinet finalises 2010/2011 Budget proposals;

- 11th February, 2010 – Council considers Cabinet's 2010/2011 Budget proposals;
- 25th February, 2010 – Council approves the overall Council Tax level, incorporating Police, Fire and Parish Council precepts;
- Council Tax bills produced and issued by 16th March, 2010;
- 1st April, 2010 – first monthly Council Tax direct debits collected.

3. POLICY DRIVERS

3.1 The policy drivers of the Council remain largely unchanged, although greater emphasis and reliance is now placed on the Business Transformation Strategy as we move from a planning into an implementing and delivery phase. 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 policy reflects Members' views and feedback during the budget consultation processes. It builds on and sustains the basic results of the last major consultation exercise undertaken in 2005/06 that the overall balance between services is appropriate. The current MTFS enables that to be delivered through efficiencies without cuts for 2010/11.

3.3 The MTFS indicates that a balanced budget can be set for 2010/2011, although for 2011/2012 onwards the Council faces a significant structural deficit and is critically dependant on the results of the new Government's Comprehensive Spending Review. The action taken to develop the Business Transformation Programme provides a significant contribution towards the deficits. 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 budget deficits, although it will not address the entire deficit.

3.4 Another important policy driver is the level of Council Tax, which funds some 42% of the Council's net budget. This factor will become increasingly important in a period of reducing grant, however the affordability of the tax is likely to become an increasing issue.

4. CAPITAL PROGRAMME 2010/2011 TO 2013/2014

4.1 Government Capital Allocations

The availability of capital resources will be affected by the level of support from central government. Given the national financial position these are very likely to be cut substantially. These allocations take the form of specific capital grants, or supported prudential borrowing allocations, which must be repaid from the Council's

revenue budget. The 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 Member's reaffirmed their commitment to using these allocations for the three years up to 2010/11. Cabinet need to confirm that they will continue this strategy. The Council's proposed capital programme is set out at **Appendix A**.

4.2 Local Allocations

In February 2009 Members confirmed their commitment to use Unsupported Prudential Borrowing for a range of local priorities which do not attract Government funding and to provide the following annual allocation until 2011/2012.

This is the area that members can most readily exercise policy choices, albeit at a cost to the revenue budget, unless schemes can generate sufficient income in their own right.

Budget provision to fund the revenue consequences of the following prudential borrowing have been built into the budget process.

| | <u>£'000</u> |
|---------------------------------|--------------|
| SCRAPT Priorities | 1,200 |
| Community Safety Initiatives | 150 |
| Disabled Adaptations | 50 |
| Neighbourhood Forum Minor Works | 156 |
| Vehicle Replacement Programme | 1,905 |

Detailed proposals for the SCRAPT priorities are set out in Appendix A, Table 1. In previous years these details have not been included in the detailed budget proposals submitted to Scrutiny prior to consideration at Council. Following on from comments at Scrutiny, when the second quarter financial monitoring report was considered and bearing in mind that they are an intrinsic part of the budget and policy framework the list of the schemes have been submitted so that their views can be incorporated into the Cabinet's final budget recommendations. The results of this are included in Scrutiny Coordinating Committees report elsewhere on your agenda.

It is proposed to use unsupported prudential borrowing to support the Council's vehicle replacement programme. Detailed proposals are set out in Appendix A, Table 2. This will be subject to the business case demonstrating that using unsupported borrowing is more cost effective than leasing and that these costs can be either funded from existing budgets or increased income.

The current proposals begin to recognise that Government funding for Capital is reducing and that the Council will need to direct more of those locally controlled resources towards the Council's major Capital strategies, if they are to have a chance of succeeding in their objectives.

4.3 Review of Children's Services Capital Programme 2009/2011

The arrangements for schools capital programmes are complex and involve a range of ring fenced streams including funding allocated to local Dioceses for the maintenance of Voluntary Aided schools and devolved capital allocations to individual schools. In order to ensure all available capital funding is targeted to

meet priorities across all Hartlepool schools, the LA established a Schools Forum Capital Sub Group in July 2008. This group comprises of Headteachers, Dioceses and LA Officers from the Child and Adult Services, Regeneration and Planning and Chief Executive's departments. As a result of this collaborative approach the Sub Group assisted the LA in determining a draft co-funded 2009/10 schools capital programme which was subsequently presented to and approved by the Portfolio Holder for Children's Services on 12th May 2009.

Throughout 2009 the Sub Group has been presented with regular updates on scheme costs and at the last meeting in December, a number of programme changes were supported in principle subject to Schools Forum and Portfolio Holder approval. Additional capital resources have become available following a review of the existing programme, external grants, increase schools contributions and the allocation of additional funds from the Child and Adult Services share of the Dedicated Schools Grant. The LA is required to consult the Schools Forum on the use of the DSG and this was noted and confirmed at the Forum meeting on 13th January.

The following programme changes are therefore supported by the Schools Forum and its Capital Sub Group and Members are now asked to endorse these proposals;

i) New Schools Capital Schemes

The Schools Forum Capital Sub-group has approved five transformational projects at a total cost of £827,000:

| | |
|--|-----------------|
| • Eldon Grove – Improvement Scheme | £500,000 |
| • Lynnfield – Improve Teaching Space | £120,000 |
| • Rift House – Internal Reorganisation | £100,000 |
| • Holy Trinity – Outdoor Area | £ 85,000 |
| • Springwell – Covered Link Way | <u>£ 22,000</u> |
| | £827,000 |

Although schemes will commence in the current financial year costs will be phased over 2009/10 and 2010/11 in line with construction timescales.

ii) Brierton Adaptations for Decant of Dyke House Pupils

Included in the 2009/2010 Schools Capital Programme is the scheme to adapt Brierton School and the PRU site to accommodate Dyke House School. Additional costs of £320,000 will need to be incurred owing to additional requirements which were not quantified during the initial feasibility study. These additional requirements were however identified during detailed consultations with Dyke House School and on-site surveys as part of the detailed design stage. These works needed to be carried out. This stage is now complete and these requirements include additional electrical & mechanical works and additional external works to the building fabric.

In addition a detailed traffic study has now been completed to assess the impact of the Dyke House decant. As a result a dedicated transport interchange is required at a cost of £190,000. Total additional costs are therefore estimated at £510,000

Funding

All the above schemes are co-funded in accordance with principles agreed by the Schools Forum and a package of funding has been agreed as follows:

| Programme Cost Changes | | |
|---|----------|-------------------|
| New school transformational scheme costs | £827,000 | |
| Additional Brierton Site costs | £510,000 | |
| Total costs | | £1,337,000 |
| Programme Funding Changes | | |
| Individual school contributions | £250,000 | |
| Extended Schools grant | £186,000 | |
| Unallocated schools capital programme funding | £339,000 | |
| Increased DSG allocation | £562,000 | |
| Total funding | | £1,337,000 |

5. GENERAL FUND AND COUNCIL TAX

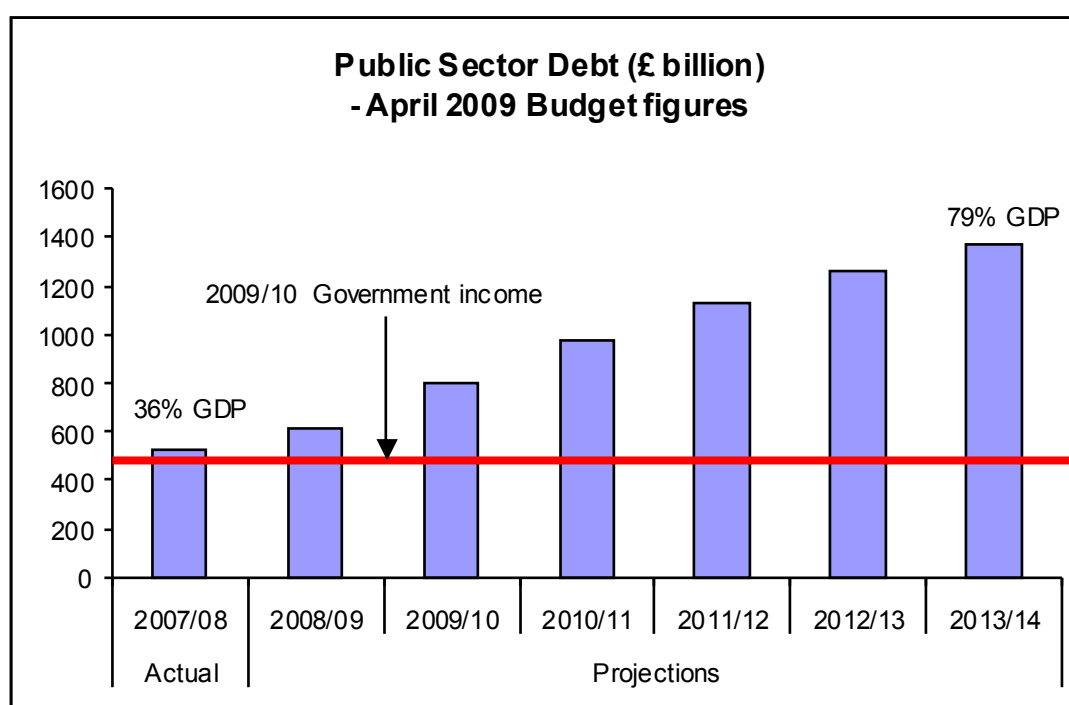
5.1 National Position

An assessment of the national and local factors affecting the Council's financial position for 2010/2011 and beyond was reported on 21st September 2009. Since that time the Chancellor has made his pre-budget report which broadly confirmed the dire national position.

- 5.1.1 In April, 2009, the Chancellor presented the 2009 Budget to Parliament and at the same time published the detailed budget report – “Economic and Financial Strategy Report and Financial Statement and Budget Report”, which runs to 268 pages.
- 5.1.2 The Budget Report highlights the impact of the financial crisis on the world economy, which is experiencing a severe recession. In the current year world Gross Domestic Product (GDP) is forecast to fall by 1 ½%, which is the first full year contraction in the post-war period.
- 5.1.2 The contraction in advanced economies (the G7 group) is forecast to be 4%. The Chancellor forecasts the world economy will begin to recover towards the end of 2009, with growth picking up through 2010 and 2011. In some countries there is some evidence that economic activity is beginning to pick up slightly, but it is not yet clear if this is sustainable, or will transfer to other countries.
- 5.1.3 In relation to the UK economy the Chancellor forecasts a sharp recession in 2009, with growth progressively picking up through 2010 and 2011.
- 5.1.4 The global recession will have a profound and long lasting effect on the financial position of Governments across the world as public sector debt is likely to rise significantly in all advanced economies.
- 5.1.5 In the UK this position initially arises from a reduction in tax revenues, particularly in relation to the banking and financial sectors. These reductions reflect London's

position as a major international financial centre and the greater proportion of Government revenue which came from this sector than in other advanced economies.

- 5.1.6 On an ongoing basis Government expenditure on unemployment and related benefits will increase and continue at a higher level until the economy recovers on a sustainable basis. The recession will also have an ongoing impact on Government revenues as higher unemployment means less people will be paying income tax. In addition, company profits will be lower and consequently there will be a reduction in corporation tax and other business taxes.
- 5.1.7 The recovery in the UK economy is likely to be protracted as the factors driving the economy in recent years, i.e. rising house prices, the availability of relatively cheap consumer credit and foreign investment in the UK, will not be available.
- 5.1.8 In the current financial year the Chancellor has forecast a budget deficit of £175m, or put another way for every £1 of public spending the Government is only raising 75p in income.
- 5.1.9 This is not a one-off deficit but a structural problem caused by a reduction in Government income and increased Government expenditure driven by the recession. The Chancellor has indicated that this position will not improve until 2013/2014. By this date, the Chancellor is forecasting a cumulative shortfall of £700 billion, which means that Public Sector Debt is forecast to double by 2013/2014, as shown in the following table.



- 5.1.10 The increase in Public Sector Debt will result in higher debt interest payments for the Government which will be an additional pressure on the public finances. In the medium term the increase in debt may lead to higher interest rates as investors seek a higher return for continuing to support Government debt.

5.1.11 In April the Chancellor made a number of specific announcements relating to public sector spending:

- Public Sector spending growth from 2011/2012 onwards was revised down to only 0.7% in real terms. This is the increase in total public sector spending. Details of increases for individual areas will not be known until the next CSR is published. In practice, whichever party forms the next Government, this increase will not cover increased social protection costs (unemployment benefits, etc.) and political commitments in relation to Health, Education and defence. The Government will also need to increase the amount it spends on debt interest. Together these items account for nearly 70% of Government spending so it is clear other areas, including local government, will face real term reductions to protect these areas and to begin to address the shortfall in the public finance.
- Increase in the efficiency target for 2010/2011 from £30 billion to £35 billion – which increases the efficiency target from 3% to 4%.
- Public sector net investment reducing to 1½% of GDP by 2013/2014 (2009/2010 3.1%).

5.1.12 In December this was subsequently updated. There was little change in the national position. Growth in the final quarter of 2009 has just resumed, although very weakly. The 2010/11 Local Government Settlement has been confirmed at the level expected. The Government have indicated that they expect average Council Tax levels to rise less than 3%.

5.2 2010/2011 BUDGET AND COUNCIL TAX

5.2.1 The current three year settlement for local authorities covers the period up to 2010/2011. In February, 2009 the Government announced the Council's provisional grant allocation for 2010/2011 of £51.5m, which is a 3.4% (£1.7m) increase on the current years' allocation. This amount has now been confirmed.

5.2.2 After reflecting the grant increase for 2010/2011 the Council faces a very challenging financial position next year, which is driven by a number of factors:

- the impact of inflation. Whilst, inflation levels are currently low it is still expected that inflationary cost pressures will be in the order of £2.2m, which is greater than the provisional grant increase. The resulting shortfall equates to a Council Tax increase of 1.3% before any other cost pressures are taken into account;
- In the current year the Council is using temporary funding of £4.9m to support the revenue budget (£4.7m from the Budget Support Fund and £0.2m Area Based Grant). This is not sustainable and the available temporary funding will fall to £1.9m in 2010/2011. There will be further reductions from 2011/2012;
- The inclusion of £1.5m headroom for budget pressures. Detailed proposals which will need to be funded from this provision are covered below.
- The current budget includes a temporary investment income benefit of £0.7m which reflects the impact of longer term investments placed before the Bank of England reduced interest rates significantly. These investments had interest rates of up to 5.5% and matured during the earlier part of the current year.

Interest rates on replacement investments are typically 0.5% to 0.75%, therefore this benefit will not continue. It is not expected that interest rates will begin to increase until late 2010 or early 2011 and will then only increase very slightly, unless inflationary pressures begin to pick up.

- Mill House Leisure Centre Prudential Borrowing repayment budget of £0.3m. This was taken as a temporary benefit in 2009/2010.
- The current years' budget included a contribution of £0.5m towards one-off Building Schools for the Future costs, which is not needed on an ongoing basis.

5.2.3 An initial review of commitments which may need to be funded from the available £1.5m budget headroom has been undertaken based on the summary of ongoing service issues identified in 2009/10 at **Appendix B**. This has resulted in the following:

- Budget Pressures – total value £1.159m

Budget pressures are defined as unavoidable additional costs arising from either legislative changes, new government requirements or unavoidable increases in demand or an unavoidable additional cost of continuing to provide existing services.

Details of budget pressures for 2010/11 are provided in **Appendix C**.

- Budget Contingency – total value £0.450m

Budget contingencies are similar to budget pressures and relate to issues which are either not certain or subject to ongoing negotiations and explicit disclosure at this early stage would not be in the Council's financial interest. As these items are not certain it is suggested that a global provision is made for these items. Details of the final budget contingencies are provided in **Appendix D**.

For 2010/11 there were initially three items which fall into this category. Firstly, the repayment of 2008/09 severance costs over a period of up to five years. Secondly, potential increases in energy costs from April 2010, which NEPO (North East Purchasing Organisation) have indicated could be in the order of 10% for both gas and electric. Thirdly, potential increases in discretionary Business Rates relief costs during the recession. These items could exceed £0.5m in total, although it is hoped that they will not exceed the proposed value of the contingency.

Further detailed work is needed to assess these issues and these details will be reported to Cabinet in December to enable Members to determine the detailed proposals they wish to put forward for formal scrutiny.

- Budget Priorities – total value £0.343m

These items relate to proposals to improve existing services, or introduce new services, and the Council can therefore choose if it wishes to fund these issues.

These items are detailed in **Appendix E**. Cabinet have previously determined not to support these and no resources are available. If Members wish to support these issues they will need to determine those areas where compensating savings are made.

- 5.2.4 The review of pressures has identified an additional requirement of £180,000 for Disabled Facility Grants. This has been incorporated into the SCRAPT proposals, considered earlier in the report.
- 5.2.5 After reflecting the above factors there is a gross budget deficit of approximately £7.2m, as summarised below

| | <u>£'000</u> |
|--|---------------------|
| Continuing Expenditure from previous year not funded from sustainable resources (funded Budget Support Fund) | 4,630 |
| Add | |
| - Inflation | 2,225 |
| - Loss 2009/10 Temporary Investment income | 700 |
| - Mill House - Prudential Borrowing repayment budget | 309 |
| - Headroom for pressures | 1,500 |
| <u>Less</u> | |
| - Contribution to BSF one-off costs (included in 2009/10 base) | (500) |
| - Grant Reduction/(increase) | <u>(1,688)</u> |
| Gross Budget Deficit | <u>7,176</u> |

- 5.2.6 A strategy needs to be developed for funding this deficit and a series of proposals are detailed in the following paragraphs for Cabinet's consideration.
- 5.2.7 Business Transformation Programme – Benefit £2.514m Gross
- Cabinet has previously approved the overall Business Transformation Programme and noted that these efficiencies will take four or five years to delivery, owing to the longer timescale for service delivery options and asset management.
- 5.2.8 In terms of integrating the Business Transformation Programme and the MTFS specific efficiency figures have been included in the budget forecasts from 2010/2011.
- 5.2.9 Council approved Cabinet's revised proposal to fund part of the severance costs from one-off resources this enables the gross Business Transformation efficiencies to be taken to the revenue budget earlier with no off set in 2010/11 for loan repayment. The benefit in 2010/2011 increases from £2.088m to £2.514m, as detailed below :

| | <u>Annual</u> <u>Efficiencies</u> <u>£'000</u> | <u>Ongoing</u> <u>Efficiencies</u> <u>£'000</u> |
|-----------|---|--|
| 2010/2011 | 2,514 | 2,514 |
| 2011/2012 | 1,310 | 3,824 |
| 2012/2013 | 2,102 | 5,926 |
| 2013/2014 | 84 | 6,010 |

5.2.10 Temporary Funding – Benefit £1.960m

A Budget Support Fund has previously been established to support the revenue budget over the period 2009/2010 to 2011/2012. At 1st April, 2009, the balance on this reserve was £6.755m. Commitments against this reserve total £7m, as summarised below. It is anticipated the shortfall will be bridged from future RTB receipts from Housing Hartlepool.

Phased Use of Budget Support Fund

| | <u>£'000</u> |
|-----------|---------------------|
| 2009/2010 | 4,630 |
| 2010/2011 | 1,470 |
| 2011/2012 | <u>900</u> |
| | <u>7,000</u> |

- 5.2.11 In addition to the Budget Support Fund the Council has previously undertaken a detailed review of the Area Based Grant (ABG) to identify flexibility for using the ABG to support services/projects currently funded from the Council's core budget. This review released resources by capping increases in some ABG allocations to 2.5% and from taking some of the uncommitted element of the Working Neighbourhood Fund part of the ABG. In the current year this review released £0.287m and £0.490m in 2010/2011. Detailed allocations for the individual Area Based Grants Schemes are attached at **Appendix F** and are in line with the proposed allocations considered in detail during the 2009/10 Budget Strategy.

5.2.12 Corporate Efficiencies and Savings – Benefit £1.75m.

There are a range of corporate efficiencies and savings which if implemented could benefit the budget for 2010/2011 and the following three years covering the following issues:

| | |
|----------------------------------|----------------------------|
| i) <u>Benefit Subsidy Income</u> | <u>£'000</u> 300 |
|----------------------------------|----------------------------|

A temporary saving for additional benefit subsidy income of £0.2m was included in the 2009/2010 budget. It is anticipated that this benefit is likely to be sustainable at £0.3m on an ongoing basis assuming current subsidy regulations remain in place. There is a risk that less beneficial subsidy regulations may be introduced, although given the increase in workload for this service as a result of the recession this is unlikely in the next three years.

| | |
|--|-----|
| ii) <u>Landfill Allowance Trading Scheme (LATS) Income</u> | 250 |
|--|-----|

As reported previously the Council will benefit from the sale of LATS permits from 2010/2011. Members have previously determined to allocate these resources to assist the revenue budget from 2010/2011 onwards; £0.25m in 2010/2011 and £0.2m for the following three years.

iii) Capitalisation of Revenue Expenditure 500

The Council currently funds a variety of projects from revenue budgets which could be capitalised to produce gross revenue saving of £0.5m in 2010/2011. This could be achieved by replacing revenue funding with Prudential Borrowing. The resulting repayment costs are a first call in the revenue headroom. The revenue costs of using £0.5m of Prudential Borrowing will be in the order of £50,000 depending on the specific schemes undertaken.

In the medium term, i.e. 2011/2012 to 2013/2014 Members will need to determine if they wish to continue this strategy. This will enable current levels of investment to be maintained, although this will commit future revenue headroom. For planning purposes it is assumed that Members will wish to continue this strategy and will review its sustainability when details of the next three year grant allocations for Councils are known.

iv) Cross Departmental Income Review 300

In previous years individual departments have been able to retain any above inflationary increases in income from fees and charges to either offset expenditure pressures or to count towards departmental savings targets. As no departmental savings targets (other than those accruing from the BTP) are planned for 2010/2011, it is suggested that a cross departmental income target of £0.3m is established.

If Members approve this principal detailed proposals for achieving this target will be reported to a future Cabinet meeting. These details will then be referred to Scrutiny Co-ordinating Committee as part of the Formal Budget Consultation arrangements later in the year.

v) Review of Car Allowance 400

It is anticipated that efficiencies can be made by undertaking a comprehensive review of existing officer transport arrangements for official Council business. This review will cover the cost effectiveness of the existing arrangements and alternative arrangements aimed at reducing costs and the Council's environmental impact. These proposals have been discussed by the Tees Valley Chief Executive to determine if there is scope to achieve greater efficiencies by working together.

1,750

5.2.13 Council Tax Increase – benefit £0.911m

In February 2009, Cabinet put forward an indicative Council Tax increase for 2010/2011 of 3.9%. Since that time there has been a reduction in the current level of inflation. This will impact on the inflationary increase in pensions which are expected to be pegged to 2.5%. At the time of writing this report inflation was at 2.9% but was expected to fall later in the year.

5.2.14 In addition, there will be increased public pressure for lower increases owing to the impact of increasing unemployment and pay freezes (or even reductions) in large parts of the economy. There will also be increasing political pressure on Council Tax increases in the run up to a 2010 General Election.

5.2.15 Against this background Members have previously proposed a lower Council Tax increase than the 3.9% indicative increase. For planning purposes an increase of 2.5% has been assumed for 2010/2011 to 2012/13 and 3.9% for 2013/14.

5.2.16 Each 1% additional increase/decrease in Council Tax equates to approximately £0.4m.

5.2.17 Summary Position 2010/2011 as reported September

If Members approve the proposals detailed in the previous paragraphs the 2010/2011 budget can be broadly balanced, as summarised below :

| | <u>£'000</u> | <u>£'000</u> |
|---|--------------|---------------|
| Gross Budget Deficit | | 7,176 |
| <u>Less</u> | | |
| Temporary Funding | | (1,937) |
| Business Transformation Efficiencies (BTP) | (2,088) | |
| BTP earlier releases assuming revised funding strategy approved | <u>(426)</u> | |
| Total BTP | | (2,514) |
| Corporate efficiencies and savings 2.5% | | (1,750) |
| Council Tax increase | | <u>(911)</u> |
| Net Deficit | | <u>64</u> |

5.2.18 At your December meeting this position was updated for changes since your September meeting. The net deficit has increased to £300,000 as detailed in the table below .

| | £'000 | |
|---|-------|-----------|
| Deficit reported to Cabinet 21.09.09 | 64 | |
| Add | | |
| - Shortfall in £0.3m income target | 76 | Permanent |
| - Increase in contingency - Safeguarding Children's Pressure | 80 | Permanent |
| - Shortfall Car Allowances saving (implementation delayed until 01.10.10) | 200 | Temporary |
| - Fire Safety Risk Management | 30 | Temporary |
| Revised Gross Deficit | 450 | |
| Less | | |
| - April 2009 pay award saving | (150) | Permanent |
| Net Deficit | 300 | |

Members attention is drawn to the increase in the contingency reflecting the increase in Social Workers as a result of the unannounced inspection and anticipated phased implementation of the changes to the Car Allowance scheme, which will only impact on 2010/11. Cabinet allocated a target for additional income of £300,000, proposals that achieve £224,000 have been attached at **Appendix G** for members consideration.

Since your December meeting a further pressure of £130,000 in relation to the Waste Disposal costs associated with rateable value changes, has arisen. This increases the net deficit to £430,000.

5.2.19 Residual Deficit for 2010/11

There remains a residual deficit for 2010/11 of £430,000 arising partly from a temporary factor. Within the base budget projections for 2010/11 remains the £300,000 provision for prudential borrowing for the Mill House Replacement. This is very unlikely to be required in 2010/11 and it is suggested that this be used to bridge the gap. The remaining gap of £130,000 can be funded from the increase of the Council Tax base which arises from the latest calculations undertaken in January 2010.

5.2.20 It is anticipated that the 2010/2011 budget can be balanced without having to undertake a specific efficiencies/savings exercise. Whilst, this initially appears less challenging than in previous years, the detailed position is still extremely challenging. The budget proposals include total efficiencies of £4.2m which achieves the latest 4% efficiency target from central Government.

5.2.21 These decisions will include issues relating to the detailed implementation of the Business Transformation Programme. For planning purposes it is assumed that the Business Transformation efficiencies are implemented from 1st April, 2010, and progress to date suggests this will be achieved.

5.2.22 Budget Risks 2010/11

The Council continues to monitor the risks it faces and make appropriate plans to mitigate those risks so that services are not unnecessarily and adversely affected. In your initial proposals risks to income budgets from the recession, Job Evaluation appeals, delays in the Business Transformation programme and Building Schools for the Future were identified. Further work has been carried out and continues to be done to refine these and other risks.

- **Tall Ships**
Members have previously considered the risks associated with the Tall Ships – particularly the risk of the expected income levels not being achieved. A reserve has been set aside to mitigate this risk, however Members had requested that insurance cover be investigated. This has now been done and it confirmed that insurance cover is not available. Accordingly the existing mitigation continues to be required.
- **NDC Residual Costs**
The Council is the accountable body for the NDC, which is due to end in 2011. Any residual costs not covered by grant will fall on the Council. Work will be ongoing in 2010/11 to mitigate these risks and minimise any impact on HBC. No specific estimate / provision is required at this stage.
- **Elderly Care**
In the Queen's speech the Government set out its proposals in relation to Social Care. The Council currently received income from charges which may be affected by these proposals. There is therefore a risk to the continuation of these income streams in later years which is flagged as a risk for 2011/12 onwards at this stage.
- **Equal Pay**
The Council continues to receive various equal pay claims. A separate detailed report was presented to Cabinet on 25th January 2010. However for the purpose of the budget proposals a significant additional provision is necessary to attempt to safeguard services and the Council's position.
- **Salary Turnover Target**
The Council for many years now has included a 3% reduction in staffing cost to reflect the normal delays in filling vacancies and the normal holding of vacancies to meet service requirements. This target is currently some £1m and has generally been achieved. It has become apparent as the work on the management structures has progressed that the achievement of this in future years will be much less likely as vacant posts are deleted permanently from the structure and the overall number of vacancies in Local Government reduces because of local governments financial position.
- **LPSA Reward Grant.** Although the main grants have been broadly confirmed for 2010/11 the LPSA reward grant is potentially at risk as it may not be honoured by a new government. As part of the current year's approved budget the revenue element of this grant is already committed to support future years budget and the capital element allocated towards one-off Building Schools for the Future costs.

The risks currently anticipated for the Budget Proposals are set out in the following table using the normal traffic lights.

| Risk Issue | Risk Assessment | Year | Estimated Value £'000 |
|--|-----------------|---|--------------------------|
| Income shortfalls | Red | 09/10 & 10/11 | 500 |
| Equal pay and equal value claims | Red | 10/11 onwards(?) | 2,000+ |
| JE appeal costs exceed £0.4m; | Amber | 10/11 onwards plus back-dated to 06/07 | ? |
| Business Transformation savings delayed; | Amber | 10/11 onwards | ? |
| Achievement of salary turnover targets | Amber | 10/11 onwards | 500 |
| Receipt LPSA Reward grant | Green | 10/11 onwards | ? |
| NDC Residual Issues | Green | 11/12 onwards | ? |
| Social Care Income | Amber | 11/12 onwards | ? |
| Additional BSF one-off costs. | Green | 12/13 | 1,800 |
| Estimated value of risks | | | 4,800+ |

Note - Tall Ships addressed through separate specific reserve

5.2.23 Risk Mitigation

The Council's previous strategy for mitigating risks has been to allocate monies to individual risks and carry earmarked reserves either in their own right or as part of the general fund reserve. This is dependant upon there being sufficient financial flexibility to do this. It has previously been reported that there are uncommitted resources owing to the corporate underspend for 2009/10 (£1.0m) and the monies no longer specifically needed for grant repayment within the supporting people reserve (£0.5m) (see review of reserves 5.6.5).

In addition to these there is now the likely saving of £0.5m of the monies set aside for the strategic land acquisition which is now unlikely to proceed either as early or as expected. This takes the flexibility to £2.0m which is insufficient to meet all the risks currently assessed but is likely to be sufficient in total to meet those cash requirements expected to become payable in 2010/11.

The Council has received notification of some £0.44m additional Working Neighbourhood funds grant on a one off basis for 2010/11. Work is currently underway to examine to what extent this can be used to fund existing general fund commitments that would free up further general fund resources to facilitate the overall financial position. At this stage no account has been taken of this.

Accordingly it is suggested that a strategic risk reserve be created, funded as identified above to meet these risks. It will also be necessary for the Council to consider topping up this risk reserve in future years depending on the changes in the underlying risk factors or in the availability of any further flexibility. Should the

amounts payable in any year exceed the risk reserve, then this will need to be met from the General Fund Balance as a last resort.

5.3 2011/2012 TO 2013/2014 BUDGET

- 5.3.1 It is expected that the next CSR will cover the period 2011/2012 to 2013/2014, although these details will not be known until after the General Election. In practice, individual councils' grant allocations will probably not be known until late November/early December, 2010, owing to the lead time between the General Election result and the Government reviewing the public finances and determining its overall spending priorities.
- 5.3.2 The Council therefore faces a period of financial uncertainty. However, it is clear that the public sector faces a period of austerity from 2011/2012 which will fundamentally change public services. In addition the Council is likely to enter the next three year settlement with a lower population estimate than expected which will further exacerbate the financial position.
- 5.3.3 Given the main political parties commitments to Health, Education and Defence and the need to begin to balance the public sector finances it is anticipated that Government funding for other services, including councils, will be reduced from 2011/2012. What is not clear is how quickly the Government will implement such changes.
- 5.3.4 On a practical basis the Council cannot wait until after the General Election to find out future grant allocations as this will not provide adequate time to develop a rational strategy for reducing costs. The Council needs to begin to plan how it will manage and prioritise services with lower grant levels during 2010 to ensure a strategy can be developed and implemented.
- 5.3.5 In order to begin this work the budget forecasts have been rolled forward to cover the period 2011/2012 to 2013/2014 and reflect the following planning assumptions:

- Provision for Inflation

Whilst inflation levels are currently low it is expected that the Council will face inflationary cost pressures of 2.5% which increases costs by approximately £2.4m per year.

- Headroom for Pressures

The Council will continue to face additional budgeted pressures, particularly in relation to care services and legislative changes. Annual provisions of £2m for these items have previously been included in the budget forecasts from 2011/2012 as a planning assumption. Based on previous years approved pressures this planning assumption is still appropriate. However, given the more challenging financial position this area needs to be reviewed to determine if there is scope for reducing this provision.

- Council Tax Levels

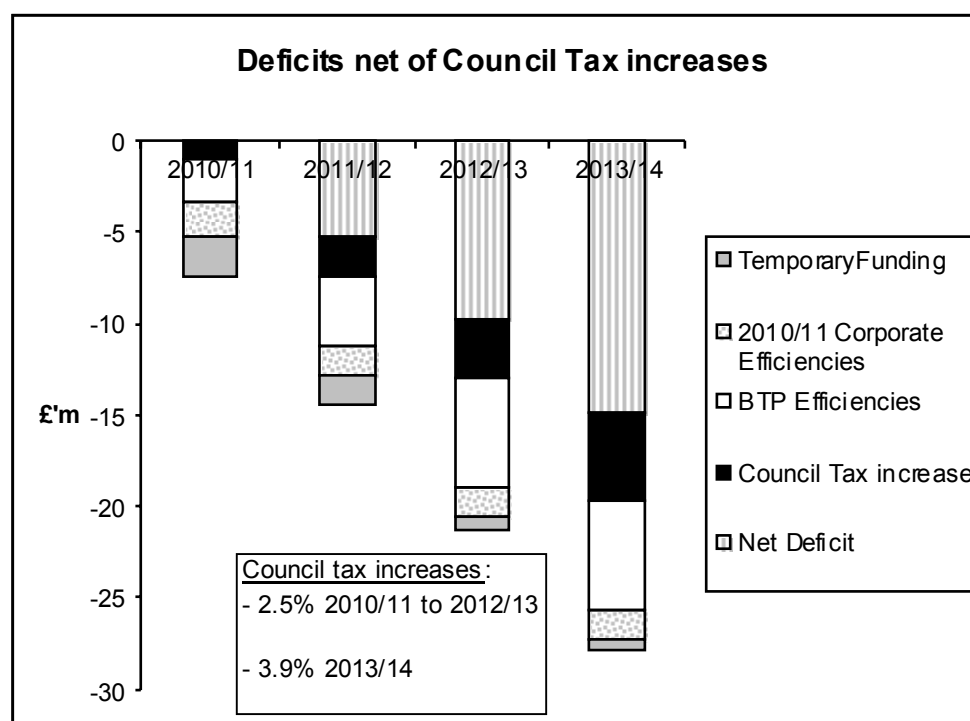
Council Tax levels will continue to be subject to public pressure owing to higher unemployment and continuing wage restraint in the private and public sectors. There will also be political pressure on Council Tax. For example, the

Conservative Party have previously indicated that if authorities limit Council Tax increases to 2.5% an additional grant will be paid to effectively freeze the actual increase paid by individual tax payers for two years. For planning purposes the budget forecasts for 2011/2012 and 2012/13 assume annual Council Tax increases of 2.5% and 3.9% for 2013/14.

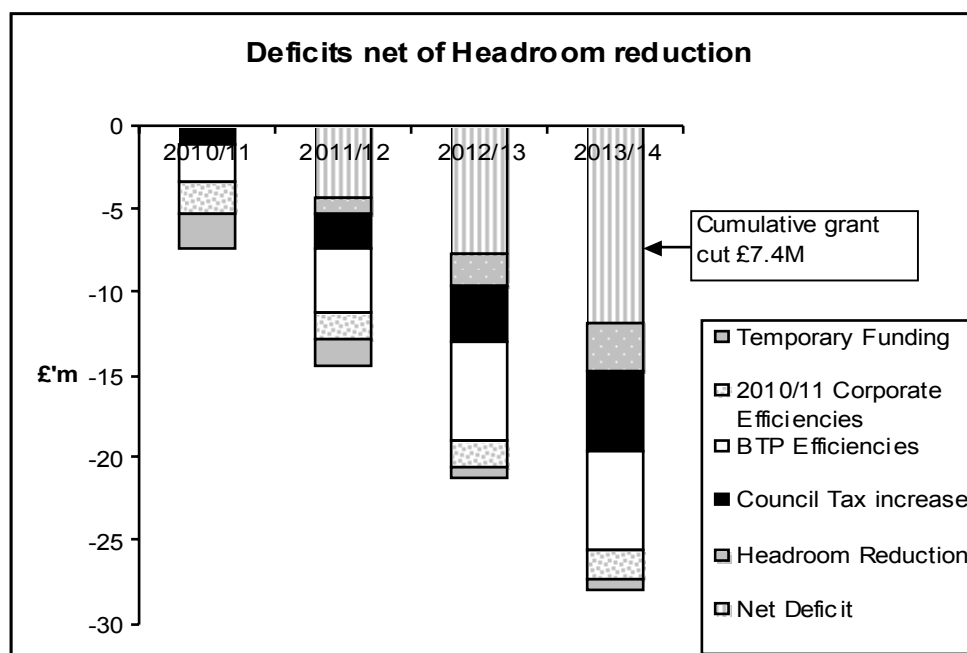
- Grant Levels

For planning purposes it is assumed that the Government will reduce grant funding by 5% per year from 2011/2012 for a three year period.

- 5.3.6 On the basis of the above planning assumptions the Council would need to make expenditure reductions of nearly £14m before the start of 2013/2014. This would be in addition to the use of temporary funding, the achievement of 2010/11 Corporate efficiencies, the achievement of the BTP efficiencies and suggested Council Tax increases, as detailed in the following table.



- 5.3.7 If the annual headroom could be reduced to £1m per year this would reduce the required expenditure reductions from £14m to £11m, as follows:



- 5.3.7 The budget forecasts assume annual grant reductions of 5% and Council Tax increases of 2.5%. The following table shows the impact of changing these assumptions by +/-1% on an annual basis and also the cumulative impact of +/-1% annual changes for three years from 2011/2012. These figures illustrate that there will need to be a significant change in the planning assumptions for either future grant levels, or Council Tax increases, to make a significant difference to forecast budget deficits.

| | <u>Annual Impact</u> | <u>Cumulative Impact Over 3 Years</u> |
|---------------------------------------|--------------------------|---|
| | <u>£'000</u> | <u>£'000</u> |
| Impact of +/-1% change in Grant | +/-510 | +/-1,530 |
| Impact of +/-1% change in Council Tax | +/-440 | +/-1,320 |

- 5.3.8 On the basis of the forgoing figures, it is likely that the Council will face annual deficits of some £4-5m per annum, after all existing planned measures are implemented. Bridging this level of deficit will require a major review of the existing SDO programmes and targets, income generation and ultimately review of the services delivered to residents. This will necessitate prioritising minimum essential levels and cuts are almost certain to be required.

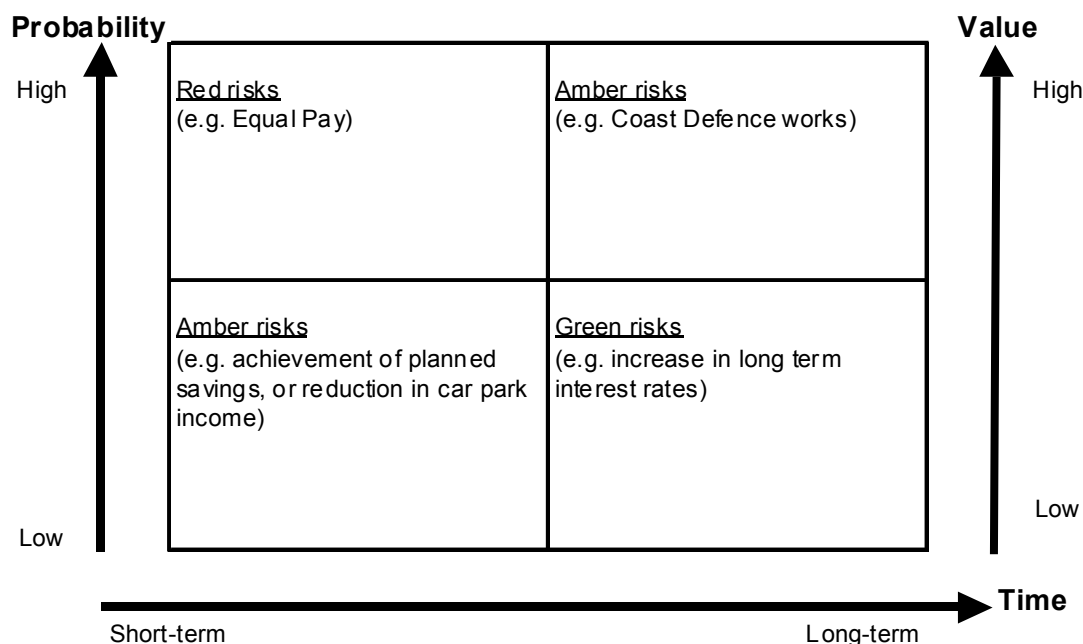
5.4 SCRUTINY CO-ORDINATING COMMITTEE FEEDBACK AND CONSULTATION MEETING

- 5.4.1 A detailed report is presented elsewhere on your agenda setting out Scrutiny Co-ordinating Committee feedback on the draft budget proposals referred for Scrutiny in December. Cabinet will need to consider what account they wish to take of these at your meeting.

- 5.4.2 Detailed consultation meetings have been held with the Trade Unions and representatives from the Business Sector. Minutes of these meetings are attached at **Appendix H** and are generally supportive of the proposals.

5.5 ROBUSTNESS OF BUDGET FORECAST AND RISK ASSESSMENT

- 5.5.1 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.
- 5.5.2 I would advise Members that in my opinion the budget forecasts suggested in this report for 2010/2011 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 2010/2011;
 - 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, contingency, efficiencies and strategy for bridging the budget detailed in the report. If Members do not approve these, 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 costs of implementing Job Evaluation do not exceed the provision included in the budget requirement.
- 5.5.3 Further details of the key financial assumptions underpinning the budget are detailed at **Appendix I**.
- 5.5.4 The robustness of the budget forecasts also takes account of the main areas of risk affecting the budget for 2010/2011 as detailed in the report. In line with the Council's overall Risk Management Strategy the Authority takes an active and pragmatic approach to the management of risk. This approach acknowledges that the purpose is not to remove all risks, rather it is to ensure that potential "losses" are prevented or minimised. The attached schedule and the corporate Risk Register ensure the Authority has identified areas of risk and developed arrangements for managing these areas.
- 5.5.5 The risk analysis categories risks on the basis of an assessment of these factors - probability of risk, time scale of risk and value of risk as summarised below (with a detailed schedule attached at **Appendix J**).



5.5.6 The risk assessment also takes account of the Government's warning that they will use Council Tax capping powers. The Government will not issue details of the capping criteria they will use for 2010/2011 until after all authorities have set their 2010/2011 Council Tax levels.

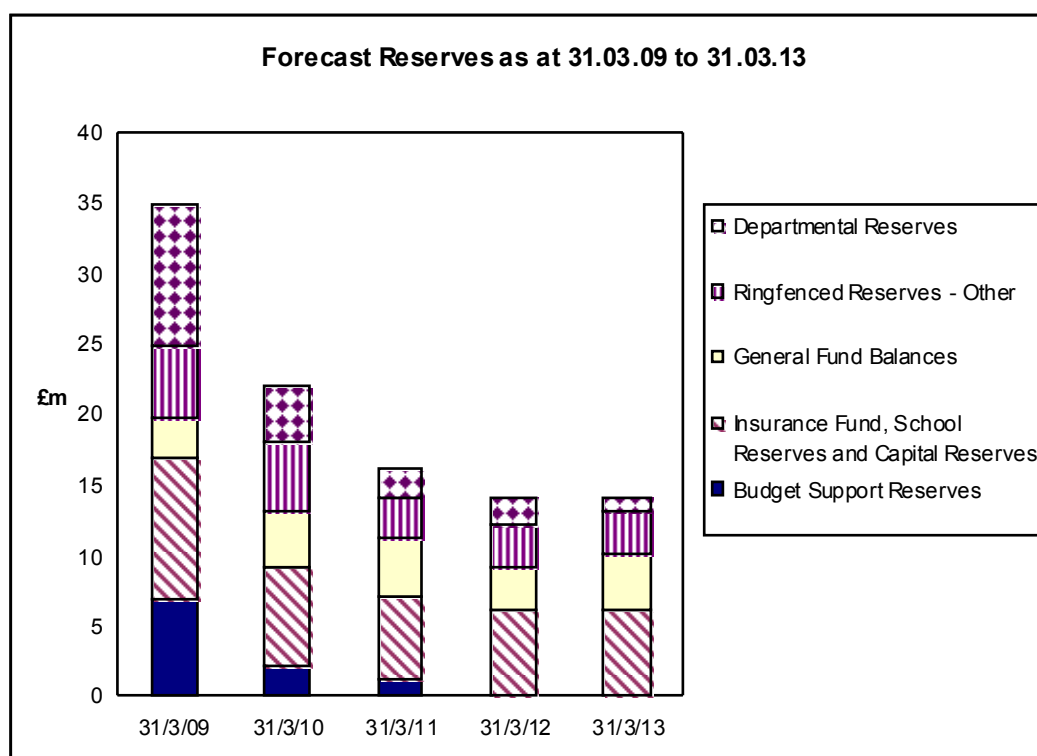
5.5.7 The proposed increase detailed earlier in the report should not be capped, although this cannot be guaranteed.

5.6 REVIEW OF RESERVES

5.6.1 Over the last few years the Council has been able to strengthen the Balance Sheet and a detailed schedule of reserves is attached at **Appendix K**. This has been achieved as a result of higher investment income and the Local Authority Business Growth Incentive (LABGI) scheme. These factors will not continue as interest rates have fallen significantly and are expected to remain low in the medium term. At the same time the Council's investments are forecast to reduce as reserves are used. From 2009/2010 a new LABGI Scheme has been introduced which only allocates 10% of the amount allocated under the previous system.

5.6.2 Significant elements of these resources have been earmarked for Building Schools for the Future costs and to assist manage the budget over the medium term. These resources will be released over the next few years so the increase in reserves is temporary.

5.6.3 A review of the historical position shows that the increase in reserves was previously driven by investment income and stock transfer benefits, including RTB income. Reserves peaked in 2004/05 at £36m and are forecast to fall to the longer term trend level of £11m by 2012/13 as detailed below.



5.6.4 The level of reserves is forecast to fall to £13.7m by 31st March, 2013, compared to a minimum requirement at that date or £8.2m. The minimum requirement consists of:

- the General Fund Balance of £3.4m, which is the minimum recommended level and equates to 3% of the budget;
- the Insurance Fund Balance of £4.7m, which is the estimated value to meet outstanding claims. The actual balance at 31st March 2013 is forecast to be £3.7m which is less than the ongoing requirement owing to the temporary use of this reserve to fund Business Transformation one-off costs repayable over a five year basis. It is hoped that the timing of these repayments and the settlement of insurance claims can be managed over this period within the available cash balance on this reserve.

5.6.5 After reflecting the existing commitment of reserves and the minimum ongoing requirements the Council has effectively committed the majority of available reserves. The only area where there are potentially uncommitted resources is the Ring-fenced Reserve for Supporting People. This reserve was established to mitigate the potential repayment of grant and to manage the transition to the new grant regime. Further work has been undertaken and this is now unlikely to be required, this allows some £0.5m to be allocated to the new strategic risk reserve as considered in 5.2.23 earlier.

5.6.6 Specific Reserves

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 re-phased 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.

5.6.7 General Fund Balances

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. 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 2009/2010 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.

5.7 CRITICAL CHALLENGE

- 5.7.1 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. Consultation with the Stakeholder Challenge group has been undertaken and again was supportive.
- 5.7.2 As budget changes have been identified that impact on services, officers have made an assessment of the impact relevant to diversity and equalities legislation.
- 5.7.3 A detailed summary of the diversity assessments is included at **Appendix L**.
- 5.7.4 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.

5.8 HELP FOR THE LOCAL ECONOMY

- 5.8.1 The budget proposals continue to provide 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.
- 5.8.2 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 2008. This is scheduled to continue for 2010/11.
- 5.8.3 Similarly, a range of initiatives continue to be pursued to help local businesses ensure they are paying the correct business rates and are supported where appropriate through the hardship route.

6. CURRENT YEAR 2009/10 OUTTURN STRATEGY

- 6.1 The latest Departmental projected outturns are to be reported in detail to Cabinet shortly. In summary they are expected to show the following:

| | Forecast Outturn At Quarter 2 £ '000's | Forecast Outturn At Quarter 3 £ '000's |
|---|--|--|
| <u>Child & Adult Services</u> | | |
| Childrens Services | (328) | (328) |
| Adult Services | 3 | (229) |
| | (325) | (557) |
| <u>Regeneration & Neighbourhood Services</u> | | |
| Rege neration & Planning | (134) | (134) |
| Neighbourhood Services | 114 | 14 |
| | (20) | (120) |
| <u>Chief Executives</u> | (42) | (42) |
| All Departments | (387) | (719) |

In relation to the favourable variance on Children's Services it has previously been considered that this be set aside to cover variability in the Looked After Children's budget, which is a high risk high impact service. This gives this critical service some protection from the volatility that we have seen in recent years. The net favourable variance expected in all other areas can be used to offset and fund the strategic risk reserve considered in 5.2.23 earlier.

- 6.2 Centralised Estimates are expected to underspend by £1.5m arising from investment income and the delay in needing to fund any strategic land acquisitions. Therefore, this underspend can be allocated to fund the strategic risk reserve as detailed in 5.2.23.
- 6.3 It follows from the above that the outturn strategy for 2009/10 needs to compliment and reflect the risk mitigations set out in 5.2.23 above. The current year continues largely in accordance with expectations. An overall net underspend is expected. Accordingly the resources and flexibilities that arise should be transferred into the new risk reserve.
- 6.4 Area Based Grant

Any underspend in relation to Area Based Grant Schemes should be retained centrally and used to underpin the flexibility needed to support the general fund.

7. CONCLUSION

- 7.1 The report considers the issues facing the Council in relation to the:

- Capital Programme
- General Fund and Council Tax levels
- 2009/10 Outturn Strategy

- 7.2 The report considers the national position and the need for future cuts in public spending, although this is deferred until 2011/12 when the new Government will need to consider its new Comprehensive Spending Review.
- 7.3 The Council is well placed through its Business Transformation Programme to achieve the higher level of efficiencies required by central government and the Council is in a position to set a budget with a lower level of Council Tax increase of 2.5% without service cuts for 2010/11.
- 7.4 The position for 2011/12 and beyond is however much bleaker, with cuts in Government grant of 5% being assumed for planning purposes. At this level some cuts in services are going to be required.
- 7.5 The report considers the financial risks facing the Council and sets out a strategy to address these through a strategic risk reserve. Fortunately the finance outturn for 2009/10 is expected to be favourable and helps mitigate those risks.

8. RECOMMENDATIONS

8.1 CAPITAL

- 8.1.1 Approve the proposal to passport Government capital allocations.
- 8.1.2 Approve the proposal to continue capital investment of £1.2m in SCRAPT priorities which is funded from prudential borrowing. Detailed proposals are set out in **Appendix A, table 1**.
- 8.1.3 Approve the proposal to use unsupported borrowing to support the following capital investment in 2010/2011

£'000

| | |
|---------------------------------|------|
| Community Safety Initiatives | 150 |
| Disabled Adaptations | 50 |
| Neighbourhood Forum Minor Works | 156 |
| Vehicle Replacement Programme | 1905 |

- 8.1.4 Endorse the additions to the Schools Capital Programme which have been supported by the Schools Forum Capital Sub-group.
- 8.1.5 Approve the proposal to use unsupported prudential borrowing as detailed in Appendix A Table 2 to support the Council's vehicle replacement programme where the business case demonstrates this is more cost effective than leasing and these costs can be either funded from existing budgets or increased income.
- 8.1.6 From 2011/12 the SCRAPT priorities monies be used to address major strategic issues

8.2 2009/2010 OUTTURN STRATEGY

- 8.2.1 That a specific reserve ring fenced for Looked After Children be created from the net underspend from the Children's services budget 2009/10.
- 8.2.2 That any other net departmental underspend be transferred to the new strategic risk reserve.

8.2.3 That the underspend on centralised estimates be also transferred to the strategic risk reserve.

8.2.4 That underspend on Area Based Grant schemes be clawed back centrally and used where possible to underpin the flexibility used to support the general fund.

8.3 2010/2011 REVENUE BUDGET

8.3.1 Approve the pressures of £1.159m included at Appendix C (5.2.3).

8.3.2 Approve the contingency of £0.450m as detailed in **Appendix D**.

8.3.3 Approve the Business Transformation efficiency of £2.514m (5.2.7).

8.3.4 Approve the temporary funding of £1.960m being the use of reserves from the Budget Support Fund (5.2.10) and Area Based Grant flexibility (5.2.11)

8.3.5 Confirm the detailed allocations for individual Area Based Grant Schemes as set out in **Appendix F** (5.2.11)

8.3.6 Confirm the Corporate efficiencies and savings of £1.75m as detailed in 5.2.12.

8.3.7 Approve the proposed increase in Council Tax of 2.5% for Council's approval, with guideline increase of 2.5% for 2011/12, 2012/13 and 3.9% for 2013/14.

8.3.8 Approve the additional items reflected in your 22nd December report and detailed in 5.2.18 together with the proposed funding of these changes as detailed in 5.2.19.

8.3.9 Approve the detailed proposals for the achievement of the income target as detailed in **Appendix G** (5.2.18).

8.3.10 Note the achievement of the 4% efficiency target (5.2.20)

8.3.11 Note the Budget risks and approve the mitigation strategy (5.2.22).

8.3.12 Note the key financial assumption underpinning the budget as detailed in **Appendix I** (5.5.3).

8.3.13 Approve the transfer of £0.5m from the Supporting People reserve, previously set aside from grant repayment to the Strategic Risk Reserve (5.2.23 and 5.6.5)

8.3.14 Note the opportunity to re-badge the additional WNF (5.2.23) and that this be investigated with any resources freed up being transferred to the strategic risk reserve.

8.3.15 Members note the lack of insurance cover for the Tall Ships event and note the continued need for the specific reserve.

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2010/11 TO 2012/13

TABLE 1 - FORECAST CAPITAL RESOURCES 2010/11 to 2012/13

| | Forecast Resources 2010/2011 | | | | | Forecast Resources 2011/2012 (Provisional) | | | | | Forecast Resources 2012/2013 (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 |
| <u>Supported Service Specific Allocations</u> | | | | | | | | | | | | | | | |
| - Local Transport Plan | 1,469 | 383 | | | 1,852 | 1,469 | 383 | | | 1,852 | 1,469 | 383 | | | 1,852 |
| - Children's Services | 526 | 2,223 | | | 2,749 | 526 | 2,236 | | | 2,762 | 526 | 2,236 | | | 2,762 |
| - Adult Social Services | | 169 | | | 169 | | 169 | | | 169 | | | | | 0 |
| Total Supported Service Specific Allocations | 1,995 | 2,775 | 0 | 0 | 4,770 | 1,995 | 2,788 | 0 | 0 | 4,783 | 1,995 | 2,619 | 0 | 0 | 4,614 |
| <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 |
| Capital Priorities | 1,200 | | | | 1,200 | 1,200 | | | | 1,200 | 1,200 | | | | 1,200 |
| | 1,556 | 0 | 0 | 0 | 1,556 | 4,556 | 0 | 0 | 0 | 4,556 | 1,556 | 0 | 0 | 0 | 1,556 |
| <u>Unsupported Departmental Prudential Borrowing</u> | | | | | | | | | | | | | | | |
| Replacement Wheelie Bins | 45 | | | | 45 | 45 | | | | 45 | | | | | 0 |
| New Communities Housing | 4,667 | | | | 4667 | | | | | | | | | | |
| Vehicle Procurement | 1,905 | | | | 1,905 | 1,441 | | | | 1,441 | 1,880 | | | | 1,880 |
| | 6,617 | 0 | 0 | 0 | 6,617 | 1,486 | 0 | 0 | 0 | 1,486 | 1,880 | 0 | 0 | 0 | 1,880 |
| <u>Useable Capital Receipts and RCCO</u> | | | | | | | | | | | | | | | |
| Education Planned Maintenance | 0 | 0 | 0 | 547 | 547 | 0 | 0 | 0 | 561 | 561 | 0 | 0 | 0 | 575 | 575 |
| | 0 | 0 | 0 | 547 | 547 | 0 | 0 | 0 | 561 | 561 | 0 | 0 | 0 | 575 | 575 |
| <u>Specifically Funded Schemes</u> | | | | | | | | | | | | | | | |
| NDC | | | | 1,234 | 1,234 | | | | 0 | 0 | | | | | 0 |
| Youth Capital Fund | | | | 65 | 65 | | | | 0 | 0 | | | | | 0 |
| Playbuilder Grant | | | | 599 | 599 | | | | 0 | 0 | | | | | 0 |
| Primary Capital Programme | | | | 3,378 | 3,378 | | | | 0 | 0 | | | | | 0 |
| Building Schools for the Future | | | | 5,000 | 5,000 | | | | 37,150 | 37,150 | | | | 26,450 | 26,450 |
| General Sure Start Grant | | | | 388 | 388 | | | | 0 | 0 | | | | | 0 |
| Aiming High for Disabled Children | | | | 125 | 125 | | | | 0 | 0 | | | | | 0 |
| Housing Market Renewal | | | | 2,315 | 2,315 | | | | 0 | 0 | | | | | 0 |
| Housing SHIP | | | | 1,450 | 1,450 | | | | 0 | 0 | | | | | 0 |
| Housing Communities Agency (HCA) | | | | 2,408 | 2,408 | | | | 0 | 0 | | | | | 0 |
| Disabled Facilities Grant (DFG) | | | | 275 | 275 | | | | 0 | 0 | | | | | 0 |
| | 0 | 0 | 0 | 17,237 | 17,237 | 0 | 0 | 0 | 37,150 | 37,150 | 0 | 0 | 0 | 26,450 | 26,450 |
| Total Forecast Resources | 10,168 | 2,775 | 0 | 17,784 | 30,727 | 8,037 | 2,788 | 0 | 37,711 | 48,536 | 5,431 | 2,619 | 0 | 27,025 | 35,075 |

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2010/11 TO 2012/13

TABLE 2 - FORECAST CAPITAL EXPENDITURE COMMITMENTS 2010/11 TO 2012/13

| | Forecast Expenditure Commitments 2010/2011 | | | | Forecast Expenditure Commitments 2011/2012 | | | | Forecast Expenditure Commitments 2012/2013 | | | |
|---|--|--------------------------|------------------------|----------------|--|--------------------------|------------------------|----------------|--|--------------------------|------------------------|----------------|
| | 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 | | 1,234 | | 1,234 | | | | 0 | | | | 0 |
| Youth Capital Fund | | 65 | | 65 | | | | 0 | | | | 0 |
| Primary Capital Programme | | 599 | | 599 | | | | 0 | | | | 0 |
| Building Schools for the Future | | 3,378 | | 3,378 | | | 37,150 | 37,150 | | | 26,450 | 26,450 |
| General Sure Start Grant | | 5,000 | | 5,000 | | | | 0 | | | | 0 |
| Aiming High for Disabled Children | | 388 | | 388 | | | | 0 | | | | 0 |
| Housing Market Renewal | | 125 | | 125 | | | | 0 | | | | 0 |
| Housing - SHIP | | 2,315 | | 2,315 | | | | 0 | | | | 0 |
| Housing Communities Agency (HCA) | | 1,450 | | 1,450 | | | | 0 | | | | 0 |
| General Sure Start Grant | | 2,408 | | 2,408 | | | | 0 | | | | 0 |
| Disabled Facilities Grant (DFG) | | 275 | | 275 | | | | 0 | | | | 0 |
| | 0 | 17,237 | 0 | 17,237 | 0 | 0 | 37,150 | 37,150 | 0 | 0 | 26,450 | 26,450 |
| <u>Misc Schemes</u> | | | | | | | | | | | | |
| Education Planned Maintenance | 547 | | | 547 | 561 | | | 561 | 575 | | | 575 |
| | 547 | 0 | 0 | 547 | 561 | 0 | 0 | 561 | 575 | 0 | 0 | 575 |
| <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 |
| Capital Priorities - See Note 3 | 1,200 | 0 | 0 | 1,200 | 1,200 | | 0 | 1,200 | 1,200 | 0 | 0 | 1,200 |
| | 1,556 | 0 | 0 | 1,556 | 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 | | 0 | | 0 |
| New Communities Housing | | 4,667 | | 4,667 | | 0 | | | | | | |
| Vehicle Procurement | | 1,905 | | 1,905 | | 1,441 | | 1,441 | | 1,880 | | 1,880 |
| | 0 | 6,617 | 0 | 6,617 | 0 | 1,486 | 0 | 1,486 | 0 | 1,880 | 0 | 1,880 |
| <u>Supported Service Specific Priorities</u> | | | | | | | | | | | | |
| Local Transport Plan | 1,852 | | | 1,852 | 1,469 | 383 | | 1,852 | 0 | | | 1,852 |
| Children Services | 526 | 2,223 | | 2,749 | 526 | 2,236 | | 2,762 | 0 | 0 | | 2,762 |
| Adult Social Services | 0 | 169 | | 169 | 0 | 169 | | 169 | 0 | | | 0 |
| | 2,378 | 2,392 | 0 | 4,770 | 1,995 | 2,788 | 0 | 4,783 | 0 | 0 | 0 | 4,614 |
| Total Forecast Commitments | 4,481 | 26,246 | 0 | 30,727 | 7,112 | 4,274 | 37,150 | 48,536 | 2,131 | 1,880 | 26,450 | 35,075 |

Table 1

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

| Project | 2010/11 Allocation £'000 |
|---|--------------------------------|
| Disabled Facility Grants | 180.0 |
| Key Vacant Buildings/General Flexible Town Wide Grant Pot | 200.0 |
| Match funding to lever in Regeneration Support | 250.0 |
| Upgrade Existing Air Monitoring Equipment | 70.0 |
| Voluntary Sector Premises Pool | 25.0 |
| Newburn Bridge Replace Roof and Security Doors | 85.0 |
| North Cemetery rebuild Structural Wall | 75.0 |
| Lynn Street Depot Replace workshop Roof | 50.0 |
| Replace Obsolete Building Management System Equipment | 45.0 |
| Seaton Carew Community Centre Window Replacement | 65.0 |
| Seaton Carew Sports Hall Roof Replacement | 85.0 |
| Central Library Boiler Replacement | 70.0 |
| | 1,200.0 |

SUMMARY OF KEY ONGOING 2009/10 SERVICE ISSUES

| | 2009/2010 Forecast Outturn Adverse/ (Favourable) £'000 | 2010/2011 Budget Pressure/ (Saving) £'000 | |
|---|---|---|-------------|
| <u>Child & Adult Services</u> | | | |
| - Working Age Adults Pressures for three young people with learning disabilities who turn 18 at the start of 10/11 | 0 | 55 | Pressure |
| - 20 young people access enrichment opportunity at Catcote school. 50% of this is funded via Catcote school but they now cannot subsidise the overall provision which predominately meets the assessed social needs of this complex | 100 | 140 | Pressure |
| - Mental Health Increasing number of high community based packages. Packages previously funded via vacancies but posts are now filled | 250 | 155 | Pressure |
| - Older People Care Increase demand owing to demographic trends and increasing need for services, especially Older People with dementia | 200 | 190 | Pressure |
| <u>Corporate Issues</u> | | | |
| - Energy Costs Higher prices at end of existing contracts | 0 | 150 | Contingency |
| - Job Evaluation / Equal Pay and equal value claims This area is not overspending in 2009/10, but is identified as a risk area owing to the potential impact of appeals and other changes. Cabinet on the 22/12/2009 agreed to set up a Single Risk Reserve to meet a series of risks faced by the Council in 2010/11 of which this was one of them. | 0 | 0 | |
| <u>Temporary Corporate Savings</u> | | | |
| - Centralised Estimates In 2009/10 the Council has earned higher interest on its investments and cash flows than expected resulting in a benefit of £1m. Cabinet on the 22nd December appraised those pressures facing the Authority in 2010/11 and agreed to set up a Single Risk Reserve to meet these risks using this underspend. | (1,000) | (500) | |

Chief Executive's Department - Pressures

| | £'000 | Description |
|---|------------|---|
| Revenue cost of proposed £0.5m capitalisation | 50 | Estimated repayment cost of using Prudential Borrowing to capitalise £0.5m of expenditure, which will produce a gross revenue saving for 2010/11 of £0.5m |
| Discretionary Business Rates Hardship Relief | 70 | Temporary costs for up to three years to provide support to businesses during the recession. |
| Total | 120 | |

Child & Adult Services Department - Pressures

| | £'000 | Description |
|--|------------|--|
| Brierton School site pre Dyke House decant | 125 | Part year costs of the LA operating the site whilst construction works are undertaken until Dyke House School moves to Brierton on 1st September 2010 - Rates, energy, caretaking, security etc. May be possible to fund part of these costs from alternative funding sources, such as DSG and these options are currently being explored in more detail. |
| Home to School Transport | 220 | Part year costs of transporting Dyke House pupils from home to the Brierton site wef 1st September 2010. Significant additional costs are likely depending on what Members agree regarding an exceptional rule to the Home to School policy. Legally we are only obliged to provide free transport to pupils travelling beyond 3 miles although the limit is 2 miles for low income families. (Again possibility that this could be DSG funded) Costs would be for 2 academic years only, spread over three financial years and would cease when Dyke House school reopens in September 2012. This figure is an initial costing and will be reviewed once Cabinet has determined a transport policy for decant period of Dyke House school. |
| Mental Health - Agency placements | 155 | Increasing number of high cost community based packages associated with Aspersers/autism/complex Dual Diagnosis. The complex needs associated with these conditions require significant funding and diagnoses of these conditions are expected to increase in the coming years. Packages have previously been funded through vacancies but posts now filled. Statutory duty to meet assessed needs, risks around failure in meeting our Duty of Care. |
| Older People - Intermediate care/transitional beds | 190 | Current pressure exists in relation to intermediate care provision and transitional beds. There continues to be an increased demand for these services owing to demographic increases in Older People and specifically those with dementia. The existing transitional beds provision is not suitable for those individuals with severe dementia. Funding is required to expand the current provision and to explore alternative options for more sustainable community based solutions. |
| Learning Disability Agency | 195 | Three young people with learning disabilities currently in transitions will turn 18 years of age at the start of 10/11. Early indications are that there will be a pressure of approximately £55K for those individuals, one with complex learning disabilities estimated at £35K, the remaining 2 individuals estimated at £10K each. There are 20 young adults with Learning Disabilities who currently access Post 19 education and enrichment/day opportunity via Catcote School. The provision is supported from a mixture of funding streams, LSC funding supports 50% of the provision classified as teaching and learning, the remainder is supported by Catcote school, of which the council has supported in recent years £66K from short term grant funding. Catcote school can no longer subsidise the overall provision which predominantly meets the assessed social care needs of this complex and vulnerable group of individuals. A pressure of £140K is required to enable this provision to continue. |
| Total | 885 | |

Regeneration & Neighbourhoods Services - Pressures

| | £'000 | Description |
|---|--------------|---|
| Support Bus Service and Concessionary Fares | 154 | This pressure arises due to the reinstatement of the hospital service H1 to North Tees and an anticipated above inflationary increase in concessionary fare payments. |
| Total | 154 | |
| Grand Total | 1,159 | |

CONTINGENCY ITEMS 2010/2011

| | £'000 |
|--|--------------|
| <u>Child & Adult Services</u> | |
| Additional funding in respect of Safeguarding Children to provide staffing capacity to address issues raised by Ofsted. | 100 |
| <u>Corporate</u> | |
| Repayment of 2008/2009 and 2009/2010 severance costs over a period of up to 5 years. | 120 |
| Potential increase in discretionary Business Rates relief costs during the recession. | 50 |
| Potential increases in energy costs from April, 2010, which NEPO (North East Purchasing Organisation) have indicated could be around 10% for both gas and electricity. | 150 |
| Fire Safety Risk Management | 30 |
| Total | 450 |

Chief Executive's Department - Priorities**APPENDIX E**

| | £'000 | Description |
|-------------------------|------------|--|
| Support of Credit Union | 60 | To support bids for administration of pump priming loan pool fund from DWP to help needy families and also to create a development fund to support initiatives of the Hartlepool Financial Inclusion Partnership. |
| Reactive Maintenance | 50 | Past years have seen reactive budget provision increase annually by less than construction industry cost increases. In addition energy costs have increased. Budget provision for the Windsor and Carnegie have been less than requested within the overall budget headings, a realignment against anticipated commitments has been undertaken involving Finance. The consequence of this is that the available resources for day to day responsive works have been significantly reduced. |
| Total | 110 | |

Regeneration & Neighbourhoods Services - Priorities

| | £'000 | Description |
|---|------------|--|
| Extension of out of hours service | 183 | Depending on Members' decision on options for extending the service the costs could be funded from existing budgets or incur additional costs of up to £183,000. |
| Neighbourhood Management/Community Safety | 50 | With the demise of NDC the contribution towards the Neighbourhood Management/Policing and Community Safety programme at 173 York Road will cease. Cleveland police are committed to funding half of the costs and are pursuing the increase through their own budget pressure rounds. The costs cover premises/ half a FTE anti social behaviour officer and administrative support. |
| Total | 233 | |
| Grand Total | 343 | |

PROPOSED WORKING NEIGHBOURHOOD FUND ALLOCATIONS (AREA BASED GRANT)

| Project | Lead Dept | 2009/10 Base ('000) | 2010/11 Proposed Allocation ('000) |
|--|-----------|---------------------|------------------------------------|
| Skills to work - HBC | A&CS | 51 | 52 |
| Economic impact evaluation of the Tall Ships | A&CS | 10 | 21 |
| Belle Vue Sports | A&CS | 44 | 45 |
| Exercise Referral - HBC | A&CS | 28 | 28 |
| Connected Care - Manor Residents | A&CS | 25 | 25 |
| Mobile Maintenance - HBC | A&CS | 46 | 47 |
| Mental Health Dev. & NRF Support Network - Hartlepool MIND | A&CS | 91 | 93 |
| Integrated Care Teams - PCT | A&CS | 20 | 0 |
| Financial Inclusion - HBC | CE | 40 | 40 |
| Primary/Secondary Schools Direct Funding - HBC | CS | 410 | 420 |
| Education Business Links - HBC | CS | 51 | 53 |
| New Initiatives - HBC | CS | 41 | 42 |
| Project Coordination - HBC | CS | 5 | 5 |
| Hartlepool "On Track" Project - HBC | CS | 51 | 53 |
| 14-19 Reform Support | CS | 60 | 65 |
| Environmental Enforcement Wardens | NS | 158 | 162 |
| Environmental Action Team | NS | 103 | 105 |
| Schools Environmental Action Officer | NS | 63 | 65 |
| Women's Opportunities - HBC | R&P | 74 | 76 |
| Enhancing Employability - HBC | R&P | 8 | 8 |
| Homelessness Project - DISC | R&P | 159 | 163 |
| Carers into Training and Employment - Hartlepool Carers | R&P | 46 | 48 |
| Targeted Training - HBC | R&P | 119 | 122 |
| Jobs Build - HBC | R&P | 80 | 82 |
| Workroute ILM - HBC | R&P | 239 | 245 |
| Progression to Work - Assisting local people into work - HBC | R&P | 276 | 283 |
| Volunteering into Employment - HVDA | R&P | 100 | 102 |
| Community Employment Outreach - OFCA | R&P | 109 | 112 |
| Community Employment Outreach - Wharton Annex | R&P | 51 | 52 |
| Community Employment Outreach - West View Employment Action Centre | R&P | 51 | 46 |
| Job Club - Owton Manor West Neighbourhood Watch & Resident's Association | R&P | 41 | 42 |
| West View Project | R&P | 37 | 38 |
| Hartlepool Worksmart - Improving the Employment Offer - HBC | R&P | 28 | 29 |
| Incubation Systems and Business Skills Training - HBC/OFCA | R&P | 274 | 281 |
| Business & Tourism Marketing - HBC | R&P | 20 | 21 |
| Local Employment Assistance - OFCA | R&P | 47 | 48 |
| Jobsmart - HBC | R&P | 36 | 37 |
| Youth into employment - Wharton Trust | R&P | 39 | 40 |
| Introduction to construction - Community Campus | R&P | 16 | 17 |

4.1 Appendix F

| Project | Lead Dept | 2009/10 Base ('000) | 2010/11 Proposed Allocation ('000) |
|---|-----------|---------------------|------------------------------------|
| Adventure traineeship - West View Project | R&P | 40 | 41 |
| Employment support - Hartlepool MIND | R&P | 51 | 52 |
| Support for existing businesses to expand (new projects to be sought) | R&P | 57 | 120 |
| Active Skills - West View Project | R&P | 26 | 27 |
| Career Coaching - HVDA | R&P | 37 | 38 |
| Level 3 Progression - HCFE | R&P | 83 | 85 |
| Administration of LLP | R&P | 4 | 4 |
| Support for adults into Skills for Life and NVQ Level 2 courses including Citizenship Learning (new projects to be sought) | R&P | 62 | 130 |
| Safer Streets & Homes, Target Hardening | R&P | 170 | 170 |
| Dordrecht Prolific Offenders Scheme | R&P | 128 | 131 |
| NRF Project Assistant | R&P | 25 | 25 |
| ASB Officer & Analyst | R&P | 71 | 73 |
| COOL Project | R&P | 67 | 68 |
| FAST | R&P | 194 | 199 |
| Landlord Accreditation Scheme | R&P | 10 | 10 |
| LIFE - Fire Brigade | R&P | 34 | 35 |
| Neighbourhood Policing | R&P | 200 | 200 |
| HMR- Support for Scheme Delivery | R&P | 123 | 126 |
| Community Empowerment Network Core Costs | R&P | 140 | 144 |
| Community Chest | R&P | 90 | 90 |
| NAP Residents Priorities | R&P | 221 | 221 |
| NAP Development | R&P | 40 | 40 |
| Neighbourhood Renewal/Hartlepool Partnership | R&P | 90 | 90 |
| NR & Strategy Officer (including Skills & Knowledge) | R&P | 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. | CORP | 230 | 258 |

TOTAL

5,391

5,643

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

| Grant stream | Lead Dept | 2009/10 Base | 2010/11 Proposed Allocation |
|---|-----------|--------------|-----------------------------|
| | | £'000 | £'000 |
| Supporting People Administration | A&CS | 134 | 153 |
| Preserved Rights | A&CS | 289 | 330 |
| Supporting People Projects | A&CS | 0 | 60 |
| Local Involvement Networks | A&CS | 99 | 99 |
| Learning & Disability Development Fund (via PCT in 2007/8) | A&CS | 106 | 106 |
| Adult Social Care Workforce (formerly HRDS and NTS) | A&CS | 289 | 273 |
| Carers - 80% Adult | A&CS | 410 | 420 |
| Mental Capacity Act and Independent Mental Capacity Advocate Service | A&CS | 66 | 63 |
| Mental Health | A&CS | 355 | 352 |
| Sustainable Travel General Duty | CS | 7 | 7 |
| Teenage Pregnancy | CS | 144 | 144 |
| 14-19 Flexible Funding Pot | CS | 31 | 31 |
| Child Death Review Processes | CS | 17 | 18 |
| Children's Social Care Workforce (formerly HRDS and NTS) | CS | 42 | 41 |
| Children's Fund | CS | 395 | 395 |
| Choice Advisers | CS | 25 | 25 |
| Education Health Partnerships | CS | 43 | 43 |
| Secondary National Strategy - Behaviour and Attendance | CS | 68 | 68 |
| Secondary National Strategy - Central Co-ordination | CS | 108 | 108 |
| School Development Grant (Local Authority Element) | CS | 287 | 287 |
| School Improvement Partners | CS | 42 | 42 |
| School Intervention Grant | CS | 26 | 26 |
| Primary National Strategy - Central Co-ordination | CS | 72 | 72 |
| Carers - 20% Children | CS | 102 | 102 |
| Care Matters White Paper | CS | 99 | 92 |
| Connexions | CS | 1,169 | 1,171 |
| Extended Rights to Free Transport | CS | 40 | 19 |
| Extended Schools Start Up Costs | CS | 477 | 196 |
| Positive Activities for Young People & Neighbourhood Support Fund | CS | 434 | 474 |
| Child and Adolescent Mental Health Services | CS | 224 | 229 |
| Child Trust Fund | CS | 2 | 2 |
| Road Safety Grant | NS | 175 | 169 |
| School Travel Advisers | NS | 35 | 35 |
| Rural Bus Subsidy | NS | 30 | 31 |
| Stronger Safer Communities Fund - BSC, ASB & DPSG elements | R&P | 182 | 182 |
| Young People Substance Misuse Partnership | R&P | 41 | 41 |
| Cohesion | R&P | 49 | 49 |
| Stronger Safer Communities Fund - Neighbourhood Element | R&P | 258 | 0 |
| Climate Change (Planning Policy Statement) | CORP | 23 | 23 |
| Resources allocated to support existing projects currently funded from Council's core budget which can now be funded from the Area Based Grant. | CORP | 0 | 156 |
| | | 6,395 | 6,133 |

4.1 Appendix G

Schedule of Proposed Income Increases 2010/2011

Child & Adult Services Department

Potential Sources of Additional Income - 2010/11.

| Section | Item / Task Discussed | Estimated Additional Income £'000 | Risk impact | Risk probability | Risk score | Risk status |
|--|---|--------------------------------------|-------------|------------------|------------|-------------|
| Finance Team | Updated projection of school buyback SLA income | 3 | 1. Low | 1. Unlikely | 1 | Green |
| Performance Team | Fees from provision of training courses to schools | 2 | 1. Low | 1. Unlikely | 1 | Green |
| Admissions Team | Charges relating to co-ordinating and overseeing admissions process in Secondary Schools following their transfer to Foundation status | 8 | 1. Low | 1. Unlikely | 1 | Green |
| Youth Service - Admin | Sale of places on Youth Service-run training courses to local area groups. | 2 | 1. Low | 1. Unlikely | 1 | Green |
| Brinkburn Youth Centre | Updated projection of income received from room hire | 1 | 1. Low | 1. Unlikely | 1 | Green |
| C&F - Staff Development Training | Sale of franchise courses. Updated projection of income. | 8 | 1. Low | 1. Unlikely | 1 | Green |
| Direct Payments - Packages | A number of packages of care include health care needs in addition to social care needs. A more focussed approach to recharging the PCT for the health care element is resulting in additional income | 6 | 1. Low | 1. Unlikely | 1 | Green |
| English Martyrs Exclusion Project | Net income from provision of project for pupils at risk of school exclusion. | 3 | 1. Low | 1. Unlikely | 1 | Green |
| Care Proceedings | Surplus of voluntary contributions from stakeholders towards court costs | 1 | 1. Low | 2. Possible | 2 | Green |
| YC Youth Advisory Balances | This income represents profit on tuck shop sales to Young People. The Youth Service has historically retained and delegated this back to projects in consultation with young people | 4 | 1. Low | 2. Possible | 2 | Green |
| Commissioning Budgets | Additional Expenditure in adult social care budgets and review of charging strategy has led to increased service user contributions being achieved. It is expected that this will be sustainable. | 100 | 3. High | 2. Possible | 6 | Amber |
| Individual Staff supported through DWP | Increase in existing income budget to accommodate previous patterns of income and continued support from DWP | 20 | 1. Low | 1. Unlikely | 1 | Green |
| Museums & Heritage | Increases in Admission Fee income - volatile and sometimes weather dependant. | 15 | 2. Medium | 2. Possible | 4 | Amber |
| Strategic Arts | Increased income from lettings - volatile | 5 | 2. Medium | 2. Possible | 4 | Amber |
| Sports & Leisure | Increased admission fees - linked to Free Swims Initiative | 10 | 2. Medium | 2. Possible | 4 | Amber |
| Grand Total | | 188 | | | | |

Chief Executives

4.1 Appendix G

Potential Sources of Additional Income - 2010/11.

| Section | Item / Task Discussed | Estimated Additional Income £'000 |
|-----------------------|---|--------------------------------------|
| Legal | Increased income from provision of services to Cleveland Fire Authority in relation to support PFI scheme | 4 |
| Internal Audit | Increase in income from schools for provision of Financial Management in Schools assessments | 4 |
| Revenues and Benefits | Increase in bailiff fees | 5 |
| HR | Increased income from Management Development programme | 3 |
| Corp. Strategy | Website advertising, sell a small slot to google ads or similar | 2 |
| Corp. Strategy | School appeals review of charging as this was not taken into account this year | 1 |
| Grand Total | | 19 |

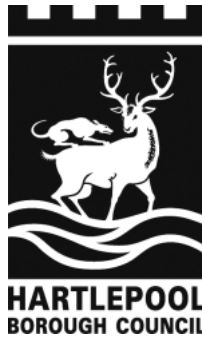
| Risk impact | Risk probability | Risk score | Risk status |
|-------------|------------------|------------|-------------|
| 1. Low | 1. Unlikely | 1 | Green |
| 1. Low | 2. Possible | 2 | Green |
| 1. Low | 1. Unlikely | 1 | Green |
| 1. Low | 1. Unlikely | 1 | Green |
| 1. Low | 1. Unlikely | 1 | Green |
| 1. Low | 2. Possible | 2 | Green |
| | | | |

Regeneration & Neighbourhood Services

Potential Sources of Additional Income - 2010/11.

| Section | Item / Task Discussed | Estimated Additional Income £'000 |
|------------------------------|---|--------------------------------------|
| Environmental Protection | Sponsorship of Pest Control Vans - Local companies may be willing to pay for advertising on Council vehicles which are on the road around the town all day. | 5 |
| Environmental Sustainability | Schools Environmental Action Initiative (SEAI)- This programme is currently funded through the Working Neighbourhood Fund - other authorities have started to charge for Environmental support (e.g. Sunderland charges £1000 per school and has matched that with local funding). Each school to be charged £500 per annum per service - Anticipate that 4 schools will sign up this year. | 2 |
| Environmental Sustainability | Pride in Hartlepool sponsorship | 1 |
| Environmental Sustainability | Resource use reduction - Offer service to schools to examine and reduce resource usage- programme currently funded through Working Neighbourhood Funding the charge could be a percentage of the savings achieved (as business such as KPMG). £1,000 per school (based on achieving a 20% saving)- anticipated that 2 schools will sign up this year. | 2 |
| Horticultural Services | | 5 |
| Environmental Services | | 2 |
| Grand Total | | 17 |

| Risk impact | Risk probability | Risk score | Risk status |
|-------------|------------------|------------|-------------|
| 2. Medium | 1. Unlikely | 2 | Green |
| 2. Medium | 2. Possible | 4 | Amber |
| 1. Low | 1. Unlikely | 1 | Green |
| 2. Medium | 2. Possible | 4 | Amber |
| 1. Low | 1. Unlikely | 1 | Green |
| 1. Low | 1. Unlikely | 1 | Green |
| | | | |



BUDGET CONSULTATION MEETING WITH TRADE UNION REPRESENTATIVES

**Minutes of Meeting held on 21 January 2010
at 8.30am in the Mayor's Office, Level 2, Civic Centre**

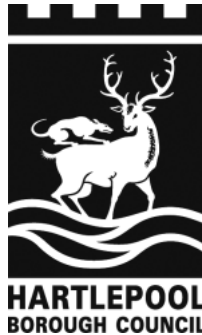
Present: ***Hartlepool Borough Council Officers***
Mike Ward, Chief Financial Officer
Chris Little, Assistant Chief Financial Officer
Sandra Shears, Chief Accountant
Andrew Atkin, Assistant Chief Executive
Dave Stubbs, Director of Regeneration and Neighbourhoods

Councillors
Stuart Drummond, Mayor

Trade Union Representatives
Edw in Jeffries
Tony Watson
Margaret Waterfield
Malcolm Sullivan

Emma Armstrong, PA to CEMT (Minutes)

| | |
|--|--|
| 1. | Presentation |
| <p>MW provided a detailed overview of the issues affecting the budget and policy framework proposal for 2010/11 to 2013/14 and sought views from the Trade Unions. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none"> - National financial position - 2009/10 Budget Position - 2010/11 to 2013/14 Financial Outlook - Business Transformation Programme | |
| Comments Made | Response |
| <p>The Trade Unions acknowledged the difficulties of the coming financial situation and expressed their willingness to help resolve the issues. In relation to the detailed 2010/11 Budget, they were supportive of the proposals made.</p> | <p>This was noted by the officers.</p> |



BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 21 October 2009
at 8.30am 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
Andrew Atkin, Assistant Chief Executive
Antony Steinberg, Economic Development Manager

Councillors
Councillor R Payne
Councillor C Hill
Councillor G Hall
Councillor V Tumilty

Business Representatives
John Megson
Peter Olson
Brian Beaumont
Colin Griffiths
Adrian Liddell

Apologies: Stuart Drummond, Mayor
Paul Walker, Chief Executive
Mike Ward, Chief Financial Officer

Kirsty Swanson, PA to the Chief Executive (Minutes)

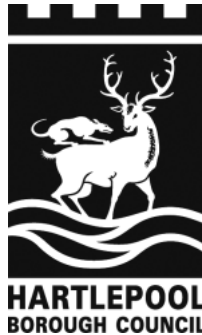
| | |
|-----------|---------------------|
| 1. | Presentation |
|-----------|---------------------|

CL provided a detailed overview of the issues affecting the budget and policy framework proposal for 2009/10 to 2013/14 and sought views from the Business Sector. A detailed overview of the following issues was provided:

- National financial position
- 2009/10 Budget Position
- 2010/11 to 2013/14 Financial Outlook
- Business Transformation Programme

| Comments Made | Response |
|--|--|
| What assumptions have been made for increases in the employee Pay Award? | 2.5% has been factored in for future increases in pay costs, which needs to cover the April 2011 national insurance increase, annual cost of living pay awards and potential increases in employers pension contributions. |
| Will there be an increase in employees during Business Transformation Programme? | No additional employees will be recruited during the Business Transformation Programme. Councillor Hall commented that new jobs created by the Council were generally funded from specific grants and not the Council's core budget. |
| What happens if efficiencies are set at over 20% | This is possible but will be very difficult for all authorities. Our assessment is that in practice there will be reductions over a number of years, rather than a single reductions as the Government needs to take account of the impact of reductions in public sector spending on the overall economy. |
| Questions were raised in relation to redundancy costs of externally funded posts. | Redundancy costs are sometimes funded from the specific grant, but not always factored into the funding. Once the officer has been in post of two years they then become a council employee and redundancy costs will be payable. |
| Councillor G Hall asked the Business Sector Representatives if any of the new initiatives which the council has implemented for local business has helped. | Yes, the 10 day payment has helped a lot. A discussion took place regarding the procurement documents which need to be completed when tendering for a contract. Councillors expressed their commitment to supporting Hartlepool business and the local economy wherever ever this was possible within existing procurement rules and regulations. |

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| Overall comments from business sector representatives are that they are very happy with the services the council is currently undertaking, particularly in relation to economic development and regeneration work over the last 10 years. . | |
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**BUDGET CONSULTATION MEETING WITH TRADE UNION
REPRESENTATIVES**

**Minutes of Meeting held on 26 October 2009
at 9.30am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Paul Walker, Chief Executive
Chris Little, Assistant Chief Financial Officer
Joanne Machers, Chief Personnel Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods

Councillors
Stuart Drummond, Mayor
Councillor G Hall

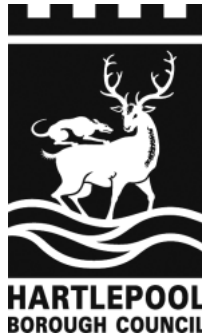
Trade Union Representatives
Edw in Jeffries
Tony Watson
Margaret Waterfield
Malcolm Sullivan

Apologies: Mike Ward, Chief Financial Officer

Kirsty Swanson, PA to the Chief Executive (Minutes)

| | |
|---|---------------------|
| 1. | Presentation |
| <p>CL provided a detailed overview of the issues affecting the budget and policy framework proposal for 2009/10 to 2013/14 and sought views from the Trade Unions. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none">- National financial position- 2009/10 Budget Position- 2010/11 to 2013/14 Financial Outlook- Business Transformation Programme | |

| Comments Made | Response |
|--|---|
| SD queried if floor damping would be allocated next year. | CL stated that floor damping adjustment for 2010/11 was anticipated to be £0.4m lower than in the current year. However, floor damping reduction would still total £2.4m in 2010/11. The outlook for further reductions in floor damping after the election would depend on the new Government's priorities and the formula adopted for distributing grants. In the current financial climate it is unlikely that floor damping will be phased out quickly. |
| PW reiterated points made in the presentation that after all Business Transformation efficiencies and other proposals have been implemented annual savings of £4 million would be needed for three years from 2011/12. | |
| We are unable to predict what is going to happen in future years but the main issue is that Trade Unions are involved at the earliest opportunity. | PW agreed with these comments. |



BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 26 January 2010
at 8.30am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Chris Little, Assistant Chief Financial Officer
Andrew Atkin, Assistant Chief Executive
Mike Ward, Chief Financial Officer
Stuart Drummond, Mayor

Business Representatives
John Megson
Peter Olson
Brian Beaumont
Adrian Liddell

Apologies: Councillor P Hargreaves
Councillor R Payne
Councillor C Hill
Councillor G Hall
Councillor V Tumilty
Paul Walker, Chief Executive

Emma Armstrong, PA to the CEMT (Minutes)

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|---|---------------------|
| 1. | Presentation |
| <p>MW provided a detailed overview of the issues affecting the budget and policy framework proposal for 2010/11 to 2013/14 and sought views from the Business Sector. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none">- National financial position- 2009/10 Budget Position- 2010/11 to 2013/14 Financial Outlook- Business Transformation Programme- Population reduction / floor damping issues.- Risk Issues | |

| Comments Made | Response |
|---|--|
| Why has 5% grant cut been used instead of a higher % to cover the more pessimistic situation? | When the presentation was prepared, 5% grant cut was the medium situation. MW discussed some of the various options in relation to the general election and the impact this will have on the grant cut. If 10% grant cut was used then large service cuts would be required and these cuts would be in all areas including Care provision. At this stage given the uncertainty that was felt to be too pessimistic at this stage |
| Legally does the council have to hold some reserve funding? | Legally you can spend all your reserves however in practice the Audit Commission recommend 3% in reserve funding and to plan to use all reserves would not be prudent and this places the Council in risk of not having a robust budget. |
| Should JE have put an end to the Equal Pay claims? | JE has put an end to some claims, however not all Equal Pay Claims as court cases have been won where employees have been compared with other employees in different negotiating groups. This leaves the Council at risk. 4500 employees (incl schools) and still exposed to back dated claims of up to 6 years. |
| As the Council own housing properties again, would you be creating and raiding a Housing Revenue Account. | No, HBC will not be creating a housing revenue account. |
| It was noted that the replacement of cremators is in the report. | It was noted that they need replacement due to environmental issues from EEC emission directive. |
| Culture changes will be needed. | Citizen / state – citizen will need to expect a lower service |
| Business sector in HBC – would like HBC to keep supporting the Business Sector where possible. | |
| Business Rate re-evaluation – how much impact would this have? | The Inland Revenue are completing the review and no details available at the moment. |
| 2.5% Council tax increase, will this be similar in the North East? | Most probably this will be average increase and will be below capping limit. |
| Has HBC assumed pay rises for the next 3 years? | Generally assumed that there will be an increase of employers pay bill, this however has to take into consideration increases in NI, and therefore takes into consideration a very small increase if any. |

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 2010/11 include 2.5% for anticipated cost of living pay increase (ie pay award, national insurance changes and pension changes) 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. It has become apparent as the work on the management structures has progressed that the achievement of this target in future years will be much less likely as vacant posts are deleted permanently from the structure and the overall number of vacancies in Local Government reduces owing to the challenging financial environment. The salary abatement targets have been reduced accordingly.</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> |
| The treatment of demand led pressures | 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 2010/2011 to absorb some demand pressures and appropriate provision has been included in the budget requirement for 2010/11, to meet these commitments. |
| The treatment of planned efficiency savings/productivity gains | 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 through the managed overspend rules until a permanent efficiency is achieved. The main areas of efficiencies in 2010/11 are part of the Business Transformation Programme for the revised management structure savings. |

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| 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 2009/2010. |
| Equal Pay/ Equal Value Claims | <p>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 1st April 2007. The budget requirements for 2010/11 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.</p> <p>The Council is also facing the risk of Equal Value Pay Claims. Accordingly, the Council has set up a Single Risk Reserve funded from the 2009/10 outturn position to fund such risks.</p> |

2010/11 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 | 2010/11 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 | 48% | <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 2010. There is likely to be downward pressure on this area, owing to the impact of the recession.</p> <p>It is anticipated that the above provisions should be sufficient to meet additional costs in 2010/11, although this area will need to be managed carefully.</p> |
| Higher costs of borrowing and/or lower investment returns | Green | 6,819 | 6.5% | <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> |
| IT. | Green | 2,691 | 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 be 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 | 2010/11 Base Budget £'000 | Budget as %age net budget | Description of Risk and Summary of Risk Management Arrangements |
|--|-------------|---------------------------|---------------------------|--|
| Planned Maintenance Budget | Amber | 232 | 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. 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.</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> |

CHILD & ADULT SERVICES

| | | | | |
|---|-------|--------|------|--|
| Individual School Budget | Amber | 56,977 | 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. Where government grant settlements allow, schools are allocated multi-year budgets and encouraged to hold strategic reserves. A claw back scheme to deal with excessive reserves was introduced in 2007 as was an enhanced monitoring and reporting role for the LA. The clawback scheme was amended in January 2010 to reduce the amount of general reserves individual schools can hold. There are currently two Hartlepool Schools in deficit and both are projecting improved positions by the end of 2009-10.</p> |
| Individual Pupils Budget allocated during the year to schools for high level SEN pupils | Green | 1,453 | 1.4% | <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. 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 | 1.6% | <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 (ITU).</p> <p>A further pressure on the budget has arisen from the introduction of extended rights for low income secondary pupils in September 2008, although the ITU should prove effective in containing costs.</p> |
| Building Schools for the Future | Amber | N/A | N/A | <p>This is funded 100% from Reserves. There are increased revenue costs arising from the implementation of the BSF and PCP programmes and no mainstream recurring budgets are available. An earmarked reserve has been established to cover the costs of the Project Team and other associated costs including external consultants which are difficult to predict. A medium term spending plan has been provided which demonstrates the need for additional funding in future years. Detailed assessments are ongoing and will be reported to Cabinet at each major stage of the BSF programme.</p> |

| Financial Risk | Risk Rating | 2010/11 Base Budget £'000 | Budget as %age net budget | Description of Risk and Summary of Risk Management Arrangements |
|---|-------------|---------------------------|---------------------------|--|
| Carlton Outdoor Education Centre | Red | 80 | 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 also recently withdrawn from the agreement. The viability of the Centre with only Hartlepool and Middlesbrough funding will need to be carefully considered during 2010. It is likely that the Centre will need to build up a customer base from OLA schools and other types of visitors. In the meantime the Centre does have an earmarked reserve which should provide revenue funding to maintain operations throughout 2010/11. |
| Increased demand in places at independent schools for pupils with high level of SEN | Amber | 528 | 0.5% | 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 | 5,425 | 5.2% | 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. A 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 2010/11 departmental budget a contingency sum has been identified to mitigate against in-year additional cost pressures relating to Looked After Children. |
| Schools Buy-Back Income | Amber | (610) | (0) | A reduction in demand for the primary swimming programme has already been experienced and the general reduction in pupil numbers puts pressure on all pupil based SLA charges. Buy back income underpins a range of departmental services which are therefore susceptible to loss of income. |
| Demographic changes in Older People | Amber | 15,585 | 14.9% | Increasing number of elderly people, high percentage of chronic health problems and market pressures on price. 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. Implementation of 'Putting People First' LAs now directed to reconfigure services to include focus on prevention, universal services and early intervention. Ongoing risk in relation to Continuing Health Care (S28A) disputes. Provision in medium term financial plans to minimise impact of increases generated from Independent sector. |
| Loss of Income - Tall Ships | Amber | 0 | 0.0% | Members have previously considered the risks associated with the Tall Ships particularly the risk of the expected income levels not being achieved. A reserve has been set aside to mitigate this risk, however, Members had requested that insurance cover be investigated. This has now been done and it confirmed that insurance cover is not available. Accordingly, the existing mitigation continues to be required. |
| Demographic changes in Working Age Adults | Red | 8,983 | 8.6% | 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 old-age; expectations of improved quality of life; long-term effect of closure of long-stay hospitals 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. Increasing numbers of people with physical disabilities surviving into adulthood and old age; expectations of improved quality of life; increased choice & control Investment in medium term identified along with development of alternatives to traditional methods of service delivery. |
| Non-achievement of income targets - Community Services | Amber | (1,281) | -1.2% | 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. 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. |
| Non-achievement of income targets - Social Care | Amber | (9,834) | -9.4% | 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. |

| Financial Risk | Risk Rating | 2010/11 Base Budget £'000 | Budget as %age net budget | Description of Risk and Summary of Risk Management Arrangements |
|----------------|-------------|------------------------------|------------------------------|---|
|----------------|-------------|------------------------------|------------------------------|---|

REGENERATION & NEIGHBOURHOODS

| | | | | |
|--|-------|-------|------|--|
| Car Parking | Amber | 1,806 | 1.7% | 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. |
| Fee Income - Planning & Building Control | Amber | 680 | 0.6% | 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. |
| Rent Income - Economic Development Service | Green | 201 | 0.2% | 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 2010/2011 |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|---|---|-------------------------|------------------|------------------|------------------|----------------|--|---|---|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| <u>Budget Support Reserves</u> | | | | | | | | | |
| Budget Support Fund | 6,755 | (4,630) | (1,523) | (846) | 0 | (6,999) | (244) | To support the overall budget. Budget strategy anticipates using £7 million as reported previously. | This reserve is earmarked to support the revenue budget over three-years commencing 2009/10. Commitments exceed the available reserve by £0.244m and it is anticipated this shortfall will be bridged from Housing Hartlepool RTB receipts (which in 2008/09 were £0.087m and if they remain at this level for the next few years should bridge this shortfall. This cannot be guaranteed as in the first 5 months of 2009/10 Housing Hartlepool has not sold a single house). |
| Total Budget Support Reserves | 6,755 | (4,630) | (1,523) | (846) | 0 | (6,999) | (244) | | |
| <u>Ringfenced Reserves - Schools</u> | | | | | | | | | |
| Schools | 3,854 | (354) | (250) | (250) | (250) | (1,104) | 2,750 | 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. This scheme has recently been amended to reduce the amount of unallocated funding schools can hold and the level of balances is expected to gradually reduce over the next few years although exact details are unknown. |
| Total Ringfenced Reserves - Schools | 3,854 | (354) | (250) | (250) | (250) | (1,104) | 2,750 | | |
| <u>Capital Reserves</u> | | | | | | | | | |
| Capital Funding | 1,102 | (1,102) | 0 | 0 | 0 | (1,102) | 0 | This reserve is fully committed to fund rephased capital expenditure. | It is assumed that this reserve will be used in 2009/10. Although if capital expenditure is rephased the reserve will be carried forward to match these commitments. |
| Maritime Av Remedial | 80 | (80) | 0 | 0 | 0 | (80) | 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 2009/2010 as part of preparation for Tall Ships. |
| Total Capital Reserves | 1,182 | (1,182) | 0 | 0 | 0 | (1,182) | 0 | | |
| <u>General Fund Balances</u> | | | | | | | | | |
| General Fund Balances | 3,462 | 0 | 0 | 0 | 0 | 0 | 3,462 | This 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. Planned use in 2009/10 and 2010/11 reflects the proposed use of 2008/09 underspends transferred into this reserve to meet one-off BTP costs. | |
| Total General Fund Balances | 3,462 | 0 | 0 | 0 | 0 | 0 | 3,462 | | |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|--|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|--|--|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Ringfenced Reserves - Insurance | | | | | | | | | |
| Insurance Fund | 5,111 | (1,125) | (900) | 225 | 405 | (1,395) | 3,716 | 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. | 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. As it is difficult to determine when claims will be paid the proposed usage of this reserves shows the value of this reserves which will be used on a loan basis to fund Business Transformation one-off costs arising from the implementation of Service Delivery Options. |
| Total Ringfenced Reserves - Insurance | 5,111 | (1,125) | (900) | 225 | 405 | (1,395) | 3,716 | | |
| Ringfenced Reserves - Other | | | | | | | | | |
| Museums Acquisition | 64 | (3) | 0 | 0 | 0 | (3) | 61 | To support the purchase of museums exhibits | Reserve maintained to provide funds if necessary |
| Maritime Festival | 0 | 0 | 0 | 33 | 0 | 33 | 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 | 138 | 4 | 0 | 0 | 0 | 4 | 142 | The Schools Rates Adjustment arises 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 i.e.. the Reserve is used to adjust the schools budget to equal actual rates costs. Therefore, no profile over the years has been included. |
| Youth Service - General | 60 | (60) | 0 | 0 | 0 | (60) | 0 | Youth Advisory Group Balances and youth centre catering surpluses have been carried forward from previous years to fund service developments. | The funding is earmarked as a contribution towards a potential new £200,000 capital project for a Skate Park at Rossmere. |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|--|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|--|---|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Youth Service - Brierton Exclusion Project | 41 | (25) | 0 | (16) | 0 | (41) | 0 | Brierton School funded a specific 'exclusion' project run by the Youth Service at the school - this is the cumulative surplus generated on this scheme from income exceeding costs of provision. | The Youth Service has partially absorbed the costs of providing this service and wish to use some of the available funding as a contribution towards the Skate Park project at Rossmere. The remaining balance is expected to be used in 2011/12. |
| Youth Service - Youth Opportunities Fund | 4 | (4) | 0 | 0 | 0 | (4) | 0 | The Grant Conditions allowed a balance of up to 5% to be carried forward from 2008/09 and this was the balance of grant remaining. | The balance will be utilised in 2009/10 as the first call on expenditure against the 2009/10 grant allocation. |
| Supporting People Reserve | 1,564 | (850) | (400) | (314) | 0 | (1,564) | 0 | This Reserve was created to manage timing delays in expenditure and grant income from 2009-10 for three years. £1.1 million of this reserve will be utilised by Adults & Community Services, but only £350k in 2009-10 | To meet timing delays in expenditure and income from 2009-2010 for three years. |
| Youth Offending Reserve | 177 | (35) | (35) | (107) | 0 | (177) | 0 | Created from planned underspends in previous years to fund YOS initiatives | To support YOS Prevention Initiatives over the forthcoming years as follows: 2009/10 £35k, 2010/11 £35k, 2011/12 £107k |
| CRB Checks Reserve | 37 | (37) | 0 | 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 2009/10 |
| Tall Ships 'Bad Weather' reserve | 501 | 0 | (501) | 0 | 0 | (501) | 0 | This reserve has been set up to fund any potential loss due to bad weather. | This reserve will only be used in 2010 following the event. |
| Tall Ships Reserve | 503 | (233) | (270) | 0 | 0 | (503) | 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 | 413 | 0 | 0 | 0 | 0 | 0 | 413 | 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. |
| Emergency Planning | 177 | 0 | 0 | 0 | 0 | 0 | 177 | 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. |
| Strategic Risk Reserve | 0 | 1,927 | 0 | 0 | 0 | 1,927 | 1,927 | This reserve has been set up to help fund risks highlighted in the Cabinet report of 8.2.10 | Reserve will be used to meet risks identified. |
| LPSA Social Inclusion Home Library Survey | 13 | 0 | (13) | 0 | 0 | (13) | 0 | This reserve has been set aside to support the Home Library Service | To be used to fund the Home Library Service. |
| LPSA Social Inclusion Participation in Sport | 12 | (12) | 0 | 0 | 0 | (12) | 0 | | |
| 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 |
| Collection Fund Surplus | 186 | (186) | 0 | 0 | 0 | (186) | 0 | 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 | 18 | (9) | (9) | 0 | 0 | (18) | 0 | To fund rent of ASBU accommodation | Rent approximately £8k p.a. for 3 years commencing 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 |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|--|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|---|---|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Termination Costs Reserve - existing | 524 | 0 | (524) | 0 | 0 | (524) | 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, a revenue reserve was established to meet these costs. | Expected to be committed in 2010/11 |
| Total Ringfenced Reserves - Other | 4,686 | 477 | (1,752) | (404) | 0 | (1,679) | 3,007 | | |
| 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 | (108) | 0 | 0 | (108) | 0 | Balance carried forward from previous years | Ringfenced for Seaton CC Management Committee and the redevelopment of the site. |
| Adult Education | 149 | 0 | 0 | 0 | 0 | 0 | 149 | 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 | 29 | (16) | (13) | 0 | 0 | (29) | 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 Child & Adult Services and Sport & Recreation Manager. |
| Community Grants Pool | 50 | (50) | 0 | 0 | 0 | (50) | 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 | 7 | (7) | 0 | 0 | 0 | (7) | 0 | Required work could not be completed in 2007/08 so this funding has been set aside to finance this work in 2009/10. | The Reserve will be used in 2009/10 on Tree Works originally postponed in 2006/07. |
| Sports Activities - various | 93 | (21) | (72) | 0 | 0 | (93) | 0 | Underspend on grants for sports activities & awards | The reserve will be partially utilised to fund activities and awards in 2009/10 and the remainder in 2010/11. |
| Renaissance in the Regions | 9 | (9) | 0 | 0 | 0 | (9) | 0 | Unspent 2008/09 external grant funds | Reserve will be used in 2009/10 |
| Transitional Support Fund | 385 | (231) | 0 | 0 | 0 | (231) | 154 | This is a combination of previous years underspends against this particular budget heading and DSG (ring-fenced) underspends. | The Schools Forum determines the value held in this fund and the criteria by which funding is allocated on an annual basis. This funding is for 'emergency' type uses in schools where there are concerns over teaching and learning standards. |
| Broadband Implementation Reserve. | 24 | 0 | 0 | 0 | 0 | 0 | 24 | 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. |
| Adult Social Care | 57 | (37) | (20) | 0 | 0 | (57) | 0 | Income from PCT for various social care expenditure i.e., OT equipment, IT for Care homes | Majority of reserve will be used in 2009-10 with the exception of IT for Care homes which is planned to be used in first quarter of 10/11 |
| Adult Social Care - Communities for Health Grant | 120 | (120) | 0 | 0 | 0 | (120) | 0 | Specific grant received close to 2008-09 year end | Reserve will be used in 2009/10 |
| Adult Social Care - Stroke Service Grant | 65 | (65) | 0 | 0 | 0 | (65) | 0 | Specific grant received close to 2008-09 year end | Reserve will be used in 2009/10 |
| Adult Social Care - IT, Telecare | 61 | 0 | 0 | 0 | 0 | 0 | 61 | Income from the PCT for IT equipment for Care Homes. | This reserve will not be required until current equipment requires replacing in 2013-14. |
| Sports & Recreation - Sports Awards | 5 | (2) | (3) | 0 | 0 | (5) | 0 | To fund sports coaches training awards | Reserve expected to be partially utilised in 2009-10 then the remainder in 2010-2011. |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|---|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|--|---|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Community Facilities in Schools | 111 | 0 | 0 | 0 | 0 | 0 | 111 | 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 was undertaken during 2008. Following a report to the Schools Forum all schools are now clear on the funding options for their schemes. Any surplus balances are available for reinvestment by schools and the department can provide subsidy funding to those schemes which are not financially viable due to deprivation or other issues in their communities. |
| City Learning Centre | 162 | 0 | (50) | (50) | 0 | (100) | 62 | This balance represents surpluses carried forward from external income generated e.g. lettings. | 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 - inc. New Opportunities Funded Out of School Care & Other School Balances | 103 | 31 | 32 | 32 | 0 | 95 | 198 | This Reserve consists of the balances of schools 'Out of School Clubs' and other activities. | A review of the financial position on all NOF funded school based activities was undertaken during 2008. All schools are now clear on the financial position on their schemes and the current funding available. Three schools whose schemes had built up deficits over recent years are being allowed to repay them over 3 years and the balance on this reserve is projected to increase. This funding is available for reinvestment in service provision by schools. |
| BSF Implementation Costs | 1,149 | (474) | (681) | (467) | (592) | (2,214) | (1,065) | Combination of departmental underspends from previous years and corporate funding towards BSF Implementation costs. | The Reserve is being used to fund the costs (i.e.. revenue running costs) of the Schools Transformation Team incorporating the revenue costs of the Primary Capital Programme in addition to BSF. Additional resources will need to be set aside for BSF costs in future years however the amounts depend on how much of these costs can be capitalised. |
| 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 2009/10 to develop and print further training packs for primary and secondary schools and to fund some PCT costs. |
| Dedicated Schools Grant - LA Underspend from Previous Yrs | 137 | (137) | 0 | 0 | 0 | (137) | 0 | The Dedicated Schools Grant (DSG) is a ring fenced grant for use on 'schools' budgets only. The balance arises from underspends in 2008/09 on the local authority elements of the DSG. | The Schools Forum has agreed the LA's proposal that this funding will be used to enhance the schools capital programme. |
| Brierton Closure - Salary Protection Fund | 110 | (552) | 150 | 150 | 142 | (110) | 0 | This reserve was created by the Schools Forum specifically to improve redeployment opportunities for all Brierton School staff following the school closure. | Operation of the fund has been determined by the Schools Forum and follows the Council's redeployment protocol. Where staff have been employed on lower salaries in other schools the reserve has been used to compensate schools up to the value of salary protection payments. In addition the reserve has been used to fund one off redundancy and early retirement costs. |
| Parenting Support | 20 | 0 | (20) | 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 during 2010/11 on parenting participation events and training. |
| Early Years Development Childcare Plan | 57 | 0 | (57) | 0 | 0 | (57) | 0 | This reserve has been created to develop the provision of services for 3 and 4 year olds | Funding is to be used in 2010/11 to extend the contract for a Healthy Eating Co-ordinator and other early years initiatives. |
| Housing Reserve | 203 | (30) | (48) | (100) | (25) | (203) | 0 | | To be used to support the Housing Service, specifically selective licensing, adaptations, regeneration, strategic studies and systems development. An amount is also set aside to cover future Cadcam costs. |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|---------------------------------|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|--|--|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Regeneration Reserve - Specific | 139 | (72) | (54) | (13) | 0 | (139) | 0 | Mainly grant funding earmarked for future use | Reserve is earmarked for continuation of temporary staffing in Planning, Support & Community Safety. In addition £15k (£5k 09/10 & £10k 11/12) is set aside for site survey and regeneration activity. |
| Regeneration MRU | 342 | (82) | (80) | (180) | 0 | (342) | 0 | Created to enable department to manage budget over more than one year. | To support Regen staffing where grants and fee income are reducing plus £63K for Major Regeneration Projects in 11/12 & £66k for Victoria Buildings project in 09/10). |
| Local Plan | 32 | 0 | 0 | (31) | 0 | (31) | 1 | To part fund the Local Development Framework within Planning | The reserve will largely be used to fund strategic studies required to support the LDF |
| People Framework Development | 18 | (18) | 0 | 0 | 0 | (18) | 0 | Created to enable department to manage budget over more than one year. | To be used in 2009/10 to fund People Framework Development |
| 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 2009/10 to fund the following areas: Team Building HR Peer Review |
| Contact Centre | 69 | (69) | 0 | 0 | 0 | (69) | 0 | Created to enable department to manage budget over more than one year. | To be used in 2009/10 to fund Contact Centre Staffing and software costs |
| 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 2009/10 to fund the following areas:- IT Development and Printing Unit |
| Support to Members | 27 | (27) | 0 | 0 | 0 | (27) | 0 | Created to enable department to manage budget over more than one year. | To be used in 2009/10 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 2009/10 to fund Elections Costs following changes in legislation |
| New HR / Payroll System | 185 | (185) | 0 | 0 | 0 | (185) | 0 | Created to fund the costs associated with a new integrated HR and Payroll System | To be used in 2009/10 to implement new HR/Payroll System |
| Social Inclusion / Credit Union | 150 | (150) | 0 | 0 | 0 | (150) | 0 | Created to fund the Social Inclusion Programme | It is anticipated that this reserve will be spent in 2009/10 |
| Finance -Shopping Centre Income | 150 | (150) | 0 | 0 | 0 | (150) | 0 | Created to cover a possible shortfall if rental income for Middleton Grange Shopping Centre | This reserve may be required in 2009/10 |
| Finance - The Way Forward | 221 | (221) | 0 | 0 | | (221) | 0 | Created to meet potential future costs arising from implementation of Council's 'Way Forward' Strategy | To be used in 2009/10 |
| Finance - Audit Section | 30 | (30) | 0 | 0 | 0 | (30) | 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 | 17 | (17) | 0 | 0 | 0 | (17) | 0 | Created to enable department to manage budget over more than one year. | To be used in 2009/10 to fund temporary staffing costs following strategic restructure, and introduction of International Financial Reporting Standards |
| Finance - IT Investment | 164 | (164) | 0 | 0 | 0 | (164) | 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 - IT Developments R&B | 41 | (41) | 0 | 0 | 0 | (41) | 0 | Created to fund IT development costs to cope with new DWP Security requirements and further Kirona scripting changes | To be used in 2009/10 |
| Finance R & B | 64 | (64) | 0 | 0 | 0 | (64) | 0 | Created to fund cost of IT equipment | To be used in 2009/10 |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|---|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|--|--|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Finance R & B - Internal Bailiff Development | 16 | (16) | 0 | 0 | 0 | (16) | 0 | Created to fund costs associated with Internal Bailiff Development | To be used in 2009/10 |
| Finance R & B - Intercept Software | 6 | (6) | 0 | 0 | 0 | (6) | 0 | Created to fund costs of Intercept Software | To be used in 2009/10 |
| 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 2009/10 |
| Finance - Working from Home Surplus | 7 | (7) | 0 | 0 | 0 | (7) | | Created to manage the costs of homeworking keyfobs between financial years | To be used in 2009/10 |
| Corporate Strategy | 318 | (250) | (68) | 0 | 0 | (318) | 0 | Created to enable department to manage budget over more than one year. | To be used in 2009/10 and 2010/11 as follows:- Corporate Consultation, Divisional Restructure and Costs relating to Civic Refurbishment and Enhancing Council Profile. Also in 2010/11 for ICT Project/System Development. |
| Registrars | 29 | (29) | 0 | 0 | 0 | (29) | 0 | Created for improvements to the Registrars building | To be used in 2009/10 for building maintenance. |
| Swimming Pool Maintenance | 95 | (75) | 0 | (20) | 0 | (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 | 136 | (18) | 0 | 0 | 0 | (18) | 118 | This Ring-Fenced Reserve was created from underspends on the Carlton Centre 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 | 46 | (14) | (14) | (18) | 0 | (46) | 0 | 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. £13,500 is required in 2009/10 and 2010/11 to hire the HUFC box. |
| ContactPoint Grant | 2 | (2) | 0 | 0 | 0 | (2) | 0 | Allowable 5% of 2008/09 Grant Carry Forward | The Reserve will be used to complement the use of the 2009/10 Contactpoint grant. |
| Local Safeguarding Children's Board (Partnership Funding) | 63 | (10) | 0 | 0 | 0 | (10) | 53 | This is Partnership Funding with other bodies so not all HBC funding; Relates to 2008/09 underspend carried forward into 2009/10 | Spending plans for this joint funded service are determined by the LSCB at annual meetings. Only £10,000 of the reserve is required in 2009/10 and the Board will be meeting to review 2010/11 spending plans in April 2010. |
| Looked After Children | 78 | 250 | 0 | 0 | 0 | 250 | 328 | This reserve was created from 2009/10 departmental outturn. | Reserve to meet potential demand pressures resulting from high and volatile costs of specific looked after children. |
| Early Years Support Network | 9 | (9) | 0 | 0 | 0 | (9) | 0 | This was the 2008/09 underspend to be carried forward into 2009/10 | Funding is being used in 2009/10 to develop a support package for early years professionals in the area. This includes setting up local networks to identify further training and development opportunities. |
| Competitions Manager | 3 | (3) | 0 | 0 | 0 | (3) | 0 | This was the 2008/09 underspend to be carried forward into 2009/10 | Responsibility for the Sports Development Programme transferred to Dyke House school with effect from September 2009. This balance will be transferred to the school on completion of the 2008/09 academic year grant claim. |

| FUND | Actual Balance at 31/3/2009 £'000 | Planned Use of Reserves | | | | | Estimated Balance at 31/3/2013 £'000 | Reason for/purpose of the Reserve | How and when the reserve can be used |
|--|--------------------------------------|-------------------------|------------------|------------------|------------------|----------------|---|---|--|
| | | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | Total £'000 | | | |
| Social Care Records Back-Scanning Costs | 80 | (80) | 0 | 0 | 0 | (80) | 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 so a Reserve was created at the end of 2008/09. | Orders have been placed with Northgate Managed Services to undertake the back scanning exercise during 2009/10. |
| Economic Development | 137 | 0 | 0 | (137) | 0 | (137) | 0 | To fund Economic Development staff as temporary programme money ceases | As major funding programmes come to an end the balance will be required to assist in the management of staff contracts. Some funding may need to be brought forward to 10/11 but uncertain at this stage |
| Energy Saving Fund (climate Change Levy) | 13 | 0 | 0 | 0 | 0 | 0 | 13 | | |
| Civic Chain Reserve | 46 | (46) | 0 | 0 | 0 | (46) | 0 | Replacement of Mayors chain | Expected in 2009/10 |
| Income Equalisation reserve | 120 | 0 | 0 | 0 | 0 | 0 | 120 | | |
| Bank Income | 114 | 0 | 0 | 0 | 0 | 0 | 114 | Created during 2008/09 Closure | |
| 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 |
| Business Transformation | 1,113 | (750) | (363) | 0 | 0 | (1,113) | 0 | | |
| Area Based Grant | 414 | (414) | 0 | 0 | 0 | (414) | 0 | ABG carried forward from 2008/09 | Some of this funding will be reallocated in 2009/10 |
| SRB Match Funding | 40 | 0 | 0 | 0 | 0 | 0 | 40 | Expected to be committed 2007/08 | |
| Interest Equalisation | 400 | 0 | 0 | 0 | 0 | 0 | 400 | Reserve created to protect the Council from higher interest rates or replacement loans in the event of LOBO being called. Whilst, short-term interest rates are currently historically low there is an increasing risk that interest rates will begin to increase, particularly longer rates, when the economy begins to come out of recession. | |
| Remedial Repairs | 155 | (155) | 0 | 0 | 0 | (155) | 0 | This includes amounts set aside by Neighbourhood Services Internal Works to fund remedial repairs to works already undertaken. | Reserve to be fully utilised in 2009/10 |
| Highways Earmarked Grant Funding | 102 | (102) | 0 | 0 | 0 | (102) | 0 | Reserve relates to unspent grant committed to fund expenditure in the next financial year. | Reserve will be spent in 2009/10 |
| Cashfinder Savings | 16 | 0 | 0 | 0 | 0 | 0 | 16 | Savings arising from PWC study | No specific plans have been determined at this stage |
| Business Transformation Set Up Costs | 474 | (474) | 0 | 0 | 0 | (474) | 0 | Funds set aside for Implementation costs of Business Transformation Programme | |
| Corporate Funding Reserve | 84 | (84) | 0 | 0 | 0 | (84) | 0 | | |
| NDC Fund | 729 | (657) | (72) | 0 | 0 | (729) | 0 | Reserve created in 2007/08 to support future expenditure on New Deal for Communities Project | The latest forecast shows that most of this will be used in 2009/10 with the balance being used the following year. |
| Mill House | 176 | 0 | (44) | 0 | 0 | (44) | 132 | The reserve arose from a rates rebate following a review of the leisure centre rateable values in 2006/07. | The reserve is earmarked to fund essential maintenance at Mill House Leisure Centre until it is replaced. |
| Total Departmental Reserves | 10,029 | (6,056) | (1,585) | (834) | (475) | (8,950) | 1,079 | | |

Grand Total 35,079 (12,870) (6,010) (2,109) (320) (21,309) 13,770

Critical Challenge

Hartlepool Council – Budget Proposals for 2010/11

Tuesday 11th November 2009

Presentation

Mike Ward, the Council's Chief Finance Officer, gave a presentation on the Council budget, explaining where the funds come from, how it is spent and the plans for reducing expenditure next year as the pressure to reduce public expenditure grows.

Questions

The following general questions were raised:

- 1. Are the number of staff employed by the Council going to be reduced next year and in following years?**

Response

There is currently a freeze on all Council recruitment excluding those employed through schools and posts that have external funding sources. The Council's departmental structure is being re-organised into two main delivery departments and it is anticipated that this will lead to a reduction of staff, largely through people leaving and retiring. The Council has to learn how to do more with less, which is challenging and requires a change of culture.

- 2. Will work currently done by Council staff be "outsourced" to other organisation.**

Response

This is not currently planned and in any case does not always save money as the staff have to be transferred on existing terms and conditions.

- 3. Are energy saving devices being installed in Council buildings?**

Response

Yes, all light bulbs are low energy and there are monitors fitted in the Civic Centre that turn the lights off when there is no one present in the room.

- 4. Many people who are entitled to reductions in their Council tax do not apply for these reductions. Will the Council continue to publicise this even though it costs you money?**

Response

Yes, this is part of the Council social inclusion strategy.

- 5. In the past businesses that have failed to pay their business rates have had their debts written off. Will this continue?**

Response

Less than 0.2% of outstanding business rate income is written off. In any case this is not a loss to the Council as these funds go to the government and are redistributed to local authorities.

- 6. If there is to be a 5% reduction on public expenditure over the next three years won't that inevitably lead to cuts in services.**

Response

The next three years are going to be tough. Expenditure must go down otherwise there will be an increasing deficit. However, next year's budget has been planned to this in such a way that services are unaffected and the Council must learn to be more efficient in the way it delivers its services in order to avoid impacting too heavily on people who rely on Council Services.

Responses to the specific budget pressures

1. Brierton and Dyke House School decant

Fair enough, there costs will have to be met.

2. Home to school transport

The notes state that these costs will have to be met for people up to the age of 25. This is not the case, as pupils leave Dyke House at 16. Could be a big saving there.

3. Mental Health Agency payments

The group felt that more assessment is needed of the impact of these changes. They would like to know more about the numbers involved and why it costs so much.

4. Older People Intermediate Care/transitional beds

It is inevitable that these costs will rise with an ageing population.

5. Learning Disability Agency

Again the Council would appear to have little choice but to meet these costs.

6. North Tees Hospital Bus Service

This service is important and should be maintained

7. Corporate issues

No comments on these

CABINET REPORT

8th February 2010



Report of: Head of Performance & Partnerships

Subject: LOCAL AREA AGREEMENT REFRESH

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to seek approval of the Local Area Agreement (LAA) refresh proposals for 2010/11.

2. SUMMARY OF CONTENTS

Local Authorities have a statutory duty to prepare a LAA in partnership with the Local Strategic Partnership. This report outlines the process and timetable for the Local Area Agreement (LAA) refresh and presents the refresh proposals for comment and approval.

3. RELEVANCE TO CABINET

Hartlepool's new LAA was agreed by Council in May 2008. The LAA 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

Budget and Policy Framework

5. DECISION MAKING ROUTE

Hartlepool Partnership - 29th January 2010
Cabinet – 8th February 2010
Council – 25th February 2010

6. DECISION(S) REQUIRED

Cabinet is requested to approve the LAA refresh proposals for 2010/11, subject to any amendment it wishes to make, for consideration by Council on 25th February 2010.

Report of: Head of Performance & Partnerships

Subject: LOCAL AREA AGREEMENT REFRESH

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval of the Local Area Agreement (LAA) refresh proposals for 2010/11.

2. 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 (LSP), through its partners, will progress.
- 2.2 There are 3 types of targets within the LAA:
- Designated Improvement Targets - those that have been designated by the Secretary of State and are subject to upward reporting to Government. These targets have been derived from the National Indicator Set and conform to the associated Handbook of Definitions.
 - DCSF Improvement Targets – led by Child & Adult Services
 - Local Priority Targets - those where targets are set by the LSP and are only subject to local monitoring arrangements.
- 2.3 Hartlepool's LAA was agreed by Council at its meeting in May 2008 and subsequently signed-off by the Secretary of State in June 2008. The LAA was reviewed in 2008/9 and the refreshed LAA was agreed by Cabinet and Council at their meetings in March 2009 and then signed off by the Secretary of State.
- 2.4 The following report sets out the refresh process for 2010/11, details the progress made to date and sets out the next steps.

3. REFRESH PROCESS

- 3.1 The LAA annual refresh process is currently underway. This is the second refresh since the new LAA was agreed in 2008. A guidance note setting out the LAA Review & Refresh process was received from Government Office North East (GONE) in December 2009. This guidance note set out the timeline and broad negotiating parameters for the refresh as determined by

the Department for Communities and Local Government (CLG). The refresh process this year has been difficult with evolving advice coming from GONE. One example of this has been the approach to the place survey targets where we were initially looking to renegotiate the targets for 2010/11 however following further advice from GONE we have now decided to keep the targets as they were agreed in 2009.

3.2 The annual LAA refresh process provides the opportunity to revise a limited number of designated targets, revise local priority targets and also to consider any emerging priorities and potentially new targets that we may wish to include within our LAA. As this will be the final year of the current 3 year agreement targets within the LAA are not being revised unless there are exceptional circumstances that have rendered the original targets unrealistic.

3.3 In the refresh process last year Government identified 9 indicators for which designated targets would not be 'locked down' as it was expected that their achievement would be adversely affected by the economic downturn. Those indicators were:

- NI 116 Proportion of children in poverty
- NI 151 Overall employment rate
- NI 152 Working age people on out of work benefits
- NI 153 Working age population claiming out of work benefits in the worst performing neighbourhoods
- NI 154 Net new homes provided
- NI 155 Number of affordable homes constructed (gross)
- NI 166 Median earnings of employees in the area
- NI 171 New business registration rate (VAT)
- NI 172 Percentage of small businesses in an area showing employment growth

7 of the 9 indicators above are designated improvement targets in Hartlepool's LAA and are therefore able to be renegotiated with GONE in this refresh process.

3.4 As part of the refresh process the Story of Place has also been reviewed and updated. The Story of Place sits alongside the LAA and sets out the local context and evidence base for each outcome. It also provides high level information on the approach being taken to target particular disadvantaged communities and details plans to narrow the inequality gap.

3.5 When the LAA was first developed it was felt appropriate that activity aimed at reducing child poverty was included within the outcome 'Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life'. However, as child poverty is increasingly a concern both nationally and within Hartlepool it is proposed to introduce a new outcome within the Jobs & Economy theme which would be 'Fewer children in Hartlepool experience the effects of poverty'. This outcome would include the designated target for NI 116 Proportion of children in poverty and

the delivery and improvement plan for 2010/11 will reflect key elements of the Child Poverty Action Plan.

- 3.6 A summary of the outcomes within the LAA reflecting this addition is set out in appendix 1.
- 3.7 The updated Story of Place for 2010/11 including the new child poverty outcome is available on request.
- 3.8 Prior to the LAA proposals being brought to Cabinet the Performance & Partnerships Team have consulted with members and partners on the proposals. A Members Seminar was held on 5th January 2010 where members were briefed on the progress of the LAA to date and provided the opportunity to comment on the proposed amendments to the LAA for 2010/11. Following from that a report was taken to Scrutiny Co-ordinating Committee (SCC) on 15th January 2010 outlining the LAA refresh process and asking for comments on the proposed amendments. The recommendations from SCC are addressed in the next section of this report.

4. PROPOSED CHANGES

4.1 Designated Targets:

Hartlepool has sought to renegotiate 6 of the 7 designated targets that were not 'locked down' in the refresh last year. Central Government has requested that in the refresh these targets are set out as relative to the regional or national average rather than as actual percentages. It is proposed that the targets are set as relative to the regional average and the proposed targets are set out within appendix 2.

- 4.2 Hartlepool has achieved the designated target for NI 155 Number of affordable homes constructed (gross) by the end of quarter 3 of 2009/10 (year 2 of the LAA) and it has therefore been proposed that this achievement be 'banked' and the target removed from the designated list. The target will remain in the LAA but as a local indicator with a new target set for the final year.
- 4.3 As the number of designated targets will be reduced to 34 it has been proposed that a new designated target be included within the LAA for NI 39 Alcohol related hospital admissions as set out in appendix 2. The recent Comprehensive Area Assessment (CAA) identified a red flag around alcohol for Hartlepool and it is felt appropriate to include this indicator within the LAA to demonstrate the importance that the Local Authority and its partners are putting on achieving improvement in this area. The proposed target currently being negotiated with GONE comes from the Primary Care Trust (PCT) Vital Signs targets which have previously been agreed with the Strategic Health Authority.
- 4.4 Central Government, through the refresh process, has given areas the opportunity to remove the designated target for NI 112 Under 18 conception rates from the reward grant calculation. It is proposed that Hartlepool take up

this opportunity but maintain it as a designated target in the LAA. This means that the 2010/11 target will remain as previously agreed but there will now be no financial penalty for non-achievement.

- 4.5 The above proposals are currently being considered by GONE and an update will be provided verbally at Cabinet on the outcome of the negotiations.
- 4.6 DCSF Targets
Negotiation of the DCSF targets is led by the Child & Adult Services Department and is separate to the LAA refresh process.
- 4.7 Local Priority Targets
As part of the refresh Hartlepool is able to revise local priority targets. However, as this is the final year of the LAA it is only proposed to revise those targets that have been rendered unrealistic by exceptional circumstances or those that will have been achieved in 2009/10.
- 4.8 Appendix 3 sets out the proposed changes to the following local priority targets:
- Unemployment Rate (Hartlepool)
 - Employment Rate (16-24 years old)
 - NI 172 Percentage of small businesses in an area showing employment growth (local)
 - Youth Unemployment Rate (Hartlepool)
 - Youth Unemployment Rate (Neighbourhood Renewal Narrowing the Gap)
 - NI 155 Number of affordable homes constructed (gross)
 - Number of private dwellings empty for over 6 months (formerly number of homes brought back into use)
 - Number of schools achieving National Healthy Schools Status
 - NI 3 Civic Participation in the local area
- 4.9 Scrutiny Coordinating Committee (SCC) considered the LAA refresh at their meeting on 15th January 2010 and whilst they were happy with the proposals put forward they discussed in detail the 2010/11 target for the number of homes brought back into use. They felt that the target was not ambitious enough and recommended that the target for 2010/11 be set at no less than 12% of the total homes available to be brought back in to use. They also recommended that when the LAA is reviewed and targets set for the next 3 years, the target for bringing homes back into use be set at least 33% of the total homes available to be brought back into use. In response it is proposed that the target be revised to 'reduce the number of private dwellings empty for over 6 months by 10%' and this is set out in further detail in appendix 3. This new target equates to 63 private dwellings which is a substantial increase from the original target for 2010/11 of 20 and is felt to be both ambitious and challenging. Appendix 4 sets out the definition of the indicator and the baseline figure. SCC will be considering this proposal at their next meeting and a verbal update will be provided to Cabinet.

- 4.10 As the target for 'number of schools achieving National Healthy Schools Status' has been achieved in 2009/10 it is proposed to replace this local priority indicator with two indicators which will see this area of work taken forward. These new indicators are set out in more detail in appendix 3.
- 4.11 To reflect empowerment work being undertaken in the Borough it has been proposed to include a new indicator, NI 3 Civic Participation in the local area. This new indicator is set out in more detail in appendix 3.

5. REFRESH DECISION MAKING SCHEDULE

- 5.1 Negotiations with GONE on the proposed revisions to the LAA are currently taking place and a verbal update on the outcome of the negotiations will be provided at the Cabinet meeting on 8th February 2010. Following the conclusion of the negotiation process and approval from Cabinet the revised LAA will go to Council on the 25th February 2010 for approval in order to meet the Central Government deadline for Ministerial approval which is the 12th March 2010.
- 5.2 Once the refreshed LAA is in place work will begin on developing the LAA Delivery and Improvement for 2010/11 incorporating actions from the Corporate Plan where appropriate. The LAA Delivery & Improvement Plan will be brought to Cabinet for approval in May 2010 alongside the Corporate and Departmental Plans for 2010/11.

6. RECOMMENDATIONS

- 6.1 That Cabinet approves the LAA refresh proposals for 2010/11, subject to any amendment it wishes to make, for consideration by Council on 25th February 2010.

7. BACKGROUND PAPERS

- 7.1 Hartlepool's Local Area Agreement 2008-11 (April 2009) is available at www.hartlepoolpartnership.co.uk

Hartlepool LAA - Summary of Outcomes for 2010/11

Jobs and the Economy

1. Attract Investment
2. Be Globally Competitive
3. Create more employment opportunities for local people
4. Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life.
5. Fewer children in Hartlepool experience the effects of poverty

Lifelong Learning and Skills

6. Enjoy and Achieve
7. Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice

Health and Wellbeing

8. Improved Health
9. Be Healthy
10. Exercise of choice and control and retention of personal dignity
11. Improved Mental Wellbeing
12. Access to Services

Community Safety

13. Reduced (total) crime
14. Reduced harm caused by illegal drugs and alcohol
15. Improved neighbourhood safety and increased public confidence, leading to reduced fear of crime and anti-social behaviour
16. Reduced offending and re-offending
17. Stay safe

Environment

18. Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local natural environment
19. Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces
20. Provide a sustainable, safe, efficient, effective and accessible transport system
21. Make better use of natural resources and reduce the generation of waste and maximise recycling

- 22. Prepare for the impacts of and secure local and global action to tackle Climate Change
- 23. Promote community involvement in positive action to reduce poverty through fair trade and promoting peace and security

Housing

- 24. Balancing Housing Supply and Demand
- 25. Improving the quality of existing housing
- 26. Changing housing needs and Meeting the Housing Needs of Vulnerable People
- 27. Access to housing

Culture and Leisure

- 28. Enrich individual lives, strengthen communities and improve places where people live through enjoyment of leisure, culture and sport
- 29. Cultural and leisure services, including libraries, better meet the needs of the community, especially disadvantaged areas

Strengthening Communities

- 30. Empower local people to have a greater voice and influence over local decision making and the delivery of services
- 31. Make a positive contribution
- 32. Improving quality of life and ensuring service providers are more responsive to neighbourhood needs with particular focus on disadvantaged areas
- 33. Improving financial inclusion
- 34. Freedom from discrimination or harassment

Proposed Revisions to Designated Targets:

| Outcome | Indicator | Hartlepool Baseline (July 06 – June 07) | NE Region Baseline (July 06 – June 07) | Hartlepool – NE Region Gap Baseline (July 06 – June 07) | Target 2010/11 | Explanation |
|-----------------------|--------------------------------------|--|---|--|--|---|
| Attract investment | NI 151 Overall employment rate | 65.8% | 71.4% | 5.6 percentage points (pp) | To maintain the gap at 5.6 pp | <p>The original targets were agreed in consultation with key partners at a time prior to the global economic crisis. Partners considered that these targets were stretching but achievable as long as economic growth and investment continued across the town. Since September 2008 the global economic crisis has impacted on the town with redundancies being announced at a number of companies, the unemployment rate increasing month on month to 7.2% in November 2009 (previously 5% in 2008) and the employment rate reducing from 67% in 2008 to 63.9%. Most sectors across the town have been affected by the recession and at the end of the financial year 2008/09 over 75% of new business enquiries to HBC were relating to redundancies, lay-offs and the need to reduce working hours.</p> <p>The reduction in the number of vacancies across the town over the past year further compels the issue of worklessness and which will ultimately impact on the original target of 68.8% being achieved.</p> |

| Outcome | Indicator | Hartlepool Baseline (July 06 – June 07) | NE Region Baseline (July 06 – June 07) | Hartlepool – NE Region Gap Baseline (July 06 – June 07) | Target 2010/11 | Explanation |
|-------------------------|---|--|---|--|--|---|
| Be globally competitive | NI 166 Median earnings of employees in the area | £332.45 | £342.4 | £9.95 which is 2.91 pp below the regional average | Maintain the gap at 2.91 pp below the regional average | <p>Alongside the issues identified for NI 151, companies within the town are reporting on price freezes and wage cuts (of on average ten per cent) and this trend is likely to continue as a review of all sectors - including the public sector – will aim to reduce wage bills further. This will impact on the original target of £499 being achieved.</p> <p>There has been significant investment in improving the Median Earnings of Employees in the Area within Hartlepool but due to the potential for wage freezes or even cuts it is proposed that the target be to maintain the gap between Hartlepool and the North East Region.</p> |
| Be globally competitive | NI 171 New business registration rate (VAT) | 34.65 | 36.63 | 1.98 pp | Maintain the gap at 1.98 pp | <p>The original target of 47.49 was agreed in consultation with partners. However, following the global economic crisis which has impacted on local businesses within Hartlepool, it is clear that the NI 171 target needs to be revised. From close working relationships with businesses, it has been identified that most sectors across the town have been affected by the recession. Furthermore, with the adverse economic conditions local residents are sometimes unwilling to take the first step into self-employment and</p> |

| Outcome | Indicator | Hartlepool Baseline (July 06 – June 07) | NE Region Baseline (July 06 – June 07) | Hartlepool – NE Region Gap Baseline (July 06 – June 07) | Target 2010/11 | Explanation |
|---|---|--|---|--|-------------------------|--|
| | | | | | | those who do register as a new business are requiring significantly higher levels of specialist support than in previous years to ensure survival. Factors such as reduced loans available from banks, is not assisting with potential new start businesses. |
| Create more employment opportunities for local people | NI 152 Working age people on out of work benefits | 20.9% | 16.4% | -4.5 pp | Maintain gap at -4.5 pp | It is anticipated that whilst there has been some optimism that the rise in the unemployment rate at a national and local level has slowed down, there is still a real possibility that a second slide in the labour market will occur in 2010 which will ultimately continue to negatively impact on the original targets of 18.7% and 26% respectively being achieved. |
| Create more employment opportunities for local people | NI 153 Working age population claiming out of work benefits in the worst performing neighbourhoods | 32.7% | 31.5% | -1.2 pp | Maintain gap at -1.2 pp | If the unemployment rate rises and the employment rate continues to fall due to a shrinking labour market, it is clear that the key priority groups will be further removed from the labour market as they will be unable to compete with skilled professionals who are newly redundant. There are fewer vacancies to apply for within the town and although significant investment and resources have been placed in improving employment outcomes for all residents, there are still significant challenges which need to be |

| Outcome | Indicator | Hartlepool Baseline (July 06 – June 07) | NE Region Baseline (July 06 – June 07) | Hartlepool – NE Region Gap Baseline (July 06 – June 07) | Target 2010/11 | Explanation |
|---------|-----------|--|---|--|-------------------|--|
| | | | | | | <p>rectified in the short, medium and long term.</p> <p>Across Hartlepool there are 18,950 adults who are classified as workless which is 33.8% of working age adults (as of Oct '09). This worklessness figure has increased for the past three years with the worklessness rate being 32% in 2007 and 32.1% in 2008. In a number of the most deprived wards such as Dyke House and Owton, the worklessness rates are even more disappointing and are peaking above 45%</p> <p>The number of adults who have been in receipt of incapacity/other sickness related benefit or income support over five years will have long term implications for the worklessness rate and therefore NI 152/NI 153. Unfortunately, these rates of worklessness and economic inactivity will not be short term and it will require not only an upturn in the economy but also new government initiatives – such as Pathways to Work – to tackle these generational problems.</p> |

| Outcome | Indicator | Hartlepool Baseline (July 06 – June 07) | NE Region Baseline (July 06 – June 07) | Hartlepool – NE Region Gap Baseline (July 06 – June 07) | Target 2010/11 | Explanation |
|---|---|--|---|--|-------------------------|--|
| Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life | NI 116 Proportion of children in poverty | 29.0% | 24.2% | -4.8 pp | Maintain gap at -4.8 pp | <p>The original LAA target required a 8.9 pp reduction in the number of children in families on out of work benefits. This target was agreed in consultation with key partners at a time prior to the global economic crisis. Partners considered that these targets were stretching but achievable as long as economic growth and investment continued across the town. Due to the complexities of child poverty, even if the parental employment rate is improved, research shows that one in two children whose parents work will still remain in poverty due to their level of income. To tackle this, over the past year the Council has worked towards the implementation of a Child Poverty Pledge, Strategy and Action Plan which will provide key strategic priorities that will improve the life chances of all children and families.</p> <p>It is extremely unlikely in the current climate that there will be any major reductions in the child poverty rate and it is proposed that the target be revised to aim to maintain the gap between Hartlepool and the North East Region.</p> |

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Original Target | 2010/11 Revised Target | Explanation |
|-------------------------------------|---|------------------------|------------------------------|------------------------|---|
| Balancing housing supply and demand | NI 155 Number of affordable homes constructed (gross) | 10 (2006/7) | 80 (total of 160 over 3 yrs) | 140 | 3 year target achieved in year 2 (2009/10) therefore seeking to bank performance and change target to a local priority indicator with revised target for 2010/11. |

Proposal for New Designated Target:

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Proposed Target | Explanation |
|-----------------|---|------------------------|-------------------------|---|
| Improved health | NI 39 Alcohol related hospital admissions | 1,874 (2006/7) | 2,596 | Target to be introduced in response to the Audit Commission Comprehensive Area Assessment report. The proposed target comes from the Primary Care Trust (PCT) Vital Signs targets that have previously been agreed with the Strategic Health Authority. |

Proposed Revisions to LAA Local Priority Targets:

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Original Target | 2010/11 Revised Target | Explanation |
|--------------------|--------------------------------|------------------------|-------------------------|------------------------|---|
| Attract Investment | Unemployment Rate (Hartlepool) | 4.3% (2008) | 7.1% | 7.2% | <p>The original targets in this theme were agreed in consultation with key partners prior to the global economic crisis. Partners considered that these targets were stretching but achievable as long as economic growth and investment continued across the town. Since September 2008 the global economic crisis has impacted on the town with redundancies being announced at companies such as Woolworths and TK MAXX. The unemployment rate has increased month on month to 7.2% in November 2009 from 5% in 2008 and the employment rate has reduced from 67% in 2008 to 63.9%.</p> |
| Attract Investment | Employment Rate (16-24) | 51.6% (2007) | 54.4% | 46% | <p>Most sectors across the town have been affected by the recession and advice given by HBC to local businesses at the end of the financial year 2008/09 reported that over 75% of new business enquiries were relating to redundancies, lay-offs and the need to reduce working hours. The reduction in the number of vacancies across the town over the past year has further compelled the issue of unemployment which ultimately impacts on the targets being achieved.</p> <p>The main challenge is to maintain and aim to improve on the above proposed revised targets. There has already been significant investment in reducing the unemployment rate within Hartlepool which will work towards achieving the revised targets.</p> |

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Original Target | 2010/11 Revised Target | Explanation |
|---|---|------------------------|-------------------------|------------------------|--|
| Be globally competitive | NI 172 Percentage of small businesses in an area showing employment growth (local) | 14.3 (2005-7) | Not previously set | 14.3 | The above indicator did not have an original target set as data was not available until recently. However, although performance improved in the lead up to the baseline year, there must be caution in setting a target that is too stretching. At best, the aim should be to maintain the current baseline figure of 14.3 as this in itself will be challenging in the current economic climate |
| Create more employment opportunities for local people | Youth Unemployment Rate (Hartlepool) | 34.4% (2007) | 32.2% | 33.9% (2009) | The cohort worst affected by the downturn has been young people with nationally one in five young people currently unemployed. The picture is no different in Hartlepool with youth unemployment fluctuating erratically. For example, in June 2009 the youth unemployment rate was 31.5%, however, this increased to 33.9% in November 2009 (NOMIS). The actual numbers of young people who are unemployed in Hartlepool remains within the region of 1,200. The reduction in the number of vacancies across the town over the past year has further compelled the issue of youth unemployment. |
| Create more employment opportunities for local people | Youth Unemployment Rate (Neighbourhood Renewal Narrowing the Gap) | 35.2% (2007) | 32.5% | 34.2% | |

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Original Target | 2010/11 Revised Target | Explanation |
|-------------------------------------|--|------------------------|-------------------------|------------------------|--|
| Balancing Housing Supply and Demand | Delivery of new Affordable Housing | 10 (2006/07) | 80 | 140 | This target is an improvement to the original target. In the period 2008-10 265 units of affordable housing are expected to be delivered in total, with 234 units completed by December 2009. Schemes in the pipeline for 2010/11 are in excess of 140 units, therefore 140 is a realistic target to propose for 2010/11. |
| Balancing Housing Supply and Demand | Number of private dwellings empty for over 6 months (formerly number of homes brought back into use) | 631 (2009) | 20 | 63 | <p>Scrutiny Co-ordinating Committee felt that the original target was not ambitious enough and recommended that the target for 2010/11 be set at no less than 12% of the total homes available to be brought back in to use.</p> <p>In response it is proposed that the target be revised to 'reduce the number of private dwellings empty for over 6 months by 10%' which equates to 63 private dwellings. This is a substantial increase from the original target and is felt to be both ambitious and challenging.</p> <p>The definition of the indicator is set out in appendix 4.</p> |

Proposed New Local Priority Targets:

| Outcome | Indicator | Baseline Figure (Year) | 2010/11 Target | Explanation |
|--|--|-------------------------------|-----------------------|--|
| Be Healthy | Number of schools at stage 4b of the Healthy Schools Enhanced Model who have successfully completed their Health and Well being Improvement Tool | 0% (2009/10) | 20% (April 2011) | As the local priority indicator 'number of schools achieving National Healthy Schools Status' has been achieved in 2009/10 it is proposed to replace this indicator with the two outlined here. This is to ensure that the strategic profile of Healthy Schools is maintained locally. |
| Be Healthy | Number of schools that have successfully completed their Annual Review | 0% (2009/10) | 50% (July 2011) | |
| Empower local people to have a greater voice and influence over local decision making and the delivery of services | NI 3 Civic participation in the local area | 10.9% | 13.0% | To reflect empowerment work being undertaken in the Borough it has been proposed to include a new indicator, NI 3 Civic Participation in the local area. |

Local Priority Target - Number of empty homes

Description: The number of private dwellings empty for over 6 months

Definition: 'Private dwellings' are classified as all privately owned dwellings except for RSL dwellings.

Dwellings in the following categories are counted as being potentially available to the market:

- Empty between changing occupants
- Undergoing modernisation, repair or conversion
- Awaiting demolition
- Repossessions
- Awaiting probate
- Newly completed but not occupied
- Owned by a charity
- Unoccupied annexes
- Trustee in bankruptcy

Dwellings in the following categories are excluded because they are not considered as being available to the market:

- Second homes
- Holiday lets
- Flats and houses normally occupied by students
- Owner is in prison
- Owner receiving or giving care
- Owner in the armed or visiting forces
- Flood damaged
- Awaiting occupation by clergy

The calculation also excludes long-term vacant private sector dwellings earmarked for redevelopment or demolition.

Latest Available Data: 631 empty private homes in April 2009, 1.9% of the total number of private homes.

Proposed Target for 2010/11: To reduce the number of empty private homes by 10% (63 private homes).

CABINET REPORT

8th February 2010



Report of: Director of Child and Adult Services

Subject: MACHINERY OF GOVERNMENT CHANGES

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on progress to date in preparing for the transfer of funding and commissioning responsibility for the delivery of high quality education and training for young people aged 16-19 (16-25 for learners with an identified learning disability), from the Learning and Skills Council (LSC) to individual Local Authorities (LAs) from April 2010.
- 1.2 The ASCL Act requires LAs to put in place the arrangements described in this report and as such they represent statutory requirements. Approval is sought to progress the necessary HR, legal and financial arrangements required statutorily to facilitate the transfer of the commissioning responsibilities.

2. SUMMARY OF CONTENTS

- 2.1 The Apprenticeship, Skills, Children and Learning Act 2009 places a duty on local authority to secure enough suitable education and training to meet the reasonable needs of young people aged 16-19 and up to aged 25 who have a learning difficulty assessment in their area.
- 2.2 Additional responsibilities include securing sufficient suitable provision to meet the reasonable needs of children and young people up to age 19 in youth detention and working with National Apprenticeship Service to ensure that young people have access to apprenticeships, including information about frameworks and standards.

- 2.3 The Apprenticeship, Skills, Children and Learning Act 2009 together with Education and Skills Act 2008, also make local authorities responsible for raising the age of participation in education, training or work with training up to age 17 in 2013 and 18 by 2015.

3. RELEVANCE TO CABINET

- 3.1 The Apprenticeships Skills and Children's Learning Act 2009 will have implications for all young people age 16-19 and 16-25 who have specific learning difficulties and disabilities and their families in Hartlepool and therefore requires the approval of Cabinet to implement the local authority statutory duties.

4. TYPE OF DECISION

- 4.1 Key Decision – tests (i) and (ii) apply.

5. DECISION MAKING ROUTE

- 5.1 Cabinet meeting on 8th February 2010.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is requested to approve the recommendations as outlined below:
- a. Implement the statutory duties placed upon the local authority in respect of commissioning education and training from 1st April 2010.
 - b. Note the proposed Regional Planning arrangements (**Appendix 1**), and authorise the Director of Child and Adult Services in consultation with the Lead member for Children's Services to keep these arrangements under review to ensure they are effective in supporting the Authority in discharging its responsibilities.
 - c. Note the outcomes of the Learning and Skills Council (LSC) staff matching process i.e., 5 posts will transfer formally to the Local Authority from the LSC on 1st April 2010, and approve the creation of the 5 identified posts on the LA establishment.
 - d. Note the financial implications outlined in the report to support the staff transfer.
 - e. Confirm the intention to support shared services as appropriate at SRG level.
 - f. Authorise the Director of Child and Adult Services, in consultation with the Chief Financial Officer, Chief Personnel Officer and the Chief Solicitor, to put in place all necessary arrangements for receiving the transferring LSC staff in line with best practice in Transfer of Undertakings – Protection of Employment (TUPE) legislation.

- g. Authorise the Director of Child and Adult Services, in consultation with the Chief Finance Officer, the Head of Legal Services and appropriate senior LSC officers, to put in place all necessary arrangements for the transfer and management of funding contracts, agreed by the LSC with learning providers in the borough, from 1st April 2010 - 31st July 2010 and from 1st August 2010 – 31st July 2011.
- h. Authorise the Director of Child and Adult Services, in consultation with the Lead Member for Children's Services, to confirm appropriate arrangements for stakeholder consultation and engagement at the local and sub-regional level.
- i. Require the Director of Child and Adult Services in consultation with the Lead Member for Children's Services and other appropriate members to provide an annual report to Cabinet on 16-19 issues via the arrangements to report on the Children and Young People's Plan.

Report of: Director of Child and Adult Services

Subject: MACHINERY OF GOVERNMENT CHANGES

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on progress to date in preparing for the transfer of funding and commissioning responsibility for the delivery of high quality education and training for young people aged 16-19 (16-25 for learners with an identified learning disability), from the Learning and Skills Council (LSC) to individual Local Authorities (LAs) from April 2010.
- 1.2 The ASCL Act requires LAs to put in place the arrangements described in this report and as such they represent statutory requirements. Approval is sought to progress the necessary HR, legal and financial arrangements required statutorily to facilitate the transfer of the commissioning responsibilities

2. BACKGROUND

- 2.1 The White Paper *Raising Expectations: Enabling the system to deliver*, produced jointly by the DCSF and the Department for Innovation, Universities and Skills (DIUS) identified detailed proposed changes to the machinery of government with regard to skills training for adults and the creation of an effective system to deliver the learning entitlement to 14-19 year olds. The entitlement concept relates to a range of curriculum and guidance initiatives and services that should be available to all 14-19 learners regardless of where they study. The reforms were designed to give councils the strategic lead for 14-19 education and training, enabling integration of provision between schools, colleges and employers as they jointly offer the new range of Diplomas and Apprenticeships alongside GCSEs and other qualifications.
- 2.2 Earlier in 2009, LAs were asked to consider the best way of grouping together to meet the learning needs of 14-19 year olds, informed by a detailed analysis of travel to learn patterns. This is a review of the choices that learners make in respect of their post-16 learning provider and the extent to which they stay within or move beyond their “home” local authority. This analysis informed the creation of sub-regional clusters of LAs to work together to create a commissioning plan for 14-19 learning in their geographical area. The LAs in Tees Valley submitted a joint response – the SRG Stage 2 Submission - proposing a sub-regional grouping (SRG) of the 5 Tees Valley LAs. The SRG Stage 2 submission was approved by Cabinet in January 2009.

2.3 16-19 Commissioning and the transfer of responsibilities

- 2.3.1 The Apprenticeships, Skills, Children and Learning Act 2009 (ASCL) is the legislative framework that confirms the changes first outlined in the Raising Expectations White Paper. The Act is wide-ranging and encompasses a number of areas in addition to the changes to the machinery of government of the 16-19 phase.
- 2.3.2 From 1st April 2010, all unitary and county councils will take over responsibility for 16 to 19 education from the Learning and Skills Council (LSC). This is a significant shift in responsibility and funding, involving the transfer of £7 billion of public money and nearly 1,000 LSC staff nationally. The key features of the new system are:
- LAs to identify demand and plan provision to meet the learning needs of young people post 16;
 - LAs to commission the provision ;
 - A funding model which ensures that money reaches providers appropriately.
- 2.3.3 LAs will be responsible and accountable for securing the provision of high quality education and training for 16-19 year olds, (and 19-25 year olds subject to a learning difficulty assessment), and for those young people in youth custody aged 10 to 18. LAs will be supported by a small non-departmental public body – the Young People's Learning Agency (YPLA) – which will ensure coherence of planning and budgetary control at a national level.
- 2.3.4 LAs will be responsible for commissioning and procuring learning provision on behalf of young people in their own area and for young people choosing to travel in to learn from other local authority areas. This will ensure that providers, particularly FE Colleges, are not required to have multiple dialogues with a number of LAs. Due regard will be given, through the SRG and Regional Planning Group (RPG), to ensuring appropriate learning is available to meet the needs of residents of their area within the constraints of the funding agreement reached with the YPLA.
- 2.3.5 The Department of Business Innovation and Skills (BIS), through a new agency, the Skills Funding Agency (SFA) will take on responsibility for all other learners over the age of 19, not subject to a learning difficulty assessment. It will also, through the National Apprenticeships Service (NAS), be responsible for securing apprenticeships for 16-18 year olds and all adults.
- 2.3.6 The legislation establishes LAs as the single point of responsibility and accountability for children's and young people's services from 0 to 19 (25 for learners subject to a learning difficulty assessment).

2.4 Progress to date - local and sub-regional

- 2.4.1 The proposed local, sub-regional and regional structures and planning processes are founded on the principle of subsidiarity, recognising the primacy of LAs. Through effective collaboration at SRG level LAs will inform and shape the regional agenda. They also reflect the key relationships being developed at SRG level with Multi-Area Agreements (MAAs) and sub-regional governance structures.
- 2.4.2 The ASCL Act requires the dissolution of the LSC and the transfer of designated LSC staff to support the most appropriate element of the new system – the YPLA, the SFA, the NAS or the Local Authority. As part of the establishment of the new arrangements, current LSC staff have been through a “matching” process. The matching process reflects the duties and responsibilities that are transferring to each part of the new system from the existing LSC arrangements. Staff most closely aligned with the discharge of those responsibilities in respect of Local Authority areas have been identified to transfer to LA teams.
- 2.4.3 The transfer of staff will be governed by Transfer of Undertakings (Protection of Employment) – TUPE – regulations. LSC and local authority HR staff in Tees Valley have been working together to oversee the transfer, in line with best practice guidelines for TUPE transfers. Similarly, each LA has initiated a programme of orientation and induction activities in advance of the formal transfer date of 1st April 2010 so that appropriate organisational and team development can take place in readiness for the formal transfer of responsibilities. Most transferring LSC staff will be spending time in their respective LA teams working on associated 16-19 initiatives in advance of April 2010. In Tees Valley agreement was reached for formal shadowing to commence in January 2010.
- 2.4.4 For staff transferring, the actual staffing cost including on-costs will also transfer. Where a vacancy transfers, the average cost of the vacancy will be transferred. The transferring staff will be embedded within Local Authority teams and their Children’s Trust commissioning arrangements.
- 2.4.5 The Authority will receive, annually up to 2012/13, a ring-fenced Special Purpose Grant from DCSF to cover the additional costs associated with taking on these additional responsibilities.
- 2.4.6 In addition to the LA team, a sub-regional shared service was approved as part of the Stage 2 submission. This service will take the form of a virtual team and will undertake those activities which are best completed once on behalf of all LA partners. Accountability for these decisions will remain with individual LAs. The SRG structure to support these arrangements is included at **Appendix 2.**

- 2.4.7 Each LA will take on the responsibility for administering the funding agreements with their local schools and colleges (and WBL/third sector providers for Foundation Learning). Funding for Academies will be administered by the YPLA who will assume responsibility for all open academies in April 2010. Any Academies within the region and sub region will be considered within the commissioning process; however the YPLA will be responsible for deciding on the number of sixth form places to be funded in each 11 – 18 academy, taking account of the views of the local authority and the academy as well as its own local intelligence.
- 2.4.8 Funding agreements will cover the periods April 2010 – July 2010 (the current funding agreement) and August 2010 – July 2011. These agreements are already, or will be, in place before the formal transfer of responsibilities and as such they will transfer, along with the agreed funding allocations on April 2010. It will be for the LA team to administer rather than negotiate and agree these allocations.
- 2.4.9 For the delivery year August 2011 – July 2012, LAs will lead all elements of the planning, commissioning, administrative and quality assurance process. A consultation document has been produced by the DCSF – The National Commissioning Framework – that describes the potential processes and lead responsibilities for 2011-12.

2.5 Progress to date – regionally

- 2.5.1 In addition to collaboration at a sub-regional level to plan and commission provision, LAs will need to come together with other key stakeholders such as the Regional Development Agency (RDA), Government Office North East (GONE), Young People's Learning Agency and the new Skills Funding Agency as part of a Regional Planning Group (RPG). The role and structure of the North East RPG is summarised at **Appendix 1**.
- 2.5.2 The Regional Planning Group will scrutinise the commissioning plans of the Sub-Regional Groups to ensure that they are coherent, fall within the overall budget available and deliver the entitlement for all young people in the region. The RPG will also work with the Regional Skills Partnership to make sure that commissioning plans reflect local skills needs. Recent national guidance indicates an expectation that at a regional level the voice of employers should be strongly represented in helping to ensure that economic growth is driven forward and the needs of the labour market are being met.

3. RELEVANCE TO CABINET

- 3.1 The Apprenticeships Skills and Children's Learning Act 2009 will have implications for all young people age 16-19 and 16-25 who have specific learning difficulties and disabilities and their families in Hartlepool and therefore requires the approval of Cabinet to implement the local authority statutory duties.

4. FINANCIAL IMPLICATIONS

- 4.1 It is the intention of Government to fund fully the actual costs of transferring LSC staff (that is, salary, NI, pensions, and any other contractual allowances), to fund transferring vacancies (that is, salary, NI, and pensions) at the average of the top and bottom of the relevant pay band, and to make an allocation for IT, premises and other costs. LAs have received details of their allocation for 2010/11.
- 4.2 The DCSF is working with the Government Actuary's Department and Local Government Pension Scheme actuaries to calculate the total cost of the pension transfer and this will include assessing what additional funding each local authority will need to meet their employer contribution for the transferring LSC staff. This will be cost neutral for LAs and does not impact on local authority budgeting.
- 4.3 The DCSF will make the payments as a special purpose grant within the area-based grant for 2010/11 and the following two years. The DCSF position for 2013 and beyond is that any funding that goes beyond the current spending review period cannot be guaranteed. There is a DCSF recognition that there will be ongoing statutory responsibilities for LAs and that these responsibilities will be reflected in the revenue support grant or area-based grant.

5. CONSULTATION PROCESS

- 5.1 The 'Raising Expectations' white paper has been subject to national, public consultation. A range of briefing events and consultations were arranged for external partners and associated organisations and agencies including the Children's Trust.
- 5.2 Outline briefings have been provided for the Cabinet Member and the Director of Children's Services, briefings have also been provided for the Corporate Management Team.
- 5.3 In addition, the Hartlepool 14-19 Strategic Board has been consulted. The group consists of officers of the local authority including the Children's Trust; representatives from all Hartlepool Secondary Schools, Colleges, and work based training, higher education and the community and voluntary sector. Information will be circulated to parents, carers and young people via the 14-19 newsletters and the views of young people will be collected as part of the evidence gathering for careers education advice and guidance.
- 5.4 This information will assist the development of the 14-19 Strategic and Operational Plans, which will implement the White Paper 'Raising Expectations' and the Apprenticeship, Skills, Children and Learning Act 2009.

6. TYPE OF DECISION

- 6.1 Key Decision – tests (i) and (ii) apply.

7. DECISION MAKING ROUTE

- 7.1 Cabinet meeting on 8th February 2010.

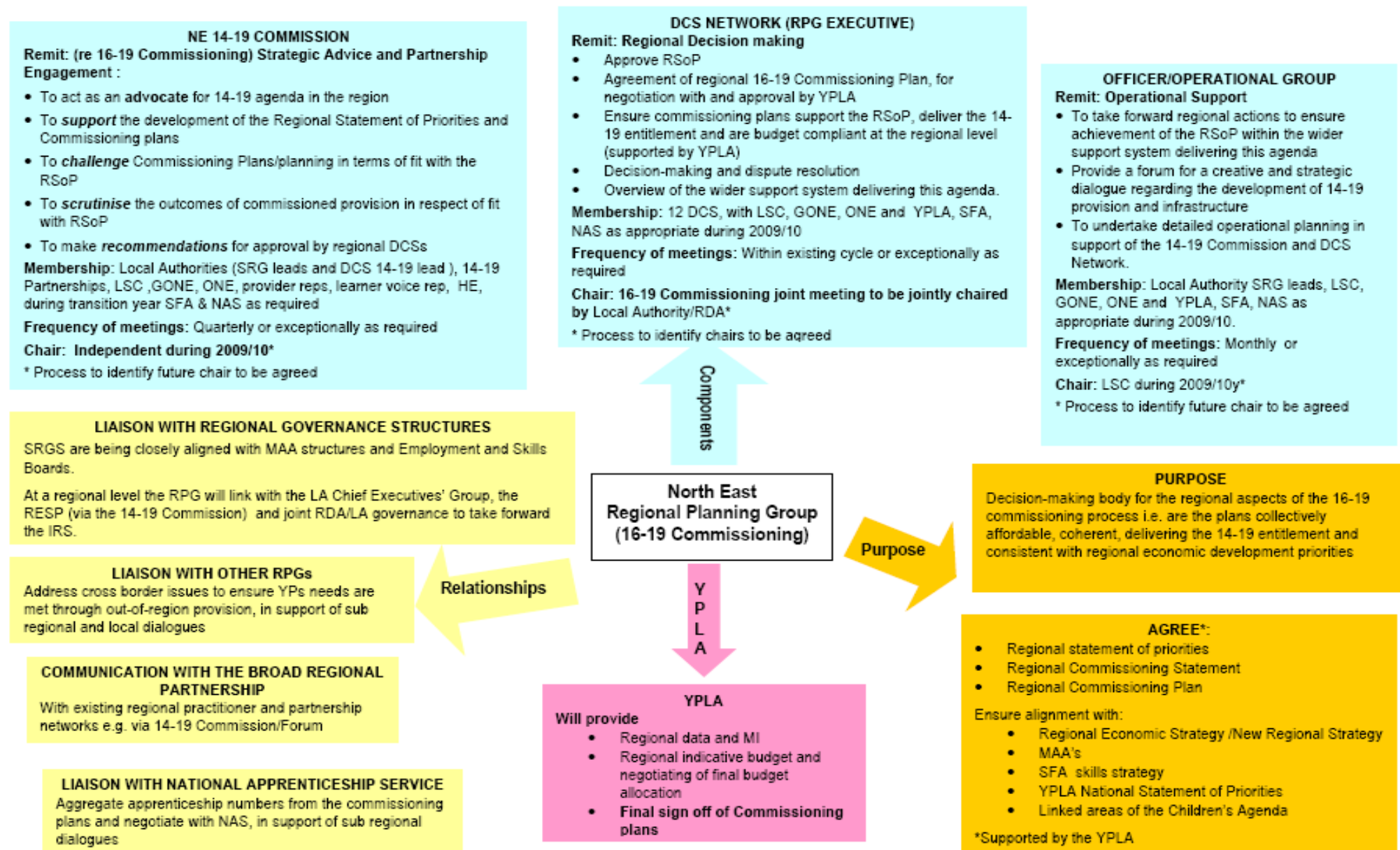
8. DECISION(S) REQUIRED

- 8.1 Cabinet is requested to approve the recommendations as outlined below:

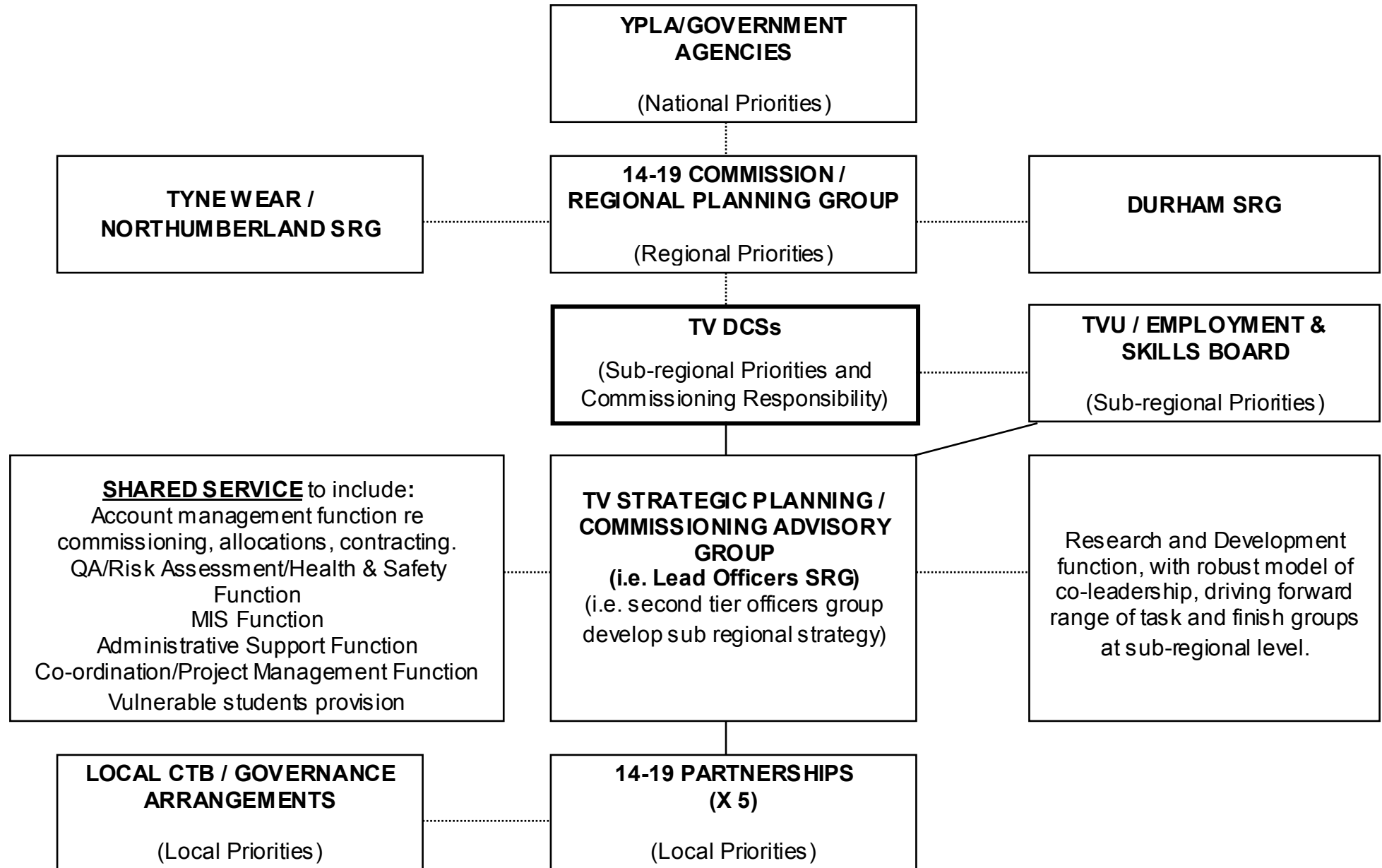
- a. Implement the statutory duties placed upon the local authority in respect of commissioning education and training from 1st April, 2010.
- b. Note the proposed Regional Planning arrangements (Appendix 1), and authorise the Director of Child and Adult Services in consultation with the Lead member for Children's Services to keep these arrangements under review to ensure they are effective in supporting the Authority in discharging its responsibilities.
- c. Note the outcomes of the Learning and Skills Council (LSC) staff matching process i.e., 5 posts will transfer formally to the Local Authority from the LSC on 1st April 2010, and approve the creation of the 5 identified posts on the LA establishment.
- d. Note the financial implications outlined in the report to support the staff transfer.
- e. Confirm the intention to support shared services as appropriate at SRG level.
- f. Authorise the Director of Child and Adult Services, in consultation with the Chief Financial Officer, Chief Personnel Officer and the Chief Solicitor, to put in place all necessary arrangements for receiving the transferring LSC staff in line with best practice in Transfer of Undertakings – Protection of Employment (TUPE) legislation.
- g. Authorise the Director of Child and Adult Services, in consultation with the Chief Finance Officer, the Head of Legal Services and appropriate senior LSC officers, to put in place all necessary arrangements for the transfer and management of funding contracts, agreed by the LSC with learning providers in the borough, from 1st April 2010 – 31st July 2010 and from 1st August 2010 – 31st July 2011.
- h. Authorise the Director of Child and Adult Services, in consultation with the Lead member for Children's Services, to confirm appropriate arrangements for stakeholder consultation and engagement at the local and sub-regional level.
- i. Require the Director of Child and Adult Services in consultation with the Lead member for Children's Services and other appropriate members to provide an annual report to Cabinet on 16-19 issues via the arrangements to report on the Children and Young People's Plan.

Background Papers Raising Expectations White Paper. National Commissioning Framework.

5.2 Appendix 1 North East Regional Planning Group



5.2 Appendix 2 Tees Valley SRG Structure



CABINET REPORT

8th February 2010



Report of: Director of Child and Adult Services

Subject: Hartlepool Breastfeeding Strategy 2009-2012

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present to the Cabinet the draft Hartlepool Breastfeeding Strategy (**APPENDIX A**).

2. SUMMARY OF CONTENTS

- 2.1 The Strategy highlights the challenges in relation to improving breastfeeding initiation and maintenance rates. It illustrates how even across the North East of England where breastfeeding rates are low in comparison to the rest of England, that Hartlepool is one of the poorer performing areas.
- 2.2 The Strategy highlights the well researched and proven benefits to both mother and a baby from breastfeeding and identifies key objectives to address the issues to deliver a vision of Hartlepool being a 'Breastfeeding Town'
- 2.3 The Strategy sets out a series of actions that must be taken and lead personnel identified to drive forward implementation.

3. RELEVANCE TO CABINET

- 3.1 This is a significant public health issue that Cabinet needs to be aware of and the associated issues to improving performance.

4. TYPE OF DECISION

- 4.1 Non-Key.

5. DECISION MAKING ROUTE

Cabinet.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to endorse the Breastfeeding Strategy and recognize the significance of breastfeeding as a key public health priority.

Report of: Director of Child and Adult Services

Subject: HARTLEPOOL BREASTFEEDING STRATEGY

1. INTRODUCTION

- 1.1 The purpose of this paper is to introduce to Cabinet the Hartlepool Breastfeeding Strategy 2009-2012.
- 1.2 The paper will provide the background to the strategy and highlight why there is a need for a co-ordinated approach to improving breastfeeding rates across the town.
- 1.3 The paper will illustrate the key objectives within the strategy and the key issues in the associated action plan.

2. BACKGROUND

- 2.1 Breastfeeding initiation and consequent maintenance rates across Hartlepool are well below the national average. The percentage of women who breastfeed their baby at birth is around 35% compared to a national average of over 70%. The percentage of those mothers still breastfeeding at 6-8 weeks following birth is much lower at around 20%.
- 2.2 The benefits of breastfeeding are well documented for both mother and baby (see page 5 of draft strategy). It is the best start in life that a baby can be given, even having a positive affect on childhood obesity as children mature.
- 2.3 Due to the proven health gains and positive outcomes of breastfeeding, NHS Hartlepool has given a strategic commitment to improving breastfeeding initiation and maintenance rates. This commitment will be measured not only through performance as a vital sign target but also as a metric as part of the World Class Commissioning assessment process.
- 2.4 The challenges to delivering the necessary improvements in breastfeeding across the town can not be underestimated. Hence, there is the need for this multi-agency strategy to promote breastfeeding, to be driven forward and energetically implemented.

Some of the historical challenges have stemmed from:

- Poor data quality on the coverage and prevalence of breastfeeding.
- Lack of co-ordination of initiatives and activities that contribute to breastfeeding.
- Lack of consistent implement approaches and the need for all key agencies to work towards UNICEF Baby Friendly accreditation.

- Support services to new parents including peer support.
- Culture of bottle feeding across the town and indeed the north east generally.
- Need for consistent messages to challenge cultural beliefs.
- Need for more breastfeeding friendly places within the town.

2.5 In order to provide the necessary focus and leadership on the issue, the Breastfeeding Strategy has been developed in partnership with key organisations such as NHS Hartlepool and North Tees and Hartlepool Foundation Trust.

3. KEY OBJECTIVES

3.1 In order to increase initiation and maintenance of breastfeeding across Hartlepool the following objectives are being proposed:-

- All service providers will have service policies and procedures that actively support breast feeding.
- To work in partnership towards achieving baby friendly accreditation in all health settings and Sure Start Children's Centres.
- Education about the benefits of breast feeding will begin with children and young people.
- To adopt the international code regarding the marketing of breast milk substitutes.
- A regular system for collating the necessary breast feeding data will be available
- To ensure that there is adequate support available for breast feeding mothers across both localities
- To develop a sustainable programme of Breast Feeding peer supporters working across hospital, community and home settings.
- To engage the wider community including the media in supporting the increase in breast feeding rates
- To engage wider family members to increase the acceptance of breast feeding in our community.
- To ensure that mothers and infants in special circumstances are supported to breast feed

- To work with women of child-bearing age, expectant and recent mothers, to continuously review the services offered and respond to their opinions and preferences.
- 3.2 Each of the objectives is underpinned by an action plan, with a named person with lead responsibility for delivering the action within an agreed timescale.
- 3.3 Implementation of the Strategy is overseen by a multi-agency steering group chaired by the Acting Director of Health Improvement supported by the Assistant Director of Children's Commissioning.
- 4. RECOMMENDATION**
- 4.1 The Cabinet is asked to note the content of the Breastfeeding Strategy and associated action plan.

Louise Wallace
Acting Director of Health Improvement
NHS Hartlepool / HBC

6.1 Appendix A

DRAFT

**HARTLEPOOL
BREASTFEEDING STRATEGY
2009-2012**

Hartlepool DRAFT Breastfeeding Strategy 2009 -2012

1. Introduction

- 1.1 Breastfeeding is the best start that a mother can give to her baby and can make a major contribution to health and well being with benefits that are life long.

Breastfeeding can make an important contribution to meeting targets to reduce infant mortality, as a core element in reducing health inequalities¹.

Breastfeeding especially if sustained for the first six months of life can make a major contribution to an infants health and development and is associated with better health outcomes for the mother¹.

- 1.2 The key agencies working to improve health and well being in Hartlepool are committed to improving uptake and maintenance of breastfeeding across the whole of the town. It is a key public health priority and therefore this strategy and action plan sets out what we are seeking in partnership to achieve.
- 1.3 The Strategy highlights the strategic context of breastfeeding within Hartlepool; why breastfeeding is so important; our vision; key objectives to deliver the vision and high level actions to deliver the objectives. The inclusion of the detailed action plan sets out what we are going to do; who is going to do this; by when and how we will know we have completed the actions.

2. Strategic Context – Why Breastfeeding is such an important Public Health Issue?

- 2.1 The Government and the World health Organisation recommend Sure Start manager that babies are exclusively breastfed for the first six months of life. Over thirty organisations have signed up to the breastfeeding manifesto that supports the need to improve the awareness of the health benefits of breastfeeding and its role in reducing inequalities in health.

The UK however has one of the lowest rates of breastfeeding in Europe and this has a negative affect on child health. The average figure for breastfeeding in England is 77%. Although it should always be a woman's choice whether or not to breastfeed, UNICEF UK suggests that the lack of support for women who want to breastfeed and the inappropriate promotion of baby milk are significant barriers to breastfeeding in the UK. This makes it harder than ever for parents to make an informed choice on how to feed their babies¹.

According to the 2005 Infant Feeding Survey, nine out of ten new mothers, who gave up breastfeeding within six months, would have preferred to breastfeed for longer. The majority of reasons given for ending breastfeeding early relate to

¹ DOH 2003, WHO 2003

¹ Regional infant feeding and weaning guidelines. GONE 2009.

¹ Unicef

problems which could be easily avoided or solved with better support from health services.

The Government has set a new ambition to be the first major country to reverse the rising tide of obesity and overweight in the population. The initial focus is on children and the aim is by 2020 to reduce the proportion of overweight and obese children to 2000 levels¹. Improving Breastfeeding rates is recognised as a key action in achieving this ambition as evidence suggests that there is a reduced incidence in obesity at 5 years old in a breast fed compared to a bottle fed baby².

The United Nations Children's Fund UK Baby Friendly Initiative is the UK strand of an international and widely accepted source of evidence and recommendations on breastfeeding. This strongly recommends Sure Start manager that local health trusts (ie, PCTs) and their partners establish breastfeeding strategies as an effective means of promoting breastfeeding.

- 2.2 Breastfeeding initiation in the North East is 57% and is significantly below the national average of 76%. Within the early life element of the regional public health strategy 'Better Health, Fairer Health' aimed at improving the health and wellbeing of the people in the North east, there is a commitment to promote breastfeeding across the region¹.
- 2.3 The Tees Strategy 2009-2014, as part of the PCTs World Class Commissioning process has identified breastfeeding in Hartlepool as one of the top ten priorities. The PCT has identified this as a priority to 'tackle childhood obesity issues upstream' and the PCT will be measured on performance in relation to this priority.
- 2.4 Fewer than half of all infants born each year in the Hartlepool are breast fed¹. This compares with an average of 77% for England.

In light of the above the NHS National priorities¹ (Vital signs, DOH 2008) for local delivery include the need to improve the initiation and maintenance rate of breastfeeding at six to eight weeks. The cross government Public Service Agreement 12, indicator one is to increase the prevalence of breastfeeding at six to eight weeks after birth. The initiation rate for breastfeeding in Hartlepool in 08/09 was 41%. The Hartlepool Children's Trust has also identified breastfeeding as a key priority as highlighted in the Children and Young People's Plan. Increasing breastfeeding initiation and maintenance is key to ensuring children are healthy.

- 2.5 Individual provider organizations have also strategically recognized the importance of breastfeeding. North Tees and Hartlepool NHS Foundation Trust has invested time and resources to secure Baby Friendly Accreditation.
- 2.6 The public health impact of breastfeeding is widely acknowledged. In 1998 the Acheson Report *Tackling Inequalities in health* recommended policies which would increase the prevalence of breastfeeding.

¹ 1 healthy weight, healthy Lives: a cross government strategy for England 2008

² Horta et al (2007) Evidence of the Long term effects of Breastfeeding: Systematic Reviews and Meta analysis. WHO

¹ Public Health North East (2008) Better Health, Fairer Health – a strategy for 21st Century health and wellbeing in the North East of England

¹ Childish things 2006

¹ DOH Annual Operating Plan 2007

The Choosing Health White Paper (DOH 2004) recommended that Local authority and PCT business plans be coordinated to agree local targets and performance indicators on increasing the breastfeeding rates.

The Children's NSF (DOH 2004) standard one and standard 11 recommends that up to date information on breastfeeding and breastfeeding support is provided in line with the government's commitment to improve the health of the population.

National standards, Local Action: Health and Social Care Standards and Planning Framework for 2007-2008 (DOH 2004) recommended interventions to increase the breastfeeding initiation and maintenance rates.

Healthy Start (DOH 2005) replaced the welfare food scheme and brought about reforms to ensure there is greater support for breastfeeding and parenting. This new scheme provides the following to pregnant women and families with children under the age of four¹:

- Includes fruit and vegetables as well as milk and infant formula milk
- Supports breastfeeding
- promotes the uptake of vitamin supplements
- Encourages earlier and closer contact between health professionals and families from disadvantaged groups.

3. Why is Breast Best?

- 3.1 There are proven health benefits for both the mother and the infant. Extensive scientific evidence especially in recent years has documented the diverse and compelling advantages to infants, mother's families and society from breastfeeding and the use of human milk for infant feeding³.
- 3.2 A systematic review published by NICE (2005) provides evidence of the health benefits of breastfeeding for both the infant and the mother¹.

Benefits for babies

Studies have demonstrated that infants who are breast fed are at a reduced risk of developing:

- Gastro –intestinal infections
- acute otitis media/ear infections
- non specific infections such as urinary infections
- severe lower respiratory Tract infections
- allergies such as eczema
- asthma and wheeze
- atopic dermatitis
- increased body fat and weight/obesity

¹ The healthy start scheme is available to those who qualify for income support, income based job seeker allowance or child tax credit.

¹ Source: *The effectiveness of public health interventions to promote the duration of breastfeeding*. The full review is available at www.publichealth.nice.org.uk.

Source: April 2007, AHRQ, Ip S et al, *Breastfeeding and Public health*

- type 1 & type 2 diabetes
- childhood leukaemia
- sudden Infant Death Syndrome
- dental caries

Benefits to mothers

Recent studies have suggested that the benefits of breastfeeding to mothers include:

- reduced risk of breast cancer
- reduced risk of pre and post menopausal ovarian cancer
- reduced risk of late onset diabetes
- reduced risk of rheumatoid arthritis
- reduced risk of osteoporosis

Other benefits:

- uses up calories enabling mothers to return to their pre birth weight
- returns the uterus to its pre-pregnant state much quicker
- financial – breast milk is free
- helps a mother to bond with her baby
- convenience – mothers do not have to purchase, measure and mix formula and there are no bottles to mix in the middle of the night, breast milk is readily available

Benefits to the NHS

- Protection of infants and infants against the diseases listed above will lead to reduced demand on NHS services
- Improved breastfeeding rates will contribute to reducing childhood obesity and encourage women to regain their pre pregnancy weight, again contributing to the obesity targets for adults.
- Cost effectiveness studies suggest that if all babies in England were breast fed the NHS would save £35 million per year in treating gastroenteritis.

4. The Vision

‘Hartlepool is a breastfeeding town – as breast is best’

- 4.1 The aim of this strategy is to improve the health, development and nutritional status of all children by increasing initiation and maintenance of breastfeeding as part of improving health outcomes for all mothers and children.
- 4.2 By sharing the knowledge on the benefits of breastfeeding widely there will be improved, informed choice to breast feed and that year on year there will be an increasing number of infants breast fed. This will lead to an improvement in the nutritional status, growth and development of children by promoting the initiation and maintenance of breastfeeding. Additionally research indicates that the improvement of breastfeeding rates can positively affect childhood obesity.¹²

¹ Department of health (2004) NSF for children, young people and maternity services.

² Dyson, L. McCormick F. Renfrew, M.J. (2005) Interventions for improving the initiation of breastfeeding. The Cochrane database of systematic reviews.

We want to see:

- Multi agency services, working in partnership to promote the benefits of breastfeeding and to encourage a culture change whereby mothers feel enabled to initiate and continue breastfeeding for as long as they wish to.
- All families have access to evidence based information and support that clearly states the significant benefits associated with breastfeeding.
- Improvement in the initiation of breastfeeding by removing barriers to breastfeeding.
- An increase in the maintenance of breastfeeding at 6-8 weeks post delivery and beyond six months of age
- For those mothers and infants who choose to breast feed there is access to support, advice and information that is based on the best available evidence enabling them to continue to breast feed for as long as they wish.
- Within the local areas breastfeeding will be the first choice for mothers and their infants and there will be a cultural shift away from bottle feeding.
- To improve the infant weaning practice and embed healthy eating habits for all children from birth.

5. Delivering the Vision through Objectives

5.1 Delivery of the vision will come through achievement of the following objectives:

- Every practitioner working with families will be aware of the long and short term benefits of breastfeeding.
- Every practitioner working with families will be aware of the barriers to progress in relation to improving the breastfeeding rates and will be actively involved in addressing these.
- Implement the best practice standards for the promotion of breastfeeding in relevant health care and local authority settings.
- Proactively work with school age children and young people to increase their knowledge on the benefits of breastfeeding and to explore the perceptions they have about breastfeeding.
- Target intervention in areas of greatest need.
- Ensure there is a trained and skilled workforce to ensure that consistent advice and information is provided and that the family have access to the level of support that they need at the correct time.
- Achieve baby friendly accreditation in all relevant settings across the local areas.

- Significantly shift away from the strong local bottle-feeding culture that is prevalent in Hartlepool towards a breastfeeding culture.

6. Delivering the Objectives through Actions

6.1 Key high level actions to be taken forward across the Hartlepool are:

- Improve the quality and consistency of care offered to all potential breastfeeding mothers
- Provide direct support in the community to all mothers who wish to breastfeed their babies
- Raise the profile of the value of breastfeeding across all South Tees communities
- Develop robust mechanisms for coordinating, monitoring and evaluating breastfeeding data to inform future planning
- Develop public policies which support breastfeeding in public places
- Ensure breastfeeding targets are built into relevant strategies and action plans locally.

7. What Have We Achieved so Far?

There are several groups and actions plans in place to support the improvement of the breastfeeding initiation rates and the maintenance of breastfeeding beyond 6 weeks after birth.

- Children's centres have breastfeeding policies in place and have staff trained in breastfeeding
- Education – achievement of the healthy schools standards
- Childhood obesity strategy
- Teenage pregnancy strategy
- Children and Young people's Plans

The breastfeeding strategy implementation plan will build on the existing work, strengthen the focus on breastfeeding where it is required and encourage all agencies to work together to develop a breastfeeding culture in Hartlepool.

8. What Are We Going to Do?

- 8.1 The key priorities and future objectives detailed in this section have been formulated following analysis of the UNICEF Breastfeeding Manifesto, a review of the document entitled protection, promotion and support of breastfeeding in Europe: a Review of interventions and an analysis of the current ongoing work towards improving breastfeeding across the partnership. A comprehensive review of interventions was published in 2004. The following were highlighted as effective interventions to improve the breastfeeding rates¹ and should be included in the implementation plan within this strategy.

¹ Unit for Health Services Research and international health. WHO Collaborating Centre for Maternal and child health, Protection, Promotion and support of Breastfeeding in Europe: a review of interventions. May 2004

- Evidence based strategies.
- Multi faceted interventions are especially effective when they target initiation rates as well as duration and exclusivity of breastfeeding. A combination of media campaigns, health education programmes, comprehensive training of health professionals and changes to policies.
- Peer counselling support is available.
- Interventions spanning both antenatal and post natal periods including critical days around child birth are more effective than interventions concentrated on a single period.
- Health sector interventions are especially effective when there is combined approach involving the training of staff, the appointment of a breastfeeding counsellor or lactation consultant.
- Written information needs to be available on rooming in.
- The impact of health education for mothers is only beneficial when what is being taught is reflected in practice.
- Extended face to face contact is an effective intervention, providing written information on breastfeeding is the least effective intervention.
- Baby Friendly Accreditation extending beyond the maternity care setting has the most effective impact.
- Workplace interventions that support mothers in breastfeeding impact positively on the maintenance of breastfeeding.

Hartlepool Breastfeeding Strategy – Action Plan

Objectives

1. All service providers will have service policies and procedures that actively support breastfeeding.
2. To work in partnership towards achieving baby friendly accreditation in all health settings and Sure Start Children's Centres.
3. Education about the benefits of breastfeeding will begin with children and young people.
4. To adopt the international code regarding the marketing of breast milk substitutes.
5. A regular system for collating the necessary breastfeeding data will be available
6. To ensure that there is adequate support available for breastfeeding mothers across both localities
7. To develop a sustainable programme of Breastfeeding peer supporters working across hospital, community and home settings.
8. To engage the wider community including the media in supporting the increase in breastfeeding rates
9. To engage wider family members to increase the acceptance of breastfeeding in our community.
10. To ensure that mothers and infants in special circumstances are supported to breast feed
11. To work with women of child-bearing age, expectant and recent mothers, to continuously review the services offered and respond to their opinions and preferences.

Objective 1: All service providers will have service policies and procedures that actively support breastfeeding

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|--|---|---|------------------|
| 1.1 | To review all existing policies to ensure they meet the UNICEF Baby Friendly requirements and standardise practice as required. | Breastfeeding Co-ordinator | Review complete and policies compliant | |
| 1.2 | Ensure that existing policies of all Partner Agencies include elements relating to Improving Working Lives that provide support to mothers who wish to return to work and breast feed their infants. | Breastfeeding Co-ordinator. PCT Workforce Development Co-ordinator | Audit of compliance confirmed to Strategy Group chair | |
| 1.3 | Each partner organisation to nominate a lead person for Breastfeeding | All | Organisational compliance with policy demonstrated through audit. Report back to breastfeeding strategy group | |
| 1.4 | Audit compliance with the relevant policies | Breastfeeding Co-ordinator | Lead names notified to Strategy Group chair | |
| 1.5 | Ensure that breastfeeding is prominent in other relevant strategies or policies, eg childhood obesity strategy, weaning policy, parenting strategy, oral health strategy, healthy eating policies. | Breastfeeding Co-ordinator All | Audit of compliance confirmed to Strategy Group chair | |

Objective 2: Work in partnership to achieve UNICEF Baby Friendly Accreditation in all health settings and children's centres

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|--|--|------------------------------|------------------|
| 2.1 | Hartlepool Children's Centres to achieve full UNICEF Baby friendly status across both localities. | Sure Start Manager | UNICEF accreditation | |
| 2.2 | Encourage other key partners to engage and adopt in UNICEF baby friendly principles. (GPs, Children's Centres, Teenage Pregnancy Strategy Team, School Nurses, Youth Centres and Education) | Breastfeeding Co-ordinator | Survey results | |
| 2.3 | Train all midwives using an accredited course (UNICEF) and maintain their knowledge skills and competencies. Train all health visitors using an accredited course (UNICEF) and maintain their knowledge skills and competencies. | Breastfeeding Co-ordinator Provider | Audit results | |
| 2.4 | Support medical staff to promote breastfeeding, by providing training to update clinical management: - hospital doctors (and maintain) - GPs – to encourage Hartlepool to have a GP breastfeeding champion | PBC Manager Breastfeeding Co-ordinator. North Tees & Hartlepool Foundation Trust | Training Records | |
| 2.5 | All appropriate children's centre staff provided with breastfeeding training that reflects the UNICEF principles. | Sure Start Manager Breastfeeding Co-ordinator | Training Records | |
| 2.6 | Develop a framework for regular educational updates which include a training curriculum will be available across the partnership. | Breastfeeding Co-ordinator | Training Records | |

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|---|--|------------------------------|------------------|
| 2.7 | Increase the awareness of the benefits of breastfeeding for all health practitioners and Children's centre workers who come into contact with breastfeeding mothers through awareness raising sessions for frontline staff (eg, S<, GP receptionists) | Breastfeeding Co-ordinator Sure Start Manager PCT Workforce Development Co-ordinator | Audit | |
| 2.8 | All pregnant women will be given consistent, high quality information about the health benefits of breastfeeding along with details of the support available to them. | North Tees & Hartlepool Foundation Trust | Audit of mothers | |

Objective 3: Education about the benefits of breastfeeding will begin with children and young people

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|--|------------------------------|---|------------------|
| 3.1 | As part of the healthy schools standard, information on the benefits of breastfeeding will be provided to all school aged children. | Healthy Schools Co-ordinator | Content of standard | |
| 3.2 | Young people will be encouraged to explore the barriers to breastfeeding during PHSE classes. School nursing and parent support advisors will be involved. | Healthy Schools Co-ordinator | Lesson plan reflects Breastfeeding messages | |
| 3.3 | Teenage mothers will be provided with information on the benefits of breastfeeding and encouraged to explore their barriers to breastfeeding. | TP Midwife | Breastfeeding part of support programme for teenage parents | |
| 3.4 | Work with the further education colleges and find innovative ways of engaging our future parents on the benefits of breastfeeding. | Breastfeeding Co-ordinator | Engagement strategies | |

Objective 4: Adopt the international code of marketing of breast milk substitutes

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|---|--|---------------------------------|------------------|
| 4.1 | All breast milk substitute advertising will be prohibited in all PCT premises and Children's Centres. | Acting Director of Health Improvement. Breastfeeding Co-ordinator | Audit to demonstrate compliance | |
| 4.2 | All artificial feeding reps are informed of the policy on this issue across all partnership agencies | Breastfeeding Co-ordinator | Audit to demonstrate compliance | |
| 4.3 | All artificial feeding advertising material eg diary covers, weight charts will be prohibited from use by all health professionals and children's centre workers. | All | Audit to demonstrate compliance | |

Objective 5: A regular system for collating the necessary breastfeeding data will be available

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|---|--|---|------------------|
| 5.1 | Ensure that the data from the NTFT maternity unit is provided to the Child Health information team and subsequently to the PCT Performance team. | North Tees & Hartlepool Foundation Trust | Accurate data available and submitted to PCT performance team | |
| 5.2 | Collate accurate information on the breast feeders at 6-8 weeks delivery. | North Tees & Hartlepool Foundation Trust | Accurate data available and submitted to PCT performance team | |
| 5.3 | Health Visiting service will start to collect breastfeeding data at the primary birth visit (day 11-14) to assess maintenance rates at the onset of the Health Visiting intervention. | North Tees & Hartlepool Foundation Trust | Data available to the Breastfeeding Strategy Group | |
| 5.4 | Start to input the data to System One so all health agencies have access. | North Tees & Hartlepool Foundation Trust | Shared data available | |
| 5.5 | Analyse all Breastfeeding data to identify priority areas for action across the pathway, to maintain Breastfeeding rates and develop plans accordingly to target resources. | Acting Director Health Improvement | Analysis available to Strategy Group | |

Objective 6: Ensure that there is adequate support available for breastfeeding mothers across Hartlepool

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|---|---|----------------------------------|------------------|
| 6.1 | Undertake a baseline assessment of current Breastfeeding Support Groups in terms of location, personnel, uptake and availability for all. | Breastfeeding Co-ordinator | Baseline assessment complete | |
| 6.2 | Ensure that there are support groups in place with a trained and suitably skilled practitioner in attendance. | Breastfeeding Co-ordinator | Extended range of support groups | |
| 6.3 | Advertise the local support groups in appropriate venues. | Breastfeeding Co-ordinator | Publicity Campaign | |
| 6.4 | Develop and promote the use of Antenatal workshops which provide impartial information regarding breastfeeding. | Breastfeeding Co-ordinator | Lesson plan of workshops | |
| 6.5 | Encourage the use of the 24 hour advice lines within 28 days provided by the maternity unit, BFN and the National helpline network. | North Tees & Hartlepool Foundation Trust. Breastfeeding Co-ordinator | Audit of calls | |
| 6.6 | Maintain a quality transfer of care from the Midwife to the health visitor in a timely way. | North Tees & Hartlepool Foundation Trust | Audit of compliance | |
| 6.7 | Secure funding, commission and appoint a lactation consultant to work within the community setting, to ensure provision of services to women with complex breastfeeding needs, in accessible local venues and beyond 28 days postnatal. | | Post established and appointed | |

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|---|--|------------------------------|------------------|
| 6.8 | Carry out a baseline assessment of the knowledge and skills of General Practitioners to support and provide consistent advice on breastfeeding in the community | Breastfeeding Co-ordinator PBC Manager | Assessment complete | |
| 6.9 | Develop appropriate local training for General Practitioners, to address identified gaps in knowledge. | Breastfeeding Co-ordinator. PBC Manager | Training programme developed | |

Objective 7: Develop a sustainable programme of Breastfeeding peer supporters working across hospital, community and home settings

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|--|--|---|------------------|
| 7.1 | Research options for peer supporter models used in conjunction with GONE breastfeeding lead and recommend appropriate model and costs to Breastfeeding Strategy Group. | Breastfeeding Co-ordinator | Recommendation report to Strategy Group. | |
| 7.2 | Secure appropriate resources to deliver the agreed programme/ model on a phased basis, as demand grows. | Breastfeeding Co-ordinator | Resources secured through Health Improvement/ AOP | |
| 7.3 | Recruit lead practitioner to develop programme and third sector capacity, to provide professional support structure to peer supporters/ volunteers. | Breastfeeding Co-ordinator | Practitioner recruited | |
| 7.5 | Pilot and evaluate peer support programme using existing trained volunteers within Hartlepool | Breastfeeding Co-ordinator | Peer supporters commence | |
| 7.6 | All existing volunteer peer supporters trained and compliant with governance checks | Breastfeeding Co-ordinator | Audit of Training Record personal files | |
| 7.7 | Ensure commissioning process is informed to enable the recruitment of sufficient peer supporters to meet initial modelled capacity needs across localities | Breastfeeding Co-ordinator PCT AD Children's Services | Numbers of peer supporters and local coverage | |
| 7.8 | Promotion of peer supporter service | Breastfeeding Co-ordinator | Promotional campaign/ materials | |
| 7.9 | Commence peer support in structured way | Breastfeeding Co-ordinator | Pathway and programme | |

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|------|---|----------------------------|-----------------------------------|------------------|
| 7.10 | Consider the development of Baby cafes/ breastfeeding clubs along the lines of 'Me2' and other incentives to mothers to continue breastfeeding. | Breastfeeding Co-ordinator | New services/ incentives in place | |

Objective 8: Engage the wider community including the media in supporting the increase in breastfeeding rates

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|-----|--|------------------------------------|--|------------------|
| 9.1 | Explore an educational awareness programme using social marketing models to encourage the public acceptability of breastfeeding. | Breastfeeding Co-ordinator | Programme content | |
| 9.2 | Work with local newspapers to have a regular slot on breastfeeding success stories, problems and how to manage these. | Breastfeeding Co-ordinator | Evidence of newspaper content | |
| 9.3 | Ensure that the breastfeeding awareness week has wide reaching coverage. | Breastfeeding Co-ordinator | Evidence of coverage | |
| 9.4 | Seek support from the lead members within the local authority | Acting Director Health Improvement | Minutes of meetings Signed support for breastfeeding strategy | |
| 9.5 | Encourage local shops, leisure facilities and food outlets to provide breastfeeding welcome culture to mothers and their infants. | Breastfeeding Co-ordinator | Evidence of your welcome posters Audit of venues | |
| 9.6 | To explore adopting regional campaigns on the benefits of breastfeeding. | Breastfeeding Co-ordinator | Evidence of literature | |
| 9.7 | Consider the potential for social marketing | Breastfeeding Co-ordinator | Evidence of information used | |
| 9.8 | Review promotional campaigns used elsewhere in North East for potential use locally (eg, Be a Star Breastfeeding promotion for young mums) | Breastfeeding Co-ordinator | Campaign adopted | |

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|------|---|--------------------------------------|--|------------------|
| 9.9 | Support legislative change to enable women to breast feed in public | Breastfeeding Co-ordinator All | Minutes of meetings/ letters/policies | |
| 9.10 | Encourage employers to have a breastfeeding policy | Breastfeeding Co-ordinator | Policy in place, audit of compliance with the policy. | |

Objective 9: Engage wider family members in the acceptance of Breastfeeding

What progress have we made?

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|------|--|--|--|------------------|
| 10.1 | Ensure that there is information available for fathers and partners on the benefits of breastfeeding and what info/support they can offer. | North tees & Hartlepool Foundation Trust. PBC Local Authority. PCT Public Health | Literature for other family members Audit of families | |
| 10.2 | Explore ways to challenge older family members about their attitudes to breastfeeding. | Breastfeeding Co-ordinator | Develop appropriate tool/ method | |

Objective 10: Ensure that mothers and infants in special circumstances are supported to breastfeed

What progress have we made?

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|------|---|----------------------------|--|------------------|
| 11.1 | Ensure that our communities with diverse needs are provided with the support and information they need. | Breastfeeding Co-ordinator | Benchmarking information is presented as a report to the strategic group | |
| 11.2 | Ensure that all policies are culturally sensitive and that an impact assessment is carried out prior to approval. Ensure that literature is available in languages other than English if required. | Breastfeeding Co-ordinator | Evidence within policies Leaflets available | |
| 11.3 | Review service provision for clients with special needs, including mental health, learning disabilities, physical disabilities. | Breastfeeding Co-ordinator | Report of provision available is presented to strategic group | |

Objective 11: Work with women of child-bearing age, expectant and recent mothers, to continuously review services offered and respond to their opinions and preferences

| | Action Required | Lead Responsibility | Performance Indicator | Timescale |
|------|--|----------------------------|---|------------------|
| 12.1 | Undertake a user satisfaction survey regarding the breastfeeding support provided by health within Children's Centres and PCT premises. | Breastfeeding Co-ordinator | Survey results | |
| 12.2 | Engage with Maternity Services Liaison Committee and encourage contribution to the Breastfeeding agenda. | Breastfeeding Co-ordinator | Representation at MSLC Views incorporated into plans | |
| 12.3 | Review information provided to Breastfeeding Mothers, all new mothers and to women of child-bearing age, to ensure it meets their needs, promotes consistent messages and is timely and accessible. (NB. Including 'Parent Held Record') | Breastfeeding Co-ordinator | Audit of information that is available through the red book | |
| 12.4 | To encourage the food for life group to link in with their local communities and seek the views of local mothers around the support that has been available. | Breastfeeding Co-ordinator | User surveys | |

CABINET REPORT

8th February 2010



Report of: Director of Child and Adult Services

Subject: Fuel Poverty – Presentation

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To introduce to the Cabinet a presentation on Fuel Poverty.

2. SUMMARY OF CONTENTS

- 2.1 The powerpoint presentation will cover the following areas:

Definition of fuel poverty
Importance of this issue
Impact on people
Size of problem
Actions being taken across the Borough
What we further actions need to be taken

3. RELEVANCE TO CABINET

- 3.1 The relevance to the Cabinet is that this is a key cross authority issue that has a significant impact on the health and well being of the population. This issue is an indicator of wider deprivation linked particularly to housing and poverty.

4. TYPE OF DECISION

- 4.1 Non-Key.

5. DECISION MAKING ROUTE

5.1 Cabinet.

6. DECISION(S) REQUIRED

6.1 Cabinet is required to note the content of the presentation and support the proposed next steps.

Report of: Director of Child and Adult Services

Subject: FUEL POVERTY - PRESENTATION

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to introduce to Cabinet a presentation regarding fuel poverty.

2. BACKGROUND

- 2.1 Each year there are excess winter deaths as a result of people being admitted to hospital for physical conditions that are exacerbated by experiencing a drop in indoor or outdoor temperatures. These conditions can range from respiratory diseases to cardio-vascular diseases.
- 2.2 People who live in 'fuel poverty' are most likely to be at risk of exacerbated illness due to cold. A person is defined as in fuel poverty if they spend more than 10% of their household income on fuel.
- 2.3 Many people can experience fuel poverty due to a range of issues including not having the resources to pay their heating and lighting bills; lack of knowledge on energy efficiency and rising fuel prices.
- 2.4 Hartlepool has traditionally invested resources in fuel poverty initiatives and as a consequence has lower than average excess winter deaths.
- 2.5 The presentation will highlight the schemes that have been invested in particularly in partnership with other statutory agencies such as Cleveland Fire Service.
- 2.6 The presentation will also propose to Cabinet the next steps to be taken to strengthen the joint approach to fuel poverty and consequently relieve the impact on individuals and their families.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet note fuel poverty as a key public health issue and how this agenda must be driven forward.

CABINET REPORT

8th February 2010



Report of: Children's Services Portfolio Holder

Subject: YOUTH WORK IN GREATHAM - GREATHAM COMMUNITY CENTRE LEASE BETWEEN HARTLEPOOL BOROUGH COUNCIL AND THE MASTER AND BRETHREN OF THE HOSPITAL OF GOD

SUMMARY

1. PURPOSE OF REPORT

The report seeks Cabinet agreement not to renew the lease between Hartlepool Borough Council and the Master and Brethren of the Hospital of God, and approve a more cost effective option for the provision of youth work in Greatham. This follows the expiry of the present lease of the Community Centre on May 3rd, 2010, by Hartlepool Borough Council, from the Hospital of God.

2. SUMMARY OF CONTENTS

At present, the local authority provides 2 evenings of youth work at Greatham Community Centre. The youth work is provided for via a lease between the Council and the Hospital of God, which was drawn up in 1990 by the then Cleveland County Council. The 20 year lease expires on May 3rd, 2010, and requires the local authority to rent, maintain, staff, clean, etc. the building, all of which comes from the Youth Service budget. Whilst the Community Centre undoubtedly provides valued broader services to the community, the council's sole interest is that of youth work. In effect, the broader activities of the Community Centre are receiving a significant subsidy. The expiry of the lease, has given the opportunity to review and evaluate provision, and come up with a more cost effective option, whilst still protecting the youth work. Business Transformation coupled with Service Delivery Options for the Youth Service and Connexions, make a value for money imperative even more appropriate. The Council will continue to support the Centre's committee, in looking at alternatives for securing services in the future.

3. RELEVANCE TO CABINET

This is an important decision, which although affecting only one ward, has implications for the Greatham community as a whole. There are also clear financial implications for the local authority, and the resolution of both issues is appropriate to Cabinet.

4. TYPE OF DECISION

This is a non-key decision.

5. DECISION MAKING ROUTE

Cabinet.

6. DECISION(S) REQUIRED

That the lease between Hartlepool Borough Council and the Hospital of God is not renewed after the third of May, 2010.

The local authority properly discharges its responsibilities under the terms of the lease, as advised by appropriate officers of the council.

That the provision of youth work continues for two evenings per week in Greatham. This will be delivered in the best way possible, but obviously will be dependant on developments regarding the availability of the Community Centre.

That continued advice is given to the Community Centre Management Committee, should they wish it, in respect of their acquiring the lease, and, if successful, sustaining their responsibilities under it.

Report of: Children's Services Portfolio Holder

Subject: YOUTH WORK IN GREATHAM – GREATHAM COMMUNITY CENTRE LEASE BETWEEN HARTLEPOOL BOROUGH COUNCIL AND THE MASTER AND BRETHERN OF THE HOSPITAL OF GOD.

1. PURPOSE OF REPORT

- 1.1 The report seeks Cabinet's agreement not to renew the lease between Hartlepool Borough Council and the Master and Brethren of the Hospital of God, and approve a more cost effective option for the provision of youth work in Greatham. This follows the expiry of the present lease of the Community Centre on May 3rd, 2010, by Hartlepool Borough Council from the Hospital of God.

2. BACKGROUND

- 2.1 On 4th May, 1990, Cleveland County Council entered into a 20 year lease with The Master and Brethren of the Hospital of God, for use of the Community Centre in Greatham. This lease expires on the 3rd May, 2010.
- 2.2 The responsibility for the lease transferred to Hartlepool Borough Council, (following local government reorganization), from the budget of the Youth and Community Service of Cleveland County Council, to Hartlepool Council's Youth Service Budget.
- 2.3 The terms of the lease meant that the Tennant, (Hartlepool Borough Council), had to: pay an annual rent; rates and taxes; clean and maintain the property in a good state (including any additions after the date of the lease); regularly decorate the building; insure the property; use the property appropriately; and when the lease period ends, to return the property "in the state in which this lease requires the Tennant to keep it".
- 2.4 The Council also appointed youth work staff and a part time caretaker for 10 hours per week.
- 2.5 Whilst the formal agreement has always been between the local authority and Hospital of God, the voluntary Community Centre Committee has played an important and valuable role, particularly in the coordination of activities beyond the youth work responsibilities of the council.

- 2.6 It is not in question that the Community Centre, (and Committee), provide valuable services to the broader community. However the Council's only interest at this time, is in respect of the two night's youth work that it provides. This provision can be maintained in a much more cost-effective way than the present lease arrangements allow.
- 2.7 There have been a number of meetings and correspondence between officers and members of the Community Centre Committee to explore options, given the approaching lease expiry. More recently we are aware the committee has been exploring options for them to assume the lease from the Hospital of God. Indeed, council departments have offered information and advice to support them, and will continue to do so. However, whilst the provision of building based youth work would be preferable, youth provision is not dependant on the use of the Community Centre, and can be made in other ways.
- 2.8 The Mayor and senior officers of the council have also met with St. John of God representatives, to ensure that all avenues are being pursued.
- 2.9 Whatever the outcome, Hartlepool Borough Council's best interests are not served by continuing the existing lease with the Hospital of God.
- 2.10 Because of understandable concern in the village and the various meetings which have resulted, staff and young people are aware of possible impending changes. As with other concerned parties, staff and young people have been appraised of the continuing situation. When a decision is made, we will be able to further consult with them as appropriate.

3. PROPOSALS

- 3.1 That the lease with Hospital of God not be renewed upon its expiry on May 3rd, 2010, and that the local authority discharges its responsibilities under the existing lease agreement.
- 3.2 That if another party assumes a lease agreement with the Hospital of God, the local authority negotiates an appropriate rent with them for the provision of two night's youth work; so maintaining existing building based provision.
- 3.3 If the building rental is not possible, then two night's provision will be made via detached and mobile youth work.
- 3.4 If needed, continued support and advice is given to the Community Centre Committee, to support them in exploring other options for managing the building.

4. RISK IMPLICATIONS

- 4.1 The main risk is to the other Community Centre users in that if no other party secures the lease, their programme of activities may be threatened.
- 4.2 The local authority's interest in providing youth work will be protected by delivering detached and mobile provision, to replace the existing two nights building based youth work.

5. FINANCIAL CONSIDERATIONS

- 5.1 In ceasing the lease agreement the local authority would make a saving of around £16,700, based on 2008/9 outturn figures i.e.

| | |
|------------------------------------|------------------|
| Greatham budget outturn for 2008/9 | = £30,650. |
| Maintenance costs for 2008/9 | = <u>£ 4,050</u> |
| Total | = <u>£34,700</u> |

| | |
|--|------------------|
| Youth Work provision @ 2 evenings/week | |
| For detached/mobile work | = £11,000 |
| Caretaker @ 10 hours (if redeployed) | = <u>£ 7,000</u> |
| Total | = <u>£18,000</u> |

Saving = £16,700

- 5.2 Variations to this saving will occur if:

- a) The lease is secured by another party and the council negotiates a rental with them to provide buildings based work, (estimated cost up to £5,000), which would reduce the saving to £11,700.
- b) The new leaseholder takes over responsibilities for the caretaker, (cost £7,000), or redundancy is considered, which would increase the saving to either £18,700 or £23,700 dependant on whether rental is paid or not.

- 5.3 There will be some costs incurred as part of the lease agreement, to return the property to the landlord in appropriate order. Property services and asset management will work with the landlord to agree the extent of the work needed to be carried out. As the property was recently in receipt of work carried out as a result of a successful Youth Capital Fund bid, it is hoped that the costs of remedial work needed will not be great.

Further, there will be year on year "savings" in respect of maintenance costs and other monies as a result of the council no longer having a duty to manage the asset.

6. LEGAL CONSIDERATIONS

- 6.1 The council needs to discharge its obligations under the terms of the lease, and in particular section 3.21, which states: “When the lease period ends, to return the possession of the property to the landlord, leaving the property in the state in which this lease requires the tenant to keep it”. The extent of this obligation is as described in 5.3 above, and appropriate advice and actions will be taken

7. STAFF CONSIDERATIONS

- 7.1 Youth work staff will continue to work in the “new” situation, whatever that may be, i.e. working their two nights as mobile/detached workers, or continuing as building based youth workers resulting from a successful rental arrangement, with a new landlord, if established.
- 7.2 Options will need to be explored regarding the 10 hours caretaking arrangements, which will include redeployment, redundancy or possible T.U.P.E. arrangements to the new landlord.

8. ASSET MANAGEMENT CONSIDERATIONS

- 8.1 The attention of Cabinet is drawn to the Asset Management element of the Business Transformation programme. In January of 2009, Cabinet required that a commercial and proactive approach be taken on Asset Management issues, to achieve efficiency savings. By not renewing the lease, but still providing youth work in Greatham, we will be contributing to this objective.

9. RECOMMENDATIONS

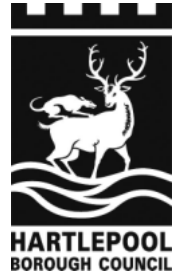
- 9.1 That the lease between Hartlepool Borough Council and the Hospital of God is not renewed after the third of May, 2010.
- 9.2 The local authority properly discharges its responsibilities under the terms of the lease, as advised by appropriate officers of the council.
- 9.3 That the provision of youth work continues for two evenings per week in Greatham. This will be delivered in the best way possible, but obviously will be dependant on developments regarding the availability of the Community Centre.
- 9.4 That continued advice is given to the Community Centre Management Committee, should they wish it, in respect of their acquiring the lease, and, if successful, sustaining their responsibilities under it.

10. BACKGROUND PAPERS

CONTACT OFFICER Peter Davies – Principal Youth Officer

CABINET REPORT

8 February 2010



Report of: Chief Personnel Officer and Chief Solicitor

Subject: GRADING APPEALS PROCESS FOR SENIOR MANAGERS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To request Cabinet's decision regarding an interim process for the consideration of grading appeals from officers covered by the Officer Employment Procedure Rules.

2. SUMMARY OF CONTENTS

- 2.1 This report sets out a proposed process for considering grading appeals from officers covered by the Officers Employment Procedure Rules.

3. RELEVANCE TO CABINET

- 3.1 Cabinet have authority to determine workforce matters.

4. TYPE OF DECISION

- 4.1 This is not a key decision

5. DECISION MAKING ROUTE

- 5.1 Cabinet

6. DECISION(S) REQUIRED

- 6.1 That Cabinet determine actions to be taken in respect of the grading appeals process for officers covered by the Officer Employment Procedure Rules.

Report of: Chief Personnel Officer and Chief Solicitor

Subject: GRADING APPEALS PROCESS FOR SENIOR MANAGERS

1. PURPOSE OF REPORT

- 1.1 To request Cabinet's decision regarding an interim process for the consideration of grading appeals from officers covered by the Officer Employment Procedure Rules.

2. BACKGROUND

- 2.1 The Council's Remuneration Strategy provides for a review of Chief Officer posts not less than every three years and sets out the importance of reviewing regularly the grading structure and salary levels of Senior Management posts. There is no agreed process for considering appeals against grading decisions which may be lodged by chief officers.
- 2.2 As a result of reviewing Chief Officer salaries as part of the corporate restructuring exercise an appeal against grading has been submitted. Cabinet considered a draft process in November 2009 and requested that further consideration be given to the process including an initial referral to Cabinet prior to any potential referral to the General Purposes (Appeals and Staffing) Sub Committee. Cabinet decided that the issue of the appeals process required further discussion and it was proposed that this element be deferred to a future Cabinet meeting.

3. PROPOSED INTERIM PROCESS

- 3.1 Cabinet members will be aware that Scrutiny Co-ordinating Committee is currently undertaking a review into a related matter. It would therefore not be appropriate to determine a permanent process until that review has been completed and any recommendations reported to and considered by Cabinet.
- 3.2 It is proposed therefore that Cabinet agree an interim process so that the outstanding appeal can be considered in a timely manner. At **Appendix A** is a proposed interim process for member consideration.

4. RECOMMENDATIONS

- 4.1 That Cabinet considers the proposals set out in Paragraph 3 and determine that an interim appeals process for officers covered by the Officer Employment Procedure Rules as set out in Appendix A be agreed.

5. CONTACT OFFICER

Joanne Machers
Chief Personnel Officer
01429 52(3003)
Joanne.machers@hartlepool.gov.uk

APPENDIX A

Hartlepool Borough Council

Appeals Against the Salary Scale Attached to a Post for Officers covered by the Officer Employment Rules

This is an interim process and subject to review when Scrutiny Co-ordinating Committee recommendations in relation to grading appeals from officer covered by the Officer Employment Rules are considered.

This process reflects the model procedure set out in the JNC for Chief Officers of Local Authorities – Constitution, Conditions of Service, Salaries (**Appendix i**).

1. An employee who wishes to appeal against the grading of his/her job must submit the claim in writing to the authority setting out the grounds for the application.
2. As a first step, the appeal should be discussed with the officer, and the Chief Executive or appropriate Director and his/her trade union representative as soon as possible. The Chief Personnel Officer will also attend as the responsible officer for maintaining the job evaluation scheme used.
3. If the appeal is not settled and/or withdrawn, the first stage of the formal appeal must commence within one month.
4. The appeal should be heard by the General Purposes (Appeals & Staffing) Committee. **Appendix ii** sets out the process for hearing the appeal.
5. The decision of the panel is final.
6. It is expected that appeals should be dealt with within three months of being submitted.
7. Nothing in this procedure shall prejudice the legal rights of the employee and the employer.

Appendix i

EXTRACT FROM JNC FOR CHIEF OFFICERS OF LOCAL AUTHORITIES – CONSTITUTION, CONDITIONS OF SERVICE, SALARIES

ANNEX 4

APPEALS AGAINST THE SALARY SCALE ATTACHING TO A POST

Model Procedure

1. An employee who wishes to appeal against the grading of his/her job must submit the claim in writing to the authority setting out the grounds for the application.
2. As a first step, the appeal should be discussed with the officer, a representative of management and his / her union representative as soon as possible. If a job evaluation scheme is used then a representative of the department responsible for maintaining the scheme should also be present.
3. If the appeal is not settled and / or withdrawn, the first stage of the formal appeal must commence within a timescale agreed at a local level.
4. The appeal should be heard by a panel at authority level. The panel will consist of representatives from elected members and / or management and could include representatives from the locally recognised trade unions. An independent person may be appointed to chair the panel.
5. The decision of the panel is final.
6. The JNC recommends that appeals should be dealt with within three months of being submitted.
7. Nothing in this procedure shall prejudice the legal rights of the employee and the employer.

Appendix ii

PROCEDURE FOR HEARING APPEALS AGAINST GRADING OF A POST BY GENERAL PURPOSES (APPEALS & STAFFING) COMMITTEE

Constitution of Committee

The hearing of an appeal against grading of a post is by a duly convened General Purposes (Appeals and Staffing) Committee of the Council. The Chief Personnel Officer or representative will attend appeals to provide advice (including procedural and employment law advice) to the Committee and to assist members generally in establishing the arguments and facts being presented to them.

The Committee to deliberate in private with only the Chief Personnel Officer or representative and Secretary in attendance recalling the management representative, human resources representative, the employee and representative only if clarification of evidence already given is required. In such instances all parties should be recalled even though clarification may be required from only one party.

Written Statements

Both sides will be invited to submit written statements of case which, if received, will be forwarded to members seven days before the hearing. Where both sides have provided statements these will also be exchanged three days before the hearing or as soon as possible if received after three days. If one side does not produce a statement then they will receive the other side's statement as early as practicable on the day of the hearing. Seven days notice of hearings will normally be given unless it is agreed by both sides that a shorter notice period is acceptable.

REPRESENTATION AND ATTENDANCE

The normal procedure will be for the employee or employees appealing against the grading of a post to attend with one representative and for the manager plus one human resources representative, to attend. It is at the discretion of the Panel to permit either side to bring additional representatives/managers and to decide whether they may attend in an observer or participant capacity.

ABSENCE DUE TO ANNUAL LEAVE

Within the terms of this procedure, if leave of the appellant, or of the officer to whom it must be referred, impedes the application of the time limits shown then these may be extended by the requisite number of days.

The procedure will be as follows:-

- (a) The appellant and/or representative shall state the grounds and details of the appeal.
- (b) The management and/or human resources representative may ask questions of the employee or representative.
- (c) The Committee members and the Chief Personnel Officer may ask questions

of the appellant or representative.

- (d) The management and/or personnel representative to state the response to the appeal.
- (e) The appellant/representative may ask questions of the manager and/or human resources representative.
- (f) The Committee members and the Chief Personnel Officer may ask questions of the management and/or personnel representative.
- (g) The management and/or human resources representative to have the opportunity to sum up his/her case if he/she wishes.
- (h) The appellant or his/her representative to have the opportunity to sum up his/her case if he/she wishes.
- (i) The management and human resources representative and the appellant and representative to withdraw.
- (j) The Committee to deliberate in private with only the Chief Personnel Officer or representative and Secretary in attendance recalling the management representative, human resources representative, the employee and representative only if clarification of evidence already given is required. In such instances all parties should be recalled even though clarification may be required from only one party.
- (k) The Committee shall announce its decision to both sides unless further time for deliberation is needed, in which case both sides will be advised of this.
- (l) The decision of the Committee will be notified to both sides in writing within 7 days of the hearing.

Notes:

The provision for summing up at (g) and (h) does not include the right to introduce new evidence at this stage in the procedure. If this becomes necessary, then the other side should be given the right of reply.

Any matters of procedure not covered above will be for the Committee to decide.

CABINET
8th February 2010



Report of: Director of Regeneration and Neighbourhoods

Subject: YOUTH OFFENDING SERVICE – OUTCOME
OF THEMATIC YOUTH CRIME PREVENTION
INSPECTION

SUMMARY

1. PURPOSE OF REPORT

To brief Cabinet on the outcome of the Thematic Youth Crime Prevention Inspection

2. SUMMARY OF CONTENTS

A feedback letter on the Youth Crime Prevention Inspection in Hartlepool has been received from Her Majesty's Inspectorate of Constabulary. The Thematic Inspection is part of the Inspection of Youth Offending Programme which is led by Her Majesty's Inspectorate of Probation. The Inspectors examined a representative sample of cases and observed work being undertaken with children and young people aged between 8 and 13. Details of a Members seminar to be held on 2nd February 2010 are outlined.

3. RELEVANCE TO CABINET

Major Inspection results are reported to Cabinet

4. TYPE OF DECISION

Non Key decision

5. DECISION MAKING ROUTE

Cabinet

6. DECISION(S) REQUIRED

Cabinet to note the informal feedback on the outcome of the Youth Crime Prevention Inspection

Report of: Director of Regeneration and Neighbourhoods

Subject: YOUTH OFFENDING SERVICE – OUTCOME
OF THE THEMATIC YOUTH CRIME
PREVENTION INSPECTION

1. PURPOSE OF REPORT

- 1.1 To brief Cabinet on the outcome of the Thematic Youth Crime Prevention Inspection.

2. BACKGROUND

- 2.1 In April 2009 The Inspection of Youth Offending Programme replaced the previous Inspection arrangements and comprises of:-

- 1) A Core Case Inspection, assessing the quality of work with children and young people who offend with particular focus on Risk of Harm to others and Safeguarding of Children.
- 2) A Thematic programme covering other aspects of Youth Offending work such as gangs, prevention, alcohol and Court work.

- 2.2 The Core Case Inspection by Her Majesty's Inspectorate of Probation (HMIP) took place in Hartlepool on 12th October for one week with additional Inspections being carried out by the Care Quality Commission and OFSTED. A verbal update on the Inspection was reported to Cabinet on 22nd December 2009 and a further report will be prepared for Cabinet, once the required action plan has been finalised.

- 2.3 A Thematic Inspection of youth crime prevention work in Hartlepool for children and young people aged eight to thirteen was undertaken by Her Majesty's Inspectorate of Constabulary during the week commencing 14th December 2009. There will be no formal report relating to the work in Hartlepool, as a National report on prevention work will be published in June 2010. The Inspection team however provide a letter giving informal feedback to the areas taking part in the Inspection. Hartlepool was offered the opportunity by the Regional Youth Justice Board team to participate in this Thematic inspection, and was one of only 7 areas nationally to be inspected. The National report will include examples of good practice from all these areas.

- 2.4 The Inspectors examined a representative sample of cases and observed work being undertaken with children and young people aged between 8 and 13.
- 2.5 The feedback letter attached at **Appendix 1** provides information on strengths and areas for improvement. These will be incorporated into the Youth Offending planning process for 2010/11.
- 2.6 Youth crime prevention work with Children and young people aged eight to thirteen is delivered through the Team around the Primary School, the Family Intervention Project, the Team around The Secondary School and the Youth Inclusion Programme. Children and young people at risk of becoming involved in crime, anti-social behaviour, or social exclusion are identified at an early stage and packages of support are offered to their families, to address the risk factors and promote positive factors. A multi-agency approach is taken to the work and involves representatives from the Local Authority, Police, Health, Probation and the voluntary sector.
- 2.7 A seminar for all elected Members has been organised for 2nd February 2010, to hear more about the multi-agency approach being taken with children & young people to prevent them becoming involved in crime, anti-social behaviour or social exclusion.

3. RECOMMENDATIONS

- 3.1 Cabinet are asked to note the feedback on the outcome of the Thematic Youth Crime Prevention Inspection.

4. CONTACT OFFICER

- 4.1 Danny Dunleavy
Youth Offending Service Manager
The Archive Building
Upper Church Street
Hartlepool
TS24 7EQ
Tel: 01429 523962
E-Mail: danny.dunleavy@hartlepool.gov.uk

5. BACKGROUND PAPERS

- 5.1 None.

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Her Majesty's Inspectorate of Constabulary
Fry Building, Third Floor South East
2 Marsham Street
London
SW1P 4DF

Mr Danny Dunleavy
Hartlepool Youth Offending Services

21st December 2009

Hartlepool Feedback Youth Crime Prevention Inspection

Dear Danny

First of all, on behalf of the inspection team I would like to thank you and your colleagues for your hospitality and professional courtesy during our stay in Hartlepool last week. This made our task much easier. I would particularly like to thank Jacquie for being so efficient in arranging the majority of the programme and for sorting out the day-to-day logistics. We were very impressed with the enthusiasm shown by all staff who clearly displayed a child centred approach to their work.

As promised, we are providing some informal feedback to you, this will not specifically form part of the report and is provided solely for you and your selected colleagues to have some understanding of how 'fresh eyes' have seen Hartlepool's approaches. A word of caution however, as this was a short visit, some findings could not be fully triangulated. The feedback comments are therefore our initial observations following our visit.

The inspection team would have very much liked to visit several other sites in the town in order to obtain a more rounded view of provision, but due to time and practical issues this was not really an option. We can therefore only offer our views on a restricted albeit very interesting programme. The team would like to make a personal observation however - that Hartlepool's prevention approach was, in our collective opinion, the best structured one we have seen on our fieldwork. This structure is also supported by excellent professional relationships between all agencies, a genuine common purpose ethos was detected. All should be congratulated on this achievement.

We have decided to present the feedback into criteria and offer headline strengths and areas for improvement

Evidence Based Practice

The area works to the principles of effective practice

Strengths

- A number of prevention cases were examined; there appeared to a good range of interventions available which were customised to an individual.
- There was clear use of tested approaches such as parenting programmes.
- Hartlepool's move to TASS and TAPS support as opposed to the more traditional approach to the prevention strategy appears to be showing promise and has been positively commented upon by many practitioners and managers.

Leadership

There is effective local leadership in youth crime prevention

Strengths

- The prevention of offending is a strategic priority in Hartlepool and a number of initiatives appear to evidence this. There are very strong partnership approaches at all levels and there is clear direction of 'Prevention strategy' from both the CDRP and the Children's Board.
- The inspection team were particularly impressed with the structure of the TASS and TAPS within the town. There appeared to be a good understanding by several agencies and practitioners of this structure. It is recognised that this approach required significant leadership from agencies and individuals which does demonstrate good partnership working.
- A common purpose ethos was detected at a senior level.
- The Probation service are involved in the Prevention strategy, which has not been a common finding on the national inspection fieldwork.

Area for Improvement

- In terms of health, it is considered that strategic direction could be strengthened. A clear health perspective has not been helped by both changes of representation on the YOS management board and the level of participation. Much of the development appears to have taken place on the ground and has been steered by YJB expectations rather than necessarily with a local perspective.

Identification and Assessment

There are clear systems for the identification and initial assessment of children likely to enter the criminal justice system

Strengths

- ONSET and CAF assessments and reviews for both FIP and YIP teams were completed promptly and to an excellent quality. Risk and protective factors were clearly identified and commented upon.
- Neighbourhood Policing officers contribute significantly to the identification of children and young people through their involvement in schools and also the submission of AS13 forms.
- Inspectors had the opportunity to speak to a number of children and their parents who had received services under the prevention approach. The feedback was *extremely* positive. It was clear that there was good engagement with children and parents.
- TASS and TAPS cover all schools in the town which appears to gel together the whole town approach.
- There are particularly good links between the prevention team and schools and this is replicated between the health workers within the YOS and the school nurses. The bulk of health assessments are now carried out in schools with timetable slots to accommodate these.
- There is good engagement between the health workers and children and young people and this is enhanced by flexible working, the good use made of schools as a meeting venue, the positive use of home visits and the use made of motivational techniques and the promotion of the benefits of interventions.

Areas for Improvement

- Hartlepool are, in places still using both ONSET and CAF assessments, which appears to be due to reporting and funding conditions imposed by the Youth Justice Board. This is a national issue.
- Police officers may need further guidance as to whether it is appropriate for them to complete the CAF, they currently do not. The Association of Chief Police Officers (ACPO) guidance indicates that police officers should not, in general complete CAFs. However, this is a matter for local police management in consultation with partners. In some parts of the country suitably positioned and trained police officers certainly do complete CAFs. It is understandable that the police may wish not to take on this role, but the argument as to why they should not, could be offered by other professionals, such as teachers and health workers, both of which currently do complete CAFs.

Delivery

Interventions are delivered to reduce the likelihood of children offending

Strengths

- There is a wide range of interventions and high levels of contact with children and families. The type of intervention offered generally was commensurate to what was hoped to be achieved and not simply 'off the shelf'. There were reported excellent links with all agencies involved in youth crime prevention.
- Practitioners demonstrated a child centred approach.
- There were good Neighbourhood Policing links with the FIP and YIP approaches. The Neighbourhood Policing approach of '*a desk in every school*' demonstrates commitment to improving school relationships. Many positive examples and comments were seen and heard regarding Neighbourhood Policing engagement with children and young people. This is supported though the work of the police sergeant seconded to the FIP and also an excellently motivated officer as a school liaison officer. This officer provides advice and guidance to her colleagues as well as delivering a series of crime and citizenship lessons to schools in the town.
- Health issues which at times have the potential to impact on the risk of offending were promptly identified and appropriate referrals made.
- Staff were able to recognise safeguarding issues and refer appropriately.
- The plans developed through the FIP were found to be of a very good quality.
- There are improved links between the YOS nurse advisor and CAMHS.
- There is a good range of health interventions being offered in prevention and there are good links with universal health services where these are required. Of particular note is the positive work being undertaken in relation to sexual health.

Areas for Improvement

- On one case examined, it was clear that the child may have benefited from a same sex key worker, this did not appear to have been offered.
- The service may be improved upon if there was some form of 'out of hours' contact for children and young people.
- The intervention plans within the YIP team could be improved through additional detail about objectives.
- Issues remain with access to CAMHS and information-exchange with this service.
- Exit strategies can place too much emphasis on further referrals to universal health services or the continuation of work by members of the prevention team. Greater consideration could be given to the nature of brief health interventions at the conclusion of that work. This also applies to some extent with non-health issues.
- Dual diagnosis cases could be better managed by health services – problems include CAMHS expressing a reluctance to take on a case where there are substance misuse issues

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evident. It is probably the case however that the numbers in the inspection focus age group 8 – 13 will be low.

- Currently, the police school liaison officer has duties to deliver inputs to *all* primary and secondary schools in the town. This includes planned lessons. It is considered that this is a very demanding programme and *‘with the best will in the world’* it is difficult to see how this can be fully achieved. Should Cleveland Police decide to continue with the ‘lesson plan’ approach then it may wish to consider cascading this officer’s skills and knowledge to other colleagues in order that the scope of delivery can be improved.

Impact

Interventions to reduce the likelihood of offending amongst children have had a positive impact

Strengths

- Key workers were able to relate to individual successes as a result of interventions. This was seen in several case files examined.
- The inspectors were pleased to personally meet several children and their parents and were impressed with their perceptions of interventions and progress made.
- There was an understanding that interim outcome measures could contribute to the reduction of offending/re-offending, for example an improvement in school attendance and attainment, improvement in parenting etc.

Area for Improvement

- As intervention plans in the YIP did not cite outcome measures it is difficult to ascertain progress. Intervention plans may improve further by ensuring that progress evidence is more easily recorded or at least more visible, so that changes to risk and protective factors could be more easily identified and commented upon.
- Little evidence of performance/evaluation was found.
- It was unclear how Hartlepool will present forthcoming First Time Entrant (FTE) data in light of the introduction of the Youth Restorative Disposal approach, which will effectively remove some young offenders from the reprimand and the final warning process, and therefore the FTE indicator.

I hope this will be of assistance to you. May I thank you, your colleagues and partners once again for your assistance in this inspection.

Yours Sincerely

Gary Boughen
Superintendent HMIC

CABINET REPORT

8 February 2010



Report of: Director of Child and Adult Services

Subject: BUILDING A SAFE CONFIDENT FUTURE – THE
SOCIAL WORK TASKFORCE FINAL REPORT

SUMMARY

1. PURPOSE OF REPORT

This report outlines the key recommendations of the Social Workforce Taskforce “Building a Safe, Confident Future” which have been accepted by Government. The report also considers the implications for the local authority.

2. SUMMARY OF CONTENTS

The report outlines the key recommendations of the final report of the Social Work Taskforce, which was set up to review the profession and advise on the reform programme. The report was published on 1 December 2009 and has been given strong government support. The recommendations include proposals regarding training, supervision, regulation of social workers and management to ensure a high calibre social workforce. These will be delivered by a national reform programme.

This report also highlights the key implications for the local authority.

3. RELEVANCE TO CABINET

The recommendation of the taskforce report will have significant implications for the local authority.

It includes recommendations on future training, supervision, career structure for social workers.

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet – 8 February 2010

6. DECISION(S) REQUIRED

Cabinet are requested to note the recommendations of the Social Work Taskforce and the implications.

Report of: Director of Child and Adult Services

Subject: BUILDING A SAFE, CONFIDENT FUTURE – THE
SOCIAL WORK TASKFORCE FINAL REPORT

1. PURPOSE OF REPORT

- 1.1 This report outlines the key recommendations of the Social Workforce Taskforce “Building a Safe, Confident Future” which have been accepted by Government. The report also considers the implications for the local authority.

2. BACKGROUND

- 2.1 The Social Work Taskforce was set up by Department of Health and Department of Children, Schools and Families (DCSF) in 2008 to undertake a comprehensive review of front line social work practice to make recommendations for improvement and reform of the whole profession across Children and Adult Services.
- 2.2 The report was commissioned as a result of a number of high profile cases and the subsequent damage to the reputation of the social work profession as a whole.
- 2.3 In July 2009 the Task Force published an interim report ‘Facing up to the Task’. This set out proposals for the kind of comprehensive reform needed including a series of building blocks for constructing a reform programme. This interim report is a companion document to the final report.
- 2.4 The resulting report sets out a challenging vision for the future of social workers and the changes that must be made. The recommendations are based on the results of extensive consultation with employers, educators, service users and social workers themselves.
- 2.5 They will need to be delivered through a reform programme for social workers that will require commitment over a number of years.
- 2.6 The Taskforce made 15 recommendations which appear at **Appendix 1**.

3. AMBITIONS FOR REFORM

- 3.1 The report proposes that the quality of social work practice now needs to be raised significantly, through comprehensive, ambitious reform, including:
- Better training – with employers, educators and the profession all taking their full share of responsibility for investing in the next generation and in enabling social workers already in practice to develop their skills continuously.
 - Improved working conditions – with employers signing up to new standards for the support and supervision of their frontline workforce that make good practice possible
 - Stronger leadership and independence – with the profession taking more control over its own standards, how it is understood and valued by the public, and the contribution it makes to changes in policy and practice
 - Ensuring a reliable supply of confident, high quality, adaptable professions into the workforce, where they can build long-term careers on the frontline.
 - Greater understanding among the general public, service users, other professions and the media of the role and purpose of social work, the demands of the job and the contribution social workers make
 - More use of research and continuing professional development to inform frontline practice.
- 3.2 The Task Force report proposes a single national reform programme for social work to ensure that there is concerted, co-ordinated progress on all fronts.
- 3.3 As reform unfolds and conditions improve, social work needs to become a profession which takes responsibility for the quality of its practice. It should use the best evidence to determine how it can be most effective. It should be respected and supported, but held fairly to account by Government, employers, educators, regulators and the public.
- 3.4 Listening to people who use services – adults, young people and children – will be especially important. From the taskforce's contact with service users, it emerged that people who use services have experiences which are mixed and that there is a need to resolve underlying problems with the profession in order to address this. Social work reform will not succeed unless it is open to and influenced by the views and experiences of people who know best the impact that good (and bad) practice can have.
- 3.5 The recommendations of the taskforce reflect all of these ambitions. They expect that this report to act as a turning point for the profession.

4. THE TASKFORCE RECOMMENDATIONS

4.1 The Social Work Taskforce makes 15 recommendations. It recommends that these should be driven through by a single national reform programme for social work.

4.2 The recommendations can be broken up into the six areas outlined below:

1. Securing an effective frontline workforce
 - Criteria governing the calibre of entrants to social work education and training be strengthened
 - Content and delivery of social work degree courses should be overhauled
 - New arrangements should be put in place to provide sufficient high quality practice placements for all social work students
 - An assessed and supported year in employment as the final stage in becoming a social worker should be introduced
 - More transparent and effective regulation of social work education.
- 2 Better working conditions
 - Development of a clear national standard for the support social workers
 - The new standard for employers should be supported by clear national requirements for the supervision of social workers
 - Creation of a dedicated programme of training and support for front-line social work managers
3. Improved professional development and clearer career structure
 - Creation of a more coherent and effective national framework for continuing professional development
 - Creation of a single, nationally recognised career structure for social work.
4. Stronger professional leadership
 - Creation of an independent national college of social work
5. Improved public awareness
 - A new programme of action on public understanding of social work
6. System-wide reform
 - Development of a licence to practice system for social workers
 - New system for forecasting levels of supply and demand for social workers

4.3 More details of this appear at Section 5-10 below.

5. SECURING AN EFFECTIVE FRONTLINE WORKFORCE

5.1 Recommendation 1: Calibre of entrants

The Social Work Taskforce recommends that the criteria governing the calibre of entrants to social work education and training should be strengthened.

It proposes that:

- All applicants to all initial degree courses should be required complete a written test that tests logic and analytical thinking
- All applicants to all initial degree courses should be required to attend selection interviews that evaluate life and work experience, communication skills, creativity and emotional resilience
- Higher education institutions that apply entry thresholds below the national average for social work should raise their threshold.
- All candidates should have at least Grade C or above at GCSE in English and Mathematics.

5.2 Recommendation 2: Curriculum and Delivery

The Social Work Taskforce recommends an overhaul of the content and delivery of social work degree courses. It proposes that the overhaul should lead to:

- A curriculum based on jointly agreed outcome standards for the social work degree that are tied to robust assessment processes
- Systems that ensure everyone who designs and delivers social work courses are up to date with current knowledge, policy and practice.

5.3 Recommendation 3: Practice Placements

The Social Work Taskforce recommends that new arrangements be put in place to provide sufficient high quality practice placements that are supervised and assessed. This should be overseen by the board supporting the national reform programme for social work.

It should:

- Share responsibility between employers and Higher Education Institutes (HEI) for securing placements. Formal guidance should be provided on the best approaches to building these partnerships locally
- Introduce “advanced teaching organisation” status. This status should be awarded to agencies that deliver good quality practice placements. It would be tied to financial rewards and incentives
- Require that all students should eventually undertake at least one placement in a local authority, mental health trust or national organisation undertaking statutory work

- Reform funding arrangements to ensure that dedicated financial support is provided for placement organisation and allocation; support for practice educators in spending time on students and incentives for the development of advanced teaching agencies
- Strengthen assessment standards. The practice educator should be recognised as a senior role with a nationally recognised career structure; all social workers should only be taught and assessed by qualified and experienced social workers; and a date should be set for all those who hold a practice teaching award or comply with agreed national standards
- Reduce the number of placement days from 200 to 130. The reduction in placement time will be offset by a new assessed year in employment.

5.4 Recommendation 4: Assessed year in employment

The Social Work Taskforce recommends that social workers should be required to complete an assessed year in employment with a local authority (or other appropriate organisation) before gaining the new license to practice. Detailed requirements for the assessed year in employment would be laid out by the national programme for social work reform. Assessment would be carried out by HEI and employers.

5.5 Recommendation 5: Regulation of Social Work Education

The Social Work Taskforce recommends that a regulator should be introduced to ensure the consistency and quality of social work education.

It should ensure that:

- Courses are assessed against a new set of standards
- Course content is up-to date; that course organisers and teachers have current knowledge; and that stakeholders are involved in course design
- Criteria for entrance to both courses and the workforce are met through assessment.

6. **BETTER WORKING CONDITIONS**

6.1 Recommendation 6: Regulation of social work education

The Social Work Taskforce recommends the development of clear national standards that outline the support that social workers should get from their employer.

The standards should provide clear guidelines on:

- How workforce levels can be managed to anticipate future need
- The management of workflow and workload
- Provision of supervision at individual and team level
- Meeting the needs of practitioners in relation to their safety and welfare

- Tools and conditions – including technology, administrative support and the working environment
- Access to research and practice guidance
- Practice awareness among local leaders, directors and managers
- Presence of a senior manager – who is a qualified social worker – to oversee the health of professional social work in the organisation.

The Social Work Taskforce recommends that all employers should be required to assess their performance against the national standards. Employers who meet this standard should eventually be able to receive a graded kite mark. It is hoped that will lead to tangible improvement. However, if it does not, the Government should consider direct intervention in statutory agencies that fall short of the standard. In the short term, the Social Work Taskforce advises that employers should develop a tool to monitor workflow and workloads to form the basis for developing the standard.

6.2 Recommendation 7: Supervision

The Social Work Taskforce recommends that the new standard for employers should be supported by clear national requirements for the supervision of social workers.

This should include:

- A clear supervision policy
- Effective training and performance management for supervisors
- Strong leadership and example from senior managers
- Monitoring frequency and quality of supervision against clear expectations
- Compliance with guidance on the features of good supervision

The Social Work Taskforce expects that minimum frequency levels normally should be:

- Weekly for the first six weeks of employment
- Fortnightly for first six months of employment
- Monthly supervision after six months in post

The Social Work Taskforce advises that each session should be at least an hour and a half of uninterrupted time. If the line manager is not a social worker, professional support should be provided by an experienced social worker.

6.3 Recommendation 8: Front line management

The Social Work Taskforce recommends that a dedicated programme of training and support should be created to develop and support managers.

It should be offered at three levels:

- Aspiring managers
- Newly appointed managers
- Established managers

7. IMPROVED PROFESSIONAL DEVELOPMENT AND CLEARER CAREER STRUCTURE

7.1 Recommendation 9: Continuing professional development

The Social Work Taskforce recommends the creation of a more coherent national framework for the continuous professional development

The framework should:

- Enable social workers to develop specialist skills
- Enable social workers to develop as leaders and manager
- Enable and support those without a degree level to obtain one
- Help develop the next generation of social work academics and innovative practitioners through opportunities to achieve qualifications
- Inform performance appraisal systems
- Support social workers in making progress through the proposed national career structure
- Produce standardised, consistent outcomes that are accepted as valid across the country
- Help bind together research, education and frontline practice.

7.2 Recommendation 10: national career structure

The Social Work Taskforce (SWTF) recommends the creation of a single, national career structure.

The structure should:

- Classify the main stages of a career in social work from first year student onwards
- Make clear the expectations that should apply to social workers at each of these stages
- Be linked to the proposed national framework for CPD, the forthcoming Masters in Social Work Practice and the proposed 'licence to practice'
- Be used by employers and unions to agree pay and grading structures.

The recommended career structure is:

1. Social work student
2. 'Probationary' social worker
3. Licensed social worker
4. Senior licensed social worker
5. Advanced professional / practice educator / social work manager

The detail of what is expected at each level, and the assessment process, will need to be worked through by the profession, employers, educators and government. The Social Work Taskforce (SWTF) would like to see these expectations being developed and consulted on as soon as possible as part of the proposed national reform programme for social work. The SWTF believes that this clear career structure will also help tackle issues relating to pay and conditions since it can more easily be matched to local authority grading structures.

This will have implications for the Local Authority, the full details of which will become apparent once the proposals are finalised.

8. STRONGER PROFESSIONAL LEADERSHIP

Recommendation 11: National College of Social Work

The SWTF recommends the creation of an independent national college of social work. It should be responsible for:

- Promoting understanding of social work as a public service profession
- Providing an independent voice for social work in public and media debate
Reporting publicly on the state of social work in England
- Representing the interests of effective social work and the views of the social work profession in decisions about policy
- Bringing to light excellent practice in social work and promoting its wider adoption
- Agreeing and articulating high standards for the profession with employers, educators, government and the public
- Relations with other professions and similar professional bodies
- Acting as the voice of the profession in the creation of the proposed nationally recognised career structure and the new standard for employers

The SWTF hopes that the College will be established quickly so that it can play a leading role in the proposed reform programme. Its main role is to represent the views of social workers. It should therefore aim to have universal membership among social workers. However, the SWTF advises that its overall role is to represent the interests of effective social work. In consequence the SWTF advises that trade unions, professional associations, employers, academics and HEIs should also be represented.

The SWTF recommends that central government should provide financial and logistical support for establishing the college. However, beyond this initial period the SWTF should raise revenue from membership fees.

9. IMPROVED PUBLIC AWARENESS

9.1 Recommendation 12: Programme of action on public understanding of social work

The SWTF recommends a new programme of action on public understanding of social work

The programme should include:

- A sustained approach to raising public awareness of what social work entails and the contribution good social work makes
- A long term strategy for helping the media to understand social work on an ongoing basis and at time of heightened interest
- The development of clear lines of responsibility for handling information when a news story involving social work breaks
- A continuously refreshed “bank” of stories and case studies that help to illustrate good social work practice
- Employers taking responsibility for promoting constructive relationships between frontline social workers and local media
- Provision of expert advice in handling social work stories as they break
- Systematic use of statistical data and other information on performance to create a balanced, accurate public understanding of social work
- A regular survey of public understanding of and attitudes towards social work

The proposed national college of social work should play the leading role in organising and delivering this programme of action. In doing so, the college should be able to call on high quality media expertise. Ministers should continue to use their platforms for communicating with the public to explain and promote the importance of social work. This will build on the definition of social work in the interim report, attached at **Appendix 2**.

10. SYSTEM-WIDE REFORM

10.1 Recommendation 13: License to practice

The SWTF recommends the creation of a license to practice system. The license to practice would only be achieved following an assessed year in employment. The SWTF advises that the license should develop to include a renewal requirement which relates to effective continuing professional development. In the longer term, the SWTF advises that licensing and re-licensing should be linked to the proposed career framework.

10.2 Recommendation 14: Social work supply

This system should include:

- Regular, reliable and proportionate gathering of workforce data
- Centralised data analysis and expertise to model change and advise on implications
- Partnerships overseeing workforce strategy, planning and innovation at the level most appropriate to local and regional needs.

The aim is for these developments to inform future recruitment campaigns and evaluate the overall impact of reform on creating a profession that is capable of attracting the right people in the right numbers.

10.3 Recommendation 15: National Reform Programme

The SWTF recommends the creation of a single national reform programme for social work. The aim is for this programme to drive the delivery of the SWTF recommendations and secure sustained commitment from employers, educators, the profession and government over the next ten years. To ensure action, the SWTF advises that the reform programme should be overseen by a new reform board, reporting to Ministers. Overall progress in delivering reform should be reviewed and made public annually.

- 10.4 Reform of this kind is likely to require a ten year commitment with concerted action over the next five years in particular.
- 10.5 The programme should be structured around the building blocks for reform originally set out in the interim report of the Social Work Task Force. (These can also be found at **Appendix 3**.)
- 10.6 Collective action will clearly need to be taken at a more local level, as well as nationally, on some matters. This includes close collaboration between employers and educators to ensure there are adequate numbers of places on social work courses; high quality practice placement opportunities for students; and suitable entrants to the workforce. The board overseeing reform should move quickly to understand local, regional and sub-regional partnerships, where these are currently in place, and also how other professions organise themselves to handle these issues. It should bring forward advice on how local employers and higher education institutions can best work and plan together on question of education, training and local workforce supply.
- 10.7 The reform programme should also build on all that is still being learnt from existing measures to improve social work, as introduced over recent years by government, individual employers, higher education institutions and others, including the newly qualified social worker programmes and employment based routes into qualifications.

11. THE ROLE OF GOVERNMENT

11.1 By setting up the Task Force, Ministers have already shown strong shared commitment to social work reform on a cross-departmental basis. Continuing government commitment to excellence in social work will be even more vital over the long term.

11.2 In particular, the taskforce believes government action should include:

- Ongoing joint commitment and leadership across government in support of the national reform programme – with rapid action to ensure that the programme is put in place and gets swiftly underway and that it becomes mainstream business in the relevant departments.
- The necessary investment to make a reform a reality at all levels, especially on the frontline – the proposals have implications for resources and legislation which Government will need to work through as quickly as possible if momentum is to be maintained.
- Strong logistical support to the profession to enable it to establish an independent national college.
- Rationalisation of the delivery of organisations, partnerships and standard setting mechanisms, the proliferation of which contributes to confusion and inefficiencies in workforce improvement – if the profession is to become more confident and more effective, it needs to be supported by organisations that are more clearly focused on the improvement of social work
- Ensuring the performance indicator regimes that influence social work do not favour the completion of processes at the expense of service quality or outcomes for service users, and that they avoid perverse incentives and measures for which there is no supporting evidence base.
- Intervening strongly whenever any of the ambitions and recommendations for social work set out in this report is in danger of not being achieved.

11.3 A better, stronger future for social work needs everyone concerned to be clear about where we are trying to get to and the priority actions needed to achieve this; and about the delivery system and their responsibilities within it. The SWTF are confident their report provides a platform for meeting these conditions. They hope that the prospect of comprehensive, long term reform of the kind they are recommending will be widely welcomed.

12. SPECIFIC IMPLICATIONS FOR THE COUNCIL

12.1 There are some specific recommendations for local authorities to implement now:

- a) Department of Children School and Families and local authorities should continue to improve the integrated Children's system by translating national specifications into tangible improvements to local systems making ICS more straight forward and effective for frontline social workers in Children's Services.

- b) Local Authorities need to consider how to reallocate resources to make a difference on the frontline.
- c) Employers need to have frank and open discussion with frontline practitioners and managers about the reality of practice on the frontline; the burdens practitioners are carrying and how they can improve services.
- d) Formal and informal piloting of the re-modelling and social work services should be piloted with incentives as appropriate.
- e) Discuss the revised career structure and understand the link to the job evaluation process.
- f) We will need to ensure we are compliant with recommendations on supervision and support, regarding caseload (when they are developed) and continuing professional developments.
- g) Ensure they are dedicated programmes of training and support for frontline social work managers. We are working with partners including Skills for Care to ensure this is effective.

12.2 We are also highly active in implementing the Regional Workforce Strategy led by ADASS, which will help shape this work.

13. RISK

13.1 There is a risk to the reputation of the Council, and on our performance assessment if the recommendations are not implemented.

14. RECOMMENDATIONS

14.1 Cabinet are requested to note the recommendations of the Social Work Taskforce and the implications.

CONTACT OFFICER: Margaret Hunt, Development Manager

7.2 Appendix 1

The Social Work Task Force's 15 recommendations

1. **Calibre of Entrants:** that criteria governing the calibre of entrants to social work education and training be strengthened
2. **Curriculum and Delivery:** an overhaul of the content and delivery of social work degree courses
3. **Practice Placements:** that new arrangements be put in place to provide sufficient high quality practice placements, which are properly supervised and assessed, for all social work students.
4. **Assessed Year in Employment:** the creation of an assessed and supported year in employment as the final stage in becoming a social worker
5. **Regulation of Social Work Education:** more transparent and effective regulation of social work education to give greater assurance of consistency and quality
6. **Standards for Employers:** the development of a clear national standard for the support social workers should expect from their employers in order to do their jobs effectively
7. **Supervision:** the new standard for employers should be supported by clear national requirements for the supervision of social workers
8. **Front Line Management:** the creation of dedicated programmes of training and support for front line social worker managers
9. **Continuing Professional Development:** the creation of a more coherent and effective national framework for the continuing professional development of social workers, along with mechanisms to encourage a shift in culture which raises expectations of an entitlement to ongoing learning and development.

10. **National Career Structure:** the creation of a single, nationally recognised career structure for social work
11. **National College of Social Work:** the creation of an independent national college of social work, developed and led by social workers
12. **Public Understanding:** a new programme of action on public understanding of social work
13. **Licence to Practise:** the development of a licence to practise system for social workers
14. **Social Workers Supply:** a new system for forecasting levels of supply and demand for social workers
15. **National Reform Programme:** the creation of a single reform programme for social work

Public Description of Social Work

Social work helps adults and children to be safe so they can cope and take control of their lives again.

Social Workers make life better for people in crisis who are struggling to cope, feel alone and cannot sort out their problems unaided

How social workers do this depends on the circumstances. Usually they work in partnership with the people they are supporting – check out what they need, find what will help them, build their confidence, and open doors to others services. Sometimes, in extreme situations such as where people are at risk of harm or in danger of hurting others, social workers have to take stronger action – and they have the legal powers and duties to do this.

You may think you already do this for your friends and family but social workers have specialist training in fully analysing problems and unmet needs, in how people develop and relate to each other, in understanding the challenging circumstances some people face, and in how best to help them cope and make progress. They are qualified to tell when people are in danger of being harmed or harming others and know when and how to use their legal powers and responsibilities in these situations.

You may think that you'll never need a social worker but there is a wide range of situations where you or your family might need one, such as:

- Caring for family members
- Having problems with family relationships and conflict
- Struggling with challenges of growing old
- Suffering serious personal troubles and mental distress
- Having drug and alcohol problems
- Facing difficulties as a result of disability
- Being isolated within the community
- Having practical problems with money or housing

Where we think it is needed to achieve reform, we will also make recommendations for changes to inspection, regulation, and the activities, roles or remits of the national organisations which support social work.

Much of this report is inevitably focussed on social work in the statutory sector. This is the bedrock of social work in England. It is also where challenges are most widespread and most acute. However, as a Task Force, we are very aware of the diverse settings in which social workers operate. We are determined to develop proposals that will lift the whole profession and be felt in every setting.

Following the advice from the Social Work Task Force in May, the Government has committed to improvements to the Integrated Children's System (ICS), an issue which has been of great concern to frontline practitioners in children's services. These improvements now need to be made a reality at national and local level. The Task Force will stay engaged in making sure changes take hold and make the difference that is needed.

A clear common understanding of the role and purpose of social work –

The Task Force has developed a new description of social work as a first step towards a much stronger common understanding of the role and purpose of the profession. It has been developed in plain English to help the profession meet the challenge of explaining what it does to service users and the public. The clear understanding, along with its implications for the roles and tasks of social workers can or should perform and the skills and knowledge they need, will become the foundation stone of the reform programme. We will be taking forward further work, with partners, to develop a clear articulation of these requirements, to inform our final recommendations. The description is set out below and discussed in more detail in Chapter 2.

Reform: Building Blocks and Recommendations

This diagram shows the “building blocks” of the reform programme which the Social Work Task Force will put forward in our final report later this year. Each building block will be essential to successful reform and each has a vital role in supporting the others.

| | | |
|---|---|--|
| High quality, appropriate initial training | Resources which support and enable effective practice | Strong national professional leadership |
| High quality on-going training and development | Supply strategy – understanding demand and influencing supply | Public value and understanding |
| Clear roles and career structure | Inspection and accountability regime supporting improved outcomes | Delivery system providing strong local and national leadership |
| Founded on a clear understanding of the work that we need social workers for, and of how their effective practice can improve outcomes. | | |

CABINET REPORT

8 February 2010



Report of: Director of Child and Adult Services

Subject: PROGRESS REPORT - CONNECTED CARE.

SUMMARY

1. PURPOSE OF REPORT

- 1.1 Connected Care was developed by the national charity, Turning Point, in 2004 following research which highlighted the fragmented nature of health and social care and the problems this caused for people trying to access services.
- 1.2 Following an audit conducted by the residents of Owton Ward the Connected Care service was established in 2008. The service is funded by the Department of Health (DoH) National 'Pathfinder' Pilot, Hartlepool Borough Council (HBC), The Primary Care Trust (PCT) and the Working Neighbourhood fund (WNF).
- 1.3 This report examines the progress made over the last 18 months in establishing Connected Care within the Owton Ward of Hartlepool. Reference will be made to the recently published Durham University evaluation of Connected Care in Hartlepool as well as proposed developments over the next 2 years.

2. SUMMARY OF CONTENTS

- 2.1 The original Connected Care model was intended to comprise both a team of navigators to work with people who have low-level needs and a complex care team of secondary health and social care workers seconded from the statutory services. However, following the development of 3 statutory integrated health and social care locality teams aligned to GP practices across the town in 2008, the Connected Care model was revised. The service was rolled out in 2008 with a team of navigators working with low-level needs and linking people with the south locality team and other agencies when their needs required a more specialist response.

- 2.2 Connected Care is setting up a social enterprise in the form of a Community Interest Company (CIC) called “Who Cares”. This is likely to be operational in the first quarter of 2010. The intention is that the CIC will commission low-level services and develop the business for Connected Care. The CIC’s directors will be representatives from community organisations with statutory agencies as stakeholders.
- 2.3 During the last 18 months a team of 3 navigators have worked with 1200 people to help them resolve their problems. A mobile service provides assistance to elder vulnerable residents and a magazine “Who Cares” is published bi-annually to promote the service to every household in Owton.
- 2.4 Connected Care has attracted an additional £246,000 of income to develop services over the last 18 months. Core funding over 3 years is provided by HBC, the PCT and the WNF with revenue in place from the DoH ‘Pathfinder’ Pilot targeted at developing the social enterprise.
- 2.5 A Benefits and Welfare Rights Service has been integrated into Connected Care and this has raised approximately £750,000 per annum for residents. A Handyman Repair Service has been established in partnership with Housing Hartlepool and the Owton NAP. Connected Care is helping young people in Owton to access training and employment through the Future Jobs Fund. A new service, SAILS (Supporting Access to Independent Living Services) has recently been developed to bring support such as meals and gardening to vulnerable residents in their homes. Work is underway to develop a business plan which will include services to be provided to the new Orwell Walk extra-care complex due to open autumn 2010.
- 2.6 There have been several positive independent evaluations of Connected Care. Preventative work is being achieved and access, choice, information, continuity and co-ordination (the outcome requirements from the Owton audit) are being met through the navigator service.

People who do not meet the current Fair Access to Care Services (FACS) eligibility criteria for services are being helped to solve problems that are impacting adversely on their ability to cope.

Connected Care is a locally based service. This is seen to be strength for many residents but for some people it is “too close to home” and raises issues of confidentiality where the navigator may be a person they know in their community.

- 2.7 The Durham University evaluation of Connected Care underlines the tension around the social enterprise managing its combination of commercial and social objectives. Retaining its community focus while also being rolled out across other areas is seen as a challenge. Sufficient resources will be required to ensure the current model in Owton is not diluted by too few navigators trying to cover too wide an area.

- 2.8 There is a considerable challenge in developing the social enterprise as a going concern which does not rely on 2 core state funding streams. One of the most significant barriers to the development of the social enterprise business activity is the absence of access to working capital. Given that Connected Care's work covers many of the aims set out in the Hartlepool Community Strategy, there is scope for pursuing funding from a far wider range of agencies.
- 2.9 There are increasing calls for Connected Care to be made available to residents across Hartlepool. Connected Care is currently considering a proposal to extend the existing service across the borough, aligned to the 3 integrated locality teams between 2010-2012. (**Appendix 1**)
- 2.10 There is a pressing requirement to address the preventative agenda - low-level needs being addressed upstream to minimize the risk of a person sliding into more complex difficulties that require specialist interventions, at a greatly increased cost, further downstream.

Connected Care has shown its ability to meet this preventative agenda. The challenge over the next 2 years will be resourcing the social enterprise to develop its low-level businesses, enabling Connected Care to be rolled out across Hartlepool while safeguarding against the dilution of the model in Owton ward and accessing sufficient funding to sustain the service as a whole.

- 2.11 Currently the FACS eligibility criteria are set at the level of substantial and critical needs. This restriction of support to those with high and critical needs can work against the use of personal budgets for preventative support to those with low level needs. It is suggested that enabling people with low and moderate needs to access personal budgets could contribute to both income maximization for the Connected Care social enterprise and the preventative agenda.
- 2.12 Connected Care works with people to reduce incidents of anti-social behavior, drug and alcohol misuse as well as supporting people with housing and homelessness, their wider health needs and aspirations for training and employment. All these issues feed into the Hartlepool Community Strategy. Over the next 6 months Connected Care will be drawing together evidence of successful work with people which contribute towards the outcomes set out in the Community Strategy. A business case will then be developed to seek funding from a range of agencies to support the valuable work being done by Connected Care towards improving the lives of children, young people and vulnerable adults living in Hartlepool.

3. RELEVANCE TO CABINET

- 3.1** Information on the progress of Connected Care in delivering its objectives to the people of Owton ward together with its developmental proposals for the next 2 years. Cabinet is requested to note the contents of this report.

4. TYPE OF DECISION

- 4.1** Non-key: the report is for information only.

5. DECISION MAKING ROUTE

- 5.1** Cabinet

6. DECISION(S) REQUIRED

- 6.1** To note the report

Report of: Director of Child and Adult Services

Subject: PROGRESS REPORT: CONNECTED CARE

1. PURPOSE OF REPORT

- 1.1 This report summarizes the progress made in developing Connected Care in Owton Ward over the last 18 months. Reference will be made to the recently published Durham University evaluation of Connected Care in Owton ward. The report will set out the proposal for extending Connected Care into other areas of the borough over the next 2 years.

2. BACKGROUND

- 2.1 In 2008 Connected Care was established in Owton ward following an audit by locally trained residents to capture peoples' perceptions of the way services should be delivered to meet the health and social care needs in Owton ward.
- 2.2 The Owton audit identified a number of ways in which services should be different:
- better information
 - more choice and control
 - easier access
 - joined up services
 - flexible, responsive and well trained workforce
 - focus on social inclusion and regeneration initiatives
 - target community safety and anti-social behaviour
- 2.3 The Owton ward, with a population of 7000, where levels of deprivation are extremely high, was chosen as the area for establishing Connected Care. Funded in partnership by Hartlepool Borough Council (HBC), the Hartlepool Primary Care Trust (PCT), the Working Neighbourhood Fund (WNF) and part of the Department of Health (DoH) national 'Pathfinder' pilot, Connected Care was initially described as comprising the following elements:
- A special team of navigators to support people to identify their problems and link them to the services they required as well as a complex team of specialist staff seconded from the statutory agencies to work with people who required more intensive interventions.
 - Navigators to be recruited from the local community.
 - The development of a broad range of low-level support services.

- A social enterprise vehicle to deliver the above elements managed by residents and local community organisations with statutory agencies as stakeholders.
- A service co-ordinator to manage the service and develop the business.

It was acknowledged from the outset that initiatives to tackle poverty and create employment would be an important component of Connected Care.

- 2.4 There was a delay in establishing the Connected Care service while the steering group debated the options for delivering a workable model within the financial envelope. The original model was altered by the inception of 3 new integrated health and social care locality teams in Hartlepool. Each locality team covers respectively North, Central and South Hartlepool and is aligned to a cluster of GP practices to provide a 'one stop shop' for people who use health and social care services and who are eligible for those services within the Fair Access to Care Services (FACS) eligibility criteria. The FACS threshold is currently set at substantial or critical levels of need.

The revised model for Connected Care consists of:

- 2 consultant co-ordinators to manage the service and who have the necessary business acumen to deliver a social enterprise.
- 3 navigators and an admin worker.
- A "drinks dispenser" model. The navigators support people with low-level needs and link them to the appropriate south locality team or other secondary care services when their difficulties are more complex and require more specialist interventions.

This initial model of Connected Care providing a co-terminous, holistic response to the people of Owton from within their ward was abandoned. The concept of a 'one stop shop' was, however, retained by the navigators ensuring that people are joined-up with whatever services they require to meet their identified needs.

- 2.5 Over the last 18 months Connected Care services have been developed to compliment the work of the navigators in providing low-level support to families and elder vulnerable residents in Owton ward.

Case work information from these services demonstrates the 'preventative' nature of this work and the potential for these services, by providing the right support at the right time, to prevent a person's needs from deteriorating to the point where they require more intensive and costly interventions further downstream. There is also a steady flow of high-level cases which require more intensive support and a longer term commitment in time and effort from both the navigators and staff from the secondary health and social care services.

- 2.6 Connected Care is in the process of setting up a Community Interest Company (CIC), “Who Cares”, which will commission services directly via this social enterprise mechanism. The CIC’s directors will be made up of representatives of community organisations with statutory agencies as stakeholders in the enterprise. The CIC should be operational during the first quarter of 2010.

3. PROGRESS

- 3.1 During the last 18 months a workable model for Connected Care has been developed which is based on the aspirations contained within the original proposal. A team of 3 navigators have worked with 1200 people to tackle and resolved their problems. A significant amount of homelessness and housing needs are common to these cases and close links have been forged with Housing Hartlepool to draw in their expertise when needed.

The navigators also work closely with the South locality team and the mental health and learning disability services to ensure people receive a holistic response to their needs.

A mobile service has been developed to provide practical assistance to elder vulnerable residents and a magazine, ‘Who Cares’, is published bi-annually to promote Connected Care to every householder in the Owton ward.

- 3.2 The inherited budget deficit of £64,000 has been resolved to produce a balanced 3 year budget. Connected Care has drawn in an additional £246,000 of income to develop services over the last 18 months:

- DoH: £120,000 (capital and revenue)
- WNF: £25,000
- Housing Hartlepool/Owton NAP: £30,000 (Handyman Service)
- Hardship Fund: £30,000 for the Advice and Information Service and an additional navigator
- Owton NAP: £18,000 for the Emergency Fund.

Core funding is received jointly from HBC and the PCT for 3 years at £107,000 per year as well as £24,599 from the WNF in respect of the health trainer role of the navigator. In addition DoH ‘Pathfinder’ revenue is being used for specific activity around the development of the social enterprise. The majority of the revenue costs relate to staffing.

- 3.3 A Benefits and Welfare Rights Service has been integrated as part of Connected Care’s low-level preventative work. This service raises approximately £750,000 per annum for the residents of Owton.

- 3.4 A Handyman Repair Service to provide practical assistance to elder vulnerable residents has been established in partnership with Housing Hartlepool and the Owton NAP.

SAILS (Supporting Access to Independent Living Services), another new service, has been developed to bring support, such as meals and gardening, to vulnerable residents in their homes.

- 3.5 Connected Care has, to date, placed 43 young people with employers by utilising the funding secured through the Future Jobs Fund. Up to 180 young people will potentially benefit from work placements and training. This is an excellent example of a practical response to a pressing need in the Owton ward.
- 3.6 Connected Care have regular outreach sessions at the local primary care centre operated by Intra Health. A significant number of people have been supported to register with a GP through the links forged between Connected Care and the primary care centre.

There are promotional sessions held monthly at the market hall in the Middleton Grange Shopping Centre. A focus group workshop was held in February 2009 to capture residents' views on Connected Care with favourable responses received from those who attended the event.

- 3.7 Connected Care is a member of the Orwell Walk extra-care complex steering group. Work is now progressing to develop the CIC business plan which will include services to be provided at Orwell Walk. A meeting has recently been held with Business Link to try and access funds to employ a consultant to assist with the tasks involved in that activity.
- 3.8 A plan is currently being developed to forge links between Connected Care and Accent Housing in respect of the Glamis Walk properties with a view to providing services there in the future.
- 3.9 Hartlepool New Deal for Communities (NDC) have allocated £20,000 for Connected Care to assist with the cost of undertaking a health and social care audit in the Burbank area of Hartlepool. Posts will be identified from the Future Jobs Fund to assist with this task to ensure the audit reflects the wishes of local residents and that any subsequent development incorporates these views into its service design.
- 3.10 An application has been submitted to the Regional Efficiency Improvement Partnership for funding to develop a Time-Bank in Owton. In Time-banking everyone's contribution is valued equally. One hour of volunteering earns 1 credit. Credits are banked and people then cash them in to 'buy' the skills of other Time-bankers. This is an effective way of tapping into the community's core economy and promotes social inclusion, self-esteem and social capital within the local community.

There is currently some uncertainty whether this funding will be available in 2010. Connected Care will re-submit this application, along with one for the Handyman Repair Service, to the Provider Innovation Fund early in 2010.

4. EVALUATIONS OF CONNECTED CARE

4.1 There have been several positive independent evaluations of Connected Care over the last 18 months:

- “Connected Care embodies the Community Strategy’s principles of effective and efficient partnership working, involvement and inclusion. It has a cross-cutting impact across all the strategy’s aims and is at the fore-front of local service providers’ approach to the health and wellbeing agenda”.
- “Connected Care has improved access to services and delivered a range of outcomes for residents in Owton ward. It connects strategically and operationally with service providers and has established commitments to secure its immediate future”.

SOURCE: Consultants’ report commissioned by the Neighbourhood Renewal Section of HBC: August 2009.

- “That the Connected Care programme be rolled out across the town as a positive way of helping reach families that would not normally interact with either the council or engage with health services”.

SOURCE: Hartlepool Borough Council Scrutiny Forum recommendations: April 2009.

4.2 There has been one complaint in respect of Connected Care over the last 12 months. This complaint was not upheld although changes were subsequently made to the system for recording people’s details as a result of the complaint.

4.3 Connected Care has recently been recognised with a major national award from ‘In Control’ in respect of an excellent model of community work that encourages community engagement and participation; a great achievement.

4.4 Feedback from people who use the Connected Care Service and detailed outcomes from case studies evidence that local residents find the service accessible, approachable and, despite not including a ‘complex care’ team, it does provide a ‘one-stop shop’ by supporting residents to access other services in a timely way. Connected Care sits outside statutory services and is therefore sufficiently ‘independent’ to advocate for the people it works with in a robust way.

5. DURHAM UNIVERSITY EVALUATION

5.1 The Durham University evaluation of Connected Care (November 2009), predicated on both qualitative and quantitative methodology, is clear about the benefits of Connected Care services to the Owton community:

“It is clear from the case descriptions that one of the prime features of service that made it valuable to clients was its local nature and the fact that along several dimensions access appeared to differ from traditional services. Clients identified the value of holism and local base as part of enabling them to work on problems, not only because they were physically closer but because they began from their understanding of the problem in their place”.

5.2 The evaluation highlights the tension within Connected Care contained in the competing objectives for the service in the future: community involvement and the feasibility of Town wide expansion. The evaluation is not clear how these two concepts can be sustained alongside each other. The challenge will be to “achieve an organizational form that could both sustain a meaningful relationship to the locality at the same time as becoming an independent viable enterprise”. This issue will be addressed later in the report.

5.3 The evaluation set out the perceived strengths and weaknesses of the Connected Care model:

- The ability to respond is enhanced by being based locally.
- The service responds to the predomination of debt and finances in its casework.
- People who would not have met FACS eligibility criteria have been helped to solve problems that impact adversely on their ability to cope.
- Preventative work is being achieved. Access, choice, information, continuity and co-ordination (the outcome requirements from the audit) are met by the navigator service.
- The service consultant/co-ordinators have played a transformational role in:
 - Replacing the complex care team with the ‘drinks dispenser’ model
 - Redesigning the navigator role
 - Securing agreement to replace a NAP-chaired social enterprise and separate low-level services with one core social enterprise vehicle vested in the community associations and credit union
- Some people did not like the idea of the navigators being people from their local area that they might know.
- There has been a shift in the model from an integrated set of state service, locally based and accessible to an enterprise of low-level services accessed by care navigators who also make claims on a number of linked but separate services.
- Lack of clarity as to how the social enterprise partnership board will manage the combination of commercial and social objectives of its social enterprise delivery vehicle.

- There is a need for attention to feedback processes for direct service user experience that go beyond satisfaction surveys. This includes the need for information on local service users, population health and wellbeing indicators, user and community views on service delivery, information on Connected Care's preventative and diversionary role and the development of an active service user group.

5.4 The evaluation captured what people value about services:

- Locally provided service for ease of access.
- Local service delivery being less intimidating than council offices.
- Independence from statutory services and the ability to advocate against them.
- Increased confidence and readiness to share information: "someone on our side".
- Valued navigators being ready to explore the full range of problems and keep up contact until the issue is resolved.

5.5 The evaluation raised the following issues:

- There is a need to identify with all community bodies to ensure the service is geographically and socially inclusive.
- Information sharing and confidentiality are difficult areas to police.
- A good system of professional supervision and support for the navigators is vital.
- In Owton ward the Connected Care service runs alongside the statutory health and social care services. This gives people a choice. In the original "holistic" model this choice would not have been possible.
- A considerable proportion of community members do not engage with community organisations. The audit report, within its community profile, identified 23 of 255 respondents utilised community-type centres. 178 out of 240 people did not feel involved with their community. "Communities are fragmented rather than simple coherent entities and the implications of this developing relationship will be a core issue in Connected Care as a community based initiative".

6. CHALLENGES

- 6.1 Connected Care faces a major challenge in developing the service as a viable social enterprise which does not rely on limited state funding streams. One of the care navigators has a dedicated business development role which includes delivering campaigns to stimulate the growth of Connected Care. The Durham University evaluation comments "Connected Care, in common with all complex innovations, is a continuing process rather than a produced service".

- 6.2 “The most significant barrier to the development of the CIC business activity is the absence of access to working capital. Unless this can be overcome we believe the development of business activity which can financially contribute to the service of Connected Care is likely to be curtailed”. (View of Connected Care Co-ordination manager: Report for Child and Adult Services Department, November 2009).
Connected Care is working with colleagues in HBC and elsewhere to identify sources of finance to support the development of the social enterprise business.

7. FUTURE DIRECTION OF CONNECTED CARE

- 7.1 There are increasing calls for Connected Care to be available to residents in other wards across Hartlepool. The Hartlepool New Deal for Communities has commissioned Connected Care to assist with an audit of health and social care needs and services with a view to seeking additional funding to provide a Connected Care service in Burbank.
Discussions have begun with Housing Hartlepool regarding the extension of the Handyman Service to cover a larger area than Owton ward.
- 7.2 A number of key features would need to be incorporated into any extensions to the current service:
- The service would need to be well rooted in a community organisation capable of providing the initial support and capacity to develop the service.
 - A team of 3 navigators plus administrative support would form the core team in each area. This would enable case work to be undertaken as well as providing a developmental function.
 - Low-level support services would be developed to compliment the work of the navigators. Benefits and Welfare Rights services and a Handyman repair service would form the core low-level prevention services in each area.
 - The Connected Care teams would match the areas covered by the existing 3 integrated North, Central and South locality teams. This mechanism would provide the opportunity to bid for Practice Based Commissioning (PBC) funding as the locality teams are linked to clusters of GP practices.
 - Business opportunities for a social enterprise could be explored to provide town wide service delivery.
 - Management would provide support across all 3 areas of the town.
- 7.3 Connected Care is currently considering a proposal to extend the existing service to match the area covered by the South integrated locality team. This would prove a direct alignment with HBC and North Tees and Hartlepool NHS Foundation Trust health and social care staff who cover that area. The model would present a practicable and realisable extension of the current service in Owton. This phase would be negotiated and implemented through 2010 financial year.

Within the first phase work would also be undertaken to cost out the extension of the service to the North and Central locality areas and identify 'host' organisations for the location of the Connected Care teams. The second phase from 2011/2012 would be the extension of Connected Care to the North and Central integrated locality team areas. Support to the new 'host' organisations would be provided by members of the existing Connected Care team. This would ensure that current expertise and good practice is exported across the town. This mentoring phase would last for up to 18 months. (**Appendix 1**)

7.4 Connected Care works with people who have a wide ranging set of difficulties: anti-social behaviour, drug and alcohol misuse, housing and homelessness, health and social care needs as well as unemployment and skills deficits. All these issues are mirrored in the Hartlepool Community Strategy's target areas for improvement:

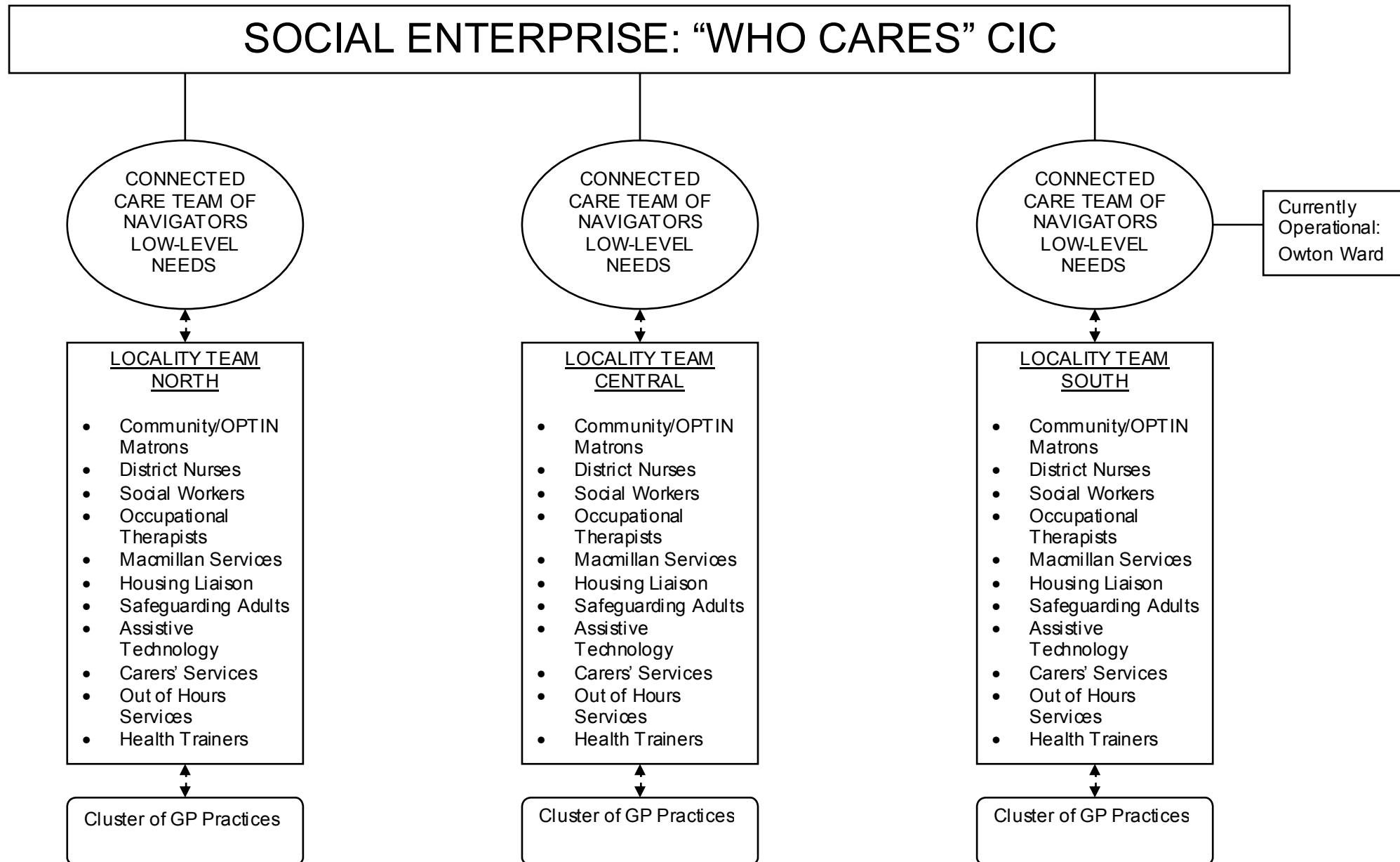
- Jobs and the economy: creating more employment opportunities.
- Lifelong learning and skills: providing support and increased access.
- Community safety: reducing anti-social behaviour and drug/alcohol misuse.
- Housing: supporting people to meet their housing needs.
- Strengthening communities: empowering people to have a greater influence, creating a thriving voluntary and community sector, increasing community cohesion and ensuring everyone can make a contribution.
- Supporting families and children – the 'Think Family' agenda.

Currently, despite contributing to all these agendas, Connected Care is only core funded by HBC, the PCT and the WNF. Over the next 6 months Connected Care will be drawing together evidence of successful work with people which has contributed to the aims of the Hartlepool Partnership and the Community Strategy. A business case will then be developed to seek funding from a wide range of agencies to support the valuable work being achieved by Connected Care towards improving the lives of children, young people and the adult citizens of Hartlepool.

7.5 Currently the FACS eligibility criteria is set at the level of substantial and critical needs. This works against the potential for people to use their personal budgets to purchase a service which meets their low-level needs. Lowering the FACS threshold would contribute significantly towards income generation for Connected Care services, the social enterprise development as well as supporting the preventative agenda. It is extremely difficult to quantify the cost/benefits of supporting prevention. It is, however, undoubted that early intervention upstream can prevent or markedly slow the need for more costly and complex interventions further downstream: a cogent invest to save opportunity.

8. CONCLUSION

- 8.1 The audit report in 2005/2006 reported that the people of Owton ward wanted improvements in access, choice, information, continuity and co-ordination of services.
The Connected Care service is achieving these outcomes.
- 8.2 The Connected Care model has changed from an integrated service consisting of navigators and a complex care team to a model comprising navigators who link people to the specialist services within the integrated locality teams and the specialist mental health and learning disability services.
- 8.3 A CIC, “Who Cares”, has been established and is likely to be fully operational during the first quarter of 2010. Four business opportunities are being explored as part of the further development of Connected Care for inclusion within the CIC:
- The development of services as part of the Orwell Walk extra-care complex.
 - The development of business around Personal Budgets.
 - The Handyman Service.
 - The Benefits and Welfare Rights Services.
- 8.4 Connected Care is currently considering a proposal to extend the service into other areas of the town between 2010-2012.
- 8.5 The most significant barrier to the development of business activity is the absence of access to working capital. Connected Care is working with HBC and other agencies to identify sources of finance to support the development of the social enterprise businesses.
Connected Care meets a range of outcomes within the Hartlepool Partnership Community Strategy. There is scope for the funding of core costs to be shared by a wider range of agencies in the future.
- 8.6 The 3 integrated locality teams currently work with people who are eligible for services within the FACS criteria set at substantial and critical levels of need. Lowering the FACS threshold would enable people with low-level needs to access a Personal Budget and purchase the services they require to support their wellbeing and independence. There is a pressing requirement to address the preventative agenda and Connected Care has proved its ability to deliver against this outcome.
The challenge over the next 2 years will be resourcing the social enterprise to both develop its low-level businesses and enable Connected Care to be rolled out to other areas of Hartlepool.



CABINET REPORT

8th February 2010



Report of: Director of Regeneration and Neighbourhoods

Subject: REGIONAL PROCUREMENT

SUMMARY

1. PURPOSE OF REPORT

To inform Cabinet of developments in Regional Procurement and to seek comments on a consultation exercise being undertaken by the Regional Improvement and Efficiency Partnership (RIEP).

2. SUMMARY OF CONTENTS

The report highlights developments in the collaborative procurement landscape across the region and how the Council needs to respond in order to maximise efficiencies while considering the sub-regional and local economy. It outlines the latest details of the review of the RIEP/North East Purchasing Organisation (NEPO), and seeks Cabinet's comments, both to feed into the consultation exercise and to develop a collaborative procurement policy for the Council.

3. RELEVANCE TO CABINET

There are implications on the Council's current budget position and the Medium Term Financial Strategy.

4. TYPE OF DECISION

Non key.

5. DECISION MAKING ROUTE

Cabinet 8th February 2010.

6. DECISION(S) REQUIRED

Cabinet's comments are requested:

- To feed into the RIEP/NEPO review consultation
- To inform the development of a Council policy on sub-regional and regional procurement collaboration

Report of: Director of Regeneration and Neighbourhoods

Subject: REGIONAL PROCUREMENT

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of developments in Regional Procurement and to seek comments on a consultation exercise being undertaken by the Regional Improvement and Efficiency Partnership (RIEP).

2. BACKGROUND

- 2.1 The Regional Improvement and Efficiency Partnership are undertaking a project looking at Regional Procurement and Collaborative Sourcing. The project also includes a major review of the North Eastern Purchasing Organisation (NEPO) and the Regional Improvement and Efficiency Programme's (RIEP) own role in collaborative procurement.
- 2.2 The Council is required to set out our views on regional procurement, which will be fed into a consultant who has been commissioned by the RIEP as part of the review.
- 2.3 Regional procurement and collaboration will be one of the options to be considered to address the anticipated residual budget shortfalls currently estimated at £4 million per annum (after the delivery of all other efficiency measure already identified within the authority) from 2011/12 should the expected cuts in grants to local authorities manifest themselves after the General Election.

3. COUNCIL'S FINANCIAL SITUATION

- 3.1 Cabinet will be aware from budget considerations that even if we hit all our efficiency and Business Transformation targets, there is still a likely £4 million per annum gap in the budget for 2011/12, 2012/13 and 2014/15 (due to expected cuts in government grants). The main political parties nationally are saying they do not want to hit frontline services and have quoted savings to be made through more efficient and effective procurement. One question Members need to consider is can we justify not taking the benefits of regional contracts if at the same time we are making reductions in our own staffing levels.

4. COLLABORATIVE PROCUREMENT

- 4.1 Faced with these ever increasing demands for efficiencies, effective procurement can be the answer. Over £3 billion per year is spent by Councils in the North East alone on third party goods and services. Councils working together can

optimise their purchasing power, secure real service improvements and make savings.

- 4.2 Focusing on what we want to achieve, and how we spend our resources to achieve it can provide innovative solutions. By using a 'category management' approach, tested and proven in the private sector, we can identify related spend across organisations and build sourcing strategies to secure goods and services, working with and developing appropriate markets. This offers the chance to purchase appropriately at a national, regional and local level to help meet our efficiency targets. This is the basis of the Regional Improvement and Efficiency Programme's Collaborative Procurement Project.
- 4.3 There are implications for the Council and for the region with policy issues and options for Elected Members to debate. In addition, how does the North Eastern Purchasing Organisation which is constituted by the 12 North East Authorities contribute to these developments?

5. IMPLICATIONS OF REGIONAL PROCUREMENT FOR THE COUNCIL

- 5.1. The main issue for the Council is that whilst there are very major savings to be made, it could also affect local employment. We are currently being urged by Central Government to pursue the substantial savings available, and if this is the case regional/local politicians have a role to work with the likes of the CBI, Chamber of Commerce, and particularly the Federation of Small Businesses, to organise their members to form bidding consortia for a jointly agreed procurement programme. There is also consideration being given at national level to enforcing models of regional procurement and shared services. If done correctly there is potential to create more jobs in the North East by bringing back work which could be going elsewhere.
- 5.2 Local procurement is a key priority for the local economy, particularly in the current climate and, in relation to our own "buy local" campaign which the Council supports in many ways. There is a risk however, that a regional procurement system could adversely affect our local businesses. Though there is potentially a role for the Business sector, locally, at a sub regional and regional level to support suppliers in their involvement in such regional procurements.
- 5.3 By nature of the size of regional contracts it is likely that national and multi national companies could win a major share of contracts, particularly back office services (e.g. BT at South Tyneside) and construction contracts (e.g. Building Schools for the Future). Whilst trying to bring local businesses together to make bids it can be difficult to get consortia arrangements in place particularly with smaller businesses.
- 5.4 There is a balance to be achieved where perhaps, it may be possible to regionalise high volume goods and services and the more specialist products/services which most of our local businesses may possibly find

unattractive propositions and there will be certain areas where a more local market is in place and competitive.

- 5.5 Whilst procurement regulations are prescriptive on avoiding the specification of “local” provision, it is possible, through contract/employment-type clauses and evaluation priorities to bring out local requirements.
- 5.6 Based on feedback from the recent Regional Efficiency Summit (attended by a variety of Council Members), a £1.4 million capital and revenue programme is being set up by the RIEP to deliver transformation and efficiency across the region. It includes support for developing business cases for the rationalisation of back office services, sharing of front office services and trading companies.
- 5.7 A group, led by Ada Burns (Chief Executive of Darlington), will offer opportunities to learn from and share with others via a series of master classes and study visits for officers and Members.

6. GOVERNMENT’S VIEWS

- 6.1 In the Government’s “*Budget 2009*”, the Operational Efficiency Programme (OEP) identified scope for Central Government and the wider public sector to deliver £3.7 billion of savings by ensuring that 80% and 50% respectively of available procurement spend is channelled through collaborative strategies. In addition to delivering savings, smarter procurement can also support broader objectives such as the Government’s growth agenda, environmental targets, and its goal to increase energy efficiency across the public sector.
- 6.2 Actions that the Government are taking to improve collaborative procurement include: -
- publishing procurement data for the biggest spending Government departments, showing the level of compliance with approved collaborative deals.
 - using technology to improve procurement and lower costs via electronic tendering, and particularly e-auctions.
 - strengthening procurement capability, by building on the OGC’s work on national contracts.
- 6.3 Through its recent publication “Putting the front line first - Smarter Government” there is a major initiative to maximise economies by much more effective collaboration between public bodies
- 6.4 Shared services and the recent Total Place initiative have begun to explore the potential of a much stronger focus on collaboration between bodies, including private and third sector partners and individual institutions like schools which have sometimes been encouraged to be inward rather than outward looking. A recent report undertaken by Deloitte’s recommends how shared service provision

can be expanded across the public sector, particularly in the light of any models that may be enforced nationally.

- 6.5 This is unlikely to be an easy option. Although there are some good examples of public bodies collaborating to achieve economies, via purchasing consortium e.g. North Eastern Purchasing Organisation, these are relatively few and far between. In many cases bodies work closely together for reasons other than efficiency, e.g. to address cross-cutting issues or overlapping responsibilities.
- 6.6 The Government also encourages public bodies to collaborate in commissioning services with the prospect of achieving savings from greater scale and a more strategic approach. In turn this may lead to greater understanding of the interdependencies which exist between public bodies providing related services or sharing the same clients. In such circumstances, there should be a shared commitment to find solutions which deliver high quality services to the citizen and achieve best use of resources from the perspective of the overall public purse. In both Child and Adult Services, there has been a significant increase in the use of joint commissioning.

7. THE COUNCIL'S RESPONSE

- 7.1 The Council needs to develop a clear policy on collaborative arrangements between public bodies (having regard also to partnership models which involve private and third sector organisations). We should be clear on our objectives and expectations, and consider the governance and leadership models which are most likely to deliver positive outcomes.
- 7.2 We need to increase work with existing partners and consider new alliances which may increase the momentum of partnership working to ensure that it is fit-for purpose and capable of contributing positively to the challenges ahead including in particular the challenge to reduce costs e.g. PCT, Fire / Police, other Local Authorities. Areas that could be examined include assets, vehicles, waste, back office services.

8. THE NORTH EAST REGIONAL IMPROVEMENT AND EFFICIENCY PROGRAMME (RIEP) AND NORTH EASTERN PURCHASING ORGANISATION (NEPO)

- 8.1 The RIEP has been working in close partnership with NEPO to further enhance their strategic vision “to improve, by collaboration local authority procurement in order to deliver savings in public expenditure that can be redirected to bring about improvements in the quality of life for people living in the communities across the region.”
- 8.2 The RIEP/NEPO review includes the question of regional governance and structures. The preferred option at this stage is for a revitalised NEPO with a regional category management capability. A detailed business plan is being

developed for NEPO consideration endorsement by April 2010 and the Council's views are sought as part of the consultation process.

- 8.3 The preferred option takes into account that the RIEP will cease to exist in March 2011.
- 8.4 Workshops have taken place for the NEPO sections of the review and meetings have been held with Chief Executives across the twelve Local Authorities, Heads of Procurement, Collaborative Procurement Board Members and other key stakeholders.
- 8.5 The Joint Committee was asked to consider the proposed preferred options for Governance put forward by the Review Steering Group including governance model, operating model, branding and funding. The view was expressed that representation at meetings and participation in NEPO contract activity by all member authorities, given the joint committee's developing strategic role, are of critical importance to the success of any new arrangements. At this stage members did not have a fixed view on proposed models put forward by the Steering Group. Further work is required to provide further clarity to the proposal from the Steering Group.
- 8.6 Current options being explored include (further detail is included in **Appendix 1**):-

Governance and Constitution

- one Member per authority (instead of 3), this being the Executive Member for procurement
- or
- retain 3 Member Joint Committee with an “executive” sub-committee of 1 Member per authority

Operating Model

- enhanced and more independent management structure of staff “seconded” in with a “Commercial Director”
- non-mandatory contracts

Branding

- to be considered as the model developed

Scope

- extended to cover more areas of collaborative procurement e.g. construction, childrens and adults services

Funding

- it is likely that initial investment would be required, but that the organisation would become self funding within a short period

8.7 A report on these options has been taken to the Portfolio Holder for Finance and Performance and Councillor Payne commented as follows:

- There is a need for flexibility in any collaborative approach to procurement
- Local Authorities need to be able to opt in and out of collaborative procurements
- It is important that local businesses are not disadvantaged by any future procurement strategy
- Three Members from each authority should continue on any Joint Committee to allow for inclusivity to the authority
- Costs needs to be considered carefully in the option appraisal

9. POTENTIAL SUB-REGIONAL APPROACH

9.1 Officers across the Tees Valley have been considering a sub-regional approach and if category management is accepted as a valid and progressive approach to procurement and the risks associated with a regional model considered too great or that a balanced mix is required, a sub-regional model may be preferable or used as well.

9.2 The main benefit of this model is the speed in which it could operate. Unburdened by attempting to meet the disparate requirements of 12 local authorities, this model could be significantly more agile, able to move at a quicker pace, and be able to focus more on the local economy. This model would however, have to redefine the sub-region's relationship with the regional approach and indeed its relationships within the sub-region.

9.3 There are a number of risks associated with this model: -

- savings for individual projects may not be as great as the regional model given the reduced economies of scale, however to counter that possibility the increased flexibility and agility of the sub-regional model should enable a greater volume of sub-regional spend to be addressed over a shorter timescale. Were the regional and sub-regional approaches to be operated in tandem it would be fair to assume that the overall effect on achieved efficiencies may be more positive than with a solely regional approach.
- there may be some impact on Use of Resources scores if Tees Valley are criticised by not fully engaging with regional approach, however again this potential for criticism could be mitigated through the operation of sub-regional and regional approaches.
- may damage relations where current regional work is strong, however adopting the appropriate regional or sub-regional approach depending on the nature of the goods, services and relevant supply market should again reduce the likelihood of this risk occurring.

9.4 There are a number of changes that need to be made across the Tees Valley Local Authorities in order to move either of the regional or sub-regional models into a reality. They include: -

- reduce the autonomy and freedom that ‘devolved procurement’ has in each Local Authority to prevent devolved procurement officers working in local isolation and doing things without regard for the new approach
- develop a new sub-regional governance and reporting framework for all sub-regional procurement activity
- implement a major awareness programme of the new Category Management Approach
- continue preparations for the new approach by improving visibility of spend across the sub-region and develop consistently categorised contract registers / logs in line with the regional categorisation methodology
- continue to align sub-regional policy and practice, where possible, in order to minimise variation in requirements
- continue to develop and agree standard procurement processes and documentation and integrate sustainable procurement practices in all procurement activity
- continue to develop and agree standard approaches for benefits realisation, measurement and recording
- work more closely with economic development and Tees Valley businesses / VCS to ensure they are engaged and able to work within the new approach
- where it makes sense, make best use of national and regional contracts to secure savings

10. CONCLUSIONS

- 10.1 The Council needs to consider collaborative procurement as a way of reducing costs.
- 10.2 There is a need to respond to the consultation exercise on the RIEP/NEPO review.
- 10.3 The potential of a Tees Valley approach also presents a collaborative opportunity, which could, if configured appropriately and aligned with regional and national arrangements, have a positive effect on achievable efficiencies and local supply markets.
- 10.4 Whilst collaborative sourcing can bring savings through economies of scale, it can present risks to the local economy, and a flexible approach to get the best deal for Hartlepool may be required.

11. RECOMMENDATIONS

- 11.1 Cabinet’s comments are requested:
- To feed into the RIEP/NEPO review consultation
 - To inform the development of a Council policy on sub-regional and regional procurement collaboration

12. CONTACT OFFICER

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REVIEW OF THE STRATEGIC AND OPERATIONAL LEADERSHIP OF COLLABORATIVE PROCUREMENT

1. BACKGROUND

- 1.1 An extraordinary NEPO Joint Committee Meeting was held on 16th October 2008, at Gateshead Civic Centre to consider a proposal from the Regional Improvement and Efficiency Partnership to commission a joint piece of work to undertake a comprehensive assessment of the existing regional procurement capacity, capability and organisational arrangements.
- 1.2 The piece of work would determine the extent of the gap that needs to be filled to create a regional procurement delivery model that is fit for purpose to meet the significant procurement challenges facing all of the North East Local Authorities and contribute towards delivering the targets set out in the Regional Improvement and Efficiency Strategy.
- 1.3 A small steering group comprising the NEPO Chair, Councillor Walker; the NEPO Vice Chair; Councillor Kerr, the former NEPO Chair, Councillor Allan; a member of the RIEP Collaborative Procurement Workstream, Barry Rowland; the Procurement Programme Manager, Diane Nielson; and the NEPO Appropriate Officer, Mike Barker was established to oversee this project and also to guide the work of the consultants that were appointed to undertake the review.
- 1.4 A report has now been produced by the appointed consultant, Price Waterhouse Cooper, and has previously been circulated to NEPO members suggesting a range of option and initial recommendations from the Steering Group on;
 - Governance and Consultation
 - Operating Model
 - Branding
 - Scope
 - Funding
- 1.5 A workshop was held for the NEPO Joint Committee Members at Gateshead Civic Centre on 11 September 2009 to consider the options further and the comments from the workshop have also been circulated to Members.

2. PROPOSAL TO DEVELOP A MORE DETAILED BUSINESS CASE

- 2.1 The Steering Group has met since the workshop to refine the options further and it proposes that a detailed business case should be developed to establish an organisation based upon the following:

2.2 Governance and Constitution

The principle issue under this heading considered in the review was whether it was necessary to set up a new limited company to take over the governance and management of collaborative procurement within the region, or whether it was possible to achieve the aims referred to in para 1.2 with a new delivery model overseen by a revised joint committee. The Steering Group considered that the joint committee model was preferable to the establishment of a new company. One of the principle reasons for this view is that when acting as company directors, elected members are legally obliged to act in the interests of the company, rather than in the interests of their authority. It also recognised the need to develop and improve the existing arrangements, particularly the need for a smaller and more strategic governing body. It therefore proposes an alternative option that seeks to combine the preferred elements of both joint committee and company board model. Further detailed work can then be undertaken to explore an improved joint committee structure which could be established in a number of ways, including the options set out below.

- a. Option 1: Membership comprises one member per authority, with this preferably being the executive member with responsibility for procurement/resources, or an appropriate 'procurement champion',

or:

- b. Option 2: Continue with a joint committee comprising three members from each authority, but establishing an 'executive' subcommittee comprising one members per authority, with this being the executive member with responsibility for procurement/resources or an appropriate 'procurement champion'.

A new consultation would be developed to implement the revised governance arrangements, which would be the subject of a new joint agreement among all twelve member Councils.

2.3 Operating Model

The principle issue under this heading was whether to continue with existing operating arrangements, with the NEPO officer team 'embedded' within a host authority, or whether an enhanced and better resourced 'procurement unit', with its own separate management structure independent of the host authority, would be preferable. The Steering Group recognised the need for a significant improvement in the commitment and resources required to develop the organisation, and felt a local authority procurement unit, 'owned' by all member authorities equally, and more independent of its host authority, was the way forward. Whilst a host authority would still be necessary as the employing and contracting body. It would be 'invisible' to the member authorities, as the unit would be managed by a newly appointed Commercial Director, who would report directly to the joint committee (or its executive subcommittee). Support services that the unit required (e.g., payroll, legal, financial, etc.) could be provided by any of the member authorities,

or provided in-house. This would lead to a more autonomous operating model with greater flexibility than the current management arrangements enable.

2.4 Branding

The Steering Group considered whether to keep the existing NEPO branding or re-brand and re-launch the new organisation. It is proposed that the existing branding be retained in the short term, until the new organisation is created (and the new Commercial Director is in post). The issue of branding would then be further reviewed in consultation with the NEPO Joint Committee.

2.5 Scope

There is a wide range of potential options in terms of the scope of the organisation, but in summary the Steering Group recognised that the existing scope of NEPO should be extended to include further commodity areas for consideration for collaborative procurement, e.g. construction, social care etc. This could be delivered through a hub and spoke arrangement, in order to utilise expertise within individual authorities. It is also proposed that the organisation takes on the delivery of appropriate elements of the RIEP's Collaborative Procurement Programme, particularly those that require future management and maintenance e.g. the maintenance of the harmonised policies and documentation, where appropriate.

2.6 Funding

Further work is required to determine the actual level of funding required, but the Steering Group considered that it is likely that initial investment will be needed to establish the new organisation, however it is envisaged that within a short period of time the organisation would become self funding.

3. OTHER CONSIDERATIONS

3.1 A great deal of progress has been made with the review to date, however it is now necessary to agree some principles in order to move forward and create a more detailed business case, which will ensure that the new organisation achieves the objectives set out by the Joint Committee and is sustainable. The business case will be developed to include:

- a. clarity over roles and responsibilities;
- b. detailed organisational structures;
- c. cost and benefits to authorities;
- d. level of commitment required; and,
- e. an implementation plan.

Once completed, this business case will be presented back to the NEPO Joint Committee at a future meeting.

CABINET REPORT

08 February 2010



Report of: Regeneration and Planning Services Scrutiny Forum

Subject: FINAL REPORT – THE HARTLEPOOL TRANSPORT INTERCHANGE

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to outline the findings and conclusions of the Regeneration and Planning Services Scrutiny Forum's investigation into 'The Hartlepool Transport Interchange'.

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 11 December 2009. 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 11.1 of the bound report, which is attached to the back of the papers for this meeting.

CABINET
11 January 2010



Report of: **Regeneration and Planning Services Scrutiny Forum**

Subject: **FINAL REPORT – THE HARTLEPOOL TRANSPORT INTERCHANGE**

1. PURPOSE OF REPORT

- 1.1 To present the findings of the Regeneration and Planning Services Scrutiny Forum following its investigation into 'The Hartlepool Transport Interchange'.

2. SETTING THE SCENE

- 2.1 At the meeting of the Regeneration and Planning Services Scrutiny Forum on 17 July 2009, Members determined their work programme for the 2009/10 Municipal Year. The topic of 'The Hartlepool Transport Interchange' was selected as the first scrutiny topic for consideration during the current Municipal Year.
- 2.2 Responsibility for the development of the Hartlepool Transport Interchange lies with the Neighbourhood Services Department, although there are major regeneration benefits associated with the development of the Hartlepool Transport Interchange.
- 2.3 The Hartlepool Transport Interchange is part of the Council's programme to ensure that the Town has a high quality transport interchange facility, which will enhance the development of the Town's transport strategy. The interchange will also be important to the wider regeneration of the town, potentially providing linkages and important facilities. Full planning permission for the original application was granted by the Council's Planning Committee on 3 November 2004.
- 2.4 Since November 2004 there have been a number of complex negotiations and legal issues that have delayed the start of the development of the Hartlepool Transport Interchange.

3. OVERALL AIM OF THE SCRUTINY INVESTIGATION

- 3.1 The overall aim of the Scrutiny investigation was to gain an understanding of the current development milestones for the Hartlepool Transport Interchange, identifying transport operator attitudes and functionality options.

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 current development position of the Hartlepool Transport Interchange and the future milestones for the project;
 - (b) To seek the views of transport operators in relation to usage of the Hartlepool Transport Interchange; and
 - (c) To explore future functionality plans for the Hartlepool Transport Interchange site.

5. MEMBERSHIP OF THE REGENERATION AND PLANNING SERVICES SCRUTINY FORUM

- 5.1 The membership of the Scrutiny Forum was as detailed below:-

Councillors R W Cook, S Cook, Cranney, Gibbon, A E Lilley, London, McKenna, Rogan and Wright.

Resident Representatives: John Lynch, Brian McBean and Iris Ryder.

6. METHODS OF INVESTIGATION

- 6.1 Members of the Regeneration and Planning Services Scrutiny Forum met formally from 20 August 2009 to 5 November 2009 to discuss and receive evidence relating to this investigation. A detailed record of the issues raised during these meetings is available from the Council's Democratic Services.
- 6.2 A brief summary of the methods of investigation are outlined below:-
- (a) Detailed Officer presentations supplemented by verbal evidence;
 - (b) Site visit facilitated by Officers from the Neighbourhood Services Department to illustrate the scope of current developments and where future developments will occur on site;

- (c) A questionnaire circulated to all bus, coach and taxi companies operating in Hartlepool; and
- (d) Verbal evidence from local transport operators in Hartlepool.

FINDINGS

7 THE CURRENT DEVELOPMENT POSITION OF THE HARTLEPOOL TRANSPORT INTERCHANGE

- 7.1 Members of the Regeneration and Planning Services Scrutiny Forum felt that in order to understand the current development position of the Hartlepool Transport Interchange, it was important to hear evidence about the history behind the development. Evidence gathered by Members on the development position historically and currently is detailed below:-

History of the Development

- 7.2 The Regeneration and Planning Services Scrutiny Forum met on 20 August 2009 where Members received a presentation from the Director of Neighbourhood Services highlighting the background and history behind the development of the Hartlepool Transport Interchange.
- 7.3 Members were reminded that the original scheme had been developed in 2001/02. Planning permission was granted in November 2004 and the Forum was shown the original designs detailed in **Appendices A and B** at the end of this report. However, Members were concerned that development of the Hartlepool Transport Interchange had been extremely slow and with the imminent arrival of the Tall Ships' Races in 2010 there was now an even greater emphasis on the development being completed. The Director of Neighbourhood Services reassured Members that despite lengthy legal arguments, there were now various agreements in place between the groups involved in the development of the Interchange, these groups being Hartlepool Borough Council, Network Rail and Northern Rail. The agreements between these groups had been signed in August 2009, allowing work to commence on the Interchange.
- 7.4 The Forum heard at their meeting of 20 August 2009 that due to the length of time between the original plans and the signing of legal agreements the design of the Hartlepool Transport Interchange had been changed. The changes made to the design had seen the reduction in the number of bus bays to a more appropriate anticipated level of usage from 5 to 3 bays, increased car parking spaces and construction of stairs up to the Gateway Bridge to link the Interchange to the Marina and various nearby leisure and retail outlets. Forum Members were informed that due to these changes it had been necessary to resubmit a planning application and Members were shown the new design as detailed in **Appendix C** at the end of this report. It was anticipated that planning consent for the new design would be granted

in October 2009, although Members noted that the original design and associated planning permission granted in 2004 was still valid.

Site Visit to Evidence Current Development Position

7.5 In order to fully appreciate the scale and the level of current developments that had taken place in relation to the Hartlepool Transport Interchange, Members of the Regeneration and Planning Services Scrutiny Forum undertook a visit to the site of the Hartlepool Transport Interchange on 8 September 2009. During their visit Members noted the following:-

- (i) That the development of the Hartlepool Transport Interchange site will also see Hartlepool Railway Station renovated, but Members were pleased to hear that the renovation would maintain the Victorian style of the station. The renovation of the Railway Station would see the installation of a new canopy and the unused platform developed to a standard with the installation of planters and lightweight casings to hold artwork of a poster specification. Members also noted that currently the unused platform had been dug up whilst new signalling work is installed as detailed below in Picture1:-



Picture1: Unused platform at Hartlepool Railway Station

- (ii) That the unused platform at the Railway Station had been reviewed by Network Rail, but due to the lack of footfall numbers and the cost of ensuring that access is compliant with the Disability Discrimination Act, Members were informed that focus for the potential introduction of the Tees Valley Metro would be along a spur of line that leads off from the main platform as shown overleaf in Picture2:-



Picture2: Spur of line that may be possibly used for Tees Valley Metro

(iii)

That work has already started at the Western end of the site to clear scrub land, remove bushes and trees before levelling work can commence for the installation of the car park, as detailed below in Picture3. Once developed, this area of the site will be landscaped and include real time information on all transport operators utilising the Hartlepool Transport Interchange



Picture3: Western end of site being cleared and levelled for car park

- (iv) That the most technical aspect of the development of the Western end of the site would be the filling in of the disused underpass. Work on this development would take two weeks to complete and ensure that no voids are left, the disused underpass can be seen in Picture4 below:-



Picture4: Disused underpass currently gated to prevent usage.

- (v) That developments at the Eastern end of the site have seen the inclusion of potential business parking facilities and the construction of a permanent maintenance compound for Network Rail as show in Picture5 below:-



Picture5: New maintenance compound for Network Rail.

Current Milestones

- 7.6 With Members mindful of the Tall Ships' Races visiting Hartlepool from 7-10 August 2010, there was a concern about the timescales for development of the Hartlepool Transport Interchange. The Forum were keen that an emphasis be placed on developments so that visitors to Hartlepool would benefit from not only an improved transport infrastructure, but also the aesthetically pleasing changes that the Interchange would bring to the area around the Railway Station.
- 7.7 During the meeting of the Regeneration and Planning Services Scrutiny Forum of 20 August 2009, Forum Members were reassured that the car park to the Eastern end of the development would be completed and commissioned by November 2009, that between November 2009 and February 2010 Network Rail would be completing canopy works at the Station, with the final stage of completion work to the front of the railway station and the new layout to the Western end of the site being carried out between February and June 2010.

8 VIEWS OF TRANSPORT OPERATORS TOWARDS THE HARTLEPOOL TRANSPORT INTERCHANGE

- 8.1 Although Members of the Regeneration and Planning Services Scrutiny Forum supported the creation of the Hartlepool Transport Interchange, they wanted to ensure that the transport operator in Hartlepool would use the facilities and were happy with the 'new' design for the Interchange. With this in mind a questionnaire was sent to all bus, coach, taxi and private hire companies in Hartlepool to gather their views, along with an open invitation to attend a meeting of the Regeneration and Planning Services Scrutiny Forum.
- 8.2 Members met on 24 September when the views of the transport operators in Hartlepool were presented to Members. The information gathered by Members from the transport operators is summarised below:-
- (i) That three of the major bus / coach companies in Hartlepool and those taxi firms completing the questionnaire and attending the Forum meeting on 24 September, were very supportive of the 'new' plans for the Hartlepool Transport Interchange, with the other major bus company operating in Hartlepool wishing more detailed dialogue before they could commit to using the Interchange;
 - (ii) That the plans for the Hartlepool Transport Interchange would see an increase in passenger numbers for all transport operators and that the Interchange could provide additional security for transport users;
 - (iii) That driver facilities, such as toilets, needed to be provided as part of the Transport Interchange complex;

- (iv) That the taxi layover areas on the plans needed to be re-assessed after consultation with the bus, coach and taxi companies in the Town as each group had differing concerns and suggestions;
- (v) That sufficient space be provided for wheelchair users to access those coaches / buses that utilise wheelchair lifts;
- (vi) That out of hours use of the site needed to be maximised, such as using loading bays as Taxi pick-up points; and
- (vii) That looking at the flow into the Transport Interchange for buses / coaches may negate the need, currently planned, for buses to loop around the roundabout, therefore, saving time and increasingly desirability for the bus companies to access the site.

9 FUTURE FUNCTIONALITY PLANS FOR THE HARTLEPOOL TRANSPORT INTERCHANGE

- 9.1 Members of the Regeneration and Planning Services Scrutiny Forum were anxious that the development of the Hartlepool Transport Interchange, would consider how the development might meet the future functionality plans of the users and the potential regenerative value of the site. Evidence gathered by Members in this aspect is detailed below:-

Transport Users

- 9.2 Members received a presentation from the Head of Technical Services at their meeting of 24 September 2009 in relation to the future functionality of the Hartlepool Transport Interchange for those people who would be accessing the site as transport users.
- 9.3 Members were pleased to learn that lighting and landscaping of the site would encourage an open and safe environment for transport users to move around the Interchange, through the usage of low covering foliage, grassed areas, 'white' lighting and the reassurance of CCTV cameras.
- 9.4 The Forum were informed that real time information would be a key component of the site, ensuring that transport users had regularly updated information about the various transport operators accessing the Hartlepool Transport Interchange, although the views of Members were that the site should also not alienate the non-technologically minded transport users, as well as ensuring the disabled transport users were catered for in the design.
- 9.5 Multi-ticketing development was also another future functionality that may arise out of the development of the Transport Interchange along the lines of the Oyster card that operates in London, allowing transport users to move from different modes of transport without the need to purchase separate tickets. Members were, however, concerned that such developments were

future proofed, although the Head of Technical Services commented that this development was only in very early stages of development.

- 9.6 Support was also voiced by Members and representatives from the transport providers in Hartlepool, during the meeting of the Forum on 24 September 2009, for the need to address, in the longer term, the daytime economy of the Interchange through the encouragement of eating and drinking facilities as dictated by market forces.

Cyclists

- 9.7 During their meeting of 24 September 2009 Members were reminded of the government cycling initiatives that were looking towards both the environmental and health benefits through cycling as a mode of transport. Members were pleased to learn that Network Rail were going to fund the provision of additional bike storage as part of the Hartlepool Transport Interchange and that the site would have a cycleway spine which would enable quick access to the site for cyclists, as well as ensuring other road users and pedestrians were clearly aware of the cycle routes on site.
- 9.8 At the site meeting held on 8 September 2009, the Portfolio Holder for Transport and Neighbourhoods raised the importance of cycle routes throughout the Interchange and the need to ensure that the cycleway spine was linked beyond the Interchange to other cycleways in the Town.

Tees Valley Metro

- 9.9 Members of the Regeneration and Planning Services Scrutiny Forum were aware of the plans for the development of a Tees Valley Metro and the potential regenerative benefits that such a scheme could have in increasing the linkage of Hartlepool to other areas in the Tees Valley.
- 9.10 Those Members attending the site visit on 8 September 2009 had already seen the potential development area for the Tees Valley Metro, see paragraph 7.5(ii). In addition Members were informed that the introduction of the Tees Valley Metro should also see the resurfacing of the platform in that area and the installation of a new canopy.
- 9.11 When the Forum met on 20 August 2009 the Director for Neighbourhood Services informed Members that the development of the car park to the Western end of the site, would allow for future functionality of this area as a park and ride for the Tees Valley Metro should the scheme be completed and linked into Hartlepool. At their meeting of 24 September 2009, Members learnt that the real time information planned for the site would also incorporate the Tees Valley Metro.

10 CONCLUSIONS

10.1 The Regeneration and Planning Services Scrutiny Forum concluded:-

- (a) That the development of the Hartlepool Transport Interchange was something that was welcomed by the majority of the major transport operators in Hartlepool;
- (b) That the legal delays to the development of the Transport Interchange had created scepticism about when and what the Interchange would deliver;
- (c) That the arrival of the Tall Ships' Races from 7-10 August 2010 had placed pressure on the aesthetic site developments and enhanced transport users experience to be delivered within a tight timescale;
- (d) That due to increased legal costs and a rationalization of the requirements of transport operators this had meant that the development of a 'new' design had been necessary; and
- (e) That despite aesthetic recommendations emanating from the Regeneration and Planning Services Scrutiny Forum's investigation into Railway Approaches in March 2007, Hartlepool Railway Station's unused platform was still visually unappealing.

11 RECOMMENDATIONS

11.1 The Regeneration and Planning Services Scrutiny Forum has taken evidence from a wide range of sources to assist in the formulation of a balanced range of recommendations. The Forum's key recommendations to the Cabinet are as outlined below:-

- (a) That signage in and around the Transport Interchange is clear and ensures users are fully aware of where amenities are located;
- (b) That the Council sets in place an agreed procedure with Network Rail to ensure that the unused platform is cosmetically enhanced and made aesthetically pleasing;
- (c) That a review is carried out with all transport operators as potential users of the Hartlepool Transport Interchange into the plans for layover areas and loading / unloading bays, with the aim of maximising out of hours usage; and
- (d) That a process is put in place to regularly review and keep Members informed of the development of the Hartlepool Transport Interchange with particular reference to usage and transport operator linkage.

ACKNOWLEDGEMENTS

The Committee is grateful to all those who have presented evidence during the course of our 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:-

Hartlepool Borough Council:

Councillor Peter Jackson – Portfolio Holder for Transport and Neighbourhoods

Dave Stubbs – Director of Neighbourhood Services

Peter Scott – Director of Regeneration and Planning Services

Stuart Green – Assistant Director, Planning and Economic Development

Alastair Smith – Head of Technical Services

David Wilson – Principal Engineer (Construction)

Brendon Colarossi – Senior Engineer (Construction)

External Representatives:

Rob Pattison – Manager, Streamline Taxis

All those transport operators in Hartlepool who took the time to complete the questionnaire into their potential usage of the Hartlepool Transport Interchange.

**COUNCILLOR TREVOR ROGAN
CHAIR OF THE REGENERATION AND PLANNING SERVICES SCRUTINY
FORUM**

November 2009

Contact Officer: James Walsh – Scrutiny Support Officer
Chief Executive's Department – Corporate Strategy
Hartlepool Borough Council
Tel:- 01429 523647
Email:- james.walsh@hartlepool.gov.uk

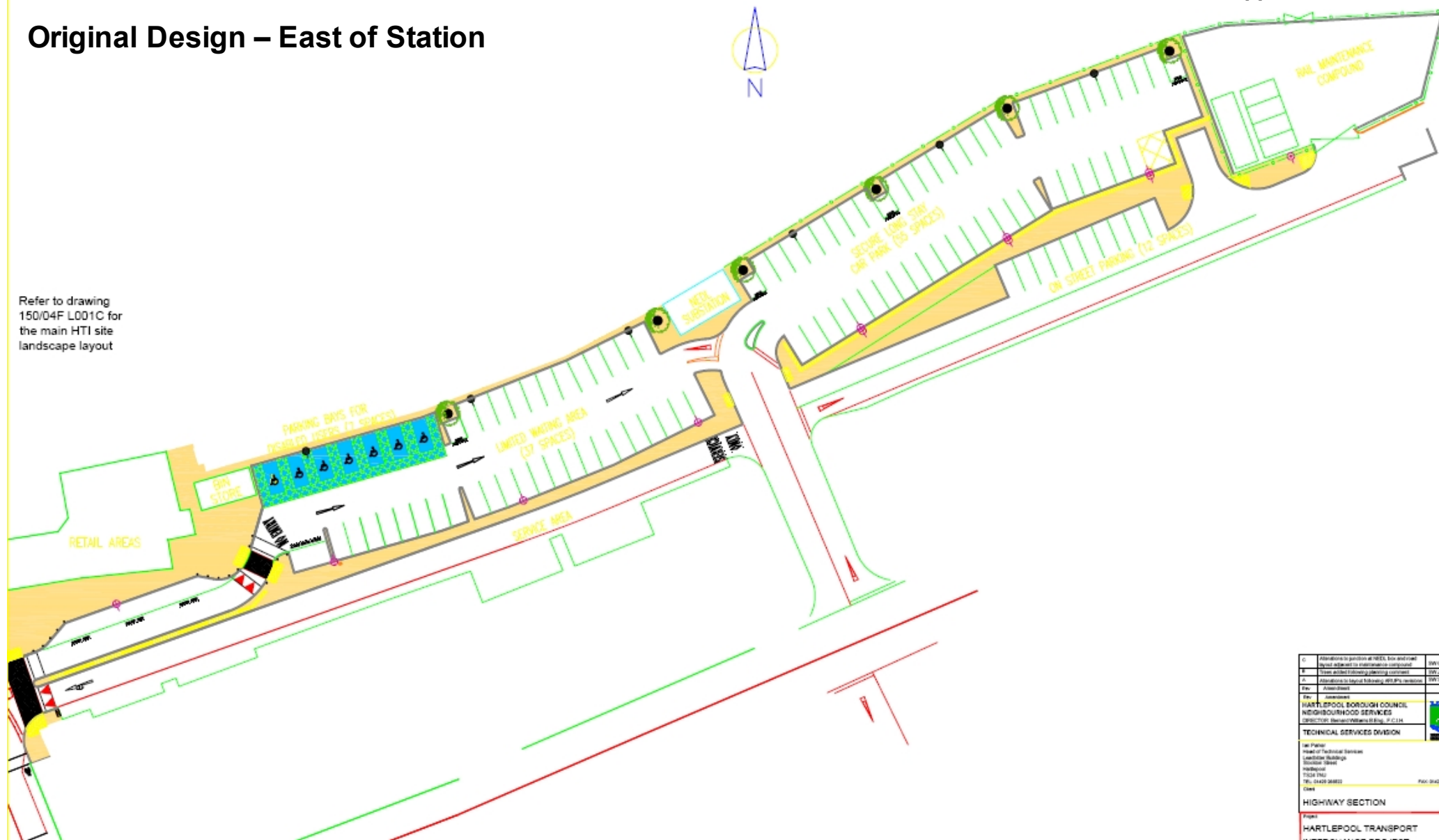
BACKGROUND PAPERS

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

- (a) Report of the Director of Neighbourhood Services entitled 'Hartlepool Transport Interchange' presented at the meeting of Cabinet of 7 January 2008.
- (b) Report of the Head of Technical Services entitled 'Hartlepool Transport Interchange Progress Report' presented at the meeting of Culture, Housing and Transportation Portfolio of 3 May 2006.
- (c) Report of the Head of Procurement and Property Services entitled 'Land Exchange, Hartlepool Transport Interchange' presented at the meeting of Finance and Performance Management Portfolio of 2 May 2006.
- (d) Hartlepool Borough Council (2006) *Hartlepool Borough Council – Local Transport Plan 2006-2011*, Available from: http://www.hartlepool.gov.uk/downloads/Hartlepool_LTP_2006.pdf
- (e) Minutes and Decision Record of Planning Committee of 3 November 2004.
- (f) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation into the Hartlepool Transport Interchange – Scoping Report' presented to the Regeneration and Planning Services Scrutiny Forum of 20 August 2009.
- (g) Report of the Scrutiny Support Officer entitled 'The Hartlepool Transport Interchange – Setting the Scene Presentation – Covering Report' presented to the Regeneration and Planning Services Scrutiny Forum of 20 August 2009.
- (h) Presentation by the Director of Neighbourhood Services entitled 'Hartlepool Transport Interchange' delivered to the Regeneration and Planning Services Scrutiny Forum of 20 August 2009.
- (i) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation the Hartlepool Transport Interchange – Evidence from Transport Operators' presented to the Regeneration and Planning Services Scrutiny Forum of 24 September 2009.
- (j) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation the Hartlepool Transport Interchange – Evidence on the Future Functionality of the Hartlepool Transport Interchange – Covering Report' presented to the Regeneration and Planning Services Scrutiny Forum of 24 September 2009.
- (k) Presentation by the Head of Technical Services entitled 'Future Functionality of the Interchange Site' delivered to the Regeneration and Planning Services Scrutiny Forum of 24 September 2009.

- (l) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation into the Hartlepool Transport Interchange – Feedback from Site Visit – Covering Report' presented to the Regeneration and Planning Services Scrutiny Forum of 24 September 2009.
- (m) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation into the Hartlepool Transport Interchange – Additional Evidence from Transport Operators' presented to the Regeneration and Planning Services Scrutiny Forum of 5 November 2009.
- (n) Minutes of the Regeneration and Planning Services Scrutiny Forum of 20 August, 24 September and 5 November 2009.



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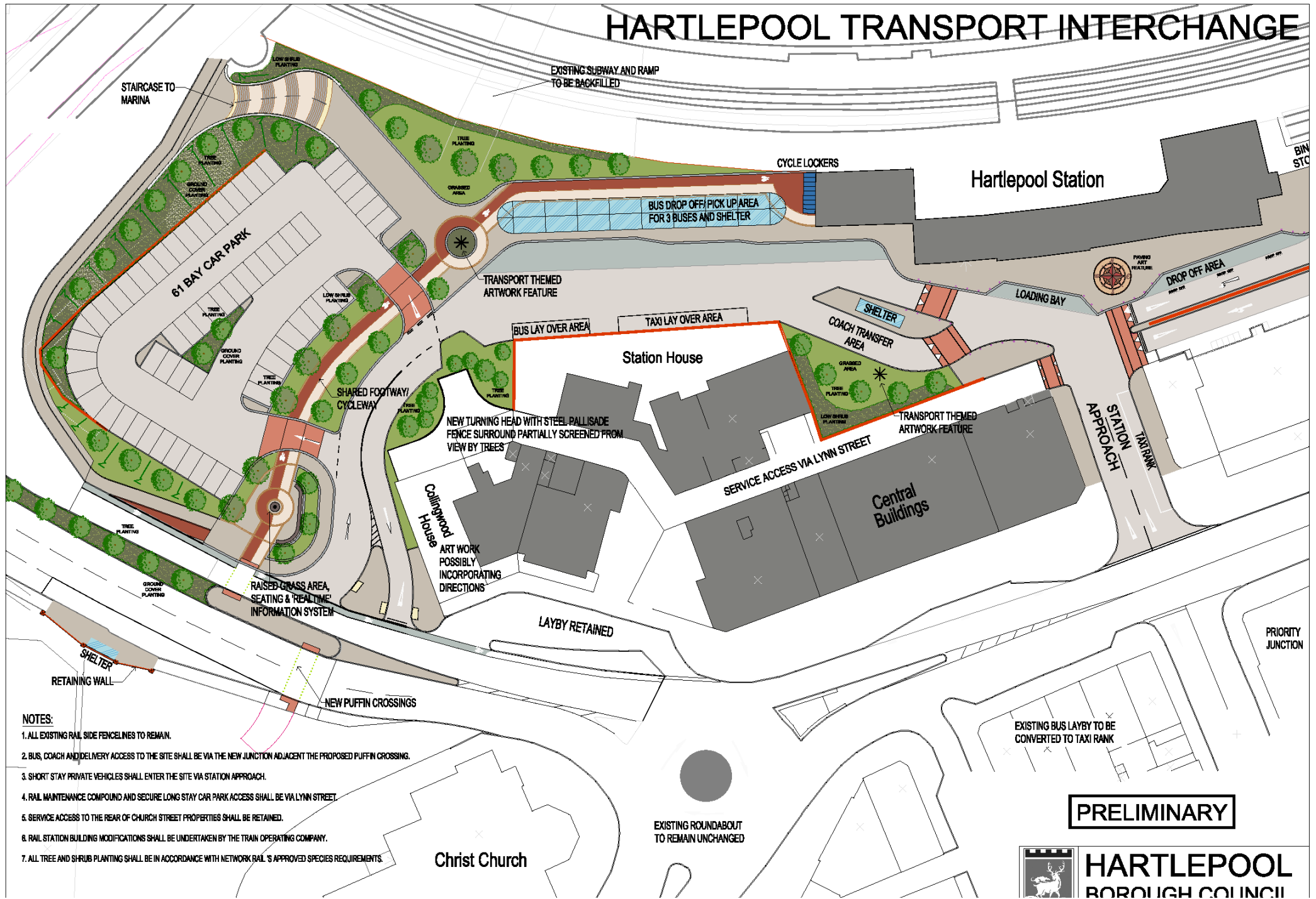
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WASHINGTON, D.C.
Friday, October 10, 1997
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| | | |
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| C | Attendance to position at NDEE, live and next day's subject to maintenance completed | SW 104 |
| C | Three additional following planning completed | SW 105 |
| C | Highways to target following SW105 revision | SW 106 |
| Rev | Attendance | SW |
| Rev | Attendance | SW |
| HARTLEPOOL BOROUGH COUNCIL TECHNICAL SERVICES DIVISION CONSTRUCTION MANAGEMENT DEPARTMENT 15, 27-28 TECHNICAL SERVICES DIVISION | |  |
| For Paper Head of Technical Services Facilities Buildings Southern Street Hartlepool TS24 7NU Tel: 01429 388811 Fax: 01429 388812 | | |
| Highways Section | | |
| Project HARTLEPOOL TRANSPORT INTERCHANGE PROJECT | | |
| Site CAR PARK LAYOUT (PRELIMINARY) | | |
| 1:1000 SW | Scale 1:250 | Date 08/07/04 |
| Drawing No 15D/04/F1002 | | Rev C |



CABINET REPORT

08 February 2010



Report of: Director of Regeneration and Neighbourhood Services

Subject: ACTION PLAN – THE HARTLEPOOL TRANSPORT INTERCHANGE

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To agree an Action Plan in response to the findings and subsequent recommendations of the Regeneration and Planning Services Scrutiny Forum's investigation into 'The Hartlepool Transport Interchange'.

2. SUMMARY OF CONTENTS

- 2.1 The report provides brief background information into 'The Hartlepool Transport Interchange' Scrutiny Investigation and provides a proposed Action Plan (**Appendix A**) in response to the Scrutiny Forum'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 Regeneration and Planning Services Scrutiny Forum, attached as **Appendix A** is the proposed Action Plan for the implementation of these recommendations which has been prepared in consultation with the appropriate Portfolio Holder(s).

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 Regeneration and Planning Services Scrutiny Forum of 25 March 2010 (subject to availability of the appropriate Portfolio Holder(s)).

6. DECISION REQUIRED

- 6.1 That Members of the Cabinet approve the Action Plan (**Appendix A refers**) in response to the recommendations of the Regeneration and Planning Services Scrutiny Forum's investigation into 'The Hartlepool Transport Interchange'.

Report of: Director of Regeneration and Neighbourhood Services

Subject: ACTION PLAN – THE HARTLEPOOL TRANSPORT INTERCHANGE

1. PURPOSE OF REPORT

- 1.1 To agree an Action Plan in response to the findings and subsequent recommendations of the Regeneration and Planning Services Scrutiny Forum's investigation into the 'The Hartlepool Transport Interchange'.

2. BACKGROUND INFORMATION

- 2.1 To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations of the Regeneration and Planning Services Scrutiny Forum's investigation into the 'The Hartlepool Transport Interchange', attached as **Appendix A** is the proposed Action Plan for the implementation of these recommendations which has been prepared in consultation with the appropriate Portfolio Holder(s).
- 2.2 The overall aim of the investigation was to gain an understanding of the current development milestones for the Hartlepool Transport Interchange, identifying transport operator attitudes and functionality options.

3. ACTION PLAN

- 3.1 As a result of the Regeneration and Planning Services Scrutiny Forum's investigation into 'The Hartlepool Transport Interchange', the following recommendations have been made:-
- (a) That signage in and around the Transport Interchange is clear and ensures users are fully aware of where amenities are located;
 - (b) That the Council sets in place an agreed procedure with Network Rail to ensure that the unused platform is cosmetically enhanced and made aesthetically pleasing;
 - (c) That a review is carried out with all transport operators as potential users of the Hartlepool Transport Interchange into the plans for layover areas and loading / unloading bays, with the aim of maximising out of hours usage; and

- (d) That a process is put in place to regularly review and keep Members informed of the development of the Hartlepool Transport Interchange with particular reference to usage and transport operator linkage.
- 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 Regeneration and Planning Services Scrutiny Forum on 25 March 2010 (subject to the availability of appropriate Portfolio Holder(s)).

4. **RECOMMENDATION**

- 4.1 Cabinet is requested to approve the Action Plan attached as **Appendix A** in response to the recommendations of the Regeneration and Planning Services Scrutiny Forum's investigation into 'The Hartlepool Transport Interchange'.

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN

8.1 Appendix A

NAME OF FORUM: Regeneration and Planning Services Scrutiny Forum

NAME OF SCRUTINY ENQUIRY: The Hartlepool Transport Interchange

DECISION MAKING DATE OF FINAL REPORT: February 2010

| | RECOMMENDATION | EXECUTIVE RESPONSE / PROPOSED ACTION | FINANCIAL IMPLICATIONS | LEAD OFFICER | DELIVERY TIMESCALE |
|-----|--|--|---------------------------|-----------------|-----------------------|
| (a) | That signage in and around the Transport Interchange is clear and ensures users are fully aware of where amenities are located; | Initial signage in place for new car park (Church Street). Signage is being considered in line with de-clutter and signage strategy. | None | Alastair Smith | June 2010 |
| (b) | That the Council sets in place an agreed procedure with Network Rail to ensure that the unused platform is cosmetically enhanced and made aesthetically pleasing; | Procedure agreed. Art work being finalised. | None | Alastair Smith | July 2010 |
| (c) | That a review is carried out with all transport operators as potential users of the Hartlepool Transport Interchange into the plans for layover areas and loading / unloading bays, with the aim of maximising out of hours usage; and | Agreed on strategy for maximising use with Taxi operators. Coach stop included in design and function requirements. | None | Alastair Smith | July 2010 |

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN

NAME OF FORUM: Regeneration and Planning Services Scrutiny Forum

NAME OF SCRUTINY ENQUIRY: The Hartlepool Transport Interchange

DECISION MAKING DATE OF FINAL REPORT: February 2010

| RECOMMENDATION | | EXECUTIVE RESPONSE / PROPOSED ACTION | FINANCIAL IMPLICATIONS | LEAD OFFICER | DELIVERY TIMESCALE |
|----------------|--|--|---------------------------|-----------------|-----------------------|
| (d) | That a process is put in place to regularly review and keep Members informed of the development of the Hartlepool Transport Interchange with particular reference to usage and transport operator linkage. | Circulation update to be provided to Members, including:- plans, progress report and timeline performance. | None | Alastair Smith | April 2010 |

CABINET REPORT

8 February 2010



Report of: Scrutiny Co-ordinating Committee

Subject: Formal Response to the Executive's Budget and Policy Framework Proposals for 2010/11

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 2010/11.

2. SUMMARY OF CONTENTS

- 2.1 The report provides an overview of Scrutiny involvement in the Authority's budget setting process for 2010/11 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 11 February 2010. As the Scrutiny Coordinating Committee will only be formalising its response at its meeting on 29 January 2010, the detailed comments of Overview and Scrutiny will be circulated separately from the full Cabinet agenda but in advance of the meeting.

4. TYPE OF DECISION

- 4.1 Not applicable in this instance.

5. DECISION MAKING ROUTE

- 5.1 Cabinet meeting of 8 February 2010 to assist the Executive in the finalisation of their Budget and Policy Framework Proposals for 2010/11 to be considered by Full Council on 11 February 2010.

6. DECISION(S) REQUIRED

- 6.1 It is recommended that the Cabinet considers the formal response of the Scrutiny Co-ordinating Committee

CABINET REPORT

8 February 2010



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S
BUDGET AND POLICY FRAMEWORK PROPOSALS
FOR 2010/11

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 2010/11.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the Scrutiny Co-ordinating Committee held on 16 October 2009, consideration was given to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2010/11.
- 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 27 November 2009 to assist in the formulation of this Committee's formal response, presented to the meeting of the Cabinet held on 14 December 2009.
- 2.3 Following the Cabinet's determination of their finalised 2010/11 Budget and Policy Framework Proposals at their meeting on 22 December 2009, further consideration was given to the finalised proposals by the Scrutiny Co-ordinating Committee on 15 January 2010.
- 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 18 January 2010 to 29 January 2010, with collective feedback being considered on 29 January 2010 to enable a formal response to be determined and presented to the Cabinet on 8 February 2010.

- 2.5 During the consideration of the Executive's initial and finalised Budget and Policy Framework Proposals for 2010/11, 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 2010/11

- 3.1 As part of the Budget and Policy Framework consultation for 2010/11, Members of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums considered the departmental pressures, priorities and income generation proposals for their respective departments.

- 3.2 Members are largely supportive of the departmental pressures, priorities and income generation proposals outlined in the budget and policy framework proposals subject to the inclusion of the following views:-

- 3.3 Scrutiny Co-ordinating Committee – Members of the Scrutiny Co-ordinating Committee:-

- (i) Strongly endorsed the protection of support for the Credit Union as a priority for 2010 and recommended that this funding be ring fenced;
- (ii) Congratulated Cabinet in the decision to include the extension of the 'out of hours' service as a priority within the budget and policy framework proposals for 2010/11. Given that consideration of this area of the budget consultation proposals falls within the remit of the Neighbourhood Services Scrutiny Forum, Members strongly recommend to the Forum that:-
 - (a) The extension of the out of hours service be supported and endorsed; and
 - (b) The proposal, put forward by the Regeneration and Economic Development Portfolio Holder at the recent Cabinet meeting on the 22 December 2009, to extend the provision of noise abatement services to every Friday and Saturday evening be supported and endorsed as a cost effective means of expanding the service.
- iii) Concern was expressed regarding the possible implications of the current, and future, budgetary position on staffing levels and the implications this could have on the capacity of staff, and in turn the authority, to respond to issues / queries (on an individual and strategic level). Emphasis was placed upon the importance of having in place an appropriate strategy to help deal with any such possible loss of expertise and experience (i.e. training to enable the development of existing staff and recruitment / retention measures). Members emphasised the importance of Member involvement in the development of such a strategy through Scrutiny and Council.

- 3.4 Neighbourhood Services Scrutiny Forum – Members supported the Neighbourhood Services budget pressures, priorities and the proposed income increases for 2010 / 2011. In relation to the extension of the out of hours service the Forum echoed the comments of the Scrutiny Co-ordinating Committee on the 15th January 2010 and fully supported and endorsed the extension of the out of hours service and the proposal put forward by the Regeneration and Economic Development Portfolio Holder to extend the provision of noise abatement services to every Friday and Saturday evening. Members also congratulated Cabinet and the Regeneration and Economic Development Portfolio Holder for including this provision within the budget consultation process.
- 3.5 Members felt that it was important to support the community safety office, the integrated neighbourhood managers and the neighbourhood policing teams and was an issue which required further discussion. The Forum did, however, raise concerns about the future budget provisions for road maintenance but acknowledged and supported the Council's efforts to obtain additional funding for road maintenance.
- 3.6 Children's Services Scrutiny Forum - Members supported the Adult and Community Services Departmental budget pressures for 2010 / 2011 and noted in particular the costs associated with the Brierton School / Dyke House School decant and provision of home to school transport. Members acknowledged the need for the provision of this service and suggested that ways of part funding those costs from the direct school grant should be explored fully.
- 3.7 Support was also expressed for the suggested income generation proposals, outlined as part of the overall budget strategy, with the exception of the proposal to utilise profit from tuck shop sales. Members felt strongly that this income should continue to be returned to young people and utilised for the funding and provision of additional projects and activities which they themselves select.
- 3.8 Regeneration and Planning Services Scrutiny Forum – Members supported the Regeneration and Neighbourhoods Departmental Budget for 2010/11, although it was recognised that no pressures had been identified relating to the Regeneration and Planning areas of service provision within the Regeneration and Neighbourhoods Departmental Budget for 2010/11. The Forum did, however, like it to be noted that:-
- (i) Members wished to congratulate the Department and all Officers involved in the Future Jobs Fund initiative which created 500 vacancies that the Authority was well down the road to filling.
- 3.9 Adult and Community Services Scrutiny Forum – Members supported the Adult and Community Services Departmental budget pressures and the proposed income increases for 2010 / 2011. The Forum did, however, emphasise that in relation to the increased income from lettings, they would

like the proposed increase to be such that it would not discourage local clubs / groups from using community rooms.

- 3.10 In addition to these comments, in approving its formal response, Members of the Scrutiny Co-ordinating Committee are clear in their support for a proposal for the establishment of a four week extended period for the provision of school meals to families who's benefit position had changed (i.e. due to a return to work). Members recognised that there would be financial implication to this proposal and welcomed indications that this was already included within the Budget and Policy Framework Proposals for 2010/11. Emphasis was also placed upon the importance of being able to accommodate in future year's budgets the capacity to increase the level of school meal subsidies to ensure that costs are kept down for parents. Members were concerned that should this not be done demand for the service would fall further, resulting in increasing costs which could make the take up of the service prohibitive for some parents.
- 3.11 The Scrutiny Co-ordinating Committee has also during the budget consultation process considered the quarter 2 financial monitoring report. In doing this, the Committee has identified a number of issues in relation to the SCRAPT capital projects budget. Members have requested that these issues / views be included in the formal response to the 2010/2011 budget consultation process for Cabinet consideration:-
- (i) Whilst Members recognised that the process for the approval of funding from the SCRAPT budget culminated with approval at full Council, there was concern regarding the lack of Member involvement in the identification of projects for SCRAPT funding. Given this, Member request that a process to enable Member involvement in the identification of schemes / projects for the allocation of surplus resources through SCRAPT be explored;
 - (ii) Members expressed concern regarding the level / size of the SCRAPT budget and request that:-
 - (a) The total amount of funding that can be allocated through the SCRAPT budget be re-examined by Council and a capping limit set for the reallocation of resources to that fund;
 - (iii) The Committee is of the view that there needs to be greater Member dialogue / involvement in the management and reallocation of any additional capital under spends, not previously identified within the SCRAPT budget. Members need to be given the opportunity to have aspirations for Hartlepool and it is suggested that:-
 - (a) A process be implemented whereby regular meetings of Scrutiny Co-ordinating Committee be held (to which Cabinet would be invited) to facilitate Member / officer dialogue around the identification of possible schemes / projects for funding from additional capital under spends;

- (b) That as part of these regular meetings, consideration be given to the identification of schemes / projects where a clear business case and revenue stream can be identified. In these instances, and where a revenue stream can be shown, consideration be given to the use of prudential borrowing as a means of pump priming capital schemes be explored.

4. RECOMMENDATION

4.1 It is recommended that:-

- (a) Cabinet considers the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2010/11, as outlined in Section 3 of this report; and
- (b) Consideration be given to the Scrutiny Co-ordinating Committee's views in relation to the use of capital under spends, as outlined in Section 3.11 of this report.

COUNCILLOR MARJORIE JAMES CHAIR OF THE SCRUTINY CO-ORDINATING COMMITTEE

February 2010

Contact:- Joan Wilkins – Scrutiny Manager
Chief Executive's Department – Corporate Strategy
Hartlepool Borough Council
Tel: 01429 284142
Email: joan.wilkins@hartlepool.gov.uk

BACKGROUND PAPERS

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

- (i) Report of the Scrutiny Manager entitled '2010/10 Budget and Policy Framework Proposals' presented to the Scrutiny Co-ordinating Committee held on 29 January 2010;

- (ii) Report of the Scrutiny Manager entitled '2010/11 Budget and Policy Framework Proposals: Feedback from the Overview and Scrutiny Committees' presented to the Scrutiny Co-ordinating Committee held on 29 January 2010;
- (iii) Report of the Director of Regeneration and Neighbourhoods entitled '2010/11 Proposals for Capital Programme Funding' presented to the Scrutiny Co-ordinating Committee held on 29 January 2010;
- (iv) Minutes of the Scrutiny Co-ordinating Committee held on 15 and 29 January 2010;
- (v) Minutes of the Neighbourhood Services Scrutiny Forum held on 18 January 2010;
- (vi) Minutes of the Children's Services Scrutiny Forum held on 20 January 2010;
- (vii) Minutes of the Adult and Community Services and Health Scrutiny Forum held on 25 January 2010; and
- (viii) Minutes of the Regeneration and Planning Services Scrutiny Forum held on 21 January 2010.