

Chief Executive's Department  
Civic Centre  
HARTLEPOOL

1<sup>st</sup> February, 2010

The Mayor (Stuart Drummond)

Councillors Aiken, C Akers-Belcher, S Akers-Belcher, Allison, Atkinson, Barker, Brash, R W Cook, S Cook, Coward, Cranney, Fenwick, Fleet, Fleming, Flintoff, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Laffey, Lauderdale, A E Lilley, G Lilley, London, A Marshall, J Marshall, McKenna, Dr. Morris, Payne, Plant, Preece, Richardson, Rogan, Shaw, Simmons, Sutheran, Thompson, Tumilty, Turner, Wallace, Wistow, Worthy, Wright, and Young.

Madam or Sir,

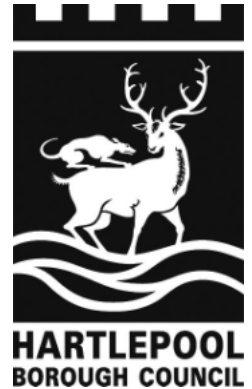
You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 11<sup>th</sup> February 2010 at 7.00p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

P Walker  
Chief Executive

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# COUNCIL AGENDA



**11<sup>th</sup> February 2010**

**at 7.00 p.m.**

**in the Council Chamber**

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the last meeting of the Council held on 10<sup>th</sup> December 2009, as a correct record (copy attached).
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
  - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
  - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
  - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given. Minutes of the meetings of the

Cleveland Police Authority held on 30<sup>th</sup> September 2009 and 10<sup>th</sup> December 2009 and the Cleveland Fire Authority held on 27 November 2009 are attached.

8. To deal with any business required by statute to be done.
  - (i) Special Urgency Decisions – No special urgency decisions were taken in respect of the period October to December 2010
  - (ii) Report of the Independent Remuneration Panel (copy attached)
9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;
  - (i) Report of Constitution Committee (Copy attached)
12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;
13. To consider reports from the Executive:-
  - (a) Proposals in relation to the Council's budget and policy framework
    - (i) Medium Term Financial Strategy - Budget and Policy Framework 2010/2011 to 2013/2014
  - (b) Proposals for departures from the budget and policy framework

None
14. To consider any motions in the order in which notice has been received.
15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

# **COUNCIL**

## **MINUTES OF PROCEEDINGS**

### **10 December 2009**

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor C Richardson) presiding:

The Mayor, Stuart Drummond

COUNCILLORS:

Aiken	C Akers-Belcher	S Akers-Belcher
Allison	Atkinson	Barker
Brash	Coward	Cranney
Fenwick	Fleet	Fleming
Flintoff	Gibbon	Griffin
Hall	Hill	Jackson
James	Lauderdale	A Lilley
G Lilley	London	A Marshall
McKenna	Dr Morris	Payne
Plant	Preece	Rogan
Shaw	Simmons	Thompson
Tumilty	Wistow	Wright
Young		

Officers: Paul Walker, Chief Executive  
Andrew Atkin, Assistant Chief Executive  
Peter Devlin, Chief Solicitor  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Nicola Bailey, Director of Child and Adult Services  
Stuart Green, Assistant Director (Planning and Economic Development)  
Ian Harrison, Principal Licensing Officer  
Alastair Rae, Public Relations Manager  
Laura Starrs, Scrutiny Support Officer  
Amanda Whitaker and Angela Hunter, Democratic Services Team

Prior to the commencement of the meeting, the Chair welcomed Councillor Plant to the meeting following her absence due to illness.



69. APOLOGIES FOR ABSENT MEMBERS

Councillors R W Cook, S Cook, Hargreaves, Laffey, Sutheran, Turner and Worthy.

70. DECLARATIONS OF INTEREST FROM MEMBERS

Councillor Rogan declared a personal and prejudicial interest in minute 87 and indicated he would leave the meeting during the consideration of that item. Interests were also dedared later in the meeting as referred to in minutes 81(b)(i).

71. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None.

72. PUBLIC QUESTIONS

None.

73. MINUTES OF PROCEEDINGS

(a) The Minutes of Proceedings of the Council held on the 29 October 2009 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chaiman.

(b) The Minutes of Proœedings of the Council held on the 5 November 2009 having been laid before the Council.

RESOLVED – Due to the confidentiality of the minutes, they were deferred to the confidential section of the meeting.

74. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None.

## 75. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

None.

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given
- (i) Councillor McKenna to Councillor Hall, Portfolio Holder for Adult and Public Health.

*“Can the Executive Member for Adult and Public Health clarify if any action will be taken to improve the Quality of Commissioning Performance Rating for 2008/09 that was given as ‘Fair’ for Hartlepool Primary Care Trust by the Care Quality Commission recently?”*

Councillor Hall responded that the Primary Care Trust (PCT) took very seriously performance and the Care Quality Commission (CQC) assessment. Therefore actions were in place not only to address the three mentioned areas of underperformance which were breastfeeding initiation, Chlamydia screening and four-week quitters, but for all areas to ensure performance was maintained and indeed improved upon.

He added that the PCT was very focused on performance and recognised that much of what the PCT must achieve, can only be done through very close partnership working with key agencies such as the Local Authority. Many of the public health challenges can only be addressed through systematic processes and consistent messages from all involved in commissioning and providing services.

There no supplementary questions.

During the discussions that followed, it was noted that Hartlepool had one of the worst health records in the country with recent figures indicating that the health of women was the worst in the country. There was concern that the national target for closing the gap between those with poor records of health and the rest of the country did not appear to be progressing. Reference was made to the Government's proposal to transfer the responsibility for commissioning for adult social care to PCTs and it was questioned whether the Executive had begun to consider the implications of losing one of the biggest services the local authority currently provided. It was noted that increased resources was required in order to improve the provision of health services in Hartlepool.

- (ii) Councillor Allison to Councillor R Cook, Chair of Planning Committee

*Does the Chair feel that the professional image and credibility of Hartlepool Borough Council is best served when expert witnesses from prestigious institutions such as Imperial College London are repeatedly*

*interrupted by the failure of the inadequate microphones and sound systems used in the Council Chamber.*

In the absence of Councillor R Cook, Councillor Morris, Vice Chair of Planning Committee responded to the question.

Councillor Morris confirmed that in view of the continuing problems associated with the operation of the microphone system, it was currently under investigation by the Scrutiny Co-ordinating Committee with a final report being prepared on 16 January 2010.

In a supplementary question, Councillor Allison questioned whether microphone system conveyed the discussions outside of the Council Chamber?

The Chair indicated that this was an issue that would be explored during the investigation currently being undertaken by Scrutiny Co-ordinating Committee.

(iii) Councillor Young to The Mayor, Stuart Drummond

*Would The Mayor ensure that this Council uses every resource and means to assist workers and ancillary workers affected by the closure of Corus Teesside and further that the Industry Secretary be approached and asked to support (as he has with the Banks and car industry).*

The Mayor confirmed that there were several regional Corus Workforce groups which had been meeting with a view to forming a response to the potential closure of Corus for the last eight months. Discussions were ongoing with Corus and the Government to ensure the support of the continue operation including the supplier chain ongoing. A multi-disciplinary response was being formulated in relation to any redundancies with a broad range of interventions being explored including supporting benefits, mortgages and financial issues as well as additional training to develop new markets.

The Local Authority was committed to the provision of a co-ordinated response in relation to re-employment and future training options and Jobsmart were fulfilling a key role in this. In addition to the above, staffing assistance had been offered to support services in Redcar and a press release was due to be published shortly encouraging people affected to contact the Economic Development Team to ensure the correct level of support was identified and implemented at the earliest opportunity. It was noted that this was a quickly changing environment and the local authority needed to be reactive as well as pro-active in order to adapt and meet the changing needs of the people affected.

In a supplementary question, Councillor Young asked how much of the £60 million funding promised by the Government would be funding already

allocated to the area and would this affect the current investment in Hartlepool.

The Mayor confirmed that the £60 million to be provided by the Government included £30 million from the Government's Business Innovation and Skills investment fund with the remaining £30 million from One North East. Reassurances had been given by the Government that funding received from One North East would not be taken from money already allocated to the Tees Valley area. The £60 million funding would be allocated as follows; £10 million to support the apprentices losing their jobs, £20 million would be invested in nearby Wilton International site to strengthen competitiveness and employment and was specifically targeted at employees made redundant. The remaining £30 million would be used to reskill people to move from heavy industry to low carbon manufacturing which would sustain the economy for decades to come.

During the debate that followed there was regret and sadness expressed at the loss of an industry that had supported Teesside for over 150 years with Corus acknowledged as being at the forefront of the steel production industry. However, it was also noted that there were a number of opportunities within the renewable energy market and that this was the chance to explore these further whilst restructuring the local economy.

(iv) Question from Councillor G Lilley to The Mayor, Stuart Drummond

*"The Labour Government on 9 December 2009 announced £60 million of investment for Teesside, to compensate for the closure/mothballing of the Corus plant. If (as speculated by the media) the majority of the £60 million investment is from top slicing existing regional organisations budgets what does the Mayor think will be the implications for regional investment in Hartlepool?"*

It was noted that the question had already been dealt with at minute 75(b)(iii). However, Councillor G Lilley asked by way of a supplementary question, does the Mayor think there was an element of smoke and mirrors in the way the £60 million investment was announced as it came across as new money?

The Mayor confirmed that the £60 million investment announced from the Government was 'new money' to the area that would not have otherwise been received. He added that a progress report would be submitted to Cabinet and Council in the new year and would identify a plan for the next 10-20 years in relation to low carbon economy and investment.

In conclusion, The Mayor reiterated the ultimate sympathy already noted for the people currently affected and those who will be affected by future redundancies and noted that the local authority was doing everything in its power to support the people affected by providing training for re-skilling to enable them to gain alternative employment as quickly as possible. Members were asked to note that the low carbon economy was a huge

agenda in the north east area and the opportunities to develop this further should be focussed on now and for the future.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given.

None.

#### 76. BUSINESS REQUIRED BY STATUTE

None.

#### 77. ANNOUNCEMENTS

None.

#### 78. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None.

#### 79. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

- (i) Report of Licensing Committee – Gambling Act 2005

The Chair of the Licensing Committee presented a report which requested Members to consider the adoption of a Statement of Licensing Principles (a Gambling Policy) that detailed the principles the Council will apply when exercising its licensing functions under the Gambling Act 2005. Members were also invited to consider the passing of a 'No Casino' resolution.

During the debate Members raised a number of concerns about alcohol abuse and the fear of alcohol related crime. Members were reminded that the Health Scrutiny Forum was currently examining this issue including the health impact and wider social impact alcohol has on the community. As part of the investigation, the Forum would hear evidence from the police and local magistrates to enable a strategy to be developed to reverse the damaging aspect alcohol has on the community and the culture of Hartlepool.

A lengthy debate took place on the issue of casinos and gambling and the effects this had on the community and the town as a whole. There were several arguments for and against the introduction of casino

establishments within the town with both the perceived benefits and drawbacks of this discussed in detail. The link between alcohol and gambling was also highlighted.

RESOLVED – That the draft Statement of Licensing Principles be adopted with the incorporation of a ‘No Casino’ resolution.

(ii) Report of Constitution Committee

The Vice Chair of the Constitution Committee presented a report which sought Council’s approval for the proposed amendment to the Constitution, Part 4, Access to Information Procedure Rules, paragraph 28. The following amendment was proposed:

**28 Provision of copies of reports to the Chair of Overview and Scrutiny**

*All reports submitted to the Executive or individual Members of the Executive shall be given to the Chair of the Scrutiny Co-ordinating Committee and the Executive Member(s) at the same time and thereafter made publicly available as soon as practicable after they have been given to the Executive Member(s) and the Chair of Scrutiny Co-ordinating Committee.*

The report also recommended that all Executive reports should be provided to the Chair of the relevant Scrutiny Forum as well as the Chair of Scrutiny Co-ordinating Committee. This would ensure that a fair and open process was maintained throughout the decision making process and allow Scrutiny Forum Chairs the opportunity to raise any issues they might have prior to any decision making taking place.

During the debate that followed, it was suggested that in addition to the above circulation, the leaders of all political groups should be given access to that information. However, this proposal was not supported. In relation to confidential reports, Members were reminded that, subject to the agreement of the Chief Solicitor, any Member can access confidential reports should appropriate justification be proven.

RESOLVED –

- (i) That the amendment to the Constitution, Part 4, Rules of Procedure, paragraph 28 be amended as detailed above.
- (ii) That all Executive reports be provided to the Chair of the relevant Scrutiny Forum as well as the Chair of the Scrutiny Co-ordinating Committee.

80. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None.

81. REPORT FROM THE EXECUTIVE

- (a) Proposals in relation to the Council's budget and policy framework
- (i) Statement of Community Involvement 2009

The Mayor presented a report which requested Council to adopt the Statement of Community Involvement (SCI). Members were asked to note that the SCI was one of the documents to be produced under the current planning system, established by the Planning and Compulsory Purchase Act 2004. It set out how the Council intended to involve the community and other interested stakeholders in the current planning system and provided standards for involving the community in all the different stages of the planning policy process and in the determination of planning applications.

RESOLVED – That the Statement of Community Involvement 2009 be adopted.

- (ii) Transport Assessment and Travel Plans Supplementary Planning Document

The Mayor presented a report which requested Council to adopt the Transport Assessment and Travel Plans Supplementary Planning Document. The Plan included a range of objectives which sought to support sustainable development. The objectives were translated into specific policies which sought to minimise the need to travel and to improve accessibility to provide real alternatives to the private car.

RESOLVED – That the Transport Assessment and Travel Plans Supplementary Planning Document be adopted.

- (iii) Food Law Enforcement Service Plan 2009/10

The Portfolio Holder for Adult and Public Health presented a report which sought Council's approval of the Food Law Enforcement Service Plan for 2009/10. The Plan had previously been considered by Cabinet and the Neighbourhood Services Scrutiny Forum and had been updated to reflect last year's performance. The report included a summary of the main issues raised in the Plan.

RESOLVED – That the Food Law Enforcement Service Plan 2009/10 be approved.

- (b) Proposal for Departure from the Budget and Policy Framework
- (i) Hartlepool College of Further Education – Confirmation of Council Contribution

The Mayor presented a report which included details of Cabinet's proposed variation to the approved 2009/10 Capital Programme to support a funding package from the Council (and partners) towards the costs of the proposed new Hartlepool College of Further Education (HCFE). The Mayor highlighted that HCFE was one of only twelve colleges to be funded for development by the Learning and Skills Council. The 6th Form College was also being developed and this would provide for two world class colleges in the town. In addition, Members were asked to note that there were reciprocal benefits resulting from a closer working relationship between HCFE including the use of the new facilities and shared parking arrangements.

AT THIS POINT IN THE MEETING COUNCILLORS ALLISON AND BRASH DECLARED A PERSONAL INTEREST.

A Member questioned whether the land at Albert Street car park had been sold to the HCFE. The Mayor confirmed that this proposal was being part-funded from the capital receipt received from the sale of the land at the Albert Street car park to the HCFE.

RESOLVED –

- (i) That a contribution of £500,000 towards the development of the HCFE be approved.
- (ii) That this be funded from the use of the £248,317 capital receipt received from the sale of Albert Street car park and £251,683 from existing regeneration budgets.
- (iii) That the resulting amendment to the approved Capital Programme be approved.

## 82. MOTIONS ON NOTICE

None.

## 83. CHILDREN'S SERVICES SCRUTINY FORUM – APPOINTMENT OF SCHOOL GOVERNOR REPRESENTATIVE

As Members were aware, there were two statutory added Member positions on the membership of the Children's Services Scrutiny Forum for school governing body representatives from both the primary and secondary sectors. There were currently vacancies to both of these positions. Members were informed that a nomination had now been received for a secondary school governor. Tracey Priestman, a governor at Manor College of Technology, had been duly nominated to the



secondary school position for a term of three years. Council's approval to the nomination was sought.

A discussion took place on how LEA governor vacancies were publicised to Members and the Chief Executive indicated he would circulate a list of all current vacant Governor positions and how these vacancies were advertised and brought to Members' attention. A Member commented on the issue of publishing school governor names and addresses and it was noted that some authorities had taken the decision to publicise this information. It was agreed that the issues raised by Members should be addressed.

RESOLVED –

- (i) That the appointment of Tracey Priestman to the Children's Services Scrutiny Forum as a secondary school governor co-opted member for a term of 3 years be approved.
- (ii) That information on the current vacancies for school governors be circulated to all Members and the issues raised by Members be noted and addressed.

#### 84. TALL SHIPS BOARD

Members will recall that at the meeting of Council held on 29 October 2009, the Deputy Mayor, Councillor Robbie Payne requested nominations to the Tall Ships Board following the resignation of Councillor J Marshall. The Admin Group subsequently nominated Councillor Aiken to the position and the appointment was confirmed by the Deputy Mayor.

Council was also informed that the Conservative Group had requested that Councillor Young replace Councillor Laffey on the membership of the Tall Ships Board. The Deputy Mayor, Councillor Robbie Payne, had approved the change in appointment.

RESOLVED – That Councillors Aiken and Young replace Councillors Marshall and Laffey respectively on the membership of the Tall Ships Board with immediate effect.

#### 85. MEMBER ATTENDANCES WORKING GROUP

As Members were aware, the Scrutiny Coordinating Committee had established the Members Attendances Working Group to explore 'how' and 'what' Members' attendances were recorded and reported. In seeking to establish both the best way forward and the level of other attendances Members undertake, the Working Group considered options for the recording of those attendances and now wished to explore the viability of using a 'proforma' form to allow Members to record their own attendances at other meetings (including outside bodies). In order to do this, the Working Group requested that a pilot / trial exercise, utilising a template

'proforma', be undertaken during December and January with the results of the pilot to be considered by the Working Group in the formulation of its recommendations to the Scrutiny Co-ordinating Committee.

A letter had been forwarded to Members outlining the basis of the pilot / trial and the Working Group encouraged all Members to participate and forms were available either in paper format or electronically, to be returned to the Members Services Office.

The type of meetings to be noted was questioned and Members were informed that if they felt a particular meeting that they attended was important and worthy of recording, it should be recorded. It was hoped that the majority of councillors would find this system helpful to note the meetings they attend that were not formally recorded.

RESOLVED – That Members be encouraged to complete the pro-formas and return them to the Members Services Office.

#### 86. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 73(b) – Minutes of Proceedings – Council – 5 November 2009 - This item contains exempt information under Schedule 12A Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information which is likely to reveal the identity of an individual (para 2).

Minute 87.- Chief Executive's report - This item contains exempt information under Schedule 12A Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information para 3).

73(b). MINUTES OF PROCEEDINGS - This item contains exempt information under Schedule 12A Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information which is likely to reveal the identity of an individual (para 2).

(a) The Minutes of Proceedings of the Council held on the 29 October 2009 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

Councillor Trevor Rogan left the meeting at this point due to his earlier declaration of interest.

87. CHIEF EXECUTIVE'S REPORT - This item contains exempt information under Schedule 12A Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information para 3).

The Chief Executive presented a report to Members which examined a strategic land acquisition, details of which are included within the confidential section of the minutes.

The meeting concluded at 9.10 pm.

CHAIRMAN

## **CLEVELAND POLICE AUTHORITY EXECUTIVE**

A meeting of Cleveland Police Authority Executive was held on Wednesday 30 September 2009 2009 in the Members Conference Room at Police HQ.

PRESENT: Councillor Caroline Barker, Councillor Barry Coppinger, Councillor Paul Kirton, Councillor Mary Lanigan, Councillor Ron Lowes, Councillor Dave McLuckie, Councillor Hazel Pearson OBE, Councillor Victor Tumilty and Councillor Steve Wallace

Independent Members

Mr Ted Cox JP, Mr Peter Hadfield, Mr Aslam Hanif, Mr Alf Illingworth TD JP, and Mr Peter Race MBE

OFFICIALS: Mr Joe McCarthy and Mrs Julie Leng (CE)  
Mr Derek Bonnard, Mr Dave Pickard, Mr Sean White, Mrs Ann Hall and Miss Kate Rowntree (CC)  
Mrs Lynne Snowball and Mrs Kath Andrew (Audit Commission)

### 138 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Miss Pam Andrews-Mawer, Mr Chris Coombs and Mr Sean Price.

### 139 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

### 140 **AUDITED STATEMENT OF ACCOUNTS 2008/09**

The Chief Executive advised members that following receipt and approval of the Statement of Accounts 2008/09, subject to audit, at their June meeting. It was agreed that the audited accounts and any amendments resulting from the audit would be presented to a future meeting of the Police Authority.

The accounts were prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: Statement of Recommended Practice (SORP) 2008/09 and the subsequent Police Pension Fund Regulations 2007 (SI 1932/2007) and 'present fairly' the financial position and transactions of the Authority and the Police Pension Fund for the year ended 31 March 2009. The outcome is that previously reported to Members.

In the Annual Governance letter at Agenda Item 4 on today's agenda, the District Auditor stated that she expected to issue an unqualified opinion that:

- The accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended; and
- The police pension fund accounting statements present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial transactions of the police pension fund during the year ended 31 March 2009 and the amount and disposition of the fund's assets and liabilities as at 31 March 2009, other than liabilities to pay pensions and other benefits after the end of the scheme year.

The District Auditor stated that 'the financial statements were prepared to a good standard well in advance of the statutory deadline of 30 June and were supported by comprehensive working papers'.

The only amendments were detailed in paragraph 3.5 of the report. These changes, whilst impacting on the Income and Expenditure Account, do not impact on the reported Outturn for the Force given the nature of these technical adjustments, nor the reserves position previously reported to Members.

**ORDERED** that the Statement of Accounts for 2008/09 be agreed.

141

## **ANNUAL GOVERNANCE REPORT 2008/09**

The District Auditor presented the final version of her report on the results of the audit work for 2008/09. A draft of this report was presented to the Audit and Internal Control Panel on 3 September and discussed and agreed with officers and key members on 22 September and had been updated since as issues have been resolved.

This report summarised the findings from the 2008/09 audit which was completed. It included the messages arising from

the audit of financial statements and the results of the work undertaken to assess arrangements to secure value for money in the use of resources.

It was reported that the financial statements were prepared to a good standard well in advance of the statutory deadline of 30 June and were supported by comprehensive working papers.

There were six amendments which have been made to the financial statements during the audit, the issues were technical in nature and do not affect the Force outturn position. The amendments relate to pension benefit adjustments, issues relating to the dissolution of the North East Air Support Unit and additional information being disclosed in the notes to the accounts.

The use of resources scores, based on the new more challenging methodology introduced as part of the Comprehensive Area Assessment, have recently been reported to the Authority by the Audit Commission. The Police Authority had requested a review of the overall score and the Audit Commission had accepted the request. The results of the review would be notified by 21 October 2009.

The audit was undertaken in accordance with the Code of Audit Practice and having regard to the criteria for Police Authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, the District Auditor was satisfied that in all significant respects, Cleveland Police Authority made proper arrangements to secure economy and effectiveness in its use of resources for the year ending 31 March 2009.

The Chair of the Audit and Internal Control Panel confirmed that the draft report had been submitted for consideration by that Panel and that follow up meetings had taken place with him and the Vice Chair of that Panel to work through technical issues prior to them recommending this report for approval to the Police Authority Executive.

**ORDERED** that the Annual Governance Report for 2008/09 be received and agreed.

#### **MINUTES OF THE AUDIT AND INTERNAL CONTROL PANEL HELD ON 28 MAY 2009**

**ORDERED** that the following minutes of the Audit and Internal

Control Panel held on 28 May 2009 were submitted and approved.

#### **AUDIT AND INTERNAL CONTROL PANEL**

#### **ACTION**

A meeting of the Audit and Internal Control Panel was held on Thursday 28 May 2009 commencing at 10.00 am in the Members Conference Room, Police Headquarters.

PRESENT	Mr Mike McGroarty JP (Chair), Councillor Ron Lowes (Vice Chair), Councillor Victor Tumilty, Councillor Mary Lanigan, Mr Aslam Hanif and Mr Peter Hadfield.
OFFICIALS	Mr John Bage and Mr Paul Kirkham (CE). Mrs Ann Hall and Miss Kate Rowntree (CC). PC Stephen Matthews (Fed)
AUDITORS	Mr Ian Wallace, Ms Susan Turner (RSM Bentley Jennison), Ms Catherine Andrew (Audit Commission)

#### 143 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Peter Race MBE (ex officio), Councillor Caroline Barker and DCC Derek Bonnard.

#### 144 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

#### 145 **MINUTES OF THE PREVIOUS MEETING HELD 26 March 2009**

The minutes were agreed as a true and accurate record.

#### 146 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that-

1. the Outstanding Recommendations were noted.

#### 147 **THE ANNUAL GOVERNANCE STATEMENT 2008-2009 – SOURCES OF ASSURANCE REPORT**

The Executive Accountant informed Members that the report was intended for the Panel to review the Sources of Assurance as part of the process of establishing the assurance framework in support of the Annual Governance Statement.

Members were informed that as part of the framework for preparing the Annual Governance Statement the PURE & Governance Work Group had identified through its work, the Sources of Assurance which underpin the provision of assurance on the adequacy and effectiveness of controls over

key risks.

The report is focused on ☐authorized ☐nal health and governance issues which if not addressed represent risks to the reputations of the Police Authority and the Force.

**ORDERED that:**

1. the final version of the Sources of Assurance be agreed.

148

**THE ANNUAL GOVERNANCE STATEMENT 2008-2009**

The Executive Accountant informed Members that the review of the internal control arrangements now form part of a wider ranging document entitled "Annual Governance Statement" (AGS). The report sought Member review of the second Annual Governance Statement to be produced under these arrangements.

Members were informed that the Audit and Internal Control Panel has the responsibility to review the draft AGS, and to make recommendations to the Police Authority Executive. The report had been drawn up using the CIPFA/SOLACE framework and guidance.

**ORDERED that:**

1. to amend para 5.2 of the Annual Governance Statement at Appendix A to the report by adding the words 'risk management', be agreed.
2. the Annual Governance Statement at Appendix A to the report be recommended for approval by the Police Authority Executive meeting on the 4<sup>th</sup> June 2009, be agreed.

149

**THE ANNUAL GOVERNANCE STATEMENT – SERVICE UNIT ASSURANCE QUESTIONNAIRE – SUMMARY OF RESPONSES**

The Executive Accountant informed Members that the report was a summary of the responses from the survey of Service Unit Managers, undertaken as part of the process of establishing the assurance framework in support of the Annual Governance Statement.

Members were informed that CIPFA guidance advocated undertaking an annual survey of managers to obtain a signed adequacy of controls statement as part of the work in obtaining assurance on the effectiveness of key controls; this had been the third time this piece of work had been undertaken.

The Executive Accountant informed Members that the report was focused on organisational health and governance issues which if not addressed represent reputation risks to the Police Authority and the Force. The report represented the progression of advice in the CIPFA – Rough Guide to the Annual Governance Statement.

The three questions with 'No' responses were discussed in detail and Members also sought further information regarding questions with significant 'Partially Agree' scores. Officers provided further detail and their interpretation of the underlying issues were discussed.



**ORDERED that:**

1. improvements outlined in the report, will be promoted through the Corporate Governance process and Service Unit Business Plans be noted.

150

**THE ANNUAL GOVERNANCE STATEMENT – STATEMENT OF KEY CONTROLS**

The Executive Accountant informed Members that the report was intended for the Audit and Internal Control Panel to review and comment on the Statement of Key Controls as part of the process of establishing the assurance framework in support of the Annual Governance Statement.

Members were informed that as part of the framework for preparing the Annual Governance Statement, the PURE & AGS Group had collated a Statement of Key Controls, as one of the Sources of Assurance which underpinned the provision of assurance on the adequacy and effectiveness of controls over key risks. This is similar in content, and exactly the same format as that considered and agreed by this Panel on 28<sup>th</sup> May 2008.

The PURE & AGS Group had reviewed the extent to which there is evidence to support compliance with these key controls and show the source of assurance relied upon.

**ORDERED that:**

1. the Statement of Key Controls as set out at Appendix A to the report be agreed.

151

**THE ANNUAL GOVERNANCE STATEMENT 2008-2009 – REVIEW OF INTERNAL CONTROL AND AGS ASSURANCE GATHERING PROCESS**

The Executive Accountant informed Members that the report was intended for the Audit and Internal Control Panel to formally record that the document "Review of Internal Control and the Annual Governance Statement Assurance gathering process" had been made available to Members.

Members were reminded that they had been invited to a briefing on 5<sup>th</sup> May 2008 which comprised of an interactive presentation of the document. Detailed questions and comments were dealt with by Officers. There were no issues arising from that presentation which required reporting to the Audit and Internal Control Panel. In compliance with practice agreed in 2007, a hard copy of the Assurance document was circulated to Members on 6<sup>th</sup> May 2008.

**ORDERED that:**

1. the working document "Review of Internal Control and the Annual Governance Statement Assurance gathering process" was circulated to all Members of the Police Authority on 6<sup>th</sup> May 2009 be noted.

152

**STATEMENT OF ACCOUNTS 2008-9**

Members were informed that under the Account and Audit Regulations 2003,

local authorities, including police authorities, are required to receive and approve the Statement of Accounts for 2008/09 before the end of June 2009.

The Executive Accountant informed Members that as part of that process they need to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the authority.

The report was to provide Members of the Panel with the required information for them to discharge this role.

Officers responded to Member questions regarding the nature of and depreciation rate for intangible assets, the discretionary element of pension costs, reasons for the changes in staff numbers in various salary bands, bad and doubtful debts and the adequacy of the legal cost provision. It was noted that an analysis of the increase in the cost of members' allowances had been discussed in an earlier Members' briefing on the accounts.

**ORDERED that:**

1. the detailed accounting policies as set out in the Statement of Accounts on pages 13 to 18 inclusive, which the Authority had followed in producing these accounts be noted.
2. the analytical review of the accounts contained within the body of the report and specifically within paragraphs 3.4 to 3.9, to provide Members with confidence in the financial statements be noted.

153

**CONTRACT STANDING ORDER NO. 4 (1) – EXEMPTION FROM THE NORMAL REQUIREMENT TO TENDER**

The Assistant Chief Officer Finance & Commissioning informed Members that Standing Orders paragraph 4.3c states that "Every ☐ authorized exemptions shall be reported to the Authority via the appropriate Panel, and shall be recorded in the minutes of the Authority." The report covered exemption requests for the period January to March 2009.

Members were informed that in compliance with Contract Standing Orders it had been the practice to report quarterly, every circumstance where it appears that the normal requirement to tender has not been followed.

Each such exemption, as detailed in Appendix A, was discussed and Members' questions answered. Those items falling outside of the Police Authority Approved Exemption Reasons, as detailed in Appendix B, were explained and individually approved.

**ORDERED that:-**

1. the exemptions in Appendix A to the report which satisfy the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 4 be noted.
2. those items at Appendix B to the report outside of the Police

Authority Exemption Reasons were discussed in detail and approved, be noted.

154

#### **CLEVELAND POLICE AUTHORITY – REVISED CODE OF CORPORATE GOVERNANCE**

The Strategy & Performance Manager informed Members that the new style Code of Corporate Governance was accepted by the Police Authority at its meeting in December 2007, becoming effective from 1<sup>st</sup> January 2008. It was agreed that there would be an annual review of the Code, which would be brought to Members for approval.

Members were informed that since the last update in June 2008 there had been important changes to the working document and therefore there was a need to bring these to the attention of Members, to consolidate changes throughout the courses of the year and seek approval for their inclusion within the Code.

#### **ORDERED that:-**

1. the proposed amendments to the report be noted.
2. the amended Code of Corporate Governance be recommended for approval by the Police Authority Executive be agreed.

155

#### **CHANGES TO THE ACCOUNTS AND AUDIT REGULATIONS**

The Executive Accountant informed Members that Local Authority Accounting is regulated by The Account and Audit Regulations 2003, and the report was to update Members on changes that have been passed to these regulations.

The Police Authority fully comply with The Account and Audit Regulations 2003. The amendments to these regulations had been incorporated into its future statutory reporting in line with the timescales of the regulations.

#### **ORDERED that:-**

1. the Amendments to the Regulations be noted.

156

#### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED that** pursuant to the local Government Act 1972, the press and public be excluded from the meeting under Paragraphs 3 and 7 of Part 1 of Schedule 12A to the Act

157

#### **CONTRACT STANDING ORDER NO. 4 (II) – EXEMPTION FROM THE NORMAL REQUIREMENT TO TENDER**

The Assistant Chief Officer Finance & Commissioning informed Members that Standing Orders paragraph 4.3c states that "Every authorized exemption shall be reported to the Authority via the appropriate Panel, and shall be recorded in the minutes of the Authority." The report covered exemption requests for the period January to March 2009.

Members were informed that in compliance with Contract Standing Orders it

had been the practice to report quarterly every circumstance where it appears that the normal requirement to tender has not been followed.

**ORDERED** that:

1. the exemptions in Appendix A to the report which satisfy the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 4 be noted.

158

## **CORPORATE RISK REGISTER**

The Assistant Chief Officer Finance & Commissioning provided Members with an update on the Force's current Corporate Risk Register.

To ensure that the Members are able to discharge their oversight duties, within the new risk management procedures, a copy of the latest Corporate Risk Register was attached at Appendix 1.

**ORDERED that:**

1. the contents of the report be noted.

159

## **REPORT OF THE INTERNAL AUDITORS**

The Head of Internal Audit and the Senior Audit Manager presented the following audit reports and responded to Members' questions:

- Progress Report
- Estates Management
- Internal Audit Follow Up Report
- Data Protection
- Inventories

The Head of Internal Audit also presented the Internal Audit Annual Report which was in a new and more detailed format. It was noted that the opinions given in the report provide important assurance in the preparation of the Annual Governance Statement.

The Strategy for Internal Audit 2009/10 – 2013/14 was also presented. It was noted that this contained only minor amendments from the draft version previously discussed by the Panel and the overall strategy and detailed internal audit plan for 2009/10 was agreed.

**ORDERED that:**

1. the contents of the reports be noted.
2. the Strategy for Internal Audit 2009/10 – 2013/14 be agreed.

160

## **MINUTES OF THE POLICE AUTHORITY EXECUTIVE HELD ON THURSDAY 4 JUNE 2009**

**ORDERED** that the minutes of the Police Authority Executive

held on Thursday 4 June 2009 were approved and signed by the Chair as a true and accurate record.

161 **MINUTES OF THE STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL HELD ON THURSDAY 25 JUNE 2009**

**ORDERED** that the following minutes of the Strategic Procurement & Major Projects Panel held on Thursday 25 June 2009 were submitted and approved.

162 **STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL** **ACTION**

A meeting of the Strategic Procurement & Major Projects Panel was held on Thursday 25 June 2009 in the Members Conference Room at Police Headquarters.

PRESENT: Miss Pam Andrews-Mawer (Chair), Mr Chris Coombs (Vice Chair), Mr Ted Cox JP, Mr Peter Hadfield, Cllr Ron Lowes, Mr Mke McGroary JP, Cllr Hazel Pearson OBE and Mr Peter Race MBE (ex officio).

OFFICIALS: Mrs Ann Hall, Superintendent Glenn Gudgeon, Mrs Jean Hodgkinson & Miss Kate Rowntree.  
Mr Joe McCarthy and Mrs Jayne Harpe.

163 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Dave McLuckie (ex officio), Cllr Mary Lanigan and Mr Aslam Hanif.

164 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

165 **MINUTES OF THE LAST MEETING 16 FEBRUARY 2009**

The minutes of the meeting on 1<sup>st</sup> May 2009 were agreed as a true record.

166 **FINAL UPDATE OF THE HARTLEPOOL HQ REFURBISHMENT**

The Assistant Chief Officer for Finance & Commissioning presented the report to Members. The project covered two areas which were a full refurbishment of the Custody Suite and the replacement of all plant and services throughout the building.

The building remained operational throughout (with the exception of custody) and the contractors, operational and administrative staff all contributed to making the project successful. A celebratory reception was held on 5<sup>th</sup> June with some 30+ guests attending to view the building including the custody suite. There was excellent response to the work undertaken and feedback from officers and staff continued to remain very positive. The project was delivered on time and within budget and had proven to be a very rewarding experience for all concerned. The investment for this project had contributed to major improvements which had enhanced the lifespan of the building and the working environment.

**ORDERED** that

1. All works were completed and they had been carried out to a very high standard.
2. The Project was delivered on time and within budget.

167

**EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act

168

**UPDATE OF THE ROAD POLICING UNIT, WYNYARD BUSINESS PARK**

The Assistant Chief Officer for Finance and Commissioning updated Members on the progress of the Strategic Road Policing Unit located at Wynyard Business Park.

**ORDERED** that

1. The details shown in the latest Project Board document be noted.
2. Construction work started late September 2008 and was on target to be completed late July 2009.
3. The transition to the new premises would start week commencing 3<sup>rd</sup> August 2009 and would aim to be seamless.
4. The existing premises at Cannon Park would be vacated in August 2009.
5. A full reporting process had been in place throughout with Client/Construction meetings and Stakeholder meetings held on a monthly basis and Project Boards held on a bi-monthly basis.

169

**UPDATE ON PROJECT I**

The Head of Project I updated Members on the Project and the procurement process.

Between 29<sup>th</sup> June and 17<sup>th</sup> July 2009 reference site visits would be conducted in relation to each bidder. The visits would be conducted by representatives from the Project Team, Police Authority, ICT, Control Room and Staff Associations.

The final submission will be made on 17<sup>th</sup> July 2009 which will be approved by Members of the Strategic Procurement & Major Projects Panel on 7<sup>th</sup> August 2009.

**ORDERED** that

1. the contents of the report be noted.

170 **ESTATES UPDATE**

The Chief Executive updated Members on the current position of the relocation of Police Headquarters. An advertisement for expressions of interest had been placed to which there had been 6 expressions of interest regarding the acquisition of Ladgate Lane and 18 sites had been proposed for relocation. The options were currently being looked at and will be presented at the next Strategic Procurement & Major Projects Panel on 7<sup>th</sup> August 2009.

171 **MINUTES OF THE OPERATIONAL POLICING PANEL  
HELD ON TUESDAY 14 JULY 2009**

**ORDERED** that the following minutes of the Operational Policing Panel held on Tuesday 14 July 2009 were submitted and approved.

**OPERATIONAL POLICING PANEL**

A meeting of the Operational Policing Panel was held on Tuesday 14 July 2009 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

**PRESENT** Councillor Barry Coppinger (Chair), Councillor Hazel Pearson OBE, Councillor Victor Tumilty, Councillor Ron Lowes, Mr Peter Race MBE (ex officio)

**OFFICIALS** Mrs Joanne Hodgkinson and Mr John Bage (CE)  
Mr Sean White, Mr Dave Pickard, Mr Christian Ellis and Mrs Louise Drummond (CC).

**ADDITIONAL  
ATTENDEES** Mr Ted Cox JP, and Mr Alf Illingworth TD JP.

172 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from, Councillor Dave McLuckie (ex officio), Councillor Steve Wallace (Vice Chair). Miss Pam Andrews-Mawer, Mr Aslam Hanif, Councillor Mary Lanigan, Councillor Paul Kirton and Mr Chris Coombs.

173 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

174 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the outstanding recommendations be noted.

175 **NEIGHBOURHOOD SURVEY**

The Corporate Planning & Performance Manager gave a presentation to Members on Neighbourhood Surveys. Members were informed that both the Authority and the Force were committed to effective surveying of

individuals, families and communities across Cleveland to further understand the effectiveness of policing services that are provided and the context of neighbourhood problems that communities face.

Members were informed that as part of the ambition to promote greater confidence in the work of local police forces, neighbourhood survey data information was invaluable in understanding opinion, issues and challenges at the local level. The Force were encouraged by many of the findings of the pilot Neighbourhood Survey that had been conducted during April 2009.

The Corporate Planning & Performance Manager informed that the Authority and Force were committed to undertake further, more detailed surveys which would make use of 'face to face' or telephone interviews. The results of these surveys, together with the April 2009 data, will be made available through a range of mediums including the internet and published material.

**ORDERED** that:-

1. the content of the presentation be noted.

176

## **PLACE SURVEY – ANALYSIS OF RESULTS**

The Strategy Manager informed Members that from April 2008 a new performance framework had been introduced based around a comprehensive National Indicator Set of 198 performance measures. This replaced Best Value Performance Indicators. Members were informed that 18 of the 198 indicators were collected through the newly introduced Place Survey, which was administered by Local Authorities. This includes 5 community safety indicators.

Members were informed that at Force level the community safety indicators were measured through British Crime Survey (BCS) data. At Local Authority level, the community safety indicators were measured through the Place Survey, which is a bi-annual postal survey

The Strategy Manager informed Members that the results of the Place Surveys carried out in each of Cleveland's 4 Local Authority areas provides performance results that will form part of the evidence base for the Audit Commission when carrying out the new Comprehensive Area Assessments from April 2009.

**ORDERED** that:-

1. the content of the report be noted.

177

## **NEIGHBOURHOOD POLICING UPDATE**

The Assistant Chief Constable (Territorial) presented the report to Members on the progress of implementation of Neighbourhood Policing.

Members were informed that the Force's approach to Neighbourhood Policing was based on the Chief Constable's Ward based model of a named police constable per neighbourhood. In addition, each neighbourhood had a minimum of one PCSO working alongside the Constable. In line with the principles of Neighbourhood Policing additional Constables and PCSOs had been allocated to Wards where demand is greatest.



The Force had dedicated 11 Inspectors, 28 Sergeants, 148 Constables and 198 PCSOs as at 31<sup>st</sup> March 2009 (target figure 197) to Neighbourhood Policing. These resources were further supported by Neighbourhood Support Team Officers, the Special Constabulary and Volunteers, as well as members of the extended police family.

The Force continued to build upon the experience and identification of effective practice in embedding Neighbourhood Policing. Surveys continued to indicate public support for Neighbourhood Policing and recognised the increase in visible patrols and improved service. The Force continued to reduce crime rates whilst embedding Neighbourhood Policing

Debate took place involving Members seeking clarification on a number of the issues in question pertaining to Officer and PCSO deployment in Wards and Neighbourhood Policing areas across the Force.

**ORDERED** that:-

1. the content of the report be noted.

178

### **CRIME AND DISORDER SCRUTINY COMMITTEES**

The Strategy Manager informed Members that Section 19 of the Police and Justice Act 2006 required every local authority to have a crime and disorder committee with the power to review or scrutinise decisions made in connection with the discharge of duties by responsible authorities with reference to their crime and disorder functions.

Members were informed that clear protocols need to be established to ensure that Members co-opted onto community safety committees are not unwittingly drawn into political debates, or commit the Police Authority to undertake a course of action without agreement/authority. Where issues arise which relate specifically to Cleveland Police, it may be appropriate to refer such issues to the Police Authority.

**ORDERED** that:-

1. the content of the report be noted.

179

### **LOCAL CHILDREN'S AND YOUNG PEOPLE'S PLAN**

The Strategy Manager informed Members of the contents of the Children and Young People's Plans, published by the Children's Trust Boards (CTBs) for the four local authority's. The document should be the key overarching plan for the provision of services to children, young people and their families.

The Children and Young People's Plans for the four local authority's described the partners' plans for the provision of services to children and young people. The documents will form part of the evidence base for the Audit Commission when carrying out the new Comprehensive Area Assessments from April 2009.

**ORDERED** that:-

1. the content of the report be noted.

180

## **COMMUNITY SAFETY PARTNERSHIP PERFORMANCE AGAINST NATIONAL INDICATOR SET**

The Strategy Manager informed Members that the Local Strategic Partnerships (LSPs) have an overarching performance framework that is based around a comprehensive National Indicator Set of 198 performance measures. In 2008 the LSP partners for each area targeted around 35 of these performance measures to be included within the Local Area Agreement (LAA).

Members were informed that a typical LAA has between 4 and 7 community safety measures and targets that are formulated by the local Crime & Disorder Reduction Partnership (CDRP), on which the police authority is a statutory partner. The report presented progress against those national performance indicators for each community safety partnership (CDRP).

The report apprised Members of progress made against the national indicator set for the four Local Community Safety Partnerships. The performance results will form part of the evidence base for the Audit Commission when carrying out the new Comprehensive Area Assessments from April 2009.

### **ORDERED that:-**

1. the content of the report be noted.

181

## **YOUNG PERSONS LOCAL POLICING SUMMARY 2009-2010**

The Strategy Manager informed Members that the Serious and Organised Crime and Police Act 2005 introduced the requirement on police authorities to produce and distribute a local policing summary to all council tax paying households in their local area.

Members were informed that for the last two years, Cleveland Police Authority had worked with groups of young people from each of our policing districts to produce a version of the summary specifically for 11-19 year olds. This project had achieved national acclaim through publication in the APA report 'Accountability in Action'.

Production of a young person's summary formed part of our youth engagement and consultation work. This year the project will involve a group of young people from each of the four Local Authority areas in designing and producing the young person's version for each of the four police districts. There are approximately 38,000 young people aged 11-19 in the Cleveland Police Area. Members were informed that it is proposed that 38,000 copies of the young person's summary be distributed to schools and colleges across Cleveland during September 2009.

### **ORDERED that:-**

1. the content of the report be noted.

182

## **DRUGS UPDATE**

The Assistant Chief Constable (Crime Ops) provided Members with an update in relation to drug treatment, enforcement, recovery, and disruption

efforts across the Force area.

Members were informed that the Force continued to support the government sponsored Criminal Justice Intervention Programme (CJIP) through the Drug Intervention Programmes (DIPs) that are in place within each of the four policing districts. This followed recognition of the importance of pro-actively tackling the local supply and demand problems, whilst at the same time engaging users and guiding them into treatment support services.

The Assistant Chief Constable (Crime Ops) informed that drug intervention programmes had evolved over the course of the last four and a half years and are aiming to involve a wider client base. Testing on arrest, was introduced in April 2006 and sought to test those over 18 years of age, whilst in police custody, who had been arrested for a trigger offence. The trigger offences are defined by legislation and have been identified as those offences that tend to be committed in order to finance a drug habit.

The Force continued to tackle drug use and abuse in line with Government strategy and the expressed wishes of local people as articulated in our consultation processes.

**ORDERED** that:-

1. the content of the report be noted.

183

## **ANTI-SOCIAL BEHAVIOUR UPDATE**

The Assistant Chief Constable (Crime Ops) informed Members that anti-social behaviour included a variety of behaviours covering a whole range of selfish and unacceptable activities that can blight the quality of life within communities.

Most types of anti-social behaviour fit into one of three categories; street problems, nuisance neighbours or environmental crime. Incident types recorded by the Force are assigned to categories including: abandoned vehicles; animal problems; hoax calls; rowdy and nuisance neighbours; environmental damage, and rowdy and inconsiderate behaviour.

Members were informed that anti-social behaviour is a policing priority and is a problem that calls for attention and collaborative working between partner agencies. Due to its public nature and widespread community impact, it is important the Force is responsive to community and local needs.

Debate took place involving Members seeking clarification on a number of the issues in question pertaining to Officers and the Force, working where practicable, in partnership, to create holistic long term solutions to local problems.

**ORDERED** that:-

1. the content of the report be noted.

184

## **ALCOHOL ABUSE UPDATE**

The Assistant Chief Constable (Crime Ops) provided Members with an overview of the current alcohol abuse initiatives taking place in the Force

area.

Members were informed that national research and performance data indicated that the impact of harm associated with alcohol is affected by a number of factors. Alcohol-specific hospital admissions were 60% higher and alcohol-related hospital admissions were 35% higher in the NE than the national average.

The Assistant Chief Constable (Crime Ops) informed Members that in order to promote a safe, sensible and social drinking culture in Cleveland where violent and anti-social behaviour is not tolerated, the widest range of interventions should be maintained and utilized.

**ORDERED** that:-

1. the content of the report be noted.

185

#### **UPDATE ON THE INDEPENDENT CUSTODY VISITING SCHEME**

Councillor Ron Lowes, the portfolio holder for Independent Custody Visiting, provided Members with an update on the operation of the Independent Custody Visiting Scheme, operated throughout Cleveland, this included recruitment, visits undertaken and training of the Independent Custody Visitor Volunteers.

Members were informed that Police Authorities are required to operate an Independent Custody Visiting Scheme under the provisions of the Police Reform Act 2002. Guidance published, recommended that regular visits were undertaken by volunteers, who had been recruited and managed by the Police Authority, to attend Police Custody units.

Members were informed that visits had been undertaken to all Cleveland Police Custody units on a regular basis, the frequency of which is usually weekly, but variations occur due to the turnover and cell usage.

The Police Authority continued to fulfil its obligation and commitment to the Independent Custody Visiting Scheme with sufficient volunteers to maintain their interest and yet not overburden the individuals. On average, individual visitors undertake a visit every 6-8 weeks which met the Authority's requirements.

**ORDERED** that:-

1. the content of the report be noted.
2. appreciation by the Police Authority, to the continuing commitment of the volunteers within the scheme, be noted.

185

#### **MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON WEDNESDAY 22 JULY 2009**

**ORDERED** that the following minutes of the Policy & Resources / Corporate Development Panel held on Wednesday 22 July 2009 were submitted and approved.

## **POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Wednesday 22 July 2009 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

**PRESENT** Councillor Hazel Pearson OBE (Chair), Councillor Victor Tumilty (Vice Chair), Mr Alf Illingworth TD JP, Mr Aslam Hanif (representing Mr Coombs), and Mr Ted Cox JP.

**OFFICIALS** Mr Norman Wright and Mr John Bage (CE)  
Mrs Ann Hall, and Miss Kate Rowntree (CC).

### 186 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Peter Race MBE (ex officio), Mr Chris Coombs, Mr Sean Price, Mr Derek Bonnard.

### 187 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

### 188 **MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON 11 June 2009**

Councillor Pearson and Councillor Tumilty requested that their apologies be included for the previous meeting.

The minutes were agreed as a true and accurate record.

### 189 **OUTSTANDING RECOMENDATIONS**

**ORDERED** that -

1. the Outstanding Recommendations be noted.

### 190 **BUDGET MONITORING REPORT TO 31 MAY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report. Members had approved a Net Budget Requirement (NBR) of £128,790k and budgeted revenue expenditure of £146,911k, the balance of expenditure being funded by specific grants, other income and transfers from reserves. The report set out the progress against delivery of that budget and was part of the process introduced by the Authority to maintain prudent financial management.

Members were informed that the position to date and the year end forecast were shown at Appendix A to the report. No material risks, other than those set out in the Risk Monitor at Appendix D to the report, had been identified to the delivery of a break even position for 2009/10.

**ORDERED** that -

1. the report be noted.

2. the expenditure plan for 2009/10 be reviewed and any future proposals be brought to future meetings, be agreed.

191

### **CAPITAL MONITORING REPORT TO 31 MAY 2009**

The Assistant Chief Officer Finance and Commissioning presented the progress against the delivery of the Capital Programme for 2009/10 and the Capital Plan for 2009/13 which Members had approved at their meeting on 26 February 2009.

Members approved a capital programme totalling £9,806k at their meeting on 26<sup>th</sup> February 2009. This included new capital schemes, schemes carried forward from 2008/09 and unallocated funding. Since the original programme had been agreed, a number of changes had been identified. These were summarized at Appendix B to the report.

#### **ORDERED that -**

1. the report be noted.
2. the addition of the following project to the 2009/10 Capital Programme:
  - St. Hilda's PFI Communications Fallback Project at a reduced cost of £110k, be agreed, but that an update report be presented to a future meeting.

192

### **TREASURY MANAGEMENT REPORT TO 31 MAY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report to Members.

Members agreed an investment strategy for 2009/10 at their meeting on 26<sup>th</sup> February 2009. At that meeting Members resolved to continue to delegate authority to amend the approved List of Counterparties and the investment limits with institutions, to the Chief Executive in consultation with the Deputy Section 151 Officer.

The report updated Members on the status of the Authority's investments and borrowing. This was part of the process introduced by the Authority to maintain prudent financial management.

Members were informed that the protection of the Authority's underlying investments had continued to be of utmost importance throughout 2009-10. The investments of the Authority had continued to be placed in a prudent manner and also one that ensured sufficient funds were available to meet its commitments as they became due.

#### **ORDERED that -**

1. the report be noted.

193

### **LONG TERM FINANCIAL PLAN (LTFP) UPDATE**

The Assistant Chief Officer Finance and Commissioning presented the report to Members.

Members approved the 2009/10 Budget and 2010/13 LTFP at their meeting on the 26<sup>th</sup> February 2009. The LTFP approved at that meeting required savings to be made in 2010/11 and 2011/12 to return the Force to recurring financial balance.

Members were informed that the report was part of the process introduced by the Authority to establish sustainable annual and medium term financial plans and maintain prudent financial management.

The Assistant Chief Officer Finance and Commissioning informed Members that due to the tightening economic climate and the emergence of a number of very significant pressures, a greater risk around the delivery of a balanced position for future years had been created.

**ORDERED** that -

1. the contents of the report be noted.
2. Member's briefing(s) be arranged to further consider such matters, be agreed.

194

**LOCAL GOVERNMENT PENSION SCHEME (LGPS)**

The Strategy & Performance Manager informed Members that the report was to respond to the Communities and Local Government (CLG) consultation paper entitled "LGPS delivering affordability, viability and fairness" which had been sent out to all LGPS stakeholders (local authority Chief Officers inc Police Authorities) on 25<sup>th</sup> June 2009 for consultation.

Members were informed that the current debate on the future of public sector pension schemes, which covered some 6.4 million employees, revolved around future liabilities. Recent calculations indicated large unfunded liabilities.

The CLG consultation paper proposed a solution to a likely short term funding problem. Members were informed that it did little to change the affordability of the LGPS in the long term. The proposals for further stakeholder consultation about the future direction of the LGPS will have to tackle the long term affordability issue for employers and taxpayers if the future of the Scheme, in its current format, is to be protected.

**ORDERED** that -

1. the Police Authority respond to the CLG consultation document, as laid out in para's 4 and 5 to the report be agreed.

195

**PROCUREMENT STRATEGY**

Members received a briefing on the Procurement Transformation and revised Contract Standing Orders (CSO) on 10<sup>th</sup> March 2009. The Procurement Strategy attached at Appendix A to the report, encompassed all the values of the revised Contract Standing Orders.

The Assistant Chief Officer Finance and Commissioning informed Members that the new Force Procurement Strategy had been designed to provide the foundations for effective procurement transformation and deliver significant performance improvement in supply chain management.

**ORDERED** that -

1. the revised Procurement Strategy be agreed.

196

## **2008/09 ANNUAL FLEET STRATEGY REPORT**

The Assistant Chief Officer Finance and Commissioning provided Members with an annual progress report with regard to the Fleet Strategy during the period 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 respectively.

Members were informed that the Fleet Strategy was approved in 2007 and provided details of a professional fleet management approach employed to deliver a range of services in respect of the efficient and effective acquisition, maintenance and disposal of vehicles in response to operational needs.

An annual report had been produced by the Head of Commissioning in order to keep Members informed. It reported progress against the key deliverables and ensured service delivery continued to reflect the strategic aims of the Force.

**ORDERED** that -

1. the report be noted.

197

## **PROCUREMENT OF REPLACEMENT FIRE ALARM SYSTEM FOR HQ**

The Assistant Chief Officer Finance and Commissioning informed Members that they had recently been four false activations of the fire alarm at Police Headquarters.

Members were informed that due to the deterioration of the existing HQ fire alarm system (which is approximately 40 years old) advice was taken by the Force from the Fire Brigade and the Force Health and Safety Teams. The advice received was that the Headquarters alarm system be replaced as a matter of urgency.

The Assistant Chief Officer Finance and Commissioning reported to Members that due to the urgent need to replace the fire alarm system, it was agreed by Health & Safety and the Commissioning Management Team that the timescales for a full tender to replace the current system would not be appropriate.

Members were informed that due to the deterioration of the existing fire alarm system, an exemption to standing orders was raised to expedite the replacement of the system, which had become a strategic risk.

**ORDERED** that -

1. the report be noted.
2. the procurement method used be agreed.

198

## **MINUTES OF THE PROFESSIONAL STANDARDS PANEL HELD ON WEDNESDAY 29 JULY 2009**



**ORDERED** that the following minutes of the Professional Standards Panel held on Wednesday 29 July 2009 were submitted and approved.

# **PROFESSIONAL STANDARDS PANEL**

# **ACTION**

A meeting of the Professional Standards Panel was held on Wednesday 29 July 2009 in the Members Conference Room at Police Headquarters.

**PRESENT:** Mr Ted Cox JP (Chair), Cllr Mary Lanigan (Vice Chair), Cllr Caroline Barker, Mr Aslam Hanif, Mr Mike McGroary JP, Mr Peter Hadfield, Cllr Hazel Pearson OBE.

**OFFICIALS:** T/Supt Darren Best, DCC Bonnard and Mrs Joanne Monkman, Inspector Ian Kelly and Miss Kate Rowntree (CC)  
Mrs Jayne Harpe (CE)

**ADDITIONAL MEMBERS** Cllr Victor Tumilty.

## 199 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## 200 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

## 201 **OUTSTANDING RECOMMENDATIONS**

The Grievance Procedure was being looked at in light of a recent Employment Tribunal result. A reviewed report would be submitted to this Panel following a 28 Day Consultation Phase of the new procedure.

Complaints Against Police – Diversity Issues - Members Briefing would be arranged. Kate Rowntree

Deliberate Damage Report – Members to discuss whether all statistical information would be required in future reports.

## 202 **CIVIL CLAIM STATISTICS**

The Legal Advisor presented the Civil Claim Statistics for the period 1<sup>st</sup> April 2008 – 30<sup>th</sup> June 2009. The Panel was informed of the number and types of civil claims against the Force received during that period, the amount paid out for those claims finalised during the period and the amount recovered. The report also detailed a comparison between the Basic Command Units.

**ORDERED** that:

1. Members noted the number of claims received remained the same as the number of claims received in the same period last year. Motor liability was the leading category.
2. There had been a 54% decrease in the number of claims finalised

when compared with the same period last year.

3. 25% of finalised cases during the period were successfully defended which was to be compared with 23% successfully defended during the same period last year.
4. The 9 cases settled during the period cost the Force £30,854. This was to be compared with the 20 cases settled during the same period last year at a cost of £144,824.
5. Middlesbrough remained the area with most claims.
6. The contents of the report be noted.

Whilst Legal Services had no control over the number of claims received, feedback was provided on a case by case basis to ensure assistance was given to Basic Command Units in managing risks.

203

### **COMPLAINTS AGAINST POLICE**

The Head of Professional Standards Department presented the Complaints Against Police for the period 1<sup>st</sup> April 2009 to 30<sup>th</sup> June 2009. The Quarterly Progress Report on Complaint Issues for Cleveland Police for the period January to March 2009 was attached to the report.

There had been a 7% increase in the number of cases recorded during that period (114 to 122), with a 11% decrease in the number of complaints (up from 197 to 176).

Complaints of "other neglect/failure in duty" and "Incivility" continued to outnumber those of "Assault" allegations, 37 and 36 complaints respectively, compared to 27 in the "Assault" categories.

46% (59) of completed complaints had been locally resolved. During that period 73% (43) of locally resolved complaints had been by District and 27% (16) by the Professional Standards Department.

A guidance document relating to Pledge 10 – matters of dissatisfaction is to be introduced during September. An update to this Panel in January 2010.

DCC

92 letters of appreciation had been received. Only letters of appreciation were recorded but other expressions were not. This was a very bureaucratic process and would be looked at.

#### **ORDERED that**

1. The contents of the report be noted.

204

### **DELIBERATE DAMAGE STATISTICS**

The Head of Professional Standards Department informed Members of the cost to the Force of deliberate damage by way of forced entry into premises for the period 1<sup>st</sup> April 2009 to 30<sup>th</sup> June 2009 and of the operational results achieved through such forced entry and other premises searches.

Members were informed that the Force had paid out £8,447 in compensation for acts of deliberate damage, this compared to £8,599 paid out in the same

period during the previous year. Whilst 2882 searches were conducted, only 257 (8.92%) resulted in deliberate damage compared to 7.9% in the previous year. The value of property, cash and drugs seized totaled £940,772 and this compared to £1,079,186 seized during the same period in 2008.

The revised report was brought to the meeting and Members were asked their opinions. There were mixed feelings as to the exclusion of the statistical data and the Deputy Chief Constable would see what value the information added elsewhere.

DCC

**ORDERED** that

1. The contents of the report be noted.
2. The operational benefits accruing to the Force in terms of property, drugs and cash seized, outweigh the cost of the damage claims be noted.

205

## **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, excluding the press and public from the meeting under Paragraphs 1 and 7 of Part 1 of Schedule 12A to the Act

206

## **CASES FROM THE COMPLAINTS REGISTER**

Members of the Complaints Panel were shown the cases from the Complaints Register which had previously been selected by the Panel Chair.

207

## **MINUTES OF THE HUMAN RESOURCES AND DIVERSITY PANEL HELD ON FRIDAY 7 AUGUST 2009**

**ORDERED** that the following minutes of the Human Resources and Diversity Panel held on Friday 7 August 2009 were submitted and approved.

## **HUMAN RESOURCES AND DIVERSITY PANEL**

A meeting of the Human Resources and Diversity Panel was held on Friday 7 August 2009 in the Members Conference Room at Police Headquarters.

PRESENT:

Mr Aslam Hanif (Chair), Cllr Caroline Barker (Vice Chair), Mr Ted Cox JP, Cllr Ron Lowes, Mr Mike McGrory JP, Mr Chris Coombs, Mr Alf Illingworth, Cllr Paul Kirton, Cllr Hazel Pearson OBE, Cllr Victor Tumilty, Miss Pam Andrews-Mawer.

OFFICIALS:

Mr Norman Wright, Mr John Bage and Mrs Sarah Wilson (CE)  
DCC Derek Bormard, Sgt Christian Ellis, Mrs Lynda Turnbull (CC).

208

## **APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Dave McLuckie (ex officio) and Mr Peter Race MBE (ex officio).

209

## **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

210

## **MINUTES OF THE PREVIOUS MEETING**

This is the first meeting of this new Panel and as such there are no previous minutes.

211

## **BME RECRUITMENT & RETENTION**

The Consultation and Performance Officer informed Members that the report was intended to outline the current and proposed processes in place for the recruitment and retention of BME Police Officers, PCSOs and police staff.

Members were informed that currently the local target in Cleveland is for 5% BME police officer representation, against a BME population of 2.93% in the 2001 census. From an establishment of 1727 there are currently 29 BME officers, which constitute 1.6% of Force strength. An additional 57 officers would need to be recruited to achieve the 5% target.

Members were informed that there are important diversity and equal opportunity implications arising from this report. It is essential that both the Force and Authority are seen to be employers that value diversity within their workforce. This is a core imperative in the new Equality Standard published by NPIA for the police service. However, it was also essential that any initiatives introduced are not seen to be unjustifiably discriminatory against those who are not from a BME community background.

**ORDERED** that:-

1. the report be noted.

212

## **RECRUITMENT UPDATE**

The Deputy Chief Constable presented the report to Members which provided performance outturn information regarding recruitment activities carried out by the Force between March 2009 and June 2009.

Members were informed that the Force had currently maintained its commitment to a 1% vacancy rate for police officers. At June 2009 the Force vacancy rate was 0.5% with an establishment of 1727 police officers. This vacancy rate will be monitored and reviewed throughout the course of the year in order to finish as close to 1% as practical.

**ORDERED** that:-

1. the report be noted.

213

## **CHANGES TO THE MANAGEMENT STRUCTURE**

The Deputy Chief Constable presented the report to Members which provided Members with an update to recent changes in management functions affecting People and Organisation Development (P&OD) now People and Diversity (P&D), Corporate Planning and Performance (CP&P) and Community Justice Unit (CJU).

Members were informed that a recent review of functionality across the

Service Units within the portfolio of the Deputy Chief Constable identified the opportunity to restructure the Senior Management Team to allow the Force to move to the next stage of its development. Following wide consultation, changes were implemented as of 1<sup>st</sup> May 2009.

**ORDERED** that:-

1. the report be noted.

214

## **MINUTES OF THE STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL HELD ON FRIDAY 7 AUGUST 2009**

**ORDERED** that the following minutes of the Strategic Procurement & Major Projects Panel held on Friday 7 August 2009 were submitted and approved.

### **STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL**

### **ACTION**

A meeting of the Strategic Procurement & Major Projects Panel was held on Friday 7 August 2009 in the Members Conference Room at Police Headquarters.

**PRESENT:** Miss Pam Andrews-Mawer (Chair), Mr Chris Coombs (Vice Chair), Mr Ted Cox JP, Mr Peter Hadfield, Cllr Mary Lanigan, Cllr Ron Lowes, Mr Mike McGrory JP, Cllr Dave McLuckie (ex officio), Cllr Hazel Pearson OBE and Mr Peter Race MBE (ex officio).

**OFFICIALS:** Chief Constable, Deputy Chief Constable, Superintendent Glenn Gudgeon, Sgt Christian Ellis, Miss Kate Rowntree and Mrs Lynda Turnbull (UNISON) (CC)  
Mr Joe McCarthy CEO and Mrs Jayne Hape (CE)

**ADDITIONAL MEMBERS** Cllr Caroline Barker, Mr Aslam Hanif, Mr Alf Illingworth TDJP, Cllr Paul Kirton, Cllr Victor Tumilty, Cllr Steve Wallace.

215

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Peter Hadfield and Cllr Barry Coppinger.

216

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

217

### **MINUTES OF THE LAST MEETING 25 JUNE 2009**

The minutes of the meeting on 25 June 2009 were agreed as a true record.

218

### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act

219

### **UPDATE ON PROJECT I**

The Head of Project I presented a report to Members on the short-listing process.

On 1<sup>st</sup> May 2009 the Authority approved a short-list of four companies to participate in the initial stages of the Competitive Dialogue Process.

As part of the agreed process, a period of open access and on site due diligence started on 18<sup>th</sup> May 2009 for a period of six weeks which enabled the four bidders to gain a greater understanding of our requirements for Project I. The proposals were received on 17<sup>th</sup> July.

**ORDERED** that

1. A new short-list of 3 bidders for the next stage of the process be agreed.

220

## **MINUTES OF THE AUDIT & INTERNAL CONTROL PANEL HELD ON THURSDAY 3 SEPTEMBER 2009**

**ORDERED** that the following minutes of the Audit & Internal Control Panel held on Thursday 3 September 2009 were submitted and approved.

### **AUDIT AND INTERNAL CONTROL PANEL**

### **ACTION**

A meeting of the Audit and Internal Control Panel was held on Thursday 3 September 2009 commencing at 10.00 am in the Members Conference Room, Police Headquarters.

#### **PRESENT**

Mr Mike McGrory JP (Chair), Mr Peter Hadfield (Vice Chair), Councillor Ron Lowes, Councillor Caroline Barker, Councillor Victor Tumilty, Mr Peter Race MBE (ex officio).

#### **OFFICIALS**

Mr Joe McCarthy, Mr John Bage and Mr Norman Wright (CE).  
Mr Michael Porter, Mr Mike Hopkins, Mr Graham Slaughter, Miss Kate Rowntree (CC), PC Steve Matthews (Fed)

#### **AUDITORS**

Mr Ian Wallace (RSM Bentley Jennison), Ms Catherine Andrew (Audit Commission)

221

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Chris Coombs, Councillor Mary Lanigan, Councillor Steve Wallace, Councillor Barry Coppinger, DCC Derek Bonnard, Mrs Ann Hall.

222

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

### **MINUTES OF THE PREVIOUS MEETING HELD 28 MAY 2009**

The minutes were agreed as a true and accurate record.

223

## **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations were noted.

224

## **PLAN OF BUSINESS**

The Chair requested Members consider taking Agenda Item 7, Strategic Risk Management & Service Continuity Planning into a private session, later in the meeting.

**ORDERED** that:-

1. the amendment to the agenda be agreed.

225

## **POLICE AUTHORITY RISK REGISTER**

The Strategy and Performance Manager updated Members on the Police Authority Risk Register which had been revamped to follow the scoring matrix and the format that had recently been developed for the Force Risk Register.

Members were informed that in future there will be a monthly risk management meeting, which will include the Chief Executive, the Head of Corporate Planning and Performance and the Chair and Vice Chair of the Audit and Internal Control Panel. This forum will develop the risk management process, including the integration of the Force and Authority Risk Registers. It will also oversee the management of strategic risks, including business continuity planning.

Members were pleased to receive the report and commented that the suggested meetings and the integration of Risk Registers would aid efficiency and effectiveness. Members requested further information on the impact the recent loss of a dedicated HR Professional as Head of People and Diversity, due to the post holder leaving the organisation, would have on the organization.

Members were informed that a senior Police Officer has taken over as the Head of People and Diversity and that the current Deputy Head of People and Diversity is a qualified HR Professional. As such the Force do not foresee that there would be any detriment to the organisation by these arrangements.

**ORDERED** that:-

1. the Police Authority Risk Register as detailed at Appendix 1 to the report be agreed.
2. due to a new scoring matrix being used, the inherent and residual risk scores had been recalculated, be noted.
3. the draft Action Plan as detailed at Appendix 2 to the report be

agreed

226

#### **UPDATE ON VAT AUDIT**

The Head of Finance updated Members on the progress of implementing the recommendations identified during the internal audit on VAT. The review identified a number of recommendations to improve the management and control of VAT.

Members requested clarification regarding Recommendation 10 to the report requiring a VAT efficient policy governing the use of its vehicles.

The Head of Finance confirmed that the Force would shortly have such a written document in place.

**ORDERED** that:-

1. the content of the report be noted.

227

#### **INTERNAL AUDIT PROGRESS REPORT**

The Internal Auditor presented the report to Members in which the report summarised the outcome of work completed to date against that Operational Plan, and informed that Appendix A to the report provided cumulative data in support of internal audit performance.

Members were informed that regular liaison meetings had been held with the Authority and the Force to discuss developments within the organisation and the scoping of individual audits.

The Internal Auditor informed Members that following discussions with the Chief Executive and the ACO Finance and Commissioning it is proposed to transfer 12 days from the planned PFI Action Stations audit to the Procurement Transformation Project (6 days) and the contingency (6 days). The rationale for the change and other potential uses of the contingency were discussed and a further update on the latter brought to the next meeting of the Panel

**ORDERED** that:-

1. the change to the Internal Audit Plan be agreed.
2. the Internal Audit Progress Report be noted.

228

#### **AUDIT COMMISSION PROGRESS REPORT**

The Audit Commission presented the report and informed that the report provided a summary to inform the Audit and Internal Control Panel of progress against the 2008/09 audit programme to date and also an update on 2009/10 planning.

Members were informed that the 2008/09 audit plan was agreed with the Audit and Internal Control Panel in March 2008. Two documents had been prepared to explain the audit approach in more detail, the external audit Opinion Plan was presented to the Audit and Internal Control Panel in January 2009 and the Use of Resources report was presented to the Policy and Resources Panel in May 2009.



The Audit Commission informed that their approach to planning had changed for 2009/10 and instead of producing a full audit plan a number of months in advance of starting any work, they now prepare a letter at the beginning of the audit year, with a detailed plan to follow later.

**ORDERED** that:-

1. the content of the report be noted.

229

## **AUDIT COMMISSION ANNUAL GOVERNANCE REPORT**

The Audit Commission presented the report to Members and informed that the report summarised the findings from the 2008/09 audit. It included the messages arising from the audit of the Authority's financial statements and the results of the work the Audit Commission had undertaken to assess the Authority's arrangements to secure value for money through the Authority's Use of Resources.

Members were informed that the Authority's financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. Members have final responsibility for these statements. It is important that Members consider the Audit Commission's findings before they adopt the financial statements and the annual governance statement.

Members sought clarification on the 'errors' stated from para's 10 - 13 to the report. In addition, Members raised the issue of an additional £96k pension fund deficit and requested the reasons behind this.

Members were informed that the 'errors' are generally outside of the Police Authority's control and due to external influence. The Audit Commission informed Members that the 'errors' were low in terms of concern and do not pose an immediate material effect to the accounts. The pension fund deficit was highlighted because of the difference between estimates and actual investment values. This was due to a number of actual variations including the recent interest rate fluctuations.

As the draft report had been tabled at the meeting, there had been no opportunity for advance study. Further consultation with relevant Officers was necessary. The Panel had been required to consider the report, any adjustments still to be made to the financial statements, the content of the draft letter of representation and the response to the proposed action plan, in order to be able to recommend approval by the Police Authority Executive. Members agreed that the Panel Chair and Vice Chair act on their behalf in this regard, taking account of Members' views expressed at the meeting and any subsequent matters raised.

**ORDERED** that:-

1. subject to any amendments being made by the Chair / Vice Chair of Panel, the content of the report be noted.

230

## **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, the press and public be excluded from the meeting under Paragraph 3 of Part 1 of

Schedule 12A to the Act

231

## **STRATEGIC RISK MANAGEMENT & SERVICE CONTINUITY PLANNING**

The Head of Corporate Planning and Performance presented the report which updated Members on the Force's approach and progress to date to Strategic Risk Management and Service Continuity Planning.

Members were informed that the programme is progressing on a systematic basis with the intention of developing robust risk management and service continuity plans and embedding a risk management culture by March 2010.

The Panel Chair sought to clarify the methodology for Members to discharge their governance duties as stated in para 3.7 to the report. Members were informed that a monthly meeting will be held to discharge these functions, membership would include Chair and Vice Chair of Panel, Head of Corporate Planning & Performance, and Chief Executive.

### **ORDERED that:-**

1. the content of the report be noted.

232

## **CONTRACT STANDING ORDER NO. 4 – EXEMPTION FROM THE NORMAL REQUIREMENT TO TENDER**

The Head of Commissioning informed Members that Standing Orders paragraph 4.3c states that "Every authorised exemption shall be reported to the Authority via the appropriate Panel, and shall be recorded in the minutes of the Authority." The report covered exemption requests for the period April to June 2009.

Members were informed that in compliance with Contract Standing Orders it had been the practice to report quarterly, every circumstance where it appears that the normal requirement to tender has not been followed.

Each such exemption, as detailed in Appendix A to the report was discussed and Members' questions answered. Those items falling outside of the Police Authority Approved Exemption Reasons, as detailed in Appendix B, were also individually explained and discussed.

### **ORDERED that:-**

1. the exemptions in Appendix A to the report which satisfy the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 4 be noted.
2. those items outside of the Police Authority Exemption Reasons, be noted.

233

## **MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON THURSDAY 10 SEPTEMBER 2009**

**ORDERED** that the following minutes of the Policy & Resources

/ Corporate Development Panel held on Thursday 10 September 2009 were submitted and approved.

**POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Thursday 10 September 2009 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

PRESENT Councillor Hazel Pearson OBE (Chair), Councillor Victor Tumilty (Vice Chair), Councillor Barry Coppinger, Mr Ted Cox JP, Mr Alf Illingworth TD JP, Mr Peter Race (ex officio)

OFFICIALS Mr Norman Wright and Mrs Julie Leng (CE)  
Mrs Ann Hall, and Sgt Christian Ellis (CC)

ADDITIONAL MEMBERS Councillor Ron Lowes

234 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Chris Coombs, Councillor Mary Lanigan, Councillor Dave McLuckie (ex officio), and Mr Sean Price

235 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

236 **MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON 11 June 2009**

The minutes were agreed as a true and accurate record.

237 **OUTSTANDING RECOMENDATIONS**

**ORDERED** that-

1. the Outstanding Recommendations be noted.
2. Recruitment Report – to be removed from this Outstanding Recommendations and placed on the HR and Diversity Panel Outstanding Recommendations.
3. Long Term Financial Plan – Members requested that a briefing still take place to look at worst case scenario options.

238 **CHANGE TO THE AGENDA**

**ORDERED** that Agenda Item 10 – The Management of Time Off in Lieu be presented first to allow two members who had notified the Chair that they would have to depart at 11.00 am an opportunity to raise questions they had in relation to this report.

239 **TIME OFF IN LIEU**

The Assistant Chief Officer Finance and Commissioning updated Members on

## 7(c)

the work being undertaken by the Force to reduce levels of time off in lieu (TOIL).

The Force has been working during the course of last year to reduce the levels of TOIL held by Police Officers and Police Staff across Cleveland Police. This was prompted by concerns that changes to the International Financial Recording Standards (IFRS) may mean that a financial liability is incurred as a consequence of retaining large amounts of time off held by members of the Force as a consequence of working additional duty. To date a scrutiny of policy and levels of time off held by members of the Force has been undertaken by the Operational Performance Team (OPT). This has led to proposals to the Force to amend the policy and agree maximum levels of time off that can be retained. It was important to differentiate time off in lieu from annual leave which is a statutory requirement.

The target date for a reduction off in lieu across Cleveland Police to the proposed maximum levels had been set for 31 March 2010. In addition, a linked proposal was currently being consulted upon to amend the annual leave year period for Police Officers within the Force from the current arrangement which runs from 1 January to 31 December in any year to the more common national agreement that also reflects the Police Staff annual leave year (1 April to 31 March).

Members raised a number of issues in relation to this report and specifically asked for reassurances on the following areas:-

- Does it have implications on reserves?
- Does this in turn lead to revenue implications?
- What are the current levels for both Police Officers and Police Staff?
- What is the agreed level that we are working to by 31 March 2010?
- What is the Federation and Unison reaction to these proposals?
- Who makes the decision to grant TOIL?
- What is the difference between TOIL and overtime – and who decides which is offered?
- BCUs agreement to manage down – how is this to be done?
- Is there to be a new agreement where TOIL must be taken within a set time?
- What is the 'cause' of this large amount of TOIL been allocated?
- Are the shift patterns correct?

Members all agreed that they required further information on this issue as it was not viable to continue with this unplanned / unknown liability.

**ORDERD** that:-

1. the contents of the report be noted.
2. A members briefing be arranged to discuss all the issues raised by Members as detailed above (briefing note be circulated in advance of the briefing detailing the amounts and trying to answer some of the questions so that members could have an informed discussion). ACC
3. The Association of Police Authorities (APA) be contacted to establish what other Authorities are doing. Head of Strategy & Performance
4. A further report be submitted to this Panel in November. ACC

**BUDGET MONITORING REPORT TO 31 JULY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report. Members had approved a Net Budget Requirement (NBR) of £128,790k and budgeted revenue expenditure of £146,911k, the balance of expenditure being funded by specific grants, other income and transfers from reserves. The report set out the progress against delivery of that budget and was part of the process introduced by the Authority to maintain prudent financial management.

Since setting the 2009/10 budget firmer information was now available that allowed us to revisit the assumptions and best estimates that this budget was based upon. By doing this it was possible to reduce the contribution from General Reserves needed to support the budget during 2009/10 by £625k. This reduced contribution from Reserves during 2009/10 could then provide additional financial options when the 2010/11 LTFP was being developed.

Members were informed that the position to date and the year end forecast were shown at Appendix A to the report. No material risks, other than those set out in the Risk Monitor at Appendix D to the report, had been identified to the delivery of a break even position for 2009/10.

Members were pleased to receive the report and commented that this advanced planning rather than crisis management was key.

Members requested further information on the impact of the Olympics both on Officer abstractions and cost implications.

An update report on the Major Incident Contingency Fund would be submitted to the next meeting of the Panel.

ACO Finance  
and  
Commissioning

**ORDERED** that:-

1. the contents of the report be noted.
2. the expenditure plan for 2009/10 be reviewed in line with the proposals detailed in 3.4 of the report be agreed.
3. the transfer from General Reserves of £1,900k to support the 2009/10 budget, as approved by Members on the 26 February 2009, be reduced by £625k to £1,275k as a result of the proposals detailed in paragraph 3.4 to the report be agreed.
4. the expenditure plan for 2009/10 be further reviewed and proposals for creating additional in year savings be brought forward to a future meeting be agreed. The aim would be to provide further reductions in the amount needed to support the 2009/10 budget which would in turn provide more options in developing the 2010/14 Long Term Financial Plan.
5. further information on the impact of the Olympics both on Officer abstractions and cost implications to be provided in a future report.

ACO Finance &  
Commissioning

**CAPITAL MONITORING REPORT TO 31 JULY 2009**

The Assistant Chief Officer Finance and Commissioning presented the progress against the delivery of the Capital Programme for 2009/10 and the Capital Plan for 2009/13 which Members had approved at their meeting on 26 February 2009.

Members approved a capital programme totalling £9,806k at their meeting on 26<sup>th</sup> February 2009. This included new capital schemes, schemes carried forward from 2008/09 and unallocated funding. Since the original programme was agreed, a number of changes had been identified. These were detailed at Appendix B to the report.

Members raised a number of questions around PFI funding and sought clarification on the amount of capital incorporated into PFI funding and the revenue impacts on PFI schemes. An update on PFI expenditure would be provided.

ACO Finance & Commissioning

**ORDERED** that -

1. the report be noted.
2. the addition of the following projects to the 2009/ 10 Capital Programme which were approved under delegated authority be noted:
 

➤ North Ormesby Gates	£8k
➤ Stockton Parking Bays	£9k
➤ ANPR	£25k
3. the addition of the following projects to the 2009/ 10 Capital Programme be approved:-
 

➤ Vulnerable Person's Unit - Kirkcætham	£93k
➤ Vulnerable Person's Unit - Billingham	£67k
4. the addition of £100k to the NSPIS Origin HR and Self Service project be approved.

**TREASURY MANAGEMENT REPORT TO 31 JULY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report to Members.

Members agreed an investment strategy for 2009/10 at their meeting on 26<sup>th</sup> February 2009. At that meeting Members resolved to continue to delegate authority to amend the approved List of Counterparties and the investment limits with institutions, to the Chief Executive in consultation with the Deputy Section 151 Officer.

The report updated Members on the status of the Authority's investments and borrowing. This was part of the process introduced by the Authority to maintain prudent financial management.

Members were informed that the protection of the Authority's underlying

investments had continued to be of utmost importance throughout 2009-10. The investments of the Authority had continued to be placed in a prudent manner and also one that ensured sufficient funds were available to meet its commitments as they became due.

**ORDERED** that-

1. the contents of the report be noted.
2. the period of delegated authority to the Chief Executive in consultation with the Deputy Section 151 Officer, to amend the approved List of Counterparties and the Investment Limits with institutions to 31 March 2010 be approved.
3. the Investment Strategy for the remainder of 2009-10 would be unchanged from that approved by members on the 26 February 2009 be noted.

243

#### **PROCUREMENT REPORT FOR THE PROVISION OF FURNITURE**

The Assistant Chief Officer Finance and Commissioning provided Members with a summation of the procurement benchmarking exercise carried out to award a contract for the provision of Office Furniture.

A mini-competition was carried out in line with EU legislation using the Thames Valley Police and NEPO Frameworks as a benchmark.

The recommendation was for the contract to be awarded to Tenderer 1 using a local distributor. It was reported that this option offered value for money, providing a saving of 27% on current furniture expenditure and this option also supported the local economy and was considered to be a low risk option.

**ORDERED** that-

1. the procurement method used be noted and the recommendation put forward by the Evaluation Team be approved.
2. the contract be awarded to Tender 1, using a local distributor be approved.
3. the revised prices and projected saving of 27% be accepted.

244

#### **PROCUREMENT REPORT FOR THE PROVISION OF TEMPORARY STAFF**

The Assistant Chief Officer Finance and Commissioning provided Members with a summation of the procurement exercise carried out to award a contract for the provision of Temporary Staff.

Cleveland Police have used the Emergency Services Collaborative Framework Agreement for the supply of Temporary Staff since 2003. This contract was a Master Vendor, tiered approach system.

Cleveland Police have an ongoing requirement for temporary staff and the current process for engaging the Master Vendor for the recruitment of temporary staff was inefficient and ineffective. The contract was let by

Thames Valley Police who are the Lead Authority, however it expired in 2009. This contract had been extended via exemption whilst an options appraisal was completed by the Procurement Unit in conjunction with People and Diversity.

Options investigated included a mini-competition exercise on the new Emergency Services Collaborative Agreement, however, as this Framework was a Master Vendor, tiered approach, it was agreed by the Evaluation Team that this option was not viable for the Authority.

The North East Purchasing Organisation (NEPO) a contract for temporary staff on a Vendor Neutral basis earlier in 2009. This contract was awarded in line with European Legislation and was available to all Public Authorities and Emergency Services within the North East.

This Vendor Neutral approach offered value for money by implementing internal process efficiencies to reduce costs, mitigate risk, improve candidate quality and access improved Management Information.

This option also supported the local economy and was considered to be a low risk option.

**ORDERED** that -

1. a full tender process in line with EU Legislation had been carried out by the North East Purchasing Organisation (NEPO) be noted.
2. the recommendation put forward by the Evaluation Team for the use of a Vendor Neutral Contract and the award of the contract to the successful tendered for the NEPO contract be approved.

245

## **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Act.

246

## **CLEVELAND POLICE AUTHORITY - POLICE USE OF RESOURCES SCORS 2008/9 – REQUEST FOR REVIEW**

The Chief Executive notified members that the Authority had given notice on the 17<sup>th</sup> September of its intention to appeal against the findings of the Commission's assessment of our use of resources in 2008/09 and in particular the overall score level and level scores in sections 'Governing the Business' and 'Managing Resources'.

The Audit Commission had confirmed that a review would be undertaken and that they would report any findings by 21 October 2009.

Members unanimously supported the review request and raised a number of concerns with the report.



**ORDERED** that the Chief Executive progress the review with the Audit Commission and that members be kept fully informed of progress.

247

**POST OF DEPUTY CHIEF EXECUTIVE**

The Chief Executive explained the rationale for formalising the position of Deputy Chief Executive and outlined the process followed.

**ORDERED** that:-

1. the formalization of the arrangements for the Secretariat Manager to undertake the role of Deputy Chief Executive be approved.
2. the job title of the Secretariat Manager be changed to Deputy Chief Executive.
3. the remuneration of the postholder remains the same.

## **CLEVELAND POLICE AUTHORITY EXECUTIVE**

A meeting of Cleveland Police Authority Executive was held on Thursday 10 December 2009 in the Members Conference Room at Police HQ.

**PRESENT :** Councillor Caroline Barker, Councillor Barry Coppinger, Councillor Paul Kirton, Councillor Ron Lowes, Councillor Dave McLuckie (Chair), Councillor Victor Tumilty and Councillor Steve Wallace

Independent Members

Miss Pam Andrews-Mawer, Mr Peter Hadfield, Mr Aslam Hanif, Mr Mike McGrory and Mr Peter Race MBE

**OFFICIALS:** Mr Joe McCarthy, Mrs Julie Leng, Mr Norman Wright and Mrs Caroline Llewellyn (CE)  
Mr Sean Price, Mr Derek Bonnard, Mr Dave Pickard, Mrs Ann Hall, Chief Superintendent Adrian Roberts and Miss Kate Rowntree (CC)  
Mrs Lynne Snowball and Mrs Kath Andrew (Audit Commission)  
Superintendent Andrew Huddleston, Durham Police

248

### **CHANGE TO THE AGENDA**

**ORDERED** that:-

1. Agenda Item 4 – Use of Resources be considered prior to Agenda Item 3 – Annual Audit Letter be agreed.
2. Agenda Item 8 – Annual Statement on Force Professional Standards be removed from today's agenda at the request of the Chair of the Professional Standards Panel because of his absence due to illness be agreed. This report would be submitted for consideration to the next meeting of the Police Authority Executive.

249

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Chris Coombs, Mr Ted Cox JP and Councillor Hazel Pearson OBE.

250

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**USE OF RESOURCES 2008-2009**

The District Auditor summarised the key findings from their assessment of how Cleveland Police Authority was managing and using its resources to deliver value for money and better sustainable outcomes for local people.

This was the first year of the new Use of Resources approach, developed as part of the Audit Commission's new Comprehensive Area Assessment. The scope and approach was very different to the previous Police Use of Resources Evaluation (PURE) and therefore it was not appropriate to make comparisons with the Authority's scores from the previous year.

Overall the Authority was assessed as performing adequately in its use of resource: performing well in managing finances and performing adequately in governing the business and managing resources.

The Authority and Force had been successful in delivering better outcomes with reduced crime levels and increased public satisfaction. There were some areas where arrangements still required further development, particularly in strengthening controls over partnership working. Detailed findings were shown in Appendix 1 to the report.

Members raised there concerns over the process that had been undertaken including the timescales for appealing the decisions. The District Auditor advised that she had fed back the issues raised with her and explained that they were committed to improving the process for next year. The District Auditor stated that it had been a difficult year for the Audit Commission in introducing this new methodology and acknowledged the achievements that had been made by the Police Authority and the Force.

Members also asked for clarity around partnerships and asked the Audit Commission to evidence where they felt there were failings.

The Chief Constable raised concerns around Recommendation 7 which implied that the Authority and Force did not systematically review the workforce arrangements in conjunction with the financial constraints. The Chief Constable advised the Audit Commission that the Authority and Force continuously review staffing and resources robustly and have

clear evidence of this.

**ORDERED** that:-

1. the Use of Resources 2008/09 report be noted.
2. the recommendations detailed within the report be accepted.

252

### **ANNUAL AUDIT LETTER 2008/09**

The District Auditor summarised the findings from their 2008/09 audit. It included messages arising from the audit of our financial statements and the results of the work undertaken to assess the arrangements to secure value for money in our use of resources.

The Annual Audit Letter detailed the four following areas:-

- Audit Opinion
- Financial Statements
- Use of Resources
- Comprehensive Area Assessments

Recommendations were detailed within the report and had been agreed with the audited body.

**ORDERED** that the Annual Audit Letter 2008/09 and the recommendations included within be noted and agreed.

253

### **LONG TERM FINANCIAL PLAN UPDATE**

The Chief Executive and the Assistant Chief Officer Finance and Commissioning presented the Long Term Financial Plan Update. This report progressed the development of the budget for 2010/2011 against a background of the current national economic climate. This climate provided a complex planning challenge for 2011/2012 and beyond, and as a consequence it was recommended that a further report be brought forward about the period 2011/2012 to 2013/14 (incorporating 2010/11).

The provisional settlement for 2010/2011 was laid before Parliament on 26 November 2009 and confirmed the final year of the 3 year funding settlement of a 2.5% uplift allocated to

Cleveland Police Authority. This is in line with the assumptions outlined in the Long Term Financial Plan.

This report provided members with an outline on the current position for 2010/11 and looking to the future 2011/12 to 2013/14.

A balanced budget for 2010/11, that maintains the focus on front line policing and performance improvement would be brought to the February meeting for Members' consideration and decision.

**ORDERED** that:-

1. the current position in relation to the budget for 2010/11 as set out in paragraph 2.4 of the report be agreed.
2. the Long Term Financial Strategy (2010/11 to 2013/14) be brought for review to the Authority meeting in February 2010.

254

**GOVERNMENT GRANT SETTLEMENT – 2010/11**

The Chief Executive advised Members that although the Formula Grant uplift nationally is 2.7%, the uplift for Cleveland is restricted to 2.5% for 2010/11. The majority of Forces received uplifts in excess of Cleveland.

Members were asked to note that this is the fifth year in succession that Cleveland had been awarded the lowest uplift possible. Had Cleveland been awarded the same average increase as the rest of its 'Most Similar Force' Grouping for that period the Authority would be £1.4m better off in 2010/11.

**ORDERED** that:-

1. the contents of the report be noted.
2. the Chairman be authorised in consultation with the Chief Executive and Chief Constable, to make representations in response to the proposed settlement.

255

**APPOINTMENT OF INDEPENDENT MEMBERS ON THE STANDARDS COMMITTEE**

7(c)

The Deputy Chief Executive sought members endorsement of the recommendation of the Appointments Panel to appoint five Independents to the Standards Committee.

Cleveland Police Authority had established its Standards Committee in accordance with the Local Government Act 2000 in April 2002. The membership at that time included two people who were independent of the Police Authority.

Following the resignation of the Vice Chair of that committee and changes to the Standards Committee Regulations in 2008 the Authority undertook a recruitment process to appoint additional Independent Members to the Standards Committee.

Having this additional pool of Independent Members on the Standards Committee would ensure that the Police Authority could meet its requirements to deal with any complaint received.

**ORDERED** that:-

1. the appointment of Ms Vicki Lawson-Brown, Mrs Carole Pollard MBE, Mr Joe Rayner, Mr John Robinson and Mr Gerard Walsh to serve as Independent Members on the Standards Committee for an initial period of four years commencing 1 January 2010, with the option to extend the appointments was approved.

256

## **POLICING PLEDGE UPDATE AND ALLOCATION OF MEMBERS TO KEY ROLES**

The Head of Strategy and Performance informed members of the content and grades awarded to Cleveland Police by Her Majesty's Inspectorate of Constabulary (HMIC) following their recent inspection of the delivery of the Policing Pledge. Alongside this there was the development of an action plan and checklist for Cleveland Police Authority to oversee the implementation of the Policing Pledge.

Members were also asked to agree the allocation of members to oversee the implementation of the Policing Pledge, neighbourhood policing and to represent the Police Authority, as required, on the local authority Crime and Disorder Scrutiny and Oversight Committees.

The Force had made good progress in relation to the implementation of the ten elements of the Policing Pledge. The Force is formulating an action plan to improve performance further and this will be bolstered by the Police Authority Action Plan and Check List. The Authority will focus its resources on monitoring the delivery of the Policing Pledge and the neighbourhood policing services. The outcome should be that the Force and Authority are best placed to improve customer satisfaction with the Police and to respond favourably to future performance inspections and audits.

**ORDERED** that:-

1. the HMIC Policing Pledge inspection findings as summarised at Appendix A of this report be noted.
2. the Police Authority Policing Pledge Action Plan and Check List outlined in Appendix B, which is a series of checks to oversee the Policing Pledge development force-wide be agreed.
3. progress with the (separate) Force policing pledge action plan would be regularly reported to the Operational Policing Panel be agreed.
4. members would be nominated to act as leads for the four Basic Command Units in order to oversee the delivery of the Policing Pledge and the continuous delivery of neighbourhood policing services be agreed.
5. members would be nominated to sit – as required, to represent the Police Authority – on the local authority Crime and Disorder Oversight and Scrutiny Committees be agreed. Members also agreed that it would be the policy of Cleveland Police Authority that a member who was invited to sit on the Crime and Disorder Oversight and Scrutiny Committee should not be a member who sits on the relevant CDRP.

7(c)

It was noted that the following Members had been allocated to the above roles as follows:-

Area	BCU Lead	Scrutiny Committee
Stockton	Mr Mike McGrory JP	Miss Pam Andrews-Mawer
Hartlepool	Cllr Victor Tumilty	Cllr Steve Wallace
Redcar & Cleveland Middlesbrough	Cllr Dave McLuckie Cllr Barry Coppinger	Mr Ted Cox JP Cllr Ron Lowes

257 **MINUTES OF THE POLICE AUTHORITY EXECUTIVE HELD ON 30 SEPTEMBER 2009**

**ORDERED** that the minutes of the Police Authority Executive held on Wednesday 30 September 2009 were approved and signed by the Chair as a true and accurate record.

258 **MINUTES OF THE OPERATIONAL POLICING PANEL HELD ON 6 OCTOBER 2009**

**ORDERED** that the following minutes of the Operational Policing Panel held on 6 October 2009 were submitted and approved.

**OPERATIONAL POLICING PANEL**

A meeting of the Operational Policing Panel was held on Tuesday 6 October 2009 commencing at 5.00pm in the Members Conference Room at Police Headquarters.

**PRESENT** Councillor Barry Coppinger (Chair), Councillor Hazel Pearson OBE, Mr Aslam Hanif, Councillor Mary Lanigan Councillor Victor Tumilty, Miss Pam Andrews-Mawer, Mr Peter Race MBE (ex officio)

**OFFICIALS** Mr Joe McCarthy, Mr John Bage (CE)  
Mr Derk Bonnard and Miss Kate Rowntree (CC).

**ADDITIONAL ATTENDEES** Councillor Paul Kirton, Councillor Ron Lowes

259 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from, Councillor Dave McLuckie (ex officio), Councillor Steve Wallace (Vice Chair). Mr Chris Coombs, Mr Sean White and Mr Dave Pickard

260 **DECLARATIONS OF INTERESTS**



There were no declarations of interests.

261

## **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the outstanding recommendations be noted.

262

## **FORCE PERFORMANCE REPORT**

The Deputy Chief Constable presented the report to Members on Force performance to July 2009 and also verbally reported on Force performance to September 2009.

Members were informed that up to the end of September 2009 there had been reductions in crime in twelve of the thirteen crime category's. This had resulted in a reduction in overall crime by -13.4%, compared with the same period the year previous.

The Deputy Chief Constable informed Members that all four Basic Command Unit's (BCU's) had retained good grading regarding the BCU inspection criteria, and that the overall Sanction Detection Rate was currently 39.4% an increase of +1.7% on the same period last year.

The Chief Executive requested clarification regarding areas where crime could be improved. He informed Members that there was currently a projected financial underspend and sought the Deputy Chief Constable's comments on whether providing additional funding in specific areas would be beneficial.

The Deputy Chief Constable informed Members that consideration would be given to the offer from the Chief Executive with some positive aspects being actively considered in the areas of anti social behaviour.

**ORDERED** that:-

1. the performance be noted.

263

## **ANTI-SOCIAL BEHAVIOUR**

The Deputy Chief Constable informed Members that the purpose of the report was to provide commentary and a detailed overview of the current position in respect of anti-social behaviour.

Members were informed that currently there is debate nationally as to the number of actual incidents of anti-social behaviour, and to what level improved call handling and incident recording effect actual performance. An example of this was how quickly it had been identified that there was a correlation between the apparent rise in anti-social behaviour and the use of dedicated neighbourhood policing telephone numbers available to the public..

Members sought to clarify if there was any statistical information available regarding the ages of people perpetrating acts of anti-social behaviour.

The Deputy Chief Constable informed Members that two main age ranges had been identified and that strategies are in place to target such.

**ORDERED** that -

1. the performance be noted.

264

## **MINUTES OF THE HR & DIVERSITY PANEL HELD ON 8 OCTOBER 2009**

**ORDERED** that the following minutes of the HR & Diversity Panel held on 8 October 2009 were submitted and approved.

### **HUMAN RESOURCES AND DIVERSITY PANEL**

A meeting of the Human Resources and Diversity Panel was held on Thursday 8 October 2009 in the Members Conference Room at Police Headquarters.

**PRESENT:** Mr Aslam Hanif (Chair), Mr Ted Cox JP, Cllr Ron Lowes, Cllr Paul Kirton, Miss Pam Andrews-Mawer, Mr Peter Race MBE (ex officio).

**ADDITIONAL MEMBERS** Cllr Hazel Pearson OBE, Cllr Victor Tumilty, Mr Peter Hadfield.

**OFFICIALS:** Mr Norman Wright, Mr John Bage and Mrs C Hunter (CE)  
DCC Derek Bormard, Miss Kate Rowntree (CC).

265

### **APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Dave McLuckie (ex officio), Cllr Caroline Barker (Vice Chair) and Mr Chris Coombs.

266

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

267

### **MINUTES OF THE PREVIOUS MEETING HELD 7 AUGUST 2009**

The minutes of the previous meeting held on the 7 August 2009 were agreed as a true and accurate record.

268

### **FLEXIBLE RETIREMENTS – POLICE STAFF**

The Deputy Chief Constable presented a report to inform Members that the Force had received a request from a member of police support staff requesting that they be granted flexible retirement.

Members were informed that flexible retirements were introduced into the Local Government Pension Scheme in April 2006 as a discretionary provision which allowed employees, with the employer's consent, to reduce their hours or move to a lower graded position and withdraw the pension benefits already accrued.

Members sought clarification regarding the position of flexible and / or early retirements, and requested information on any other options available to

police support staff.

The Deputy Chief Constable informed Members that a paper will be brought to a future meeting of the Panel to inform on the guidance and options available to employees.

The Deputy Chief Constable requested that the Police Authority consider this application for flexible retirement.

**ORDERED that;**

1. the request for flexible retirement be refused.

269

**FORCE VETTING OFFICER**

Members were informed that to enable the effective operation of Cleveland Police, it is of fundamental importance that it's Officers and Police Staff act responsibly and honestly. This applies equally to other individuals, such as contractors and consultants, who are provided with access to the Force's sensitive information and facilities.

The ACPO Vetting Policy created an understanding of the principles of vetting and established uniformity in vetting procedures. The policy also recommended that procedures should be co-ordinated through a single point of contact.

Members were informed that there could be a reputational risk to the Force and the Authority if the correct vetting procedures are not adhered to.

Members sought clarification on the calculation of risks associated with considering such appointments and whether it was prudent in the current economic climate to do so.

The Deputy Chief Constable informed Members that there were a number of areas of risk associated with the management of sensitive information and facilities, and that these aspects had been considered before this request. Similarly, Members were informed that should such a request be agreed, then the Chief Constable would review the position in twelve months.

**ORDERED that;**

1. the report be noted.
2. the application for a Force Vetting Officer be agreed.
3. a review of the post of Force Vetting Officer, to be brought back to the Panel in twelve months, be agreed.

270

**SINGLE EQUALITY SCHEME**

The Strategy & Performance Manager informed Members on the scheduled 6-monthly update on the operation of CPA Single Equality Scheme, which was first accepted by the Police Authority Executive on 14<sup>th</sup> June 2007.

Members were informed that Cleveland Police Authority published an overarching Single Equality Scheme in 2007 that covered all six strands of

7(c)

diversity. The Scheme additionally covered statutory responsibilities under the Employment Equality (Religion or Belief) Regulations, the Employment Equality (Sexual Orientation) Regulations and the Employment Equality (Age) Regulations.

The Strategy & Performance Manager informed Members that the CPA Single Equality Scheme is progressing as expected, with action plan items being attended to and equality impact assessments being carried out, as required.

**ORDERED that;**

1. the updated Action Plan at Appx A to the report be agreed.
2. the information on access to Force services and buildings at Item 10 of Appx A, be noted.
3. the recent re-assessments of the equality impact assessments carried out by CPA staff at Appx C to the report be noted.
4. the regulatory requirement for all public sector organisations to review their disability and gender schemes after 3 years, be noted.

271

**MINUTES OF THE STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL HELD ON 16 OCTOBER 2009**

**ORDERED** that the following minutes of the Strategic Procurement & Major Projects Panel held on 16 October 2009 were submitted and approved.

**STRATEGIC PROCUREMENT & MAJOR PROJECTS PANEL**

**ACTION**

A meeting of the Strategic Procurement & Major Projects Panel was held on Friday 16 October 2009 in the Members Conference Room at Police Headquarters.

**PRESENT:** Miss Pam Andrews-Mawer (Chair), Mr Chris Coombs (Vice Chair), Mr Ted Cox JP, Mr Peter Hadfield, Cllr Mary Lanigan, Cllr Ron Lowes, Cllr Dave McLuckie, Cllr Hazel Pearson OBE and Mr Peter Race MBE.

**OFFICIALS:** Chief Constable, Deputy Chief Constable, Mrs Ann Hall, Superintendent Glenn Gudgeon, Inspector Heather Allen and Miss Kate Rowntree  
Mr Joe McCarthy CEO, Mrs Julie Leng and Mrs Jayne Hape (CE).  
Mr Rob Beattie.

**ADDITIONAL MEMBERS** Mr Aslam Hanif, Cllr Barry Coppinger and Cllr Victor Tumilty

272

**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Caroline Barker and Mr Mike McGrory JP.

273

**DECLARATIONS OF INTERESTS**

There were no declarations of interests.

274 **MINUTES OF THE LAST MEETING 7 AUGUST 2009**

The minutes of the meeting on 7 August 2009 were agreed as a true record, an amendment was made to the attendees as Mr Peter Hadfield was not present

275 **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act

276 **UPDATE ON PROJECT I**

On 7<sup>th</sup> August bidders were short-listed from four to three for the next stage of the process.

The 3 remaining Bidders each gave a presentation to Police Authority Members. A lively debate by Members ensued.

**ORDERED** that

1. A new short-list of 2 bidders for the next stage of the process be agreed at the next meeting on Monday 26 October 2009.

277 **MINUTES OF THE PROFESSIONAL STANDARDS PANEL HELD ON 30 OCTOBER 2009**

**ORDERED** that the following minutes of the Professional Standards Panel held on 30 October 2009 were submitted and approved.

**PROFESSIONAL STANDARDS PANEL**

**ACTION**

A meeting of the Professional Standards Panel was held on Friday 30 October 2009 in the Members Conference Room at Police Headquarters.

PRESENT: Mr Ted Cox JP (Chair), Cllr Mary Lanigan (Vice Chair), Mr Peter Hadfield, Mr Aslam Hanif, Mr Mike McGrory JP, Cllr Hazel Pearson OBE.

OFFICIALS: DCC Bonnard, Inspector Steve Gillson, Mrs Joanne Monkman, and Miss Kate Rowntree (CC)  
Mrs Jayne Harpe (CE)

ADDITIONAL MEMBERS Cllr Ron Lowes.

MEMBERS OF THE PUBLIC Mr Gerald Walsh and Mrs Gillian Siddle.

278 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Caroline Barker, Cllr Dave McLuckie, Mr Peter Race MBE and Supt Darren Best.

279

**DECLARATIONS OF INTERESTS**

There were no declarations of interests.

280

**MINUTES OF THE PREVIOUS MEETING 29 JULY 2009**

One amendment was made to the minutes of 29 July 2009 – The Deliberate Damage report was presented by the Deputy Chief Constable. The minutes were agreed as a true record.

281

**OUTSTANDING RECOMMENDATIONS**

The Grievance Procedure had been updated and re-written following the recent Employment Tribunal result and updates in legislation. This report would be submitted to this Panel following a 28 Day Consultation Phase.

Complaints Against Police – Diversity Issues - Members Briefing had been arranged for 10 November 2009. This item was discharged.

Deliberate Damage Report – Members agreed that the report would remain in the same format. This item was discharged.

282

**CIVIL CLAIM STATISTICS**

The Legal Advisor presented the Civil Claim Statistics for the period 1<sup>st</sup> April 2009 – 30<sup>th</sup> September 2009. The Panel was informed of the number and types of civil claims against the Force received during that period, the amount paid out for those claims finalised during the period and the amount recovered. The report also detailed a comparison between the Basic Command Units

The question was asked why Employer's Liability was so high in the Middlesbrough area. A written reply was given by the Deputy Chief Constable and the item added to Outstanding Recommendations for the next panel meeting in January 2010.

DCC

**ORDERED that**

1. Members noted the number of claims received remained the same as the number of claims received in the same period last year. Motor liability was the leading category.
2. There had been a 23.1% increase in the number of claims finalised when compared with the same period last year.
3. 28.85% of finalised cases during the period were successfully defended which was to be compared with 21.43% successfully defended during the same period last year.
4. The 37 cases settled during the period cost the Force £164,612. This was to be compared with the 33 cases settled during the same period last year at a cost of £190,479.
5. Middlesbrough remained the area with most claims.
6. The contents of the report be noted.

Whilst Legal Services had no control over the number of claims received, feedback was provided on a case by case basis to ensure assistance was given to Basic Command Units in managing risks.

283

## COMPLAINTS AGAINST POLICE

A representative from the Professional Standards Department presented the Complaints Against Police for the period 1<sup>st</sup> July 2009 to 30<sup>th</sup> September 2009. The Quarterly Progress Report on Complaint Issues for Cleveland Police for the period 1<sup>st</sup> July to 30<sup>th</sup> September 2009 was attached to the report.

There had been a 29% increase in the number of cases recorded during that period (100 to 129), with a 9% increase in the number of complaints (up from 183 to 199).

Complaints of "other neglect/failure in duty" and "Incivility" continued to outnumber those of "Assault" allegations, 42 and 47 complaints respectively, compared to 31 in the "Assault" categories.

38% (55) of completed complaints had been locally resolved. During that period 85.5% (47) of locally resolved complaints had been by District and 14.5% (8) by the Professional Standards Department.

A draft document was passed for discussion to Members which covered number 10 of the Policing Pledge – *"Acknowledge any dissatisfaction with the service you have received within 24 hours of reporting it to us. To help us fully resolve the matter, discuss with you how it will be handled, give you an opportunity to talk in person to someone about your concerns and agree with you what will be done about them and how quickly"*. The document would provide data to the Police Authority in January 2010 based on October 2009 to December 2009 data.

Head of  
Professional  
Standards Dept

208 letters of appreciation had been received. Members pointed out that this exceeded the number of complaints received.

### ORDERED that

1. The contents of the report be noted.

284

## DELIBERATE DAMAGE STATISTICS

The Deputy Chief Constable informed Members of the cost to the Force of deliberate damage by way of forced entry into premises for the period 1<sup>st</sup> July 2009 to 30<sup>th</sup> September 2009 and of the operational results achieved through such forced entry and other premises searches.

Members were informed that the Force had paid out £12,762 in compensation for acts of deliberate damage, this compared to £10,741 paid out in the same period during the previous year. Whilst 28824 searches were conducted, only 223 (7.9%) resulted in deliberate damage compared to 8.6% in the previous year. The value of property, cash and drugs seized totaled £571,947 and this compared to £610,916 seized during the same period in 2008.

Members agreed that the report should remain in the current format and the statistical data added value which could be used in documents circulated to

the public.

**ORDERED** that

1. The contents of the report be noted.
2. The operational benefits accruing to the Force in terms of property, drugs and cash seized, outweigh the cost of the damage claims be noted.
3. The report to remain in its current format.

285

**EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, excluding the press and public from the meeting under Paragraphs 1 and 7 of Part 1 of Schedule 12A to the Act

286

**CASES FROM THE COMPLAINTS REGISTER**

Members of the Complaints Panel were shown the cases from the Complaints Register which had previously been selected by the Panel Chair.

287

**MINUTES OF THE OPERATIONAL POLICING PANEL  
HELD ON 13 NOVEMBER 2009**

**ORDERED** that the following minutes of the Operational Policing Panel held on 13 November 2009 were submitted and approved.

**OPERATIONAL POLICING PANEL**

A meeting of the Operational Policing Panel was held on Friday 13 November 2009 commencing at 10.00am in the Members Conference Room at Police Headquarters.

PRESENT

Councillor Barry Coppinger (Chair), Councillor Steve Wallace (Vice Chair).  
Councillor Hazel Pearson OBE, Councillor Mary Lanigan, Councillor Victor Tumilty, Mr Chris Coombs, Mr Ted Cox JP

OFFICIALS

Mr Joe McCarthy, Mrs Sarah Wilson and Mr John Bage (CE)  
Mr Dave Pickard, Mr Sean White and Miss Kate Rowntree (CC).

ADDITIONAL  
ATTENDEES

Councillor Ron Lowes

288

**APOLOGIES FOR ABSENCE**

Apologies for absence were received from, Councillor Dave McLuckie (ex officio), Mr Aslam Hanif, Miss Pam Andrews-Mawer, Mr Peter Race MBE (ex officio).

289

**DECLARATIONS OF INTERESTS**

There were no declarations of interests.



290

**OUTSTANDING RECOMMENDATIONS****ORDERED** that:-

1. the outstanding recommendations be noted.

291

**FORCE PERFORMANCE REPORT**

The Assistant Chief Constable (Territorial) presented the report to Members on Force performance to September 2009.

Members were informed that progress against the Policing Plan Priority is monitored using the Priority Indicator Set. The Priority Indicator Set provided a suite of performance measures, which aimed to reflect outcome performance in relation to the local policing priority and the Chief Constable's vision of Putting People First.

The Assistant Chief Constable (Territorial) informed Members that for 2009-10, there were 18 performance measures within the Priority Indicator Set. Of these 11 were green, 2 were amber and 5 were red. The Force continued to improve public confidence and satisfaction, reduce crime significantly and increase detections, whilst improving the level of sickness absence amongst officers and staff.

**ORDERED** that:-

1. the performance be noted.

292

**END OF YEAR POLICE AUTHORITY CONSULTATION REPORT**

The Consultation & Performance Officer informed Members that the report presented the findings of consultation activities undertaken by Cleveland Police Authority from October 2008 to September 2009.

Members were informed that the newly created joint Force and Authority Neighbourhood Survey was implemented in 2009, replacing the Force Quality of Life Survey and the Police Authority's precept leaflet and policing plan summary surveys. An initial postal survey was conducted in April 2009, but following new national guidance the Force and Authority were now in the process of moving to a telephone methodology.

The Consultation & Performance Officer informed Members that once the telephone survey was embedded the Authority will be conducting additional qualitative consultation focusing on groups who were under-represented in the Neighbourhood Survey and specific issues raised through the survey.

**ORDERED** that:-

1. cognisance of the Police Authority's consultation findings at Appendix 1 to the report, be taken, with a view to using the results, along with the Force strategic assessments and the Home Secretary's national policing priorities, to assist in setting the local policing priorities for 2010 – 2011 be noted.

293

**2010 – 2013 LOCAL POLICING PLAN**

## 7(c)

The Assistant Chief Constable (Territorial) informed Members that the report had been prepared to update Members concerning the proposed policing priorities for 2010/11 and the schedule for the production of the 2010/13 Local Policing Plan (LPP).

Members were informed that the Local Policing Plan sets out the policing priorities of the Authority and Force and translates those broad priorities into practical and tangible plans that will incrementally deliver Putting People First.

Members sought clarification on the policing priorities for each neighbourhood area and whether they were included in the Plan. The Assistant Chief Constable (Territorial) informed Members that neighbourhood priorities were included in the Policing Plan.

**ORDERED** that -

1. the following policing priorities be approved;
  - Deliver citizen focused policing to all our neighbourhoods
  - Reduce crime, antisocial behaviour and protect neighbourhoods
  - Reduce the harm caused by drugs and alcohol
  - Ensure efficient and effective use of our people and the public's money.

294

## **STOP & SEARCH STATISTICS**

The Assistant Chief Constable (Territorial) presented Members with the latest statistics on stop and search by ethnicity and the reason for stop and search. Members were informed that the report covered the period April to September 2009.

The Cleveland Police policy on stop and search was agreed in December 2007 setting out the responsibilities of officers and staff in relation to stop and search powers. This policy will be the subject of annual review.

Members were informed that during the period April to September 2009 the Force carried out 6970 stop and searches, of which 96.4% were white and 2.4% were of a visible minority ethnic origin. Of those stopped and subsequently arrested, 96.4% were white and 2.7% were of VME origin.

Members sought clarification on whether Prolific & Priority Offenders (PPO) were stopped more than the general public. The Assistant Chief Constable (Territorial) confirmed to Members that PPO are targeted for 'stop and search'

**ORDERED** that -

1. the contents of the report be noted.

295

## **HATE CRIME**

The Assistant Chief Constable (Crime Operations) presented to Members an overview of current response to incidents of Hate Crime.

Members were informed of the definitions for Hate Crime and Hate

Incidents. The Assistant Chief Constable (Crime Operations) informed Members that these descriptions absorb the definitions of racist, religiously aggravated, faith, age, sexual orientation, disability, and transphobic incidents, and any other hate crime.

Hate crime and incidents were key concerns and a continuing focus needs to be maintained. The response to such a problem called for improved confidence in communicating with the Police and improved initial police intervention together with longer-term solutions involving partners.

Members sought clarification regarding the lack of statistical information on Hate Crime committed on persons with a disability.

The Assistant Chief Constable (Crime Operations) informed Members that this would be looked into and discussions would be taken into consideration to consult with Disability Groups.

**ORDERED** that -

1. the contents of this report be noted.

296

## **MINUTES OF THE POLICY & RESOURCES PANEL HELD ON 24 NOVEMBER 2009**

**ORDERED** that the following minutes of the Policy & Resources Panel held on 24 November 2009 were submitted and approved.

### **POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources Panel was held on Thursday 24 November 2009 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

PRESENT

Mr Aslam Hanif (Chair), Councillor Hazel Pearson OBE (Vice Chair), Councillor Victor Tumilty, Mr Chris Coombs.

OFFICIALS

Mr Norman Wright, Mr John Bage, Mr Paul Kirkham and Mrs Claire Hunter (CE)  
Mr Sean Price, Mr Derek Bonnard, Mrs Ann Hall, and Miss Kate Rowntree (CC)

ADDITIONAL  
MEMBERS

Councillor Ron Lowes

297

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from, Councillor Dave McLuckie (ex officio), Councillor Barry Coppinger, Mr Ted Cox JP, Mr Peter Race (ex officio).

298

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

299

## **MINUTES OF THE POLICY & RESOURCES / CORPORATE**

**Action**

**DEVELOPMENT PANEL HELD ON 10 SEPTEMBER 2009**

The minutes were agreed as a true and accurate record.

300 **MINUTES OF THE HUMAN RESOURCES AND DIVERSITY PANEL  
HELD ON 8 OCTOBER 2009**

The minutes were agreed as a true and accurate record.

301 **OUTSTANDING RECOMENDATIONS**

**ORDERED** that -

1. the Outstanding Recommendations be noted.

302 **PANEL STRUCTURE & OUTLINE SCHEDULE OF REPORTS**

The Strategy & Performance Manager informed Members of the proposed changes to the police authority's panel structure together with a proposed outline schedule of reports.

Members were informed that the panel structure had been reviewed by the Chair, Vice Chair, Chief Executive and Deputy Chief Executive in light of the developing business plan, the policy to minimise bureaucracy and the general test of fitness for purpose.

**ORDERED** that -

1. the HR and Diversity Panel be amalgamated with the Policy and Resources/Corporate Development Panel, with the new Terms of Reference (at Appendix A to the report), be agreed.
2. the Strategic Procurement and Major Projects Panel being disbanded and the ongoing work be taken through the Police Authority Executive, be agreed.
3. the Outline Schedule of Reports (at Appendix B to the report) be agreed.

303 **BUDGET MONITORING REPORT TO 30 SEPTEMBER 2009**

The Assistant Chief Officer Finance and Commissioning presented the report. Members had approved a Net Budget Requirement (NBR) of £128,790k and budgeted revenue expenditure of £146,911k, the balance of expenditure being funded by specific grants, other income and transfers from reserves. The report set out the progress against delivery of that budget and was part of the process introduced by the Authority to maintain prudent financial management.

Members HAD approved, at their meeting on the 10<sup>th</sup> September 2009, a revised expenditure plan for 2009-10. This plan reduced the contribution from the General Fund by £625k whilst maintaining the same service level. Members also approved that the expenditure plan for 2009/10 be further reviewed and proposals for creating additional in year savings be brought forward to a future meeting. The aim of which will be to provide further reductions in the amount needed to support the 2009-10 budget which will

in turn provide more options in developing the 2010-14 LTFP.'

Members sought clarification on the recent reduction in Police Community Support Officers (PCSOs) and queried future working arrangements. The Deputy Chief Constable informed Members that the Executive were aware of the current reduction of PCSOs and that this was down to natural wastage. Members were informed that recruitment is planned throughout the year to combat such variances.

The Assistant Chief Officer Finance and Commissioning informed Members that the position to date and the year-end forecast were available for inspection at Appendix A to the report. No material risks, other than those set out in the Risk Monitor at Appendix D to the report, had been identified to the delivery of a break-even position for 2009/10. Some pressures were expected to emerge during the year but they will be robustly managed and absorbed within the revised budget.

**ORDERED** that-

1. the contents of the report be noted.
2. the expenditure plan for 2009/10 be reviewed in line with the proposals detailed in para. 3.4 of the report, be agreed.
3. the reduced transfer from General Reserves of £1,275k to support the 2009/10 budget, as approved by Members on the 10<sup>th</sup> September 2009, is reduced by a further £350k to £925k as a result of the proposals detailed in para. 3.4 to the report, be agreed.

304

**CAPITAL MONITORING REPORT TO 30 SEPTEMBER 2009**

The Assistant Chief Officer Finance and Commissioning presented the progress against the delivery of the Capital Programme for 2009/10 and the Capital Plan for 2009/13 which Members had approved at their meeting on 26 February 2009.

Members approved a capital programme totalling £9,806k at their meeting on 26<sup>th</sup> February 2009. This included new capital schemes, schemes carried forward from 2008/09 and unallocated funding. Since the original programme was agreed, a number of changes had been identified. These were detailed at Appendix B to the report.

**ORDERED** that-

1. the report be noted.
2. the £7.4k from the ICT capital budget in relation to the E-forms project being put back into the overall 2009/10 programme be approved.
3. the addition of the following schemes to the Programme, be approved:
 

▪ Promat ID	£46k
▪ Highways Agency Interface	£26k

4. under delegated authority, the Replacement Horse Walker at a cost of £9k be approved.

305

#### **TREASURY MANAGEMENT REPORT TO 30 SEPTEMBER 2009**

The Assistant Chief Officer Finance and Commissioning presented the report to Members.

Members agreed an investment strategy for 2009/10 at their meeting on 26<sup>th</sup> February 2009. At that meeting Members resolved to continue to delegate authority to amend the approved List of Counterparties and the investment limits with institutions, to the Chief Executive in consultation with the Deputy Section 151 Officer. The delegated authority was initially to be withdrawn at 30th September 2009 but Members agreed at their Meeting on the 10th September to extend this authority until the 31st March 2010

The report updated Members on the status of the Authority's investments and borrowing. This was part of the process introduced by the Authority to maintain prudent financial management.

#### **ORDERED** that -

1. the contents of the report be noted.

306

#### **THE MANAGEMENT OF TIME OFF IN LIEU / REST DAYS OWED**

The Deputy Chief Constable updated Members on work being undertaken by the Force to reduce levels of time off in lieu (TOIL) and rest days owed.

Members were informed that previous reports to Members of the Police Authority had highlighted the approach taken by the Force in reducing the commitment in TOIL and rest days owed. This had been prompted by concerns that changes to the International Financial Recording Standards (IFRS) may mean that a financial liability had been incurred as a consequence of retaining large amounts of time off held by members of the Force as a consequence of working additional duty.

The Deputy Chief Constable informed Members that the Operational Performance Team (OPT) had to date conducted three audits to determine the level of exposure to this liability. These audits were undertaken in August 2008, March 2009 and September 2009. An annual reduction of 9.3% had been achieved to date, this equated to approximately 8,500 hours with average reductions in the last 6 months of approximately 1,000 hours per month.

Members sought clarification on whether a target had been set for TOIL for 2010-11 and additionally if shift patterns were to be looked at with a view to changing such.

The Deputy Chief Constable informed Members that a review was being taken and a target will be set after March 2010, however it was unlikely that shift patterns would be altered.

#### **ORDERED** that -

1. the contents of the report be noted.

307

**PROCUREMENT REPORT ON THE PROVISION OF GAS**

The Assistant Chief Officer Finance and Commissioning informed Members that the report is intended to provide Members with a summation of the current gas market, and also a summary of the contractual options available to the Authority on expiry of the current North East Procurement Organisation (NEPO) gas agreement.

It was reported to the Authority in February 2009, that the Force currently purchases its gas and electricity supplies through a CPB (Central Purchasing Body) called NEPO. NEPO manages a flexible framework agreement for gas and electricity supplies on behalf of approximately twenty six local authorities within the North East region.

Members were reminded that during February 2009, Members approved the Force entering into a new 5 year electricity agreement from April 2009 with NEPO plus an extension of the current NEPO gas agreement to 31<sup>st</sup> March 2011. The award of a new contract, approximately 12 months before expiry of the existing agreement, allowed for forward purchasing of energy and continuation of supplies, it also enabled best practice risk management in a very complex and volatile market. As a result, the Procurement Dept. had concluded an options appraisal, detailing potential opportunities available to the Authority regarding the future provision of gas supplies.

**ORDERED** that -

1. a new agreement with NEPO for gas supplies from 31<sup>st</sup> March 2011 onwards be approved.

308

**PROCUREMENT REPORT ON THE PROVISION OF OCCUPATIONAL HEALTH SERVICES**

The Assistant Chief Officer Finance and Commissioning informed Members that the report was to provide a summation of the procurement exercise carried out to consider the award of a contract for the provision of Occupational Health Services.

Members were informed that in 2007 a contract was awarded, after going out to tender, for the provision of Occupational Health Services, which included the services of a professional consultant and physician. The term of the contract was 3 years with a contract end date of 28<sup>th</sup> February 2010.

The new tender process had been completed in line with EU Legislation and Contract Standing Orders using the E-Tendering system. The tender submission had fully met the specification required by Cleveland Police. The Evaluation Team were confident that the procurement process had achieved Best Value.

**ORDERED** that -

1. the procurement method used be noted.
2. the recommendation put forward by the Evaluation Team be approved.
3. the details submitted by Tenderer 1 as the Most Economically Advantageous Tender be agreed.

309

**CLEVELAND AIR OPERATIONS UNIT CONTRACT**

Members were informed that in January 2011, Cleveland Police is scheduled to take ownership of a new EC135 P2 Helicopter. To ensure a continued efficient and effective service of Cleveland Air Operations, a number of contracts must be awarded prior to receipt of the new helicopter. These include a decision on the options for the Engine and Airframe support agreements

The Assistant Chief Officer Finance and Commissioning informed Members that the existing Power by the Hour contract is more than 10 years old and covers both engine and airframe components. This agreement will terminate on disposal of the existing helicopter. The industry has changed the way it offers these support agreements to customers, which had resulted in two separate agreements, a Term Cost Agreement for engines only and Support by the hour (SBH) for the airframe

The Procurement Department in partnership with Specialist Operations & Communications had investigated the options available to Cleveland Police Authority in relation to the Term Cost Agreement and Support by the Hour contract as outlined below.

**ORDERED** that:-

1. Option 3 – to participate in the collaborative agreement for Engine Support only via a Term Cost Agreement with Eurocopter UK be approved.
2. the setting up of an account to hold funds for replacement parts of the airframe be approved.
3. the increase in budget of £565, which can be contained within the long term financial plan be approved.

310

**POLICE AUTHORITY SERVICE IMPROVEMENT PLAN**

The Strategy & Performance Manager informed Members that the purpose of the report was to request Members to consider to update the police authority service improvement plan 2009 – 2012 at Appx A to the report and to propose that this be subsumed within the developing police authority business plan.

Members approved the first Police Authority service improvement plan in 2006. Since then the plan had undergone 6-monthly updates which are reported to the panel for approval.

Most of the items included in the service improvement plan are also being developed within the new draft business plan. The business plan will incorporate proposals for service improvements that emanate from business reviews, audits and inspections.

**ORDERED** that:-

1. the 8 service improvement areas and key deliverables included within section 3 of the service improvement plan 2009-12 at Appx A to the report be noted.



2. the service improvement plan be incorporated within the developing police authority business plan be agreed.

311

### **CLEVELAND POLICE AUTHORITY DRAFT BUSINESS PLAN 2010 / 2011 – 2012/2013**

The Executive Accountant informed Members that the purpose of the report was to seek Members approval to the draft Business Plan 2010/2011 - 2012/2013 for the purposes of consultation and feedback with key stakeholders

As part of the process of developing the conceptual framework of corporate governance of the Authority, the development of a business plan is a natural progression from the service improvement plan established in 2006.

The earlier service improvement planning process provided members with assurance that the recommendations of audits, inspections and reviews were being progressed in a systematic and timely manner. The vehicle for ensuring that this process continues is now the business plan.

**ORDERED** that-

1. the Draft Business Plan 2010/ 2011 - 2012/2013 for the purpose of consultation be agreed.
2. the Draft Business Plan 2010/ 2011 - 2012/2013 be made available to key stakeholders for comment be agreed.

312

### **USE OF RESOURCES**

The Chair requested that Members consider this agenda item to be moved to the next meeting of the Police Authority Executive, to be held on 10 December 2009.

**ORDERED** that-

1. this agenda item be moved to the Police Authority Executive meeting, to be held on 10 December 2009, be agreed.

313

### **FLEXIBLE RETIREMENTS**

The Deputy Chief Constable informed Members that the Force had received a request from a member of staff who wished to reduce her working hours to 18.5 hours per week on a job-share basis. The Police Authority in June 2008 agreed to delegate to the Chief Constable, any future decisions relating to Flexible Retirement requests which may have associated financial cost implications up to the value of £1,000 per case.

Members were informed that Flexible Retirement was introduced into the Local Government Pension Scheme in April 2006 as a discretionary provision which allows employees, with the employer's consent, to reduce their hours or move to a lower graded position and withdraw the pension benefits already accrued. Employees can also continue to pay into the LGPS under flexible retirement in order to accrue further benefits.

The Deputy Chief Constable requested that the Police Authority consider this

7(c)

application for flexible retirement, however due to the costs associated with it, the application is not supported by the Force.

Members sought clarification whether or not a reduction in pension would be taken into consideration and whether the effects of the increase in the minimum pension retirement age to 55, from April 2010, is likely to increase the demand from staff for flexible retirement provision.

The Deputy Chief Constable informed Members that the Force were currently reviewing the situation and would report back to Members in the near future.

**Dep. Chief  
Constable**

**ORDERED** that -

1. the request not be approved.

314

## **WORKFORCE DEVELOPMENT PLAN**

The Deputy Chief Constable informed Members that the areas contained within the report for consideration were, a recruitment plan update, the promotion and development plan, the costed training plan and the Force leadership and development plan.

Members were informed that the report provided important information regarding the Force Workforce Plan carried out by the Force in quarter 2 of 2009/10 and projected financial outturns on appropriate budgets.

Members informed that their requirements would be for a forward looking 3 to 5 year Workforce Plan that would be linked to a Long Term Financial Plan and sought clarification as to how this would be delivered by the Force.

The Deputy Chief Constable informed Members that the Force supported such forward planning and that the first element of this proposal covering a 12 month period will be brought to a Members briefing.

**ORDERED** that -

1. the contents of the report be noted.

315

## **OPERATION OF THE SINGLE EQUALITY SCHEME**

The Deputy Chief Constable informed Members that the report provided an overview on work undertaken by Cleveland Police in the area of equality and diversity and how Cleveland Police is preparing for the adoption of the Equality Standard for the Police Service.

Members were informed that there is a legal requirement for Cleveland Police to produce equality schemes covering race, disability and gender and demonstrate how it intends to fulfill the requirements of the general and specific duties pertaining to such. The scheme included an action plan and corporate guidance/pro-forma in respect of statutory equality impact assessment work.

In February 2009 Cleveland Police were accepted as a pilot site for the Equality Standards for the Police Service (ESPS). In partnership with National Policing Improvement Agency (NPIA), the Force had undertaken a

7(c)

field testing programme and a comprehensive benchmarking exercise against the ESPS criteria.

Members were informed that as a consequence the ESPS had been incorporated into existing action plans and structures. The purpose of the ESPS is to ensure that each Force fully integrates equality and diversity into its policy making, service delivery, employment practices and community engagement activity and that equality and diversity develops into mainstream business

The Police Authority's HR Advisor requested that it would be appropriate for Members to be briefed on the results of the Action Plan outcomes. The Deputy Chief Constable informed Members that a briefing was to be arranged to fulfill this requirement.

**Dep. Chief Constable.**

Members sought further information on what research was carried out to enable the Force to fulfill its obligations in these matters and further to give additional information on the area of Equality Impact Assessments (EIA), what their impact would involve and who would be responsible for carrying out such.

The Deputy Chief Constable informed Members that all such enquiries would be dealt with at the proposed future briefing.

The Cleveland Police Single Equality Scheme and Equality Standard work are progressing as expected, with action plan items being attended to and a comprehensive programme of EIA work due to commence in late November 2009.

**ORDERED** that -

1. the content of the report be noted.

316

## **MINUTES OF THE AUDIT & INTERNAL CONTROL PANEL HELD ON 26 NOVEMBER 2009**

**ORDERED** that the following minutes of the Audit & Internal Control Panel held on 26 November 2009 were submitted and approved.

### **AUDIT AND INTERNAL CONTROL PANEL**

### **ACTION**

A meeting of the Audit and Internal Control Panel was held on Thursday 26 November 2009 commencing at 10.00 am in the Members Conference Room, Police Headquarters.

PRESENT	Mr Mike McGroarty JP (Chair), Councillor Ron Lowes, Mr Chris Coombs, Councillor Caroline Barker, Councillor Victor Tumilty,
OFFICIALS	Mr Paul Kirkham, Mr John Bage and Mr Norman Wright (CE). Mrs Ann Hall, Mr Derek Bonnard, Miss Kate Rowntree (CC).
AUDITORS	Mr Ian Wallace (RSM Bentley Jennison), Ms Catherine Andrew (Audit

Commission)

317 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Peter Race MBE (ex officio), Mr Peter Hadfield (Vice Chair), Councillor Steve Wallace, Councillor Barry Coppinger, Councillor Hazel Pearson OBE, Mr Ted Cox JP.

318 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

319 **MINUTES OF THE PREVIOUS MEETING HELD 3 SEPTEMBER 2009**

The minutes were agreed as a true and accurate record.

320 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that-

1. the Outstanding Recommendations were noted.

321 **AUDIT COMMISSION FRAUD INITIATIVE**

Members were informed that the Audit Commission had published its report on key fraud risks for Police, local authorities and related bodies in September 2009, which was an overview of the threats of fraud facing such bodies. It called upon authorities to urgently review and re-assess their counter-fraud plans and to ensure that staff understood, and had faith in, whistle-blowing arrangements.

The Assistant Chief Officer Finance + Commissioning informed Members that although the report had a main focus on fraud associated with social housing, tenancy and council tax discounts, it also covered areas of particular interest to the Force and Authority; namely fraud associated with procurement, recruitment, abuse of position and insurance claims against the police.

The Chair requested information as to when the piece of work would be carried out.

The Executive Accountant informed Members that the work should be completed before the end of 2009.

**ORDERED** that-

1. a review of the current counter-fraud plans in line with the relevant recommendations in the Audit Commission's report at para 3.4 to the report be agreed.
2. the relevant questions in the Audit Commission's counter-fraud

*Checklist for those responsible for governance* at Appx A to the report, be completed as part of this review be agreed.

322

## **2008 / 2009 SELF ASSESSMENT ACTION PLAN PROGRESS**

The Executive Accountant informed Members that the Action Plan arising from the Panel's self assessment in October and November 2008 was approved at their meeting of the 26<sup>th</sup> November 2008, the progress of which to date is at the Appx to the report.

Members were informed that following an analysis of the self assessment questionnaires completed by all of the members of the panel, an Action Plan intended to address areas for improvement had been developed.

The Executive Accountant informed Members that the self assessment process had proved to be useful to Members and Officers alike in developing the role and effectiveness of the Panel.

### **ORDERED** that -

1. the progress against the approved Action Plan be noted.

323

## **ANNUAL GOVERNANCE STATEMENT**

The Executive Accountant informed members that Authorities, including Police Authorities, were required to prepare an Annual Governance Statement. Though the statement was published within the Annual Statement of Accounts, Members were informed that it should be considered and agreed as a separate document as it referred to all corporate controls and not confined to financial issues. Guidance from CIPFA envisages that the statement was reviewed by a Member group during the year. The Audit and Internal Control panel had been tasked with this role in the light of its other remits

Members were informed that the Annual Governance Statement process was to provide a continuous review of the effectiveness of an organisation's governance arrangements including internal control and risk management systems. This was intended to give assurance on their effectiveness or otherwise leading to an action plan to address identified weaknesses.

The Executive Accountant informed Members that at Table 2 to the report, it laid down the timetable to which the Panel would carry out its responsibilities to the Police Authority Executive to formalize assurances on its behalf.

324

## **PROGRESS AGAINST THE AUDIT PLAN REPORT**

The Audit Commission informed Members that the report provided a summary of the completion of the 2008/09 audit programme and also updated Members on 2009/10 audit programme to date.

Members were informed that the Audit Commission had completed the agreed work from the plan:

- Pre statements opinion work, including the Commissions three year review of internal audit.
- The audit of the financial statements, the Commission gave an unqualified opinion on the accounts on 30 September 2009;
- Use of resources work scores were confirmed to the Authority on 14 September 2009. The Authority chose to request a review of the scores and this request was accepted by the Audit Commission. The review did not result in any change to the scores.

The Executive Accountant referred Members to para's 20 – 21 of the report, which commented on the proposed Police Authority Inspections. Members were informed that these areas of information will be included in the Police Authority's Business Plan Report by March 2010.

**ORDERED** that:-

1. the report be noted.

325

### **CLEVELAND POLICE AUTHORITY PROGRESS REPORT**

The Internal Auditor informed Members that the periodic internal audit plan for 2009/10 was approved by the Audit + Internal Control Panel on 28 May 2009. The report presented at this meeting summarised the outcome of work completed to date against that plan, and Appendix A to the report provided cumulative data in support of internal audit performance.

The Internal Auditor informed Members that there were no issues arising from their work for the year to date that would have a negative impact upon their opinion for 2009/10.

**ORDERED** that:-

1. the report be noted.

326

### **POLICE AUTHORITY RISK MANAGEMENT ARRANGEMENTS**

The Strategy & Performance Manager presented a report to update Members on the development of the Police Authority Joint Risk Management Group arrangements, including an update of the CPA Risk Register and Action Plan.

Members were informed that the 2007 CIPFA/APA guidance for Police Authorities "Delivering Good Governance in Local Government Framework" recommended that an effective risk management system be put in place and that decisions be subject to effective scrutiny and the management of risk. It further recommended that the Authority should ensure that risk management was embedded into the culture of the organization, with Members and managers at all levels recognising that risk management was part of their job.

The Deputy Chief Constable sought approval to attend such future meetings of the Joint Risk Management Group.

**ORDERED that -**

1. the terms of reference for the Joint Risk Management Group at Appendix A to the report be agreed.
2. the revised CPA Risk Register management process as outlined in Appendix B to the report be agreed.
3. the revised CPA Risk Register and Action Plan at Appendix C to the report be agreed.
4. the CPA Risk Register will be maintained within the *4Risk* software be agreed.
5. the Deputy Chief Constable to attend all future meetings as a full member of the group.

327

**EXCLUSION OF THE PRESS AND PUBLIC****ORDERED that :**

1. pursuant to the local Government Act 1972, the press and public be excluded from the meeting under Paragraph 3 of Part 1 of Schedule 12A to the Act.

328

**KEY FINANCIAL CONTROLS**

The Internal Auditor informed members that an audit of Key Financial Controls and the Central Business Unit Petty Cash had been undertaken as part of the approved internal audit periodic plan for 2009/10.

Members sought clarity on a number of areas pertaining to petty cash. The Internal Auditor satisfied their queries.

Members were informed that taking account of the issues identified, in their opinion the Authority could take substantial assurance that the controls upon which the organisation relied to manage this area, as currently laid down and operated, were effective.

**ORDERED that -**

1. the report be noted.

329

**CORPORATE GOVERNANCE – COMPLIANCE WITH THE CODE OF GOVERNANCE**

The Internal Auditor informed Members that an audit of Corporate Governance – Compliance with the Code of Governance had been undertaken as part of the approved internal audit periodic plan for 2009/10. Cleveland Police Authority had adopted a formal code of corporate governance in line with the Chartered Institute of Public Finance and Accounting/Association of Police Authorities' guidance notes for Police Authorities 2007, "Delivering Good Governance in Local Government".

Members were informed that Corporate Governance is the term used to describe the systems and processes that organisations have in place for managing both their own internal affairs and relationships with their communities. The Police Authority had a responsibility to maintain an efficient and effective police service for Cleveland and to obtain local views and opinion by consulting widely with all sections of the community.

The Internal Auditor informed Members that taking account of the issues identified, in their opinion the Authority could take substantial assurance that the controls upon which the organisation relied to manage this risk, as currently laid down and operated, were effective.

**ORDERED** that:-

1. the report be noted.

330

### **CONTRACT STANDING ORDER NO. 9 – EXEMPTION FROM THE NORMAL REQUIREMENT TO TENDER (JULY TO SEPTEMBER 2009)**

The Assistant Chief Officer Finance & Commissioning informed Members that Standing Orders paragraph 4.3c stated that "Every authorised exemption shall be reported to the Authority via the appropriate Panel, and shall be recorded in the minutes of the Authority." The report covered exemption requests for the period July to September 2009.

Members were informed that in compliance with Contract Standing Orders it had been the practice to report quarterly, every circumstance where it appeared that the normal requirement to tender had not been followed.

Members considered each exemption, as detailed in Appendix A to the report and questions were raised and discussed to the satisfaction of the Panel.

**ORDERED** that:-

1. the exemptions in Appendix A of this report which satisfy the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 9 be noted.

331

### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that :

1. pursuant to the local Government Act 1972, the press and public be excluded from the meeting under Paragraph 7 of Part 1 of Schedule 12A to the Act.

332

### **VETTING**

The Internal Auditor informed Members that an audit of Vetting had been undertaken as part of the approved internal audit periodic plan for 2008/09.

Members were informed that in March 2009 the Force Operational Performance Team undertook a 'Review of Force Vetting Arrangements'. An



7(c)

Action Plan had been produced as a result of the recommendations made from that review. The majority of the recommendations relate to the appointment of a Force Vetting Officer. As such a Business Case had been prepared for the recruitment of a Force Vetting Officer,

The Deputy Chief Constable informed Members that the Police Authority Executive had recently approved the appointment of a Force Vetting Officer.

The Chair sought clarity over whether the Internal Auditors had sufficient vetting capability to carry out their functions.

The Deputy Chief Constable confirmed that the Internal Auditors were sufficiently vetted to enable them to discharge their duties.

The Internal Auditor informed Members that taking account of the issues identified, in their opinion the Authority could take adequate assurance that the controls upon which the organisation relied to manage this area of Audit, as currently laid down and operated, were effective.

**ORDERED** that -

1. the report be noted.

333

#### **DIGITAL IMAGING SERVICES REPORT**

The Deputy Chief Constable tabled and spoke to a paper in which he sought to update Members on recent issues surrounding the operational running of the Force Digital Imaging Services.

Members sought clarification and assurance regarding a number of issues pertaining to the report. This was given by the Deputy Chief Constable.

**ORDERED** that -

1. the report be noted.

334

#### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, the press and public be excluded from the meeting under Paragraph 7 of Part 1 of Schedule 12A to the Act.

335

#### **FIREARMS & ROAD POLICING UNIT – OPTIONS FOR JOINT WORKING**

The Assistant Chief Constable presented the report which sought agreement from the Cleveland and Durham Police Authorities as to the way forward for collaborative arrangements to deliver the police firearms and roads policing services required by the communities of both forces.

7(c)

The Cleveland and Durham Joint Firearms Project had reached a stage where firm proposals for joint working had been put forward, via the Chief Officers and Chairs of Police Authorities, for consideration of the two Police Authorities.

The proposals were contained in full in the attached Options Paper, and the preliminary view of the joint Chief and Chairs were set out in the report.

Home Office fund for the Project had now ceased and further support may not be forthcoming.

Decisions are now necessary on the direction of future collaboration work, in line with the following recommendations.

**ORDERED** that the recommendations detailed within the report be agreed.



# CLEVELAND FIRE AUTHORITY

## MINUTES OF ORDINARY MEETING HELD ON FRIDAY, 27 NOVEMBER 2009

### PRESENT:

### CHAIRMAN:

Councillor Porley – Middlesbrough Council

### HARTLEPOOL BOROUGH COUNCIL:

Councillors Brash, Flintoff, Lilley, Payne

### MIDDLESBROUGH COUNCIL:-

Councillors Brunton, Clark, McTigue, Rogers, Thompson

### REDCAR AND CLEVELAND BOROUGH COUNCIL:-

Councillors Abbott, Briggs, Cooney, Dunning, Forster, Ovens

### STOCKTON ON TEES BOROUGH COUNCIL:-

Councillors O'Donnell, Patterson, Salt, Stoker, Woodhead

### PROPER OFFICERS:-

Legal Adviser, Treasurer

### FIRE BRIGADE OFFICERS:-

Chief Fire Officer, Director of Corporate Services, Director of Community Protection

### APOLOGIES FOR ABSENCE:

Councillors Beall, Cherrett (Stockton on Tees)

The Chairman welcomed Councillor Glynis Abbott from Redcar and Cleveland Borough Council and Councillor Ross Patterson from Stockton on Tees Borough Council to Cleveland Fire Authority.

### 101. DECLARATIONS OF MEMBERS INTEREST

It was noted that no declarations of interest were submitted to the meeting.

### 102. MINUTES

**RESOLVED - that the Minutes of the Cleveland Fire Authority Meeting held on the 25 September 2009 be confirmed.**

### 103. MINUTES OF COMMITTEES

**RESOLVED - that the Minutes of the Executive Committee held on 13 November 2009, Policy Committee held on 13 November 2009 and the Tender Committee meetings held on 21 September 2009 and 30 October be confirmed.**

### 104. TO RECEIVE COMMUNICATIONS RECEIVED BY THE CHAIRMAN

The Chairman informed Members that the following communications had been received since the last meeting:

- Dr Ashok Kumar MP for Middlesbrough South & East Cleveland regarding concerns over the FireControl Project
- Shahid Malik MP, Parliamentary Under Secretary Of State regarding the New Dimension Transfer Of Assets
- Thomas Healy, Fire Chief, Daisy Mountain Fire District regarding an invitation to the CFO to join Baggers

**RESOLVED – that the communications be noted.**

**105. REPORTS OF THE CHIEF FIRE OFFICER**

**105.1 Integrated Risk Management Plan 2008/11 – Adoption of the Emergency Response Strategy (Concept of Operations) to the Management of Incidents in Industrial Complexes – Results of the Consultation**

The Chief Fire Officer summarised the Policy Committee's recommendations regarding the results of the consultation in relation to the Authority's Integrated Risk Management Plan (IRMP) 2008/11 proposals, namely:

- the adoption of a specific risk based Emergency Response Strategy (Concept of Operations) to the management of incidents in Industrial Complexes, including the response standards
- the removal of one pumping appliance from Billingham Fire Station in order to achieve the most efficient and effective Fire and Rescue Service operations (subject to the Concept of Operations being approved)

The consultation process was discussed and Councillors Stoker and O'Donnell confirmed that a number of consultation meetings had taken place in Billingham and that although residents had concerns regarding the removal of the appliance from Billingham, they accepted the assurances of the Officers present.

Members agreed to ratify the recommendations of the Policy Committee held on 13 November 2009.

**RESOLVED: –**

- (i) that the results of the consultation as outlined in the report presented to the Policy Committee on 13 November 2009 be noted.**
- (ii) that a specific risk based Emergency Response Strategy (Concept of Operations) to the management of incidents in Industrial Complexes, including the response standards be adopted.**
- (iii) that one pumping appliance from Billingham Fire Station be removed in order to achieve the most efficient and effective Fire and Rescue Service operations.**

**105.2 Fire Service Circular 59/2009 – Transfer of Ownership of New Dimension Assets**

The Chief Fire Officer detailed the proposals and arrangements relating to the future ownership of the New Dimension assets and the 'Transfer of Function' appertaining to the New Dimension services and the implications arising thereof for Cleveland Fire Authority.

The Chief Fire Officer confirmed that the Assets apportioned to Cleveland Fire Authority are:

- 2 x Prime mover
- 1 x Incident Response Unit (IRU)
- 1 x Fork Lift Truck
- 1 x Fork Lift Training Rigs
- 1 x Detection, Identification and Monitoring Unit (DIM)

**105.2 Fire Service Circular 59/2009 – Transfer of Ownership of New Dimension Assets (cont)**

- 1 x Re-robe Module
- 1 x Dis-robe Module

The Chief Fire Officer confirmed that:

- a full analysis of the content, clauses and obligations set out in the Final Draft Transfer Agreement had been undertaken
- the opinion of the Authority's Insurers had been considered
- the long term maintenance contract had been considered
- due consideration had also been given to the proposed Asset Refresh process
- a full appraisal of the recharging schedule (when available) will be carried out
- financial implications including the future assessment of cost have been assessed

Councillor Dunning asked if the Assets were essential. The Chief Fire Officer explained that since moving to a pod based system the forklift equipment is vital and Cleveland Fire Authority would have to provide a DIM and decontamination equipment if these were not available through New Dimension Assets.

Councillor Rogers queried the £35,000 per annum which is received in respect of the extra burden funding to support the maintenance of the required number of skill attributes to deliver the Mass Decontamination capability until March 2011. The Chief Fire Officer confirmed that the training will have to be maintained, however the Treasurer commented that as the money relates to updating skills, it is unlikely to increase significantly over the coming years.

Members agreed that a visit to Tyne & Wear FRS should be arranged in order to give them the opportunity of seeing the New Dimensions equipment.

**RESOLVED:**

- that the contents of the report, the information presented in Fire Service Circular 59/2009 and the final draft of the Transfer Agreement be noted.**
- that the CLG's response to the Authority's consultation submission of 27<sup>th</sup> April 2009 be noted.**
- that the implications of the transfer of function and assets as detailed in the report and the proposed response of the Authority to CLG's proposals be noted.**
- that the proposed response to indicate to the CLG that the Authority will sign up to the final version of the Transfer of Ownership Agreement by the end of December 2009 be approved.**
- that through further reports Members are informed of the continued progress in all substantive matters relating to the Transfer of New Dimension Assets.**

**105.3 Chief Fire Officer Information Pack**

- 105.3.1 Fire & Rescue Service Circulars
- 105.3.2 National Joint Circulars
- 105.3.3 NE Regional Management Board Meeting – 3 November 2009
- 105.3.4 Long Service & Good Conduct Medal

**RESOLVED – that the report be noted.**

**106 REPORT OF THE DIRECTOR OF CORPORATE SERVICES**

**106.1 Corporate Governance Information Pack**

- 106.1.1 Standards Committee
- 106.1.2 'Practical Challenges Facing Fire Authorities' Workshop 30 October – 1 November 2009 – Fire Service College, Moreton in Marsh
- 106.1.3 Fire Services Management Committee 18 September 2009
- 106.1.4 Feedback from the RMB National Chairs Meeting in London 20 October 2009

**RESOLVED – that the report be noted.**

**107. REPORT OF THE LEGAL ADVISER**

**107.1 Business Report – CFA Appointments 2009/10**

The Legal Adviser informed Members of Councillor Fitzpatrick's resignation and Councillor Glynis Abbott's appointment to the Authority. He highlighted the change of political proportionality made by this appointment and asked for nominations for the vacancies on the Overview & Scrutiny and Appeals Committee.

**RESOLVED – that nominations for the vacant positions on the Overview & Scrutiny and Appeals Committee be forwarded to the Legal Adviser within 14 days of the meeting.**

**108. VERBAL BRIEFING ON THE NE FIRE CONTROL COMPANY BOARD**

Councillor Forster informed Members that she had been reappointed as Chair of the LACC Board at the meeting on 9 October 2009 and that Colin Stockwell had been reappointed as Company Secretary at the same meeting. Councillor Forster explained that an Induction Day for Directors had taken place on 22 October with further Induction Sessions taking place on 10 and 11 November. Councillor Forster commented that she had attended the event in Wakefield on 11 November and had found the day particularly useful.

Councillor Forster stated that the first of the staff focus groups had met at the RCC on 13 November and Regional FBU officials had met with LACC Officers on 29 October to discuss the proposed Health & Safety regime and review policy documents.

**108. VERBAL BRIEFING ON THE NE FIRE CONTROL COMPANY BOARD (cont)**

Councillor Forster requested that Members consider sending a letter to the Fire Minister asking that he reconsider the decision regarding the Long Service Awards and that those staff transferring to NE FireControl should still be eligible to receive their Long Service Medal. Members agreed that the letter should be forwarded to the Fire Minister.

**RESOLVED:-**

- (i) that the report be noted.
- (ii) that a letter be forwarded to the Fire Minister from the CFA asking him to reconsider his decision regarding Long Service Awards.

**109. REPORT OF THE CHAIR OF OVERVIEW & SCRUTINY COMMITTEE**

**109.1 Information Pack**

- 109.1.1 Continuity of Control Room Technology
- 109.1.2 Reducing Health Inequalities

**RESOLVED – that the report be noted.**

**110. REPORTS OF THE AUDIT COMMISSION**

The Director of Corporate Services explained that Mr Gavin Barker of the Audit Commission was unable to attend the meeting. Councillor Payne suggested that the Audit Commission should present their own reports in future and asked that clarification be sought as to why they were unable to attend the meeting.

**RESOLVED: that clarification be sought from the Audit Commission as to why they were not able to be present at the meeting.**

**110.1 Audit Commission – Use of Resources 2008/09**

The Director of Corporate Services updated Members on the content of the Use of Resources Assessment by the Audit Commission.

**RESOLVED – that the report be noted.**

**110.2 Audit Commission – Annual Audit Letter 2008/09**

The Treasurer updated Members on the contents of the Annual Audit Letter.

**RESOLVED – that the report be noted.**

**111. ANY OTHER BUSINESS**

**111.1 LGA Total Place Conference – 30 March 2010**

The Director of Corporate Services tabled a report seeking Members' views on attendance at the LGA Total Place Conference in London on 30 March 2010.

**RESOLVED – that the Chair/Vice Chair and Director of Corporate Services (or their substitutes) attend the Conference.**

**111.2 Referral to Scrutiny**

Councillor Payne requested that the ratio of front line staff to corporate staff in 2000 and 2009 be scrutinised and the results brought back to a meeting of the Cleveland Fire Authority.

**RESOLVED – that the ratio of front line staff to corporate staff in 2000 and 2009 be scrutinised and the results brought back to a meeting of the Cleveland Fire Authority**

**112. LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) (VARIATION ORDER) 2006**

**RESOLVED - “That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006”.**

Minute No – 114 paragraphs 1 and 3

Minute No - 115.1 paragraph 3

Minute No – 115.2 paragraph 3

Paragraph 1– namely information relating to any individual

Paragraph 3 – namely information relating to the financial or business affairs of any particular person (including the authority holding that information)

**113. CONFIDENTIAL MINUTES**

**RESOLVED – that the Confidential Minutes of the Cleveland Fire Authority meeting held on 25 September 2009 be confirmed.**

**114. CONFIDENTIAL MINUTES**

**RESOLVED - that the Confidential Minutes of the Executive Committee held on 13 November 2009 and Tender Committees on 21 September 2009 and 30 October 2009 be confirmed.**

**115. REPORT OF THE CHIEF FIRE OFFICER**

**115.1 PFI – Outline Business Case**

The Chief Fire Officer updated Members on the progress of the Private Finance Initiative (PFI).

**115.2 Capital Project Proposal – Centre of Excellence for Young People at Redcar Fire Station**

The Chief Fire Officer informed Members of the progress of the project to deliver a multi-agency Centre of Excellence at Redcar Fire Station and highlighted the key objectives of the project.

**COUNCILLOR PETER PORLEY  
CHAIRMAN**



# **COUNCIL REPORT**

**11 February 2010**



Report of: **The Chief Executive**

Subject: **Report of the Independent Remuneration Panel**

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Attached at Appendix A is the Independent Remuneration Panel's report on Members' Allowances. Council's views and instructions are requested.

# Report of the Independent Remuneration Panel

**Council – 11 February 2010**

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**1. Background**

The Independent Remuneration Panel was established to advise the Council on the level of Members Allowances under the Local Government Act 2000.

The Panel have made a number of reports to The Council over the years, reviewing various parts of the Members Allowances Scheme including Basic and Special responsibility allowances.

Whilst there are annual indexing facilities built into the Panels recommendations the Panel have a three year review programme of the basis of allowances to ensure that they are robust and fit for purpose.

In carrying out this review the Panel sought the views of the political parties and the Mayor.

**2. Purpose of the Report**

To inform Council of the Panel's review of the basic and special responsibility allowances and their recommendations for the Council's scheme for the coming financial year.

**3. Basic Allowance**

The Basic Allowance is paid to all members of the Council and was last reviewed in 2006 with inflation updates in accordance with the local government pay award. It is currently £5,696. In 2006 the Panel undertook a major review of this allowance and in undertaking its current review was interested to ascertain whether there had been any major changes in responsibility or changes with other Councils. In looking at the level of the Basic Allowance the Panel noted that there was no support from the Mayor or the political groups for change at this time.

The Panel also considered the survey of all Local Authorities schemes which had been carried out by the Local Government Association. The Panel noted that the information on allowances, whilst interesting, was subject to such variation that it was not particularly helpful. It did note that for its size and expanse of responsibilities the Council's allowances were low.

## Appendix A

The Panel also noted that the survey identified the average time spent by back bench Councillors was on average 20 hours per week. The panel noted that in terms of Hartlepool's scheme this broadly equated with an hourly rate in line with the national minimum wage.

Taking all these factors into account the Panel recommend that the Basic Allowance be maintained at its current level and increased in line with the Local Government Pay Award for the period April 2010-2013.

### 4. Special Responsibility Allowances

Special Responsibility Allowances are paid to a number of members who hold positions that have varying degrees of additional duties. This allowance is paid in addition to the basic allowance and is determined as a proportion of the basic allowance. The current number and amounts of Special Responsibility Allowances are detailed in the table below:

	2009/10	
		Value of Basic allowance
Basic Allowance		£5,696

	Number of Councillors receiving SRA	Value of Special Responsibility Allowance	SRA %
<u>Special Responsibility Allowances</u>			
Chair of Council	1	£4,549	80%
Cabinet member	6	£5,696	100%
Chair of Scrutiny Co - ordinating	1	£5,696	100%
Chair of Scrutiny Forum	4	£3,418	60%
Chair of Planning Committee	1	£4,549	80%
Chair of Neighbourhood Forum	3	£3,418	60%
Chair of Licensing Panel	1	£2,278	40%
Chair of Contract Scrutiny Panel	1	£1,139	20%
Majority Group Leader	1	£5,696	100%
Principal Minority group	1	£3,418	60%
Secondary Minority Group	2	£3,418	60%
Elected Mayor	1	£57,559	

The Panel also noted the LGA survey, but found the level of variability even more unhelpful in making any meaningful comparisons with other authorities. The Panel instead considered the following factors.

- Responses of the Political Parties  
These generally supported the status quo although some amendments were suggested. One involved allowing members to claim for internet access where members are not connected through the Council's arrangements, in a manner

## Appendix A

similar to the current arrangements for telephones. The Panel noted this together with comments from Officers that the Council had a policy and rollout programme for connection to the Councils network. After consideration they supported this and determined not to make any recommendations to change the scheme in this regard. Another suggested a review of the allowance for Licensing Committee. The Panel were mindful of the changes that had occurred in this area previously and the appropriateness for review.

- **Structure for Review**  
The Panel requested and considered a framework for consideration based on Decision Making responsibility, Involvement of the Public and length of time/frequencies of meetings.

In reviewing the special responsibility allowances the Panel were of the view that the majority of the allowances were appropriate, however they considered some positions in more detail.

- **Chair of Audit Committee**  
The Panel noted that no responsibility allowance was included in the Council's scheme for this post. The Panel noted that this was a relatively new post and one that was increasing in importance, particularly since in the Icelandic banking incident and the emerging role of the Audit Committee in Treasury Management. The panel noted that these changes had not yet been clarified in the new guidance and codes of practice that were expected early in the New Year. In the light of this the Panel determined that whilst it was sympathetic towards recommending a new allowance for this post it was of the view that the extent of the role was insufficiently determined to allow it to come to a conclusion on the amount. It therefore determined to review this in twelve months time.
- **Licensing Committee**  
The Panel noted that on occasion this was an area of significant public contention. The nature of the Committee's work had changed since the Panel made its initial recommendations. The current allowance is based on a 40% weighting. The panel noted the frequency of meetings and the responsibility of dealing with the public on contentious issues together with the decision making responsibility. They were mindful to draw comparisons with the role of neighbourhood forums and consider a similar level of allowance. Accordingly the Panel recommend an increased weighting to 60%. This would equate to an increase of £1,140.
- **Planning Committee**  
Although this had not been brought to their attention when representations were made the Panel were mindful that the basis of the role and nature of the committee had become significantly more contentious since the initial determination of weighting, carrying with it, decision making responsibility and dealing with the public on contentious and difficult issues. The current weighting is 80% and this is low in comparative terms with other schemes but also more importantly with other responsibility allowances in the Council's scheme. The Panel also noted that whilst there are a significant number of Planning decisions delegated to officers there is a need for the postholder to be aware and

## Appendix A

oversee these, which took a significant time commitment that was not formerly reflected. Accordingly the Panel recommend increasing the weighting to 100%. This would equate to an increase of £1,147.

- **Contract Scrutiny Committee.**  
The Panel noted that it had reviewed this allowance last year and determined at that time to make no change but to review it in twelve months. That has now expired and accordingly the Panel have reviewed the allowance on the same basis as the above. The current weighting is 20%. The Panel noted the change in remit under which the committee had been working but remained of the view that there was insufficient difference from the previous arrangements to justify a change in the weighting.

The Panel noted that the changes above would marginally increase the cost of allowances by £2,287 per annum, this however could be contained within the existing budget provision for members expenses as the levels of other expenses had continued to fall. There would therefore be no additional budget required for these small changes.

### **5. Membership of the Panel**

There has been a further resignation from the panel's membership since the last report - Pam Eccles, who has been a member since its inception. The Panel welcomed the appointment of Ted Jackson, a new member who has filled a previous vacancy and wished to draw Council's attention that there remained 2 vacancies on the Panel which need to be filled. It should be noted that the quorum for the Panel is 3. The Panel's current membership is 3 which has caused some difficulties in arranging meetings and the Panel recommends that the 2 vacancies be filled as soon as practicable

### **6. Recommendations**

The Panel makes the following recommendations.

- a) That internet costs not be made an allowable expense in the Council scheme.
- b) That the Basic Allowance be maintained at its current level, indexed to the Local Government Pay award for the three years commencing April 2010.
- c) That the Special Responsibility Allowances be maintained at their current levels with the following exceptions
  - That the Licensing special responsibility weighting be increased to 60% from April 2010..
  - That the Planning special responsibility weighting be increased to 100% from April 2010.
- d) That the Council appoints two new members to bring the Panel's membership up to strength.

**COUNCIL**  
11th February 2010



**Report of:** Constitution Committee

**Subject:** TOWN & VILLAGE GREENS

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**1. PURPOSE OF REPORT**

The purpose of this report is for the Council to consider the recommendations of the Constitution Committee to approve the scheme of delegation to be adopted by the Council to enable it to discharge its statutory obligations as the Commons Registration Authority

**2. BACKGROUND**

The Commons Act 2006 has repealed the previous statutory framework for dealing with Town & Village Greens. This report is in relation to the procedure to be adopted by the Council when dealing with applications by members of the public for the registration of new areas of land as town or village green. The Act came into force in relation to the registration of town and village green on the 6<sup>th</sup> April 2007.

The Commons Act 2006 has removed a number of perceived flaws in previous legislation and has arguably made it easier for members of the public to make an application to register land as town or village green.

The Council has received applications in relation to two separate areas of land owned by the Council for it to be registered as town and village green.

Currently the Council's Constitution does not include its role as Registration Authority under the Commons Act 2006. The law and procedure for dealing with applications to register land as town or village green is similar to that in relation to Public Rights of Way. It is therefore logical to add the Council's role as Registration Authority under the Commons Act 2006 to the scheme of delegation for the Planning Committee.

A report, in substantially similar for as this report, was presented to the Planning Committee on the 2<sup>nd</sup> December for their comments and suggestions. There were no comments or suggestions made with regard to the proposed scheme of delegation at that meeting.

A further report, again substantially similar to this report, was presented to the Constitutional Working Group on the 15<sup>th</sup> January 2010. After explaining the reason for the report, the Constitutional Working Group were very supportive about the proposals and the recommended route of determination of present and future Town and Village Green applications. The group's members felt it was the logical as well as obvious choice for decision making and approved the recommendations presented. A further approval was given for training to be given to Planning Committee Members with regards to Town and Village Green as well as Rights of Way procedures and matters.

A report, again substantially similar to this report, was presented to the Constitution Committee on 29<sup>th</sup> January 2010. After considering the report, the Constitution Committee expressed full support for the proposals as well as the recommended route of determination.

### **3. PROPOSALS**

3.1 The Council amends the scheme of delegation and delegates responsibility for discharging its function as Registration Authority under the Commons Act 2006 to the Planning Committee. The reasons for the proposed changes to the constitution are:

3.1.1 The law in relation to public rights of way, town & village greens is a constantly evolving one. In the last year there have been a significant number of cases which have been appealed all the way to the House of Lords. This means any committee hearing these applications will need to keep up with these significant changes in the law. Committee members will have some familiarity with the law in relation to Public Rights of Way as the Planning Committee currently deals with matters in relation to Public Rights of Way. The additional responsibilities in relation to town & village greens will complement the work currently being carried out by the planning committee.

3.1.2 The proposed amendment to the constitution is set out in **Appendix 1**

3.2 The Council adopts the procedure and time limits set out in **Appendix 2** as the proper procedure for dealing with applications made to register new town & village greens.

### **4 RISK IMPLICATIONS**

4.1 The requirement to maintain the register of commons, town & village greens is a statutory one. Failure to deal with applications to register land as commons, town & village green could leave the Council open to challenge.

- 4.2 Land Owned by the Council may be affected by an application to register such land as town & village green. This could prevent future develop of the land and would reduce its value. Concerns were raised by the Committee regarding how best to safeguard all existing Council owned property

## **5 FINANCIAL CONSIDERATIONS**

- 5.1 In all cases where an application to register land as a town and village green is made in relation to land owned by the Council the Council must refer the matter to the Planning Inspectorate for determination. [There is a fee payable to the Planning Inspectorate in relation to their costs in making the determination.]
- 5.2 In certain circumstance where an application to register other land as town & village green is likely to be contentious the statutory guidance is that a non-statutory public Inquiry be held to hear the evidence and either determine the application or else make a recommendation to the Council for determination. It is open to the Council to appoint a suitably qualified barrister to conduct the public Inquiry. This would be an additional cost to the Council.
- 5.3 In the event land owned by the Council is registered as town & village green this would substantially affect its future value.
- 5.4 Dependant on the frequency of applications received the Council may need to consider the employment of a Town & Village Greens Officer. This could take the form of use of consultants/agency staff as at present or should pressures demand a more permanent solution may have to be considered.

## **6 LEGAL CONSIDERATIONS**

- 6.1 It is a legal requirement that the Council discharges its function as the Registration Authority for public rights of way and commons, town & village greens in accordance with the relevant statutes and statutory instruments. The adoption of the proposals set out in this report will enable the Council to discharge its function in accordance with the relevant statutory requirements.

## **7 ASSET MANAGEMENT CONSIDERATIONS**

- 7.1 Land Owned by the Council may be affected by an application to register such land as town & village green. This could prevent future develop of the land and would reduce its value as outlined in the Financial Considerations section above. The procedure proposed by this report would enable the Council to deal with applications affecting Council owned land in a clear and objective manner.



## **8. SUMMARY/CONCLUSIONS**

- 8.1 In exercising its functions in relation to public rights of way and commons and town and village greens the Council takes on a quasi-judicial role. It is required to consider the evidence presented to in the application and make a determination in light of that information and within the framework of the statutory provisions and the common law. The Planning Committee already takes on such a role in relation to planning and public rights of way matters.
- 8.2 The law in relation to public rights of way, commons and town & village greens share a number of common elements, indeed much of the common law set down in relation to public rights of way has guided the development of the law in relation to common land and town & village greens.
- 8.3 A single committee tasked with determining these types of applications will allow members of the committee to gain a greater understanding of the law and procedure in relation to such applications.

## **9. RECOMMENDATIONS**

- 9.1 That the Council considers the report and approve the proposals and ratifies the scheme of delegation for adoption to enable it to discharge its statutory obligations as the Commons Registration Authority.

## **10. BACKGROUND PAPERS**

- 10.1 There are no background papers to be submitted with this report.

## **11. CONTACT OFFICERS**

P Cowie – Town & Village Green Officer  
C Scaife – Countryside Access Officer

**Proposed alteration to the constitution.**

<b>Planning Committee</b>	
<b>Membership</b>  (Maximum)  <b>Quorum</b>	   16  7
<b>Function</b>	<b>Delegation</b>
1. Functions relating to public rights of way (as set out in Part 1 of Part I of Schedule 1 to the 2001 Regulations).	<p><b><i>Director of Regeneration and Neighbourhoods</i></b></p> <ol style="list-style-type: none"> <li>1. Power to negotiate and set charges for diversion or related matters and to take action regarding blockages or Rights of Way issues other than those related to countryside management.</li> <li>2. Power in cases of urgency to carry out all of the functions of the Planning Committee relating to public rights of way following discussion of the issues with the Chair of the Committee.</li> <li>3. In relation to matters which are relevant to countryside management, power to negotiate and set charges for diversion or related matters and to take action regarding blockage on Rights of Way issues.</li> <li>4. Power in cases of urgency to carry out all of the functions of the Planning Committee relating to public rights of way which are relevant to countryside management.</li> </ol>
<b>Function</b>	<b>Delegation</b>

	<p><b>Chief Solicitor</b></p> <ol style="list-style-type: none"> <li>1. Power to confirm without modification unopposed creation, diversion or extinguishment Orders in respect of Public Rights of Way, following the statutory advertising period.</li> <li>2. Power to confirm, without modification, unopposed footpath and footway conversion orders following the statutory advertising period.</li> <li>3. Power to confirm, without modification, all future unopposed Definitive Map Modification Orders following the statutory advertising period.</li> </ol>
<ol style="list-style-type: none"> <li>2. Functions relating to Town &amp; Village Greens (as set out in Part 1 of Schedule 1 to the 2000 Regulations).</li> </ol>	<ol style="list-style-type: none"> <li>1. Power to register without modification unopposed applications to register land as town or village green in respect of Town &amp; Village Greens, following the statutory consultation period.</li> </ol>

## Appendix 2

### Procedure for determining an application to register a Town or Village Green

Stage	Proœdure	Time Line
Receipt of application	<p>Checklist:</p> <ul style="list-style-type: none"> <li>• Is the application in the correct form: Form 44</li> <li>• Has the application been signed by all the parties.</li> <li>• Does the application contain a statutory declaration on behalf of the applicant</li> <li>• Does the application contain a O.S. Map showing the extent of the land affected to the correct scale (i.e 1:2,500 or 1:10,560 if showing upland, a neighbourhood or locality or shows land to which a right of common is attached)</li> </ul> <p>If not the application can be rejected and the applicant informed of the reason for the rejection. The applicant should be informed of the steps to be taken to correct the application.</p>	Day 1
Acceptance of application	A reference number must be allocated to the matter. The applicant must be sent a note of the reference number for the application along with the postal address and e-mail address to which written communication can be sent.	<i>Within 7 days of receipt of application</i>

Council Direction to the Applicant	<p>Upon acceptance of the application the Council may direct the applicant to:</p> <ul style="list-style-type: none"> <li>• Provide any further information or documents necessary to enable the application to be determined. <i>This may be copies of title deeds or Office Copy Entries where the land is registered and a clear Commons Registry Search to show no rights of common affect the land. A direction may also be used to ensure there is direct evidence from a 'significant number of the inhabitants of the neighbourhood'. This should be in the form of witness statements signed by those making the statement. A statement by one person indicating others exercised rights is not sufficient.</i></li> <li>• Post a notice of the application at any place or places specified in the direction, whether on the land to which the application relates or elsewhere; <i>This would be required if it was not clear who owned or controlled the land.</i></li> <li>• To serve a notice of the application on persons specified in the direction, in addition to the normal requirements.</li> </ul> <p>The Council must specify how soon the direction must be complied with. Once the applicant has complied with the direction it must inform the Council of such compliance and provide evidence of compliance. (Details of where and when any notice was posted and/or served.)</p> <p>If the applicant fails to comply with any direction the</p>	<p><i>Serve notice of directions within 7 days of receipt of application</i></p> <p><i>Applicant to respond within [21] days of receipt of notice of directions</i></p>

	<p>Council may either:</p> <ul style="list-style-type: none"> <li>• Treat the application as abandoned;</li> <li>• Give directions to the applicant to remedy the non-compliance (and if appropriate extend the deadline for persons to make representations)</li> <li>• Waive the non-compliance, if satisfied in all the circumstances that no-one is likely to be prejudiced by it.</li> </ul>	
Abandonment of an Application	<p>There are two possible circumstances which may arise which lead to the application being treated as being abandoned. One is where the applicant fails to respond to the direction for further information set out above. The second possibility is that for one reason or another the applicant decides to withdraw their application. There are two issues to consider:</p> <p><u>Can an applicant withdraw an application?</u></p> <p>The Council as Registration Authority has a duty to keep a register of all town and village greens in its area. Once an application has been received and the Registration Authority has been made aware of the possibility that rights in relation to a town or village green exist there is a suggestion that it has a duty to determine the application whether or not the applicant decides to proceed. This is to ensure the Register of Common Land and Town &amp; Village Greens is a comprehensive register. There is also an argument that whilst a single person may be responsible for an application it is made on behalf of the public at large and therefore once the application is</p>	

	<p>accepted as being valid the applicant cannot withdraw it. It is therefore suggested that if an applicant seeks to withdraw an application the Town &amp; Village Green Officer must review the application to see how strong the evidence is for a town or village green. This should be based on the information provided up to the point the applicant decides to withdraw. If there is strong evidence that public rights to register land a town or village green have been established the officer should consider proceeding with the application for determination independently of the applicant to ensure the Council fulfils its statutory obligations. If the evidence is insufficient then the application can be treated as being abandoned.</p> <p>It has been noted in the case law that campaigners may use the withdrawal and resubmission of applications as a tactic to prevent the development of land.</p> <p><u>What happens when an application has been abandoned?</u></p> <p>The regulations are silent as to what happens if an application is treated as being abandoned. The application will have been accepted and the date stamped on the application. This is important as it likely a landowner will take steps to prevent future use of the land in a way that may lead to a future claim. Therefore if following the abandonment of an application a new group of members of the public wish to make an application their only hope may be to require the Council to determine the previous application. This may occur for example where the original applicant dies or is incapacitated and therefore cannot pursue the application.</p>	
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	<p>A fair and open method of dealing with abandoned applications is therefore required. In cases where an applicant fails to deal with the directions for further information within the required time limits, the merits of the application, based on the information provided, should be considered by the Officer. The matter must then be passed to the committee for consideration as to whether the matter should be treated as being abandoned and the file closed or should be publicised and progressed for determination in the correct manner.</p> <p>The guidance from DEFRA suggest that it may be prudent to advertise the fact that the application is going to be abandoned to allow other interested parties to take on and pursue the application in place of the original applicant.</p> <p>This would show proper consideration had been given to the matter before the decision to treat the matter as being abandoned was made.</p>	
Amendment of the Application	<p>There is no provision within the legislation to allow an applicant to amend a submitted application. The guidance from DEFRA, however, suggests a common sense approach. Where it would be fair and reasonable the Council should allow an application to be amended.</p>	
Publication of Application	<p>Once the application has been accepted the Council must:</p> <ul style="list-style-type: none"> <li>• Publish a notice of the application on its website</li> </ul>	<p><i>Within 21 days of receipt of application</i></p>



	<ul style="list-style-type: none"> <li>• Serve notice of the application by e-mail on anyone who has previously asked to be informed of all applications;</li> <li>• Publish a notice of the application in such one or more newspapers circulating in the relevant area as appears to be sufficient to secure adequate publicity;</li> <li>• Serve notice of the application on every other local authority for that area.</li> </ul>	
Applicant's Duty to Publicise Application	<p>Once the applicant has received acknowledgment from the Council that the application has been accepted they must serve notice of the application on:</p> <ol style="list-style-type: none"> <li>1. The owner of the land (this is not required if the owner cannot be identified, however reasonable enquiries must have been made by the applicant); and</li> <li>2. Any occupier or lessee of the land;</li> <li>3. Any local authority (other than the Council) having an interest. <i>This may be the case where the land affected straddles a county boundary.</i></li> <li>4. Any person who has made a declaration, duly recorded in the register, of a right in common over the land affected.</li> <li>5. Any common council established for, or other body representing the interests of persons with rights of common over, land which includes the land to which the application relates; and</li> <li>6. unless it appears there are too many so as not to</li> </ol>	<p><i>Within 21 days of receipt of acknowledgement</i></p>

	<p>be practical to serve notice on all of them, any person who is registered as the owner of a right of common in gross which is exercisable over all or part of the land to which the application relates.</p> <p><i>It is inevitable that the applicant will not know whether there are any persons falling within categories 4, 5 &amp; 6. They should be advised to carry out a Commons Register Search with the Land Charges Section which will reveal any such people or claims.</i></p> <p>The applicant will need to provide evidence of such notice having been served and the date of service. This will normally be proof of delivery i.e. recorded delivery or a statutory declaration of personal service. Just receipt of posting will not be sufficient.</p>	
Objection Period	<p>Following publication of the application by the Council there is to be a period during which interested parties can make representations in respect of the application.</p> <p>The Council must make available copies of the</p>	<p><i>Objection period must be at least 42 days after</i></p>

	application and any accompanying documents in the usual way.	<i>publication</i>
Dealing with representations	<p>Once the objection period has expired the Council must either:</p> <ul style="list-style-type: none"> <li>• Inform the applicant no representations have been made; or</li> <li>• Serve on the applicant a copy of all the representations it has received.</li> </ul>	
Applicants response to representations	The applicant must respond in writing setting out their response to the applications.	<i>The applicant must respond with 21 days of receipt of representations</i>
Agree method for Determining the Application	<p>In the case of an application where the Council has an interest in the outcome of the application such there is unlikely to be confidence in the Council's ability to impartially to determine it, the application <b>must</b> be referred to the Planning Inspectorate for determination.</p> <p>If the Council does not have an interest in the outcome of the application the Council must decide whether or not to hold a public inquiry.</p> <p>If the Council decides a public enquiry is necessary the Council must appoint an inspector to hold the inquiry and if required to determine the application. If the inspector is not to determine the enquiry then s/he must provide a</p>	<i>Within 35 days of receipt of applicants response to representations</i>

	<p>report and recommendation to the Council.</p> <p>If a public enquiry is not required the application can be placed before the Planning Committee for determination.</p> <p>The decision as to whether a public enquiry is needed is a matter of fact for each individual application. There are no hard and fast rules. The guidance to the legislation suggests that applications where the facts are disputed or where there are complex legal arguments should be referred to a non-statutory public enquiry.</p>	

# COUNCIL REPORT

11<sup>th</sup> February, 2010



**Report of:** The Cabinet

**Subject:** MEDIUM TERM FINANCIAL STRATEGY – BUDGET  
AND POLICY FRAMEWORK 2010/2011 TO 2013/2014

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## 1. PURPOSE OF REPORT

- 1.1 To present details of the proposed Medium Term Financial Strategy (MTFS) (previously referred to as the Budget and Policy Framework). The report covers:
- Capital Budget;
  - General Fund and Council Tax 2010/2011;
  - Current Year 2009/10 Outturn Strategy.

## 2. BACKGROUND

- 2.1 In accordance with the Constitution Cabinet is responsible for preparing the Budget and Policy Framework proposals, which includes the proposed Council Tax level for 2010/2011. These proposals are then referred to Council for consideration. The final stages for completing this process and then issuing Council Tax bills are extremely tight and the key dates are as follows:
- Cabinet 8<sup>th</sup> February, 2010 – approves the MTFS proposals to be referred to Council;
  - Council 11<sup>th</sup> February, 2010 – consider Cabinet's MTFS proposals, including the Council's own Council Tax for 2010/2011;
  - Council 25<sup>th</sup> February, 2010 – approve the overall Council Tax levels, including Fire and Police Authority precepts. This is the same day the Police Authority are scheduled to set their Budget and Council Tax, which is within the prescribed deadline for setting their Budget and Council Tax.

## 3. CONSIDERATION OF BUDGET PROPOSALS BY COUNCIL

- 3.1 As indicated above Cabinet will finalise the budget proposals, including the 2010/2011 Council Tax increase, it wishes to refer to Council at its meeting on 8<sup>th</sup> February, 2010. To enable all Members to familiarise themselves with the issues affecting next years budget a copy of the detailed 2010/2011 to 2013/2014 MTFS Report is included in a separate booklet with the agenda papers for today's meeting. The booklet also includes detailed departmental budgets, before pressures and corporate efficiencies are considered by Council.

- 3.2 The key issues included in the latest Cabinet report have previously been considered by Cabinet at their meetings in September and December. These issues have also been referred to Scrutiny Committee for consideration.
- 3.3 Once Cabinet have finalised their proposals a further report will, if necessary, be issued to Council to advise Members of any changes to the proposals detailed in the attached report.
- 3.4 In addition, to the specific proposals detailed in the Cabinet report, Council will also need to consider a range of statutory calculations to support the 2.5% Council Tax increase which Cabinet has previously indicated they will approve on 8<sup>th</sup> February, 2010. These calculations will also incorporate details of Council Tax levels for Parish Councils. For Members information details of Council Tax levels for 2010/2011 with a 2.5% increase, before including figures for the Police and Fire Authorities, as set out below

COUNCIL TAX BAND	Areas without a Parish Council  £	Dalton Piercy  £	Elwick  £	Greatham  £	Hart  £	Headland  £	Newton Bewley  £
A	945.80	982.71	954.77	948.99	953.12	951.11	950.35
B	1,103.43	1,146.49	1,113.90	1,107.16	1,111.97	1,109.62	1,108.75
C	1,261.07	1,310.28	1,273.03	1,265.32	1,270.83	1,268.14	1,267.14
D	1,418.70	1,474.06	1,432.16	1,423.48	1,429.68	1,426.66	1,425.53
E	1,733.97	1,801.63	1,750.41	1,739.81	1,747.39	1,743.70	1,742.32
F	2,049.23	2,129.20	2,068.68	2,056.14	2,065.09	2,060.73	2,059.10
G	2,364.50	2,456.77	2,386.93	2,372.47	2,382.80	2,377.77	2,375.88
H	2,837.40	2,948.12	2,864.32	2,846.96	2,859.36	2,853.32	2,851.06

#### **4. ROBUSTNESS OF BUDGET FORECASTS, RISK ASSESSMENT AND RESERVES**

- 4.1 The Local Government Act 2003 introduced new requirements to formally consider the robustness of the budget forecasts, the level of reserves and the proposed use of reserves as part of the budget setting process. In preparing the proposals for the 2010/2011 budget, Cabinet has considered and approved the advice of the Chief Financial Officer as detailed at paragraph 10 of the MTFS report.
- 4.2 This advice is equally relevant to Council when considering this report.

#### **5. CONCLUSION**

- 5.1 This report provides the detailed information to support the 2010/2011 budget proposals which will be referred to Council by Cabinet following their meeting on 8<sup>th</sup> February, 2010.
- 5.2 Details of the issues Cabinet will be referring to Council are provided in Section A, paragraph 8 of the attached booklet issued with the agenda papers. A revised schedule will be issued before your meeting to detail any changes made by Cabinet and to detail the statutory Council Tax setting resolutions.

**MEDIUM TERM FINANCIAL STRATEGY**  
**2010/2011 TO 2012/2013**  
**SUPPORTING DOCUMENTATION BOOKLET**

# MEDIUM TERM FINANCIAL STRATEGY 2010/2011 TO 2012/2013

## SUMMARY OF CONTENTS

Page No.

### **SECTION A - Medium Term Financial Strategy - Budget & Policy Framework 2010/11 to 2012/2013 - 8th February, 2010**

Cabinet Report 8th February, 2010	1 - 28
Appendix A - Forecast Capital Resources and Expenditure Commitments 2010/2011 to 2012/2013	29 - 32
Appendix B - Summary of Key Ongoing 2009/2010 Service Issues	33
Appendix C - Schedule Of Budget Pressures 2010/2011	34
Appendix D - Schedule Of 2010/2011 Budget Pressures to be Treated as Contingency Items	35
Appendix E - Schedule of Budget Priorities 2010/11	36
Appendix F - Schedule of Area Based Grants 2010/2011	37 - 39
Appendix G - Potential Sources of Additional Income 2010/11	40 - 41
Appendix H - Minutes of 2010/2011 Budget Consultation with Trades Unions & Business Sector Representatives	42 - 51
Appendix I - Summary of Key Financial Assumptions Underpinning the Budget	52 - 53
Appendix J - 2010/11 Financial Risk Management	54 - 57
Appendix K - Detailed Reserves Statement	58 - 65
Appendix L - Critical Challenge	66 - 67

### **SECTION B - Detailed Revenue Budget by Department**

Statement Of General Fund Requirements 2010/2011 To 2012/2013	71 - 73
Child and Adult's Services	75 - 118
Chief Executives	119 - 146
Regeneration & Neighbourhoods	147 - 190



## SECTION A

Cabinet Report : Medium Term Financial Strategy  
2010/2011 to 2012/2013 – 8th February, 2010

# **CABINET REPORT**

**8<sup>th</sup> February, 2010**



**Report of:** Corporate Management Team

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

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## **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 11<sup>th</sup> 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 11<sup>th</sup> February, 2010.

**6. DECISION(S) REQUIRED**

- 6.1 Cabinet is required to determine its proposals.

# CABINET REPORT

8th February 2010



**Report of:** Chief Financial Officer

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

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## 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 11<sup>th</sup> 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 21<sup>st</sup> September 2009 and 22<sup>nd</sup> 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:

- 8<sup>th</sup> February, 2010 – Cabinet finalises 2010/2011 Budget proposals;
- 11<sup>th</sup> February, 2010 – Council considers Cabinet's 2010/2011 Budget proposals;

- 25<sup>th</sup> February, 2010 – Council approves the overall Council Tax level, incorporating Police, Fire and Parish Council precepts;
- Council Tax bills produced and issued by 16<sup>th</sup> March, 2010;
- 1<sup>st</sup> 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 Councils 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.

	<b><u>£'000</u></b>
SCRAP T Priorities	1,200
Community Safety Initiatives	150
Disabled Adaptations	50
Neighbourhood Forum Minor Works	156
Vehicle Replacement Programme	1,905

Detailed proposals for the SCRAP T 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:

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

## **5. GENERAL FUND AND COUNCIL TAX**

### **5.1 National Position**

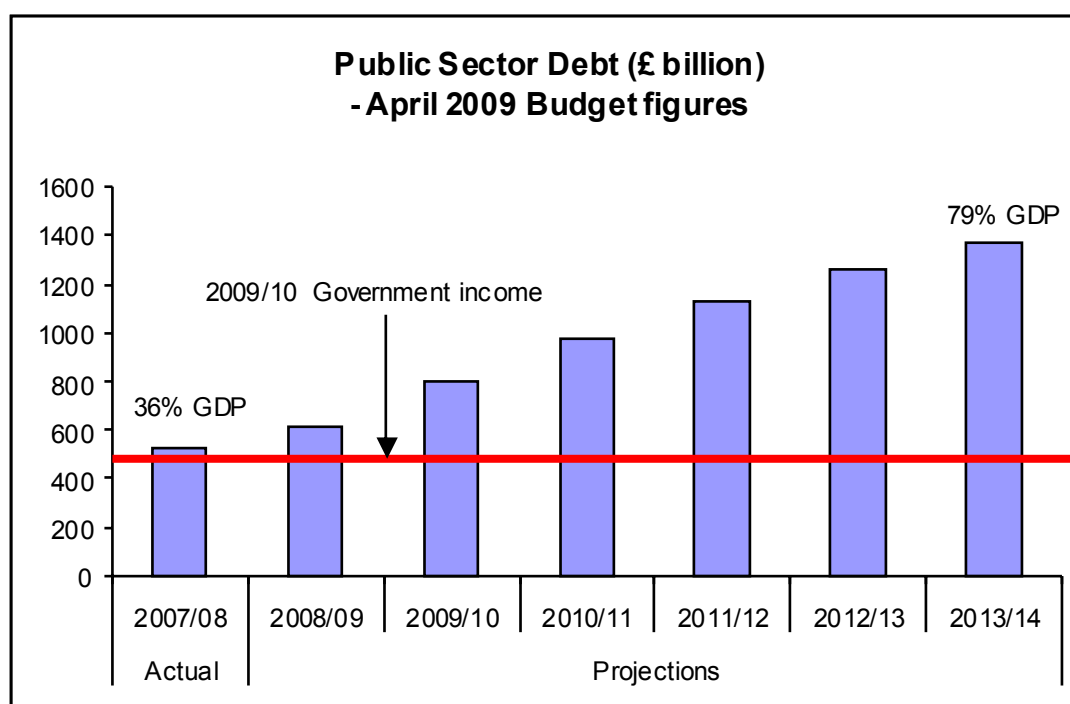
An assessment of the national and local factors affecting the Council's financial position for 2010/2011 and beyond was reported on 21<sup>st</sup> September 2009. Since that time the Chancellor has made his pre-budget report which broadly confirmed the dire national position.

- 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

	<b><u>£'000</u></b>
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 offset in 2010/11 for loan repayment. The benefit in 2010/2011 increases from £2.088m to £2.514m, as detailed below:

	<b><u>Annual</u></b> <b><u>Efficiencies</u></b> <b><u>£'000</u></b>	<b><u>Ongoing</u></b> <b><u>Efficiencies</u></b> <b><u>£'000</u></b>
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 1<sup>st</sup> 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**

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

- 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> | <b><u>£'000</u></b><br>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 £0.911 m

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	
<b>Add</b>		
- 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	
<b>Less</b>		
- 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 1<sup>st</sup> 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 25<sup>th</sup> 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

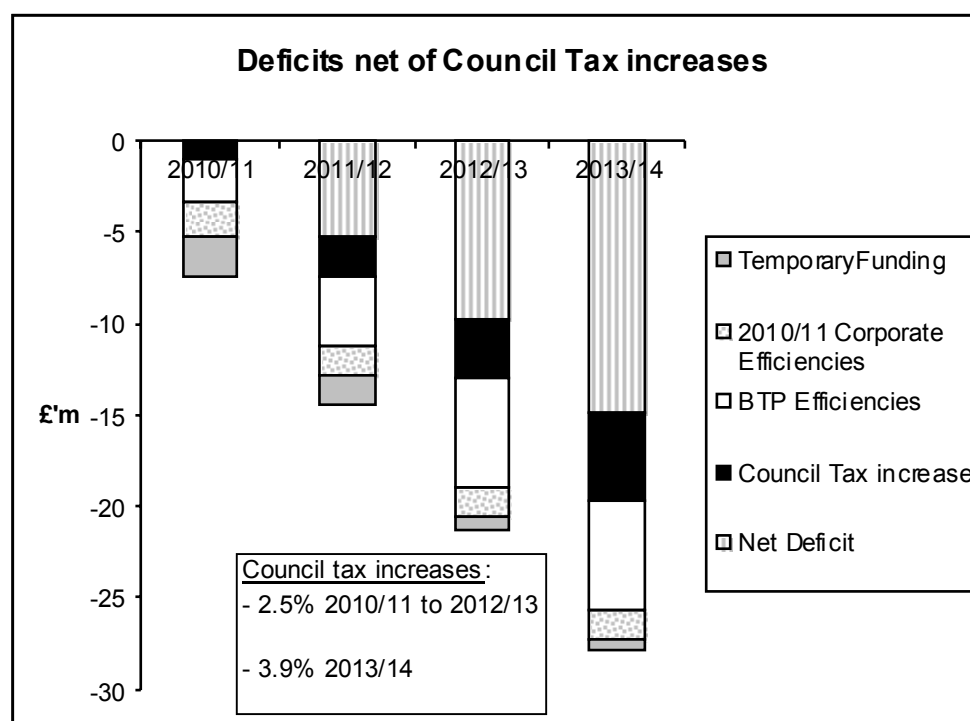
Council Tax levels will continue to be subject to public pressure owing to higher unemployment and continuing wage restraint in the private and public sectors. There will also be political pressure on Council Tax. For example, the

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.

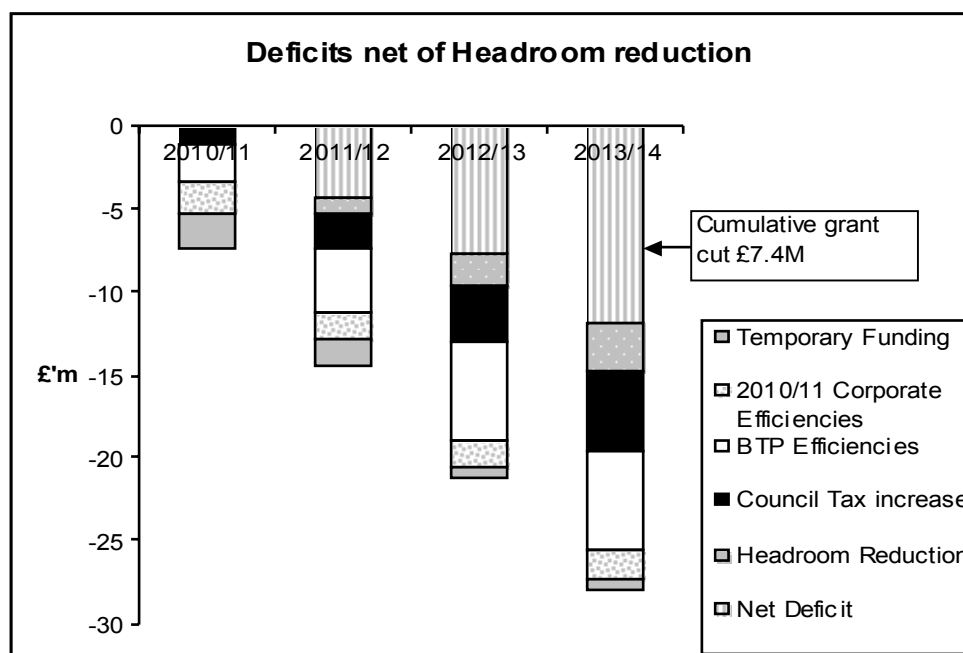
- Grant Levels

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.

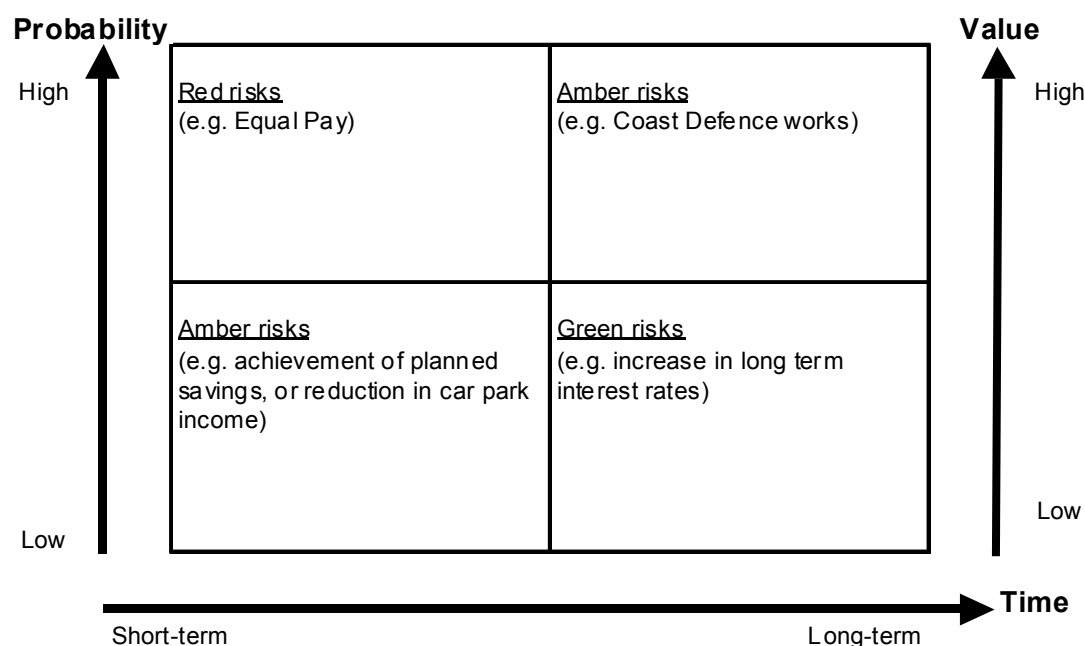
#### 5.4 SCRUTINY CO-ORDINATING COMMITTEE FEEDBACK AND CONSULTATION MEETING

- 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.

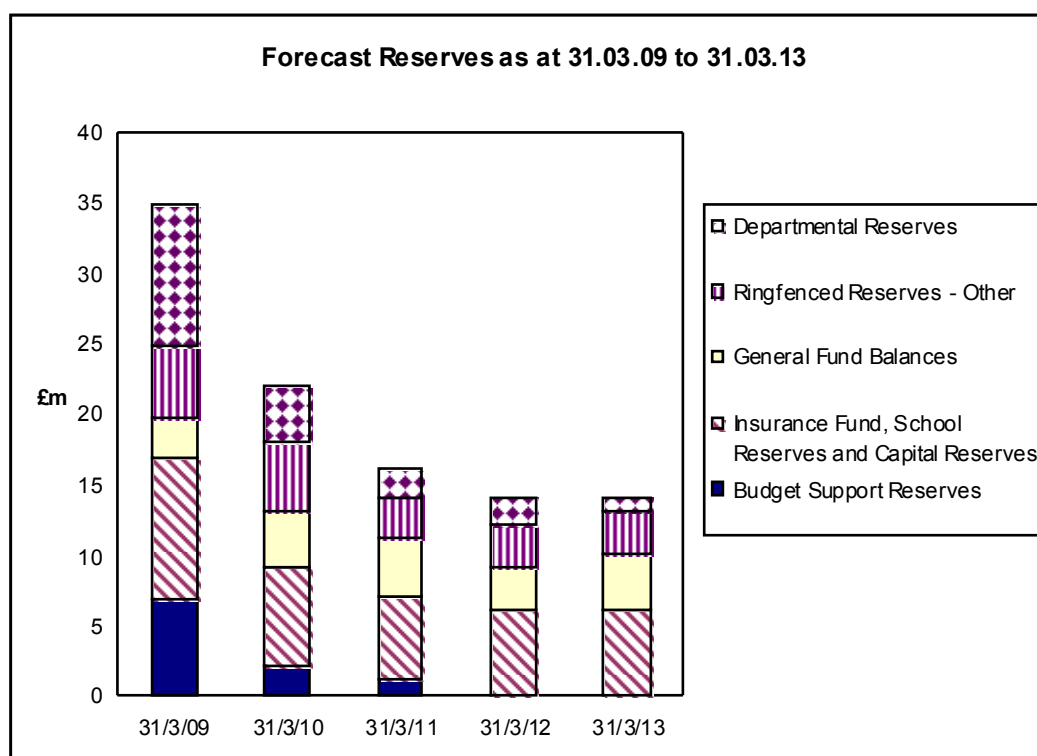
5.5.7 The proposed increase detailed earlier in the report should not be capped, although this cannot be guaranteed.

## 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 31<sup>st</sup> 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 31<sup>st</sup> 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 annual 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
<b><u>Child &amp; Adult Services</u></b>		
Childrens Services	(328)	(328)
Adult Services	3	(229)
	(325)	(557)
<b><u>Regeneration &amp; Neighbourhood Services</u></b>		
Rege neration & Planning	(134)	(134)
Neighbourhood Services	114	14
	(20)	(120)
<b><u>Chief Executives</u></b>	(42)	(42)
<b>All Departments</b>	<b>(387)</b>	<b>(719)</b>

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

	<u>£'000</u>
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 22<sup>nd</sup> 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.

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
<b><u>Supported Service Specific Allocations</u></b>															
- 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
<b><u>Unsupported Corporate Prudential Borrowing</u></b>															
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
<b><u>Unsupported Departmental Prudential Borrowing</u></b>															
Replacement Wheelie Bins	45				45	45				45					0
New Communities Housing	4,667				4,667										
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
<b><u>Useable Capital Receipts and RCCO</u></b>															
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
<b><u>Specifically Funded Schemes</u></b>															
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

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
<b><u>Specifically Funded Schemes</u></b>												
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
<b><u>Misc Schemes</u></b>												
Education Planned Maintenance	547			547	561			561	575			575
	547	0	0	547	561	0	0	561	575	0	0	575
<b><u>Unsupported Corporate Prudential Borrowing</u></b>												
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
<b><u>Unsupported Departmental Prudential Borrowing</u></b>												
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
<b><u>Supported Service Specific Priorities</u></b>												
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 - SCRAP 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



**Table 2**2010/11 VEHICLE REPLACEMENT PROGRAMME

Type of Vehicle	Period	User	Replacement Cost
3x Refuse Vehicles	5 years	Waste Management	£375,000
2x Goods Vehicles	5 years	Waste Management	£128,250
4x Ride on Mowers & 1x Van	3/5 years	Parks	£68,020
1x Citroen Berlingo Van	5 years	Courier	£10,500
9x Vans	5 years	Mechanical & Electrical	£110,500
2x Mercedes Vito Compact Vans	5 years	Enforcement	£12,250
4x Tipper Lorry and 1x Gully Machine	5 years	Highways	£282,000
1x Aquazure Scrubber/Drier	3 years	Cleansing	£80,000
1x Loader, 1x Digger & 1 Van	5 years	Horticulture	£82,250
19x Welfare Buses	5 Years	14x Community Transport, 2 x Fleet, 3x Dial-a-Ride	£500,000
Proposed purchase of 2x 68 seat yellow buses	10 years	Community Transport	£256,470
			£1,905,240

2011/12 VEHICLE REPLACEMENT PROGRAMME

Type of Vehicle	Period	User	Replacement Cost
2x Panel Vans	5 years	Chief Executives x1, Community Services x1	£22,000
2x Tippers	5 years	Fleet x1, ILM X1	£33,000
1x Van, 4x Tippers and 3x Tractors	5 years	Horticulture	£207,500
5x Vans	5 years	Public Buildings	£97,000
1x Van	5 years	Workshop	£14,000
5x Sweepers, 1x Tractor, 1x Tipper and 2x Vans	3 years	Cleansing	£474,500
1x Lift platform and 1x Tipper	5 years	Street Lighting	£130,000
9x Mowers	3 years	Parks	£167,500
2x Vans	5 years	Car Parking x1, Public Protection x1	£22,000
1x 6 Seat Dualiner	5 years	Young Offenders	£15,250
2x Tippers, 1x Gully Emptier, 2x Gritter Body and 1x Van	5 years	Highways	£258,500
			£1,441,250

2012/13 VEHICLE REPLACEMENT PROGRAMME

Type of Vehicle	Period	User	Replacement Cost
2x Ford Transit Vans	5 years	Property Services x1, Catering x1	£25,000
1x Skoda Superb Car	5 years	Mayoral Car	£17,000
1x Van	5 years	Libraries	£14,500
5x Tippers, 1 Ford Transit Van & 1x JCB	5 years	Horticulture	£128,750
1x Pickup & 3x Recycling Econics	5 years	Mechanical & Electrical	£520,000
1x Box Van & 1x Ford Transit Van	5 years	Waste Management	£50,500
1x Tipper	5 years	Client Services	£31,000
6x Sweepers, 1x Scrubber & 1x Tipper	3 years	Cleansing	£413,750
2x Access Platform	5 years	Street Lighting	£96,500
2x Vans	5 years	Revenues & Benefits	£24,500
2x Transit 17 seater minibuses	5 years	Sports Development x1, Catcote School x1	£44,700
2x 17 seater Transit Minibuses	5 years	Fleet x1, Carlton Camp x1	£44,000
6x Ride On Mowers	3 years	Parks	£90,250
5x 17 seat Welfare Buses	5 years	Community Transport	£220,000
2x Tippers, 1x Tandem Roller, 1x Demount Hotbox & 1x Gritter Body	5 years	Highways	£159,500
			£1,879,950

**SUMMARY OF KEY ONGOING 2009/10 SERVICE ISSUES**

	2009/2010 Forecast Outturn Adverse/ (Favourable) £'000	2010/2011 Budget Pressure/ (Saving) £'000	
<u>Child &amp; 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)	

	£'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.
<b>Total</b>	<b>120</b>	

**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.
<b>Total</b>	<b>885</b>	

**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.
<b>Total</b>	<b>154</b>	

<b>Grand Total</b>	<b>1,159</b>	
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**CONTINGENCY ITEMS 2010/2011**

	<b>£'000</b>
<b><u>Child &amp; Adult Services</u></b>	
Additional funding in respect of Safeguarding Children to provide staffing capacity to address issues raised by Ofsted.	100
<b><u>Corporate</u></b>	
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
<b>Total</b>	<b>450</b>

	£'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.
<b>Total</b>	<b>110</b>	

**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.
<b>Total</b>	<b>233</b>	
<b>Grand Total</b>	<b>343</b>	

**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
		<b>6,395</b>	<b>6,133</b>

**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

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



## 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
<b>Grand Total</b>		<b>188</b>				

## Chief Executives

### 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
<b>Grand Total</b>		<b>19</b>

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
<b>Grand Total</b>		<b>17</b>

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 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.	<b>Presentation</b>
<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 Business Sector. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none"> <li>- National financial position</li> <li>- 2009/10 Budget Position</li> <li>- 2010/11 to 2013/14 Financial Outlook</li> <li>- Business Transformation Programme</li> </ul>	
<b>Comments Made</b>	<b>Response</b>
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.

<p>Councillor G Hall asked the Business Sector Representatives if any of the new initiatives which the council has implemented for local business has helped.</p>	<p>Yes, the 10 day payment has helped a lot.</p> <p>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.</p>
<p>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. .</p>	



## **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)*

1.	<b>Presentation</b>
<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"> <li>- National financial position</li> <li>- 2009/10 Budget Position</li> <li>- 2010/11 to 2013/14 Financial Outlook</li> <li>- Business Transformation Programme</li> <li>- Population reduction / floor damping issues.</li> <li>- Risk Issues</li> </ul>	
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

## APPENDIX H

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.





## **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

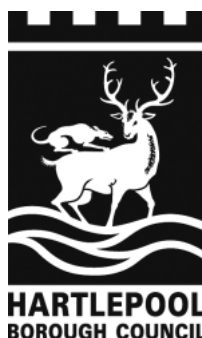
***Councillors***  
Stuart Drummond, Mayor  
Councillor G Hall

***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.	<b>Presentation</b>
<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"> <li>- National financial position</li> <li>- 2009/10 Budget Position</li> <li>- 2010/11 to 2013/14 Financial Outlook</li> <li>- Business Transformation Programme</li> </ul>	
<b>Comments Made</b>	<b>Response</b>
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 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***  
Edwin Jeffries  
Tony Watson  
Margaret Waterfield  
Malcolm Sullivan

*Emma Armstrong, PA to CEMT (Minutes)*

1.	<b>Presentation</b>
<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"> <li>- National financial position</li> <li>- 2009/10 Budget Position</li> <li>- 2010/11 to 2013/14 Financial Outlook</li> <li>- Business Transformation Programme</li> </ul>	
<b>Comments Made</b>	<b>Response</b>
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.	This was noted by the officers.

**SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET**

<b>Budget Assumption</b>	<b>Financial Standing and Management</b>
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.

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 1<sup>st</sup> 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 MANAGEMENT**Risk 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 &amp; 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
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## REGENERATION &amp; 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			
<b>Budget Support Reserves</b>									
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).
<b>Total Budget Support Reserves</b>	6,755	(4,630)	(1,523)	(846)	0	(6,999)	(244)		
<b>Ringfenced Reserves - Schools</b>									
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.
<b>Total Ringfenced Reserves - Schools</b>	3,854	(354)	(250)	(250)	(250)	(1,104)	2,750		
<b>Capital Reserves</b>									
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.
<b>Total Capital Reserves</b>	1,182	(1,182)	0	0	0	(1,182)	0		
<b>General Fund Balances</b>									
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.	
<b>Total General Fund Balances</b>	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			
<b>Ringfenced Reserves - Insurance</b>									
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.
<b>Total Ringfenced Reserves - Insurance</b>	5,111	(1,125)	(900)	225	405	(1,395)	3,716		
<b>Ringfenced Reserves - Other</b>									
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
<b>Total Ringfenced Reserves - Other</b>	4,686	477	(1,752)	(404)	0	(1,679)	3,007		
<b>Departmental Reserves</b>									
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	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.
<b>Total Departmental Reserves</b>	<b>10,029</b>	<b>(6,056)</b>	<b>(1,585)</b>	<b>(834)</b>	<b>(475)</b>	<b>(8,950)</b>	<b>1,079</b>		

**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 11<sup>th</sup> 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 "out sourced" 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 cost 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



## SECTION B

### Detailed Revenue Budgets by Department



**STATEMENT OF GENERAL FUND REQUIREMENTS 2009/2010 TO 2013/2014**

	2009/2010 APPROVED BUDGET	2010/2011 PROPOSED BUDGET	2011/2012 PROJECTED BUDGET	2012/2013 PROJECTED BUDGET	2013/2014 PROJECTED BUDGET
	£m	£m	£m	£m	£m
<b>DEPARTMENTAL REQUIREMENTS</b>					
Child and Adult Services	40.347	48.849	49.874	51.121	52.398
Chief Executives Department	10.181	10.04	10.285	10.552	10.816
Rent Allowances/G. Tax benefit not subsidised	1.364	1.398	1.433	1.488	1.508
Rent Allowances Grant	(1.157)	(1.158)	(1.216)	(1.248)	(1.277)
Regeneration and Neighbourhoods	21.502	20.753	21.281	21.813	22.358
<b>TOTAL DEPARTMENTAL REQUIREMENTS</b>	<b>81.237</b>	<b>79.654</b>	<b>81.667</b>	<b>83.709</b>	<b>85.802</b>
<b>EXTERNAL REQUIREMENTS</b>					
Magistrates, Probation and Coroners Court	0.187	0.192	0.197	0.202	0.207
North Eastern Sea Fisheries Levy	0.021	0.025	0.026	0.027	0.028
Flood Defence Levy	0.046	0.031	0.032	0.033	0.034
Discretionary NDR Relief	0.034	0.035	0.038	0.037	0.038
<b>CORPORATE COMMITMENTS</b>					
I.T.	2.626	2.661	2.758	2.827	2.896
Audit Fees	0.356	0.365	0.374	0.383	0.393
Centralised Estimates (Note 5)	8.502	8.519	8.824	8.845	8.868
Insurances	0.178	0.182	0.187	0.192	0.197
Designated Authority Costs	0.057	0.060	0.062	0.064	0.066
Pensions	0.353	0.362	0.371	0.380	0.390
Members Allowances	0.355	0.364	0.373	0.382	0.392
Mayoral Allowance	0.077	0.079	0.081	0.083	0.085
Emergency Planning	0.093	0.095	0.097	0.099	0.101
<b>NEW PRESSURES</b>					
Prudential Borrowing Costs - Mill House	0.000	0.000	0.309	0.309	0.309
Contingency	0.023	0.024	0.025	0.026	0.027
Planning Delivery Grant terminated	0.117	0.121	0.124	0.127	0.130
Strategic Contingency (note 1)	0.160	0.468	0.447	0.458	0.469
Waste Disposal pressure 2010/11	0.000	0.130	0.133	0.138	0.139
2008/07 Final Council Commitments (note 2)	0.015	0.015	0.015	0.016	0.016
2007/08 Provision for Grants/Pressures/Priorities (note 3)	0.037	0.038	0.039	0.040	0.041
Provision for Cabinet projects	0.052	0.053	0.054	0.055	0.056
Job Evaluation (Note 4)	0.707	1.030	1.499	1.537	1.575
Contribution towards one-off BTP costs (note 4)	0.450	0.450	0.000	0.000	0.000
2010/11 Business Transformation Efficiencies	0.000	0.000	(0.153)	(0.153)	(0.153)
2011/12 Business Transformation Efficiencies	0.000	0.000	(1.105)	(1.133)	(1.161)
2012/13 Business Transformation Efficiencies	0.000	0.000	0.000	(2.020)	(2.020)
2010/11 Pressures and contingency	0.000	1.159	1.188	1.218	1.248
Headroom for 2011/12 Pressures	0.000	0.000	1.000	1.025	1.051
Headroom for 2012/13 Pressures	0.000	0.000	0.000	1.000	1.025
Headroom for 2013/14 Pressures	0.000	0.000	0.000	0.000	1.000
2008/10 Pressures year 2 and 3 additional costs	0.000	0.100	0.312	0.312	0.312
Benefit Subsidy Income	(0.200)	(0.300)	(0.300)	(0.300)	(0.300)
Removal of Revenue funding & replace with capitalisation	0.000	(0.500)	(0.500)	(0.500)	(0.500)
Cross Departmental review of income	0.000	(0.224)	(0.224)	(0.224)	(0.224)
Review of Car allowances	0.000	(0.200)	(0.400)	(0.400)	(0.400)
LATS income	0.000	(0.250)	(0.200)	(0.200)	(0.200)
Climate Change initiatives - Area Base Grant Funded	0.023	0.023	0.023	0.023	0.023
Parish Precepts	0.024	0.028	0.027	0.028	0.028
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>93.539</b>	<b>93.148</b>	<b>95.429</b>	<b>96.673</b>	<b>100.019</b>
<b>Council Tax Percentage Increase</b>	<b>3.9%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>3.9%</b>
Council Tax - base income	38.255	39.413	40.555	41.758	43.365
Area Based Grant Review (Appendix F)	0.310	0.490	0.490	0.490	0.490
Formula Grant	49.834	51.522	48.646	45.499	44.174
Contribution from Budget Support Fund and other reserves	4.830	1.470	0.900	0.000	0.000
Lower Protection costs - release of reserve	0.200	0.000	0.000	0.000	0.000
Collection Fund Surplus(deficit)	0.310	0.253	0.200	0.200	0.200
<b>BUDGET LIMIT</b>	<b>93.539</b>	<b>93.148</b>	<b>91.091</b>	<b>88.948</b>	<b>88.228</b>
<b>DEFICIT(SURPLUS)</b>	<b>0.000</b>	<b>0.000</b>	<b>4.338</b>	<b>7.725</b>	<b>11.790</b>
Less Cumulative cuts in previous years		0.000	0.000	(4.338)	(7.725)
<b>New Annual Savings - above BTP</b>		<b>0.000</b>	<b>4.337</b>	<b>3.388</b>	<b>4.065</b>



#### 7) Area Based Grant (ABG)

The Area Based Grant will be allocated as detailed in Appendix F to the main budget report.

#### 8) Use and Value of Budget Support Fund

	£'000
Balance as at 31st March 2008	6,755
Contribution from 2008/09 Outturn strategy	
Approved use 2008/09	
Proposed use 2008/10	(4,630)
Proposed use 2010/11	(1,470)
Proposed use 2011/12	(900)
Shortfall to be funded from RTB receipts 2009/10 to 2011/12	(245)

Detailed usage of reserves by year (supports above table)

	2008/10 £'000	2010/11 £'000	2011/12 £'000
CONT. FROM BUDGET SUPPORT FUND	2,000	1,000	500
CONT. FROM 07/08 UNDERSPEND	-	-	-
USE MARCH 2007 DISCOUNT	674	-	-
USE 2008/09 LABGI GRANT	402	237	-
USE OF 2008/08 OUTTURN RESOURCES	1,554	233	400
	4,630	1,470	900



**CHILD & ADULT SERVICES**  
**DETAILED REVENUE BUDGET 2010 2011**



**2010/2011 BUDGET - CHILD AND ADULT SERVICES SUMMARY**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In Level Of Service	One Off Costs	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
	<b><u>Child</u></b>								
55,834.6	Individual Schools Budget	56,977.0	0.0	0.0	0.0	0.0	0.0	0.0	56,977.0
2,423.9	Access to Education	2,483.6	98.0	(136.6)	0.0	901.1	(901.1)	0.0	2,445.0
988.4	Central Support Services	1,013.2	0.0	0.0	0.0	0.0	0.0	0.0	1,013.2
11,519.0	Children & Families	11,805.1	46.1	(38.1)	0.0	0.0	0.0	(94.8)	11,718.3
484.0	Children's Fund	483.9	52.1	(52.0)	0.0	20.4	(20.4)	0.0	484.0
282.6	Early Years	290.6	0.0	0.0	0.0	56.4	(56.4)	0.0	290.6
181.2	Information, Sharing and Assessment	184.2	9.2	(6.3)	0.0	0.0	0.0	0.0	187.1
944.3	Other School Related Expenditure	987.8	301.2	(266.9)	0.0	0.0	0.0	(53.3)	968.8
129.8	Play & Care	129.0	33.3	(50.8)	0.0	0.0	0.0	0.0	111.5
2,542.2	Raising Educational Achievement	2,337.3	130.5	(103.0)	0.0	13.5	(13.5)	(144.4)	2,220.4
3,845.2	Special Educational Needs	3,882.4	73.0	(73.0)	0.0	0.0	0.0	2.3	3,884.7
1,972.5	Strategic Management	1,927.7	27.7	(62.0)	0.0	0.0	0.0	(342.8)	1,550.6
124.9	Youth Justice	129.2	16.8	0.0	0.0	0.0	0.0	0.0	146.0
993.1	Youth Service	997.9	67.3	(66.5)	0.0	0.0	0.0	2.5	1,001.2
618.0	Working Neighbourhoods Fund	638.0	0.0	0.0	0.0	0.0	0.0	0.0	638.0
(59,695.5)	Dedicated Schools Grant	(60,889.4)	0.0	0.0	0.0	0.0	0.0	0.0	(60,889.4)
<b>23,188.2</b>	<b><u>Sub-Total Child</u></b>	<b>23,377.5</b>	<b>855.2</b>	<b>(855.2)</b>	<b>0.0</b>	<b>991.4</b>	<b>(991.4)</b>	<b>(630.5)</b>	<b>22,747.0</b>
	<b><u>Adult</u></b>								
51.0	Adult Education	52.3	0.0	0.0	0.0	0.0	0.0	0.0	52.3
42.2	Archaeology	38.8	1.7	0.0	(1.7)	0.0	0.0	0.0	38.8
4,284.3	Assessment, Care Management & Provision 1	4,324.8	0.0	0.0	0.0	0.0	0.0	(108.6)	4,216.2
3,065.5	Assessment, Care Management & Provision 2	3,128.9	0.0	0.0	0.0	0.0	0.0	0.0	3,128.9
392.4	Carers & Assistive Technology	401.3	0.0	0.0	0.0	0.0	0.0	0.0	401.3
1,077.0	Commissioning - Adults	1,115.5	0.0	0.0	0.0	400.0	(400.0)	(138.5)	977.0
1,150.0	Commissioning - Mental Health	1,168.9	0.0	0.0	0.0	0.0	0.0	0.0	1,168.9
9,016.9	Commissioning - Older People	9,242.3	130.0	0.0	(130.0)	20.0	(20.0)	0.0	9,242.3
5,557.5	Commissioning - Working Age Adults	5,692.9	468.0	0.0	(468.0)	0.0	0.0	0.0	5,692.9
695.5	Community Support	707.8	0.0	0.0	0.0	0.0	0.0	(15.0)	692.8
160.9	Countryside	163.8	4.6	(4.6)	0.0	0.0	0.0	(7.8)	156.0

Continued Overleaf ...

**2010/2011 BUDGET - CHILD AND ADULT SERVICES SUMMARY**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In Level Of Service	One Off Costs	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
1,725.0	Libraries	1,741.4	21.3	(21.3)	0.0	13.0	(13.0)	(40.1)	1,701.3
648.9	Museum & Heritage	649.1	0.0	0.0	0.0	0.0	0.0	(26.8)	622.3
319.2	Service Strategy & Regulation	327.3	0.0	0.0	0.0	0.0	0.0	(21.7)	305.6
1,445.1	Sport & Physical Recreation	1,451.7	14.4	(2.1)	(12.2)	75.0	(75.0)	(15.0)	1,436.8
228.2	Strategic Arts	230.0	0.0	0.0	0.0	0.0	0.0	(90.4)	139.6
2,060.1	Support Services	2,084.4	0.4	0.0	(0.4)	0.0	0.0	(70.0)	2,014.4
0.0	Tall Ships Event 2010	0.0	0.0	0.0	0.0	369.5	(369.5)	0.0	0.0
264.0	Working Neighbourhoods Fund	258.5	0.0	0.0	0.0	0.0	0.0	0.0	258.5
<b>32,183.7</b>	<b>Sub-Total Adult</b>	<b>32,779.7</b>	<b>640.4</b>	<b>(28.0)</b>	<b>(612.3)</b>	<b>877.5</b>	<b>(877.5)</b>	<b>(533.9)</b>	<b>32,245.9</b>
<b>55,371.9</b>	<b>Total Budget Including ABG Funded Expenditure</b>	<b>56,157.2</b>	<b>1,495.6</b>	<b>(883.2)</b>	<b>(612.3)</b>	<b>1,868.9</b>	<b>(1,868.9)</b>	<b>(1,164.4)</b>	<b>54,992.9</b>
(6,482.0)	ABG Grant								(6,343.0)
<b>48,889.9</b>	<b>Net Budget Requirement</b>								<b>48,649.9</b>

The Dedicated Schools Grant (DSG) is a ring-fenced grant received from the Department for Children, Schools and Families (DCSF) to be spent on school-related expenditure only. The amount received is based on actual pupil numbers in Hartlepool Schools as at January 2010 which have been estimated by the LA. Actual grant levels will be notified to the Authority by the DCSF in June 2010.

In 2010/11 this grant will fund approximately £60.9m (£59.7m in 2009/10) of the Children's Services budget which equates to a cash increase of 2%.

**2010/2011 BUDGET - BEST VALUE UNIT: INDIVIDUAL SCHOOLS BUDGET**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 01 Jobs and the Economy  
Theme: 02 Lifelong Learning and Skills

**Outcome(s)**

Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (04)  
Enjoy & Achieve (07)  
Transform teaching and learning opportunities, supported by £100m+ investment from Building Schools for the Future and the Primary Capital Programme (09)

**Objective(s)**

Reduce the level of young people who are Not in Employment, Education or Training (NEET), (CORP JE07)

Reduce the proportion of children in poverty (CORP JE08)

Implement the Hartlepool 14-19 Strategy (CORP JE09)

Implement the Machinery of Government Change (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper (CORP JE10)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Provide enrichment opportunities: Improve the availability of curriculum enrichment activities for all pupils including educational and residential visits, music, sport, creative and performing arts (CORP LLS10)

Select Building Schools for the Future Design and Build provider from National Framework through invitation to express interest and mini competition (CORP LLS13)

Initiate ICT Managed Service at St Hild's School (CORP LLS14)

Initiate construction work at Dyke House School (CORP LLS15)

Procure initial Primary Capital Programme Projects, with a capital value of £8.4 million (CORP LLS16)

Continued Overleaf...

**2010/2011 BUDGET - BEST VALUE UNIT: INDIVIDUAL SCHOOLS BUDGET - Continued**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
55,834.6	Individual Schools Budget (ISB)	56,977.0	0.0	0.0	0.0	0.0	0.0	56,977.0
0.0	Use Of Departmental Reserves					0.0		0.0
55,834.6	Net Budget Requirement	56,977.0	0.0	0.0	0.0	0.0	0.0	56,977.0

The 2010/11 budget is a provisional figure only based on an estimated Dedicated Schools Grant (DSG), which has been calculated using the Authority's latest estimate of pupil numbers for 2010/11. The cash increase has been estimated by the LA at 2%.

The final ISB will be set using January 2010 pupil data in accordance with DCSF requirements.



**2010/2011 BUDGET - BEST VALUE UNIT: ACCESS TO EDUCATION**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 02 Lifelong Learning and Skills

**Outcome(s)**

Enjoy & Achieve (07)

**Objective(s)**

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Buildings and School Places</b>							
76.6	Direct costs - Employees	80.0	0.0	(1.3)	0.0	213.3	0.0	292.0
50.8	- Other	52.9	0.0	0.0	0.0	502.2	0.0	555.1
127.4	Total Direct Cost	132.9	0.0	(1.3)	0.0	715.5	0.0	847.1
49.6	Support Recharges	50.8	0.0	0.0	0.0	185.6	0.0	236.4
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
177.0	Gross Budget Requirement	183.7	0.0	(1.3)	0.0	901.1	0.0	1,083.5
	<b>Home to School Transport</b>							
348.3	Direct costs - Employees	348.5	2.6	0.0	0.0	0.0	0.0	351.1
1,101.0	- Other	1,129.1	85.3	(120.1)	0.0	0.0	0.0	1,094.3
1,449.3	Total Direct Cost	1,477.6	87.9	(120.1)	0.0	0.0	0.0	1,445.4
83.2	Support Recharges	85.2	0.0	0.0	0.0	0.0	0.0	85.2
(64.1)	Income	(65.7)	0.0	0.0	0.0	0.0	0.0	(65.7)
1,468.4	Gross Budget Requirement	1,497.1	87.9	(120.1)	0.0	0.0	0.0	1,464.9
	<b>Attendance and Behaviour</b>							
581.2	Direct costs - Employees	593.3	4.8	(1.4)	0.0	0.0	0.0	596.7
183.5	- Other	199.9	2.9	(5.3)	0.0	0.0	0.0	197.5
764.7	Total Direct Cost	793.2	7.7	(6.7)	0.0	0.0	0.0	794.2
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(94.4)	Income	(96.8)	2.4	(6.9)	0.0	0.0	0.0	(101.3)
670.3	Gross Budget Requirement	696.4	10.1	(13.6)	0.0	0.0	0.0	692.9
	<b>Admissions</b>							
60.1	Direct costs - Employees	60.9	0.0	0.0	0.0	0.0	0.0	60.9
20.6	- Other	17.3	0.0	0.0	0.0	0.0	0.0	17.3
80.7	Total Direct Cost	78.2	0.0	0.0	0.0	0.0	0.0	78.2
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1.6)	Income	(1.6)	0.0	0.0	0.0	0.0	0.0	(1.6)
79.1	Gross Budget Requirement	76.6	0.0	0.0	0.0	0.0	0.0	76.6
	<b>Student Support</b>							
1.1	Direct costs - Employees	1.1	0.0	0.0	0.0	0.0	0.0	1.1
33.3	- Other	34.1	0.0	(0.8)	0.0	0.0	0.0	33.3
34.4	Total Direct Cost	35.2	0.0	(0.8)	0.0	0.0	0.0	34.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5.3)	Income	(5.4)	0.0	(0.8)	0.0	0.0	0.0	(6.2)
29.1	Gross Budget Requirement	29.8	0.0	(1.6)	0.0	0.0	0.0	28.2
2,423.9	Total Gross Budget Requirement	2,483.6	98.0	(136.6)	0.0	901.1	0.0	3,346.1
0.0	Use Of Departmental Reserves					(901.1)	0.0	(901.1)
2,423.9	Net Budget Requirement	2,483.6	98.0	(136.6)	0.0	0.0	0.0	2,445.0

Continued Overleaf ....

## **2010/2011 BUDGET - BEST VALUE UNIT: ACCESS TO EDUCATION**

### **Budget Pressures, Priorities & Terminating Grants**

Pressures mainly relate to Home to School Transport, particularly increased costs of the Secondary Extended Rights to Free Transport (where costs exceed the Area Based Grant funding allocated) and a previously unbudgeted increased contribution towards the Supported Bus Service with effect from September 2009. These pressures are offset by savings elsewhere within Home to School Transport.

### **Efficiency Savings**

Savings mainly relate to Home to School Transport and offset the above pressures. These savings arise from changes in pupil demand and efficiencies achieved by the Integrated Transport Unit in the provision of services.

### **One Off Costs Funded From Department's Reserves**

This relates to the revenue costs of the department's Schools Transformation Team which includes various consultancy and Neighbourhood Services costs required to deliver the Building Schools for the Future and Primary Capital Programmes.

## 2010/2011 BUDGET - BEST VALUE UNIT: CENTRAL SUPPORT SERVICES

### The unit contributes to the achievement of the following corporate objectives:

Theme: 02 Lifelong Learning and Skills

#### Outcome(s)

Enjoy & Achieve (07)

#### Objective(s)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Central Support Services</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
988.4	Support Recharges	1,013.2	0.0	0.0	0.0	0.0	0.0	1,013.2
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
988.4	Gross Budget Requirement	1,013.2	0.0	0.0	0.0	0.0	0.0	1,013.2
0.0	Use Of Departmental Reserves					0.0		0.0
988.4	Net Budget Requirement	1,013.2	0.0	0.0	0.0	0.0	0.0	1,013.2

## 2010/2011 BUDGET - BEST VALUE UNIT: CHILDREN & FAMILIES

### The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health and Wellbeing  
 Theme: 04 Community Safety  
 Theme: 08 Strengthening Communities

### Outcome(s)

Be Healthy (11)  
 Stay Safe (19)  
 Making a positive contribution (33)

### Objective(s)

Work with partners to reduce health inequalities e.g. by promoting breastfeeding, reducing smoking in pregnancy, tackling obesity (CORP HW03)

Work with partner agencies, young people, schools and families to reduce under 18 conception rate by 55% from 1998 baseline and improve sexual health (CORP HW04)

Work with partner agencies, young people, schools and families to tackle substance misuse (including alcohol (CORP HW05)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Effectively implement the recommendations from Care Matters to improve outcomes for looked after children (CORP CS10)

Develop and implement an e-safety strategy (CORP CS11)

Develop the work of the Local Safeguarding Children Board to achieve the wider safeguarding agenda, reflecting local priorities (CORP CS12)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Children &amp; Families</u>							(2+3+4+5+6+7)
4,476.3	Direct costs - Employees	4,589.1	33.7	(33.6)	0.0	0.0	(94.8)	4,494.4
7,253.8	- Other	7,432.3	12.4	(4.5)	0.0	0.0	0.0	7,440.2
11,730.1	Total Direct Cost	12,021.4	46.1	(38.1)	0.0	0.0	(94.8)	11,934.6
23.0	Support Recharges	23.6	0.0	0.0	0.0	0.0	0.0	23.6
(234.1)	Income	(239.9)	0.0	0.0	0.0	0.0	0.0	(239.9)
11,519.0	Gross Budget Requirement	11,805.1	46.1	(38.1)	0.0	0.0	(94.8)	11,718.3
0.0	Use Of Departmental Reserves					0.0		0.0
11,519.0	Net Budget Requirement	11,805.1	46.1	(38.1)	0.0	0.0	(94.8)	11,718.3

### Budget Pressures, Priorities & Terminating Grants

Pressures include increased numbers of staff being part of the Local Government Pension Scheme and in-house fostering allowances increasing at 0.3% above the Council's standard inflation rate. This is in accordance with fostering network rates.

### Efficiency Savings

Savings mainly relate to an increased proportion of a Training Officer post being charged to the Local Safeguarding Children's Board budget.

### Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## 2010/2011 BUDGET - BEST VALUE UNIT: CHILDREN'S FUND

### The unit contributes to the achievement of the following corporate objectives:

Theme: 04 Community Safety  
Theme: 08 Strengthening Communities

### Outcome(s)

Stay Safe (19)  
Making a positive contribution (33)

### Objective(s)

Effectively implement the recommendations from Care Matters to improve outcomes for looked after children (CORP CS10)

Develop and implement an e-safety strategy (CORP CS11)

Develop the work of the Local Safeguarding Children Board to achieve the wider safeguarding agenda, reflecting local priorities (CORP CS12)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
158.0	Children's Fund							
576.0	Direct costs - Employees	150.8	52.1	0.0	0.0	0.0	0.0	202.9
	- Other	583.1	0.0	(52.0)	0.0	20.4	0.0	551.5
734.0	Total Direct Cost	733.9	52.1	(52.0)	0.0	20.4	0.0	754.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(250.0)	Income	(250.0)	0.0	0.0	0.0	0.0	0.0	(250.0)
484.0	Gross Budget Requirement	483.9	52.1	(52.0)	0.0	20.4	0.0	504.4
0.0	Use Of Departmental Reserves					(20.4)		(20.4)
484.0	Net Budget Requirement	483.9	52.1	(52.0)	0.0	0.0	0.0	484.0

### Budget Pressures, Priorities & Terminating Grants

Increased costs reflect staffing increases (two new posts) relating to the Think Family Project.

### Efficiency Savings

Savings reflect reductions in external grants and donations which has released funding for the additional posts above.

### One Off Costs Funded From Departments Reserves

This funding is to be used to supplement the Parent Participation initiative.

## 2010/2011 BUDGET - BEST VALUE UNIT: EARLY YEARS

### The unit contributes to the achievement of the following corporate objectives:

Theme: 02 Lifelong Learning and Skills  
Theme: 08 Strengthening Communities

### Outcome(s)

Enjoy & Achieve (07)  
Making a positive contribution (33)

### Objective(s)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Early Years</u>							
2,275.1	Direct costs - Employees	2,227.5	0.0	0.0	0.0	0.0	0.0	2,227.5
2,858.1	- Other	3,233.1	0.0	0.0	0.0	56.4	0.0	3,289.5
5,133.2	Total Direct Cost	5,460.6	0.0	0.0	0.0	56.4	0.0	5,517.0
0.2	Support Recharges	0.2	0.0	0.0	0.0	0.0	0.0	0.2
(4,850.8)	Income	(5,170.2)	0.0	0.0	0.0	0.0	0.0	(5,170.2)
282.6	Gross Budget Requirement	290.6	0.0	0.0	0.0	56.4	0.0	347.0
0.0	Use Of Departmental Reserves					(56.4)		(56.4)
282.6	Net Budget Requirement	290.6	0.0	0.0	0.0	0.0	0.0	290.6

### One Off Costs Funded From Departments Reserves

This funding will be used to commission additional early years activities

**2010/2011 BUDGET - BEST VALUE UNIT: INFORMATION SHARING & ASSESSMENT**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 04 Community Safety

**Outcome(s)**

Stay Safe (19)

**Objective(s)**

Effectively implement the recommendations from Care Matters to improve outcomes for looked after children (CORP CS10)

Develop and implement an e-safety strategy (CORP CS11)

Develop the work of the Local Safeguarding Children Board to achieve the wider safeguarding agenda, reflecting local priorities (CORP CS12)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Information, Sharing &amp; Assessment</u>							
237.2	Direct costs - Employees	169.3	0.0	(2.4)	0.0	0.0	0.0	166.9
74.1	- Other	80.2	8.1	(3.9)	0.0	0.0	0.0	84.4
311.3	Total Direct Cost	249.5	8.1	(6.3)	0.0	0.0	0.0	251.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(130.1)	Income	(65.3)	1.1	0.0	0.0	0.0	0.0	(64.2)
181.2	Gross Budget Requirement	184.2	9.2	(6.3)	0.0	0.0	0.0	187.1
0.0	Use Of Departmental Reserves					0.0		0.0
181.2	Net Budget Requirement	184.2	9.2	(6.3)	0.0	0.0	0.0	187.1

## 2010/2011 BUDGET - BEST VALUE UNIT: OTHER SCHOOL RELATED EXPENDITURE

### The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy  
 Theme: 02 Lifelong Learning and Skills  
 Theme: 08 Strengthening Communities

### Outcome(s)

Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (04)  
 Enjoy & Achieve (07)  
 Making a positive contribution (33)

### Objective(s)

Reduce the level of young people who are Not in Employment, Education or Training (NEET), (CORP JE07)

Reduce the proportion of children in poverty (CORP JE08)

Implement the Hartlepool 14-19 Strategy (CORP JE09)

Implement the Machinery of Government Change (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper (CORP JE10)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Other School Related Expenditure</u>							
1,709.4	Direct costs - Employees	1,816.8	45.8	(208.0)	0.0	0.0	(53.3)	1,601.3
3,931.3	- Other	3,980.9	200.5	(58.7)	0.0	0.0	0.0	4,122.7
5,640.7	Total Direct Cost	5,797.7	246.3	(266.7)	0.0	0.0	(53.3)	5,724.0
0.0	Support Recharges	0.5	0.0	0.0	0.0	0.0	0.0	0.5
(4,696.4)	Income	(4,810.4)	54.9	(0.2)	0.0	0.0	0.0	(4,755.7)
944.3	Gross Budget Requirement	987.8	301.2	(266.9)	0.0	0.0	(53.3)	968.8
0.0	Use Of Departmental Reserves					0.0		0.0
944.3	Net Budget Requirement	987.8	301.2	(266.9)	0.0	0.0	(53.3)	968.8

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## **2010/2011 BUDGET - BEST VALUE UNIT: OTHER SCHOOL RELATED EXPENDITURE**

### **Budget Pressures, Priorities & Terminating Grants**

Pressures relate to the primary school swimming service, premature retirement costs and Connexions.

A reduction in demand from schools for discretionary swimming sessions is expected to result in a loss of income. In addition, costs of provision are expected to increase following health and safety concerns. Assistant swimming instructors have been appointed to improve staff to pupil ratios at all swimming lessons, premises costs (including rates and utilities) have increased at Brinkburn Pool and costs of using the Brierton pool have increased following school closure. Premature Retirement Costs are estimated to increase at greater than the increase in resource allocation (5%) and Connexions are realigning their 'Positive Activities for Young People' programme away from direct provision and towards commissioning (see corresponding saving).

### **Efficiency Savings**

Connexions are realigning their 'Positive Activities for Young People' programme away from direct provision and towards commissioning which has resulted in a saving on staffing costs offset by a pressure on other costs as identified above.

On-going early year pension costs have reduced owing to demographic changes and the Licences budget has been reduced to reflect the cancellation of a 'one-off' contract which is no longer required.

### **Business Transformation**

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## 2010/2011 BUDGET - BEST VALUE UNIT: PLAY & CARE

### The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Strengthening Communities

#### Outcome(s)

Making a positive contribution (33)

#### Objective(s)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Play &amp; Care</u>							
265.2	Direct costs - Employees	267.7	9.3	(2.0)	0.0	0.0	0.0	275.0
165.7	- Other	186.8	13.0	(6.0)	0.0	0.0	0.0	193.8
430.9	Total Direct Cost	454.5	22.3	(8.0)	0.0	0.0	0.0	468.8
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(301.1)	Income	(325.5)	11.0	(42.8)	0.0	0.0	0.0	(357.3)
129.8	Gross Budget Requirement	129.0	33.3	(50.8)	0.0	0.0	0.0	111.5
0.0	Use Of Departmental Reserves					0.0		0.0
129.8	Net Budget Requirement	129.0	33.3	(50.8)	0.0	0.0	0.0	111.5

### Budget Pressures, Priorities & Terminating Grants

Pressures relate to increased transport costs, reduced take up of the service is adversely affecting income and a minor realignment of pay budgets.

### Efficiency Savings

Savings mainly relate to increased recharging of salary costs of the Young People & Play Co-ordinator against the General Sure Start Grant.

## **2010/2011 BUDGET - BEST VALUE UNIT: RAISING EDUCATIONAL ACHIEVEMENT**

### **The unit contributes to the achievement of the following corporate objectives:**

Theme: 01 Jobs and the Economy  
Theme: 02 Lifelong Learning and Skills  
Theme: 08 Strengthening Communities

### **Outcome(s)**

Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (04)  
Enjoy & Achieve (07)  
Making a positive contribution (33)

### **Objective(s)**

Reduce the level of young people who are Not in Employment, Education or Training (NEET), (CORP JE07)

Reduce the proportion of children in poverty (CORP JE08)

Implement the Hartlepool 14-19 Strategy (CORP JE09)

Implement the Machinery of Government Change (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper (CORP JE10)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

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**2010/2011 BUDGET - BEST VALUE UNIT: RAISING EDUCATIONAL ACHIEVEMENT**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>School Improvement</u>							
2,002.8	Direct costs - Employees	2,024.5	26.3	(22.2)	0.0	13.5	(144.4)	1,897.7
10,919.9	- Other	11,904.8	26.1	(23.4)	0.0	0.0	0.0	11,907.5
12,922.7	Total Direct Cost	13,929.3	52.4	(45.6)	0.0	13.5	(144.4)	13,805.2
14.2	Support Recharges	14.6	0.0	0.0	0.0	0.0	0.0	14.6
(10,543.8)	Income	(11,780.7)	27.8	(7.1)	0.0	0.0	0.0	(11,760.0)
2,393.1	Gross Budget Requirement	2,163.2	80.2	(52.7)	0.0	13.5	(144.4)	2,059.8
	<u>Curriculum Enrichment</u>							
480.0	Direct costs - Employees	449.2	1.9	(1.8)	0.0	0.0	0.0	449.3
473.7	- Other	239.1	1.9	0.0	0.0	0.0	0.0	241.0
953.7	Total Direct Cost	688.3	3.8	(1.8)	0.0	0.0	0.0	690.3
118.8	Support Recharges	121.7	0.0	0.0	0.0	0.0	0.0	121.7
(923.4)	Income	(635.9)	46.5	(48.5)	0.0	0.0	0.0	(637.9)
149.1	Gross Budget Requirement	174.1	50.3	(50.3)	0.0	0.0	0.0	174.1
2,542.2	Total Gross Budget Requirement	2,337.3	130.5	(103.0)	0.0	13.5	(144.4)	2,233.9
0.0	Use Of Departmental Reserves					(13.5)		(13.5)
2,542.2	Net Budget Requirement	2,337.3	130.5	(103.0)	0.0	0.0	(144.4)	2,220.4

**Budget Pressures, Priorities & Terminating Grants**

Budget pressures include reduced income at Carlton Outdoor Centre following Redcar and Cleveland Council's withdrawal from the joint funding Arrangement. In order to balance the Centre's budget it has been necessary to increase the external income target. (see savings)

Other Pressures relate to the need to reinstate a pay budget which had previously been part funded from Reserves, pay increments on advisors salaries, the loss of a Playing for Success grant and reduced room hire income at the Educational Development Centre following transfer of the Pupil Referral Unit.

**Efficiency Savings**

Owing to the withdrawal of Redcar and Cleveland Council from the Joint Arrangement funding Carlton Outdoor Centre it has been necessary to increase the external income target for use of the Centre. In addition there have been savings across all supplies and services budgets.

**One Off Costs Funded From Department's Reserves**

This relates to the Playing for Success service hiring a box for the 2010/11 season at Hartlepool United Football Club.

**Business Transformation**

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## 2010/2011 BUDGET - BEST VALUE UNIT: SPECIAL EDUCATIONAL NEEDS

### The unit contributes to the achievement of the following corporate objectives:

Theme: 02 Lifelong Learning and Skills

### Outcome(s)

Enjoy & Achieve (07)

### Objective(s)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Approved Budget 2009/2010  (1) £'000	Best Value Units	Budget Projection 2010/2011  (2) £'000	Budget Pressures, Priorities & Terminating Grants & Contingencies  (3) £'000	Efficiency Savings  (4) £'000	Savings/Reduction In level of Service  (5) £'000	One Off Costs Funded From Depts Reserves  (6) £'000	Business Transformation Savings  (7) £'000	Total Budget 2010/2011  (8) £'000  (2+3+4+5+6+7)
1,246.8	<u>Special Educational Needs</u>	1,246.2	26.8	(6.2)	0.0	0.0	2.3	1,269.1
2,362.6	Direct costs - Employees	2,610.7	46.2	(2.8)	0.0	0.0	0.0	2,654.1
3,609.4	- Other	3,856.9	73.0	(9.0)	0.0	0.0	2.3	3,923.2
533.7	Total Direct Cost	269.3	0.0	0.0	0.0	0.0	0.0	269.3
(297.9)	Support Recharges	(243.8)	0.0	(64.0)	0.0	0.0	0.0	(307.8)
3,845.2	Income	3,882.4	73.0	(73.0)	0.0	0.0	2.3	3,884.7
0.0	Gross Budget Requirement					0.0		0.0
3,845.2	Use Of Departmental Reserves	3,882.4	73.0	(73.0)	0.0	0.0	2.3	3,884.7
	Net Budget Requirement							

### Budget Pressures, Priorities & Terminating Grants

Pressures reflect the impact of a staffing restructure within Education Psychology and increased service provision including additional training. The pressures are offset by funding from the General Sure Start Grant (see Savings).

### Efficiency Savings

The General Sure Start Grant is to fund additional Education Psychology services (see Pressures above).

### Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## 2010/2011 BUDGET - BEST VALUE UNIT: STRATEGIC MANAGEMENT

### The unit contributes to the achievement of the following corporate objectives:

Theme: 02 Lifelong Learning and Skills  
Theme: 08 Strengthening Communities

### Outcome(s)

Enjoy & Achieve (07)  
Making a positive contribution (33)

### Objective(s)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Empower individuals, groups and committees and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
2,105.1	<u>Strategic Management</u>	2,063.5	19.5	(36.1)	0.0	0.0	(342.8)	1,704.1
253.3	Direct costs - Employees	259.7	3.6	(21.5)	0.0	0.0	0.0	241.8
2,358.4	- Other							
0.0	Total Direct Cost	2,323.2	23.1	(57.6)	0.0	0.0	(342.8)	1,945.9
(385.9)	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Income	(395.5)	4.6	(4.4)	0.0	0.0	0.0	(395.3)
1,972.5	Gross Budget Requirement	1,927.7	27.7	(62.0)	0.0	0.0	(342.8)	1,550.6
0.0	Use Of Departmental Reserves					0.0		0.0
1,972.5	Net Budget Requirement	1,927.7	27.7	(62.0)	0.0	0.0	(342.8)	1,550.6

### Budget Pressures, Priorities & Terminating Grants

Pressures mainly relate to increments and budget realignments on Advisors and Chief Officer posts.

### Efficiency Savings

Savings mainly relate to a reduction in the budget for CRB checks to reflect current demand and reductions in various supplies and services budgets.

### Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## 2010/2011 BUDGET - BEST VALUE UNIT: YOUTH JUSTICE

### The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Strengthening Communities

### Outcome(s)

Making a positive contribution (33)

### Objective(s)

Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)

Promote children and young people's participation in decision making (CORP SC05)

Promote emotional wellbeing in children and young people (CORP SC06)

Work with partner agencies to reduce youth offending (CORP SC07)

Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Youth Justice</u>							
119.1	Direct costs - Employees	123.2	16.8	0.0	0.0	0.0	0.0	140.0
5.8	- Other	6.0	0.0	0.0	0.0	0.0	0.0	6.0
124.9	Total Direct Cost	129.2	16.8	0.0	0.0	0.0	0.0	146.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
124.9	Gross Budget Requirement	129.2	16.8	0.0	0.0	0.0	0.0	146.0
0.0	Use Of Departmental Reserves					0.0		0.0
124.9	Net Budget Requirement	129.2	16.8	0.0	0.0	0.0	0.0	146.0

### Budget Pressures, Priorities & Terminating Grants

The pressure results from realigning the pay budget to account for an administration post in the service which had been offset by vacancy savings in previous years.

## 2010/2011 BUDGET - BEST VALUE UNIT: YOUTH SERVICE

### The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy  
 Theme: 03 Health and Wellbeing  
 Theme: 08 Strengthening Communities

### Outcome(s)

Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (04)  
 Be Healthy (11)  
 Making a positive contribution (33)

### Objective(s)

Reduce the level of young people who are Not in Employment, Education or Training (NEET), (CORP JE07)  
 Reduce the proportion of children in poverty (CORP JE08)  
 Implement the Hartlepool 14-19 Strategy (CORP JE09)  
 Implement the Machinery of Government Change (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper (CORP JE10)  
 Work with partners to reduce health inequalities e.g. by promoting breastfeeding, reducing smoking in pregnancy, tackling obesity (CORP HW03)  
 Work with partner agencies, young people, schools and families to reduce under 18 conception rate by 55% from 1998 baseline and improve sexual health (CORP HW04)  
 Work with partner agencies, young people, schools and families to tackle substance misuse (including alcohol), (CORP HW05)  
 Support parents and carers to fulfill their responsibilities to their children effectively (CORP SC04)  
 Promote children and young people's participation in decision making (CORP SC05)  
 Promote emotional wellbeing in children and young people (CORP SC06)  
 Work with partner agencies to reduce youth offending (CORP SC07)  
 Improve the level of young people's participation in positive activities (CORP SC08)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
866.3	<u>Youth Service</u>	890.0	67.3	(25.5)	0.0	0.0	2.5	934.3
461.7	Direct costs - Employees	442.9	0.0	0.0	0.0	0.0	0.0	442.9
	- Other							
1,328.0	Total Direct Cost	1,332.9	67.3	(25.5)	0.0	0.0	2.5	1,377.2
4.5	Support Recharges	4.6	0.0	0.0	0.0	0.0	0.0	4.6
(339.4)	Income	(339.6)	0.0	(41.0)	0.0	0.0	0.0	(380.6)
993.1	Gross Budget Requirement	997.9	67.3	(66.5)	0.0	0.0	2.5	1,001.2
0.0	Use Of Departmental Reserves					0.0		0.0
993.1	Net Budget Requirement	997.9	67.3	(66.5)	0.0	0.0	2.5	1,001.2

### Budget Pressures, Priorities & Terminating Grants

Pressures relate to the reinstatement of a Youth Worker budget (which will be funded by a recharge to Connexions - see Savings) and increments on Youth Worker pay.

### Efficiency Savings

Savings relate to increased recharge income from Connexions relating to a Youth Worker post and reductions in 'supply' Youth Worker pay budgets.

### Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.



**2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 01 Jobs and the Economy  
Theme: 02 Lifelong Learning and Skills  
Theme: 03 Health & Wellbeing  
Theme 07 - Culture and Leisure

**Outcome(s)**

Achieve economic wellbeing for all children and young people ensuring that they are prepared for working life (04)

Enjoy & Achieve (07)

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)

Improved Health (10)

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)

Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

Reduce the level of young people who are Not in Employment, Education or Training (NEET), (CORP JE07)

Reduce the proportion of children in poverty (CORP JE08)

Implement the Hartlepool 14-19 Strategy (CORP JE09)

Implement the Machinery of Government Change (MOG) in line with the Raising Expectations - Enabling the System to Deliver White Paper (CORP JE10)

Foundation Stage Profile - Narrowing the Gap: Improve the average Early Years Foundation Stage profile score of the lowest achieving 20% of results to narrow the gap between that and the median (CORP LLS01)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in English (CORP LLS02)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 1-2 improve the proportion of pupils progressing by 2 National Curriculum levels in Maths (CORP LLS03)

Continue to improve overall levels of achievement and narrow the gap: Between Key Stage 2-4 improve the proportion of pupils making at least 2 National Curriculum levels progress (CORP LLS04)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 2 increase the proportion of pupils achieving Level 4+ in both English and Maths (CORP LLS05)

Continue to improve overall levels of achievement and narrow the gap: At Key Stage 4 increase the proportion of pupils achieving 5 A\*-C grades at GCSE or equivalent, including English and Maths (CORP LLS06)

Continue to improve overall levels of achievement and narrow the gap: Narrow the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4 (CORP LLS07)

Provide enrichment opportunities: Increase the percentage of pupils participating in extra curricular activities (CORP LLS08)

Provide enrichment opportunities: Extend the opportunities for pupils to participate in an increasingly wide range of extra curricular activities (CORP LLS09)

**Objective(s)**

To increase participation in Physical Activity within Hartlepool (CORP HW22)

To increase the number of people eating healthily across Hartlepool (CORP HW23)

Take action to address the wider detriments of health (CORP HW28)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Continued Overleaf...

**2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND - Continued**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Working Neighbourhoods Fund</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
618.0	- Other	638.0	0.0	0.0	0.0	0.0	0.0	638.0
618.0	Total Direct Cost	638.0	0.0	0.0	0.0	0.0	0.0	638.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
618.0	Gross Budget Requirement	638.0	0.0	0.0	0.0	0.0	0.0	638.0
0.0	Use Of Departmental Reserves					0.0		0.0
618.0	Net Budget Requirement	638.0	0.0	0.0	0.0	0.0	0.0	638.0

**2010/2011 BUDGET - BEST VALUE UNIT: ADULT EDUCATION**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 02 Lifelong Learning and Skills

**Outcome(s)**

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)

**Objective(s)**

To increase universal access to high quality learning and skills opportunities (CORP LLS17)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Adult Education</u>							
986.7	Direct costs - Employees	1,011.4	0.0	0.0	0.0	0.0	0.0	1,011.4
182.0	- Other	186.5	0.0	0.0	0.0	0.0	0.0	186.5
1,168.7	Total Direct Cost	1,197.9	0.0	0.0	0.0	0.0	0.0	1,197.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1,117.7)	Income	(1,145.6)	0.0	0.0	0.0	0.0	0.0	(1,145.6)
51.0	Gross Budget Requirement	52.3	0.0	0.0	0.0	0.0	0.0	52.3
0.0	Use Of Departmental Reserves					0.0		0.0
51.0	Net Budget Requirement	52.3	0.0	0.0	0.0	0.0	0.0	52.3

**2010/2011 BUDGET - BEST VALUE UNIT: ARCHAEOLOGY**

**The unit contributes to the achievement of the following corporate objectives:**

Theme 07 - Culture and Leisure

**Outcome(s)**

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

**Objective(s)**

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Archaeology</u>							
163.0	Direct costs - Employees	162.5	1.7	0.0	0.0	0.0	0.0	164.2
69.5	- Other	71.3	0.0	0.0	(1.7)	0.0	0.0	69.6
232.5	Total Direct Cost	233.8	1.7	0.0	(1.7)	0.0	0.0	233.8
11.4	Support Recharges	11.7	0.0	0.0	0.0	0.0	0.0	11.7
(201.7)	Income	(206.7)	0.0	0.0	0.0	0.0	0.0	(206.7)
42.2	Gross Budget Requirement	38.8	1.7	0.0	(1.7)	0.0	0.0	38.8
0.0	Use Of Departmental Reserves					0.0		0.0
42.2	Net Budget Requirement	38.8	1.7	0.0	(1.7)	0.0	0.0	38.8

**2010/2011 BUDGET - BEST VALUE UNIT: ASSESSMENT, CARE MANAGEMENT & PROVISION 1**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Improved Health (10)  
Easier Access to Services (14)

**Objective(s)**

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

Take action to address the wider detriments of health (CORP HW28)

To evaluate the Connected Care Scheme in conjunction with Turning Point and the University of Durham (CORP HW14)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Assessment, Care Management &amp; Provision 1</u>							
3,875.7	Direct costs - Employees	3,906.0	0.0	0.0	0.0	0.0	(108.6)	3,797.4
862.0	- Other	883.5	0.0	0.0	0.0	0.0	0.0	883.5
4,737.7	Total Direct Cost	4,789.5	0.0	0.0	0.0	0.0	(108.6)	4,680.9
3.2	Support Recharges	3.3	0.0	0.0	0.0	0.0	0.0	3.3
(456.6)	Income	(468.0)	0.0	0.0	0.0	0.0	0.0	(468.0)
4,284.3	Gross Budget Requirement	4,324.8	0.0	0.0	0.0	0.0	(108.6)	4,216.2
0.0	Use Of Departmental Reserves					0.0		0.0
4,284.3	Net Budget Requirement	4,324.8	0.0	0.0	0.0	0.0	(108.6)	4,216.2

**2010/2011 BUDGET - BEST VALUE UNIT: ASSESSMENT, CARE MANAGEMENT & PROVISION 2**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Improved Health (10)

**Objective(s)**

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

Take action to address the wider detriments of health (CORP HW28)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Assessmentt Care Management &amp; Provision 2</u>							
2,298.1	Direct costs - Employees	2,342.4	0.0	0.0	0.0	0.0	0.0	2,342.4
935.7	- Other	959.0	0.0	0.0	0.0	0.0	0.0	959.0
3,233.8	Total Direct Cost	3,301.4	0.0	0.0	0.0	0.0	0.0	3,301.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(168.3)	Income	(172.5)	0.0	0.0	0.0	0.0	0.0	(172.5)
3,065.5	Gross Budget Requirement	3,128.9	0.0	0.0	0.0	0.0	0.0	3,128.9
0.0	Use Of Departmental Reserves					0.0		0.0
3,065.5	Net Budget Requirement	3,128.9	0.0	0.0	0.0	0.0	0.0	3,128.9

## 2010/2011 BUDGET - BEST VALUE UNIT: CARERS AND ASSISTIVE TECHNOLOGY

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Improved Health (10)  
Exercise of choice and control and retention of personal dignity (12)  
Easier Access to Services (14)

**Objective(s)**

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

Take action to address the wider detriments of health (CORP HW28)

To ensure all service developments have involvement from service users and their carers (CORP HW07)

To ensure that all service users have the opportunity to plan, direct and commission their own support (CORP HW08)

Ensure vulnerable adults are safeguarded (CORP HW09)

To ensure that carers are supported effectively to support their family members for as long as they wish (CORP HW13)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Carers And Assistive Technology</u>							
40.2	Direct costs - Employees	40.2	0.0	0.0	0.0	0.0	0.0	40.2
387.0	- Other	396.8	0.0	0.0	0.0	0.0	0.0	396.8
427.2	Total Direct Cost	437.0	0.0	0.0	0.0	0.0	0.0	437.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(34.8)	Income	(35.7)	0.0	0.0	0.0	0.0	0.0	(35.7)
392.4	Gross Budget Requirement	401.3	0.0	0.0	0.0	0.0	0.0	401.3
0.0	Use Of Departmental Reserves					0.0		0.0
392.4	Net Budget Requirement	401.3	0.0	0.0	0.0	0.0	0.0	401.3

**2010/2011 BUDGET - BEST VALUE UNIT: COMMISSIONING - ADULTS**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Improved Health (10)

Exercise of choice and control and retention of personal dignity (12)

**Objective(s)**

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

Take action to address the wider detriments of health (CORP HW28)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

To ensure all service developments have involvement from service users and their carers (CORP HW07)

To ensure that all service users have the opportunity to plan, direct and commission their own support (CORP HW08)

Ensure vulnerable adults are safeguarded (CORP HW09)

To increase the number and range of supported accommodation options (CORP HW10)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Commissioning - Adults</u>							
935.9	Direct costs - Employees	941.6	0.0	0.0	0.0	0.0	(138.5)	803.1
4,394.0	- Other	4,533.1	0.0	0.0	0.0	400.0	0.0	4,933.1
5,329.9	Total Direct Cost	5,474.7	0.0	0.0	0.0	400.0	(138.5)	5,736.2
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4,252.9)	Income	(4,359.2)	0.0	0.0	0.0	0.0	0.0	(4,359.2)
1,077.0	Gross Budget Requirement	1,115.5	0.0	0.0	0.0	400.0	(138.5)	1,377.0
0.0	Use Of Departmental Reserves					(400.0)		(400.0)
1,077.0	Net Budget Requirement	1,115.5	0.0	0.0	0.0	0.0	(138.5)	977.0



## 2010/2011 BUDGET - BEST VALUE UNIT: COMMISSIONING - MENTAL HEALTH

### The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health & Wellbeing

#### Outcome(s)

Improved Health (10)  
Exercise of choice and control and retention of personal dignity (12)  
Improved Mental Health and Wellbeing (13)  
Easier Access to Services (14)

#### Objective(s)

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

Take action to address the wider detriments of health (CORP HW28)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

To promote good mental health and wellbeing (CORP HW25)

To ensure all service developments have involvement from service users and their carers (CORP HW07)

To ensure that all service users have the opportunity to plan, direct and commission their own support (CORP HW08)

Ensure vulnerable adults are safeguarded (CORP HW09)

To increase the number and range of supported accommodation options (CORP HW10)

To support people with mental health issues into paid employment (CORP HW11)

To increase social inclusion for people with mental health issues (CORP HW12)

Improve access to psychological services (CORP HW18)

To ensure integrated services are delivered in conjunction with Health where appropriate (CORP HW19)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Commissioning - Mental Health</u>							
290.7	Direct costs - Employees	288.3	0.0	0.0	0.0	0.0	0.0	288.3
1,305.5	- Other	1,338.0	0.0	0.0	0.0	0.0	0.0	1,338.0
1,596.2	Total Direct Cost	1,626.3	0.0	0.0	0.0	0.0	0.0	1,626.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(446.2)	Income	(457.4)	0.0	0.0	0.0	0.0	0.0	(457.4)
1,150.0	Gross Budget Requirement	1,168.9	0.0	0.0	0.0	0.0	0.0	1,168.9
0.0	Use Of Departmental Reserves					0.0		0.0
1,150.0	Net Budget Requirement	1,168.9	0.0	0.0	0.0	0.0	0.0	1,168.9

## 2010/2011 BUDGET - BEST VALUE UNIT: COMMISSIONING - OLDER PEOPLE

### The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health & Wellbeing

#### Outcome(s)

Improved Health (10)

Exercise of choice and control and retention of personal dignity (12)

#### Objective(s)

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

Take action to address the wider detriments of health (CORP HW28)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

To promote the uptake of screening and immunisation programmes (CORP HW27)

To reduce the death rate and the rate of serious harm from accidents (CORP HW26)

To ensure all service developments have involvement from service users and their carers (CORP HW07)

To ensure that all service users have the opportunity to plan, direct and commission their own support (CORP HW08)

Ensure vulnerable adults are safeguarded (CORP HW09)

To increase the number and range of supported accommodation options (CORP HW10)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
15,100.5	<u>Commissioning - Older People</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- Other	15,478.0	130.0	0.0	(23.2)	20.0	0.0	15,604.8
15,100.5	Total Direct Cost	15,478.0	130.0	0.0	(23.2)	20.0	0.0	15,604.8
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(6,083.6)	Income	(6,235.7)	0.0	0.0	(106.8)	0.0	0.0	(6,342.5)
9,016.9	Gross Budget Requirement	9,242.3	130.0	0.0	(130.0)	20.0	0.0	9,262.3
0.0	Use Of Departmental Reserves					(20.0)		(20.0)
9,016.9	Net Budget Requirement	9,242.3	130.0	0.0	(130.0)	0.0	0.0	9,242.3

### Budget Pressures, Priorities & Terminating Grants & Contingencies

The £130k pressure relates to additional expenditure incurred to support individuals in community based settings.

### Savings/Reduction in Level of Service

A reduction in a professional fee budget following a review of previous years spend has led to a saving of approximately £24k, the remainder of the additional income received from increased service user contributions linked to additional expenditure in Social Care budgets.

## 2010/2011 BUDGET - BEST VALUE UNIT: COMMISSIONING - WORKING AGE ADULTS

### The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health & Wellbeing

#### Outcome(s)

Improved Health (10)

Exercise of choice and control and retention of personal dignity (12)

#### Objective(s)

To revise the Joint Strategic Needs Assessment (JSNA) and ensure that it influences all plans and programmes that address health inequalities (CORP HW02)

To improve the Health and wellbeing of Hartlepool citizens by implementing the Public Health Strategy and Action Plan (CORP HW01)

Take action to address the wider detriments of health (CORP HW28)

To reduce the death rate and the rate of serious harm from accidents (CORP HW26)

To promote the uptake of screening and immunisation programmes (CORP HW27)

To ensure all service developments have involvement from service users and their carers (CORP HW07)

To ensure that all service users have the opportunity to plan, direct and commission their own support (CORP HW08)

Ensure vulnerable adults are safeguarded (CORP HW09)

To increase the number and range of supported accommodation options (CORP HW10)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Commissioning - Working Age Adults</u>							
37.1	Direct costs - Employees	35.1	0.0	0.0	0.0	0.0	0.0	35.1
8,024.0	- Other	8,223.9	468.0	0.0	0.0	0.0	0.0	8,691.9
8,061.1	Total Direct Cost	8,259.0	468.0	0.0	0.0	0.0	0.0	8,727.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(2,503.6)	Income	(2,566.1)	0.0	0.0	(468.0)	0.0	0.0	(3,034.1)
5,557.5	Gross Budget Requirement	5,692.9	468.0	0.0	(468.0)	0.0	0.0	5,692.9
0.0	Use Of Departmental Reserves					0.0		0.0
5,557.5	Net Budget Requirement	5,692.9	468.0	0.0	(468.0)	0.0	0.0	5,692.9

### Budget Pressures, Priorities & Terminating Grants & Contingencies

The pressure of £486k relates to additional expenditure incurred to support individuals with complex needs in a variety of residential and non residential settings.

### Savings/Reduction in Level of Service

Additional income is represented within savings where responsibility for these individuals highlighted above is shared with health and therefore costs are shared.

## 2010/2011 BUDGET - BEST VALUE UNIT: COMMUNITY SUPPORT

### The unit contributes to the achievement of the following corporate objectives:

Theme 02 - Lifelong Learning and Skills  
Theme 07 - Culture and Leisure

### Outcome(s)

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

### Objective(s)

To increase universal access to high quality learning and skills opportunities (CORP LLS17)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Community Centres / Community Grants</u>							
220.6	Direct costs - Employees	221.3	0.0	0.0	0.0	0.0	0.0	221.3
561.9	- Other	575.6	0.0	0.0	0.0	108.0	(15.0)	668.6
782.5	Total Direct Cost	796.9	0.0	0.0	0.0	108.0	(15.0)	889.9
7.3	Support Recharges	7.5	0.0	0.0	0.0	0.0	0.0	7.5
(94.3)	Income	(96.6)	0.0	0.0	0.0	0.0	0.0	(96.6)
695.5	Gross Budget Requirement	707.8	0.0	0.0	0.0	108.0	(15.0)	800.8
0.0	Use Of Departmental Reserves					(108.0)		(108.0)
695.5	Net Budget Requirement	707.8	0.0	0.0	0.0	0.0	(15.0)	692.8

## 2010/2011 BUDGET - BEST VALUE UNIT: COUNTRYSIDE

### The unit contributes to the achievement of the following corporate objectives:

Theme 07 - Culture and Leisure

#### Outcome(s)

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

#### Objective(s)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000 (2+3+4+5+6+7)
159.1	<u>Countryside</u>							
26.9	Direct costs - Employees	161.9	0.0	0.0	0.0	0.0	(7.8)	154.1
	- Other	44.8	0.1	0.0	0.0	0.0	0.0	44.9
186.0	Total Direct Cost	206.7	0.1	0.0	0.0	0.0	(7.8)	199.0
3.1	Support Recharges	3.2	0.0	0.0	0.0	0.0	0.0	3.2
(28.2)	Income	(46.1)	4.5	(4.6)	0.0	0.0	0.0	(46.2)
160.9	Gross Budget Requirement	163.8	4.6	(4.6)	0.0	0.0	(7.8)	156.0
0.0	Use Of Departmental Reserves					0.0		0.0
160.9	Net Budget Requirement	163.8	4.6	(4.6)	0.0	0.0	(7.8)	156.0

### Budget Pressures, Priorities & Terminating Grants & Contingencies

A reduction in Summerhill income (particularly meals & refreshments and fees admission charges general) are not expected to achieve the income level previously set.

#### Efficiency Savings

Adjustments to reflect areas within Summerhill where additional income to what had been previously set is expected.

## 2010/2011 BUDGET - BEST VALUE UNIT: LIBRARIES

### The unit contributes to the achievement of the following corporate objectives:

Theme 02 - Lifelong Learning and Skills  
Theme 07 - Culture and Leisure  
Strengthening Communities

### Outcome(s)

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

### Objective(s)

To increase universal access to high quality learning and skills opportunities (CORP LLS17)  
Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)  
To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)  
To increase participation in culture, leisure and sporting activity (CORP CL03)  
Ensure community involvement and engagement in the development and delivery of services (CORP CL04)  
To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
1,246.0	<u>Libraries</u>	1,250.4	0.0	(2.4)	0.0	0.0	(40.1)	1,207.9
557.2	Direct costs - Employees	571.1	13.9	(18.9)	0.0	13.0	0.0	579.1
	- Other							
1,803.2	Total Direct Cost	1,821.5	13.9	(21.3)	0.0	13.0	(40.1)	1,787.0
5.0	Support Recharges	5.2	0.0	0.0	0.0	0.0	0.0	5.2
(83.2)	Income	(85.3)	7.4	0.0	0.0	0.0	0.0	(77.9)
1,725.0	Gross Budget Requirement	1,741.4	21.3	(21.3)	0.0	13.0	(40.1)	1,714.3
0.0	Use Of Departmental Reserves					(13.0)		(13.0)
1,725.0	Net Budget Requirement	1,741.4	21.3	(21.3)	0.0	0.0	(40.1)	1,701.3

### Budget Pressures, Priorities & Terminating Grants & Contingencies

A pressure has arisen to fund a rolling programme of work within the Central Library.

### Efficiency Savings

The above pressure has been funded by savings found in the marketing and general libraries budgets.

**2010/2011 BUDGET - BEST VALUE UNIT: MUSEUM & HERITAGE**

**The unit contributes to the achievement of the following corporate objectives:**

Theme 02 - Lifelong Learning and Skills  
Theme 07 - Culture and Leisure

**Outcome(s)**

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

**Objective(s)**

To increase universal access to high quality learning and skills opportunities (CORP LLS17)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Museum &amp; Heritage</u>							
857.7	Direct costs - Employees	1,147.0	0.0	0.0	0.0	0.0	(26.8)	1,120.2
336.8	- Other	413.8	0.0	0.0	0.0	0.0	0.0	413.8
1,194.5	Total Direct Cost	1,560.8	0.0	0.0	0.0	0.0	(26.8)	1,534.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(545.6)	Income	(911.7)	0.0	0.0	0.0	0.0	0.0	(911.7)
648.9	Gross Budget Requirement	649.1	0.0	0.0	0.0	0.0	(26.8)	622.3
0.0	Use Of Departmental Reserves					0.0		0.0
648.9	Net Budget Requirement	649.1	0.0	0.0	0.0	0.0	(26.8)	622.3

**2010/2011 BUDGET - BEST VALUE UNIT: SERVICE STRATEGY AND REGULATION**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Easier Access to Services (14)

**Objective(s)**

To ensure that services are culturally sensitive and are able to respond flexibly to the diverse needs of the community (CORP HW15)

To ensure easier access to both universal and targeted services that are tailored to individual needs (CORP HW16)

To develop appropriate partnerships with the voluntary sector by setting up the Steering Group and implement the Strategy (CORP HW17)

To ensure integrated services are delivered with Health where appropriate (CORP HW19)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Service Strategy And Regulation</u>							
316.8	Direct costs - Employees	324.8	0.0	0.0	0.0	0.0	(21.7)	303.1
22.6	- Other	23.2	0.0	0.0	0.0	0.0	0.0	23.2
339.4	Total Direct Cost	348.0	0.0	0.0	0.0	0.0	(21.7)	326.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(20.2)	Income	(20.7)	0.0	0.0	0.0	0.0	0.0	(20.7)
319.2	Gross Budget Requirement	327.3	0.0	0.0	0.0	0.0	(21.7)	305.6
0.0	Use Of Departmental Reserves					0.0		0.0
319.2	Net Budget Requirement	327.3	0.0	0.0	0.0	0.0	(21.7)	305.6



## 2010/2011 BUDGET - BEST VALUE UNIT: SPORT AND PHYSICAL RECREATION

### The unit contributes to the achievement of the following corporate objectives:

Theme 02 - Lifelong Learning and Skills  
 Theme: 03 Health & Wellbeing  
 Theme 07 - Culture and Leisure

### Outcome(s)

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
 Improved Health (10)  
 Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
 Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

### Objective(s)

To increase universal access to high quality learning and skills opportunities (CORP LLS17)  
 To reduce smoking prevalence in Hartlepool (CORP HW21)  
 To increase participation in Physical Activity within Hartlepool (CORP HW22)  
 To increase the number of people eating healthily across Hartlepool (CORP HW23)  
 To reduce the prevalence of obesity (CORP HW24)  
 Take action to address the wider detriments of health (CORP HW28)  
 Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)  
 To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)  
 To increase participation in culture, leisure and sporting activity (CORP CL03)  
 Ensure community involvement and engagement in the development and delivery of services (CORP CL04)  
 To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010  (1) £'000	Best Value Units	Budget Projection 2010/2011  (2) £'000	Budget Pressures, Priorities & Terminating Grants & Contingencies  (3) £'000	Efficiency Savings  (4) £'000	Savings/Reduction In level of Service  (5) £'000	One Off Costs Funded From Depts Reserves  (6) £'000	Business Transformation Savings  (7) £'000	Total Budget 2010/2011  (2+3+4+5+6+7)  (8) £'000
	<u>Sport And Physical Recreation</u>							
1,283.5	Direct costs - Employees	1,286.1	14.4	(0.1)	(0.9)	0.0	(15.0)	1,284.5
666.1	- Other	682.7	0.0	(2.0)	(2.7)	75.0	0.0	753.0
1,949.6	Total Direct Cost	1,968.8	14.4	(2.1)	(3.6)	75.0	(15.0)	2,037.5
22.8	Support Recharges	23.3	0.0	0.0	0.0	0.0	0.0	23.3
(527.3)	Income	(540.4)	0.0	0.0	(8.6)	0.0	0.0	(549.0)
1,445.1	Gross Budget Requirement	1,451.7	14.4	(2.1)	(12.2)	75.0	(15.0)	1,511.8
0.0	Use Of Departmental Reserves					(75.0)		(75.0)
1,445.1	Net Budget Requirement	1,451.7	14.4	(2.1)	(12.2)	0.0	(15.0)	1,436.8

### Budget Pressures, Priorities & Terminating Grants & Contingencies

The mainstream Football Development Programme, previously grant funded, is now operating within the Sports Development team.  
 Mill House Leisure Centre admin cover costs are required to maintain the service.

### Efficiency Savings

Sports Development is operating the mainstream Football Development Programme due to external funds ceasing.

### Savings/Reduction in Level of Service

Additional income will fund the Mill House Leisure Centre admin cover costs.

**2010/2011 BUDGET - BEST VALUE UNIT: STRATEGIC ARTS**

**The unit contributes to the achievement of the following corporate objectives:**

Theme 02 - Lifelong Learning and Skills  
Theme 07 - Culture and Leisure

**Outcome(s)**

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

**Objective(s)**

To increase universal access to high quality learning and skills opportunities (CORP LLS17)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b><u>Strategic Arts</u></b>							
277.3	Direct costs - Employees	280.3	0.0	0.0	0.0	0.0	(90.4)	189.9
249.3	- Other	255.6	0.0	0.0	0.0	0.0	0.0	255.6
526.6	Total Direct Cost	535.9	0.0	0.0	0.0	0.0	(90.4)	445.5
0.7	Support Recharges	0.7	0.0	0.0	0.0	0.0	0.0	0.7
(299.1)	Income	(306.6)	0.0	0.0	0.0	0.0	0.0	(306.6)
228.2	Gross Budget Requirement	230.0	0.0	0.0	0.0	0.0	(90.4)	139.6
0.0	Use Of Departmental Reserves					0.0		0.0
228.2	Net Budget Requirement	230.0	0.0	0.0	0.0	0.0	(90.4)	139.6

**2010/2011 BUDGET - BEST VALUE UNIT: SUPPORT SERVICES**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing

**Outcome(s)**

Easier Access to Services (14)

**Objective(s)**

To ensure that services are culturally sensitive and are able to respond flexibly to the diverse needs of the community (CORP HW15)

To ensure easier access to both universal and targeted services that are tailored to individual needs (CORP HW16)

To develop appropriate partnerships with the voluntary sector by setting up the Steering Group and implement the Strategy (CORP HW17)

To ensure integrated services are delivered with Health where appropriate (CORP HW19)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Support Services</u>							
1,622.7	Direct costs - Employees	1,645.3	0.4	0.0	(0.4)	0.0	(70.0)	1,575.3
482.6	- Other	497.6	0.0	0.0	0.0	0.0	0.0	497.6
2,105.3	Total Direct Cost	2,142.9	0.4	0.0	(0.4)	0.0	(70.0)	2,072.9
7.2	Support Recharges	7.4	0.0	0.0	0.0	0.0	0.0	7.4
(52.4)	Income	(65.9)	0.0	0.0	0.0	0.0	0.0	(65.9)
2,060.1	Gross Budget Requirement	2,084.4	0.4	0.0	(0.4)	0.0	(70.0)	2,014.4
0.0	Use Of Departmental Reserves					0.0		0.0
2,060.1	Net Budget Requirement	2,084.4	0.4	0.0	(0.4)	0.0	(70.0)	2,014.4

**2010/2011 BUDGET - BEST VALUE UNIT: TALL SHIPS EVENT 2010**

**The unit contributes to the achievement of the following corporate objectives:**

Theme 07 - Culture and Leisure

**Outcome(s)**

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

**Objective(s)**

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Tall Ships Event 2010</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	137.1	0.0	137.1
0.0	- Other	0.0	0.0	0.0	0.0	232.4	0.0	232.4
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	369.5	0.0	369.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	369.5	0.0	369.5
0.0	Use Of Departmental Reserves					(369.5)		(369.5)
0.0	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND**

**The unit contributes to the achievement of the following corporate objectives:**

Theme: 03 Health & Wellbeing  
Theme 07 - Culture and Leisure

**Outcome(s)**

Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)

Improved Health (10)

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)

Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

**Objective(s)**

To increase participation in Physical Activity within Hartlepool (CORP HW22)

To increase the number of people eating healthily across Hartlepool (CORP HW23)

Take action to address the wider detriments of health (CORP HW28)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Working Neighbourhoods Fund</u>							
21.8	Direct costs - Employees	21.8	0.0	0.0	0.0	0.0	0.0	21.8
242.2	- Other	236.7	0.0	0.0	0.0	0.0	0.0	236.7
264.0	Total Direct Cost	258.5	0.0	0.0	0.0	0.0	0.0	258.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
264.0	Gross Budget Requirement	258.5	0.0	0.0	0.0	0.0	0.0	258.5
0.0	Use Of Departmental Reserves					0.0		0.0
264.0	Net Budget Requirement	258.5	0.0	0.0	0.0	0.0	0.0	258.5



CHIEF EXECUTIVE'S  
DETAILED REVENUE BUDGETS 2010/2011





**2010/2011 BUDGET - CHIEF EXECUTIVES SUMMARY**

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in Level of Service	One Off Costs	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
139.3	Public Relations	140.7	0.0	0.0	0.0	0.0	0.0	0.0	140.7
232.2	Democratic Services	233.5	0.0	0.0	0.0	0.0	0.0	0.0	233.5
679.1	Corporate Strategy and Public Consultation	685.2	0.0	0.0	0.0	67.5	0.0	(44.8)	707.9
168.7	Support to Members	170.9	0.0	0.0	0.0	0.0	0.0	0.0	170.9
(59.5)	Other Office Services	(62.6)	0.0	0.0	0.0	0.0	0.0	0.0	(62.6)
234.5	Hartlepool Partnership	205.7	2.7	0.0	0.0	0.0	0.0	(3.2)	205.2
611.0	Contact Centre	619.1	0.0	0.0	0.0	0.0	0.0	0.0	619.1
63.7	Registration Services	64.0	0.0	0.0	0.0	0.0	0.0	0.0	64.0
80.6	Benefits	54.8	0.0	0.0	0.0	0.0	0.0	(41.6)	13.2
958.1	Corporate Finance	983.2	0.0	0.0	0.0	0.0	0.0	(128.8)	854.4
264.2	Internal Audit	264.4	0.0	0.0	0.0	0.0	0.0	0.0	264.4
917.5	Shared Services	357.3	0.0	0.0	0.0	0.0	0.0	0.0	357.3
1,128.5	Revenues	1,180.0	0.0	0.0	0.0	0.0	0.0	(35.0)	1,145.0
165.7	Fraud	164.6	0.0	0.0	0.0	0.0	0.0	(41.6)	123.2
(82.8)	Revenue and Benefits Central	(90.8)	0.0	0.0	0.0	0.0	0.0	3.9	(86.9)
581.8	Legal Services	593.5	0.0	0.0	0.0	0.0	0.0	(23.0)	570.5
811.1	Human Resources & Health and Safety	816.1	8.5	(11.7)	0.0	0.0	0.0	(45.6)	767.3
338.9	Training and Equality	342.0	0.0	0.0	0.0	0.0	0.0	0.0	342.0
207.3	Housing & Council Tax Benefit	212.5	0.0	0.0	0.0	0.0	0.0	0.0	212.5
(882.7)	Shopping Centre	(915.0)	0.0	0.0	0.0	0.0	0.0	0.0	(915.0)
(1,649.6)	Central Administration Recharges	(1,690.9)	0.0	0.0	0.0	0.0	0.0	0.0	(1,690.9)
5,346.5	Central Property Unit	5,624.5	0.0	0.0	0.0	0.0	0.0	0.0	5,624.5
187.3	Municipal Elections and Registration of Electors	191.3	0.0	0.0	0.0	0.0	0.0	0.0	191.3
504.6	Corporate Expenses	507.4	10.9	(10.8)	0.0	0.0	0.0	0.0	507.5
91.8	Working Neighbourhoods Fund	55.4	0.0	0.0	0.0	0.0	0.0	0.0	55.4
11,037.8	Total Budget Including ABG Funded Expenditure	10,707.0	22.1	(22.5)	0.0	67.5	0.0	(359.7)	10,414.4
(40.0)	ABG Grant								(95.0)
10,997.8	Net Budget Requirement								10,319.4

**2010/2011 BUDGET - BEST VALUE UNIT: PUBLIC RELATIONS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve access and understanding between the Council and the public.

Objective(s)

Develop and improve customer service provision (CORP OD11)

Implement the "Communicating with your Council" plans (CORP OD12)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Public Relations</u>							
125.4	Direct costs - Employees	126.5	0.0	0.0	0.0	0.0	0.0	126.5
91.0	- Other	93.2	0.0	0.0	0.0	0.0	0.0	93.2
216.4	Total Direct Cost	219.7	0.0	0.0	0.0	0.0	0.0	219.7
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(77.1)	Income	(79.0)	0.0	0.0	0.0	0.0	0.0	(79.0)
139.3	Gross Budget Requirement	140.7	0.0	0.0	0.0	0.0	0.0	140.7
0.0	Use Of Departmental Reserves							0.0
139.3	Net Budget Requirement	140.7	0.0	0.0	0.0	0.0	0.0	140.7

**2010/2011 BUDGET - BEST VALUE UNIT: DEMOCRATIC SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve efficiency and effectiveness of the organisation

Objective(s)

Implement the People Strategy and Workforce Development Strategy (CORP OD14)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Democratic Services</u>							
214.0	Direct costs - Employees	214.8	0.0	0.0	0.0	0.0	0.0	214.8
18.2	- Other	18.7	0.0	0.0	0.0	0.0	0.0	18.7
232.2	Total Direct Cost	233.5	0.0	0.0	0.0	0.0	0.0	233.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
232.2	Gross Budget Requirement	233.5	0.0	0.0	0.0	0.0	0.0	233.5
0.0	Use Of Departmental Reserves					0.0		0.0
232.2	Net Budget Requirement	233.5	0.0	0.0	0.0	0.0	0.0	233.5

# **2010/2011 BUDGET - BEST VALUE UNIT: CORPORATE STRATEGY AND PUBLIC CONSULTATION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

## Outcome(s)

Improve performance management and risk management arrangements (38)  
 Improve access and understanding between the Council and the Public (41)  
 Improve efficiency and effectiveness of the organisation (43)

## Objective(s)

Continued development of service planning and performance management arrangements (CORP OD01)  
 Implement Risk Strategy to ensure robust risk management arrangements are in place (CORP OD02)  
 Develop and improve the effectiveness of the Overview and Scrutiny Function (CORP OD03)  
 Prepare for introduction of Comprehensive Area Assessment in 2009 (CORP OD04)  
 Implement the Communicating with your Council plans (CORP OD12)  
 Develop and implement the Business Transformation Programme (CORP OD15)  
 Delivery of the ICT Strategy to support corporate objectives (CORP OD20)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
621.4	<u>Corporate Strategy and Public Consultation</u>	626.0	0.0	0.0	0.0	16.5	(44.8)	597.7
57.7	Direct costs - Employees	59.2	0.0	0.0	0.0	51.0	0.0	110.2
	- Other							
679.1	Total Direct Cost	685.2	0.0	0.0	0.0	67.5	(44.8)	707.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
679.1	Gross Budget Requirement	685.2	0.0	0.0	0.0	67.5	(44.8)	707.9
0.0	Use Of Departmental Reserves							(67.5)
679.1	Net Budget Requirement	685.2	0.0	0.0	0.0	67.5	(44.8)	640.4

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: SUPPORT TO MEMBERS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve efficiency and effectiveness of the organisation

Objective(s)

Implement the People Strategy and Workforce Development Strategy (CORP OD14)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Support to Members</b>							
95.6	Direct costs - Employees	95.0	0.0	0.0	0.0	0.0	0.0	95.0
73.1	- Other	74.9	0.0	0.0	0.0	0.0	0.0	74.9
168.7	Total Direct Cost	170.9	0.0	0.0	0.0	0.0	0.0	170.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
168.7	Gross Budget Requirement	170.9	0.0	0.0	0.0	0.0	0.0	170.9
0.0	Use Of Departmental Reserves					0.0		0.0
168.7	Net Budget Requirement	170.9	0.0	0.0	0.0	0.0	0.0	170.9

**2010/2011 BUDGET - BEST VALUE UNIT: OTHER OFFICE SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

**Outcome(s)**

Improve access and understanding between the Council and the public.

**Objective(s)**

Develop and improve customer service provision (CORP OD11)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Other Office Services</u>							
132.0	Direct costs - Employees	133.8	0.0	0.0	0.0	0.0	0.0	133.8
0.2	- Other	0.2	0.0	0.0	0.0	0.0	0.0	0.2
132.2	Total Direct Cost	134.0	0.0	0.0	0.0	0.0	0.0	134.0
6.4	Support Recharges	6.5	0.0	0.0	0.0	0.0	0.0	6.5
(198.1)	Income	(203.1)	0.0	0.0	0.0	0.0	0.0	(203.1)
(59.5)	Gross Budget Requirement	(62.6)	0.0	0.0	0.0	0.0	0.0	(62.6)
0.0	Use Of Departmental Reserves					0.0		0.0
(59.5)	Net Budget Requirement	(62.6)	0.0	0.0	0.0	0.0	0.0	(62.6)

# **2010/2011 BUDGET - BEST VALUE UNIT: HARTLEPOOL PARTNERSHIP**

The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Strengthening Communities

## **Outcome(s)**

Empower local people to have a greater voice and influence over local decision making and the delivery of services (32)  
Improving quality of life and ensuring service providers are more responsive to neighbourhood needs with particular focus on disadvantaged areas (34)

## **Objective(s)**

Ensure a fit for purpose Local Strategic Partnership (CORP SC02)

Coordinate the preparation, implementation, review and partnership monitoring of the Local Area Agreement (CORP SC03)

Support the development and implementation of regeneration programmes within disadvantaged areas (CORP SC13)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Hartlepool Partnership</b>							
202.4	Direct costs - Employees	205.7	2.7	0.0	0.0	0.0	(3.2)	205.2
32.1	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
234.5	Total Direct Cost	205.7	2.7	0.0	0.0	0.0	(3.2)	205.2
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
234.5	Gross Budget Requirement	205.7	2.7	0.0	0.0	0.0	(3.2)	205.2
0.0	Use Of Departmental Reserves					0.0		0.0
234.5	Net Budget Requirement	205.7	2.7	0.0	0.0	0.0	(3.2)	205.2

**2010/2011 BUDGET - BEST VALUE UNIT: CONTACT CENTRE**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve access and understanding between the Council and the Public (41)

Objective(s)

Develop and Improve customer Service Provision (CORP OD11)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Contact Centre</u>							
461.2	Direct costs - Employees	465.6	0.0	0.0	0.0	0.0	0.0	465.6
149.8	- Other	153.5	0.0	0.0	0.0	0.0	0.0	153.5
611.0	Total Direct Cost	619.1	0.0	0.0	0.0	0.0	0.0	619.1
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
611.0	Gross Budget Requirement	619.1	0.0	0.0	0.0	0.0	0.0	619.1
0.0	Use Of Departmental Reserves					0.0		0.0
611.0	Net Budget Requirement	619.1	0.0	0.0	0.0	0.0	0.0	619.1



**2010/2011 BUDGET - BEST VALUE UNIT: COMMISSIONING - REGISTRATION SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

**Outcome(s)**

Improve access and understanding between the Council and the public (41)

**Objective(s)**

Develop and improve customer service provision

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Registration Services</u>							
172.2	Direct costs - Employees	175.2	0.0	0.0	0.0	0.0	0.0	175.2
18.2	- Other	18.7	0.0	0.0	0.0	0.0	0.0	18.7
190.4	Total Direct Cost	193.9	0.0	0.0	0.0	0.0	0.0	193.9
0.6	Support Recharges	0.6	0.0	0.0	0.0	0.0	0.0	0.6
(127.3)	Income	(130.5)	0.0	0.0	0.0	0.0	0.0	(130.5)
63.7	Gross Budget Requirement	64.0	0.0	0.0	0.0	0.0	0.0	64.0
0.0	Use Of Departmental Reserves					0.0		0.0
63.7	Net Budget Requirement	64.0	0.0	0.0	0.0	0.0	0.0	64.0

# **2010/2011 BUDGET - BEST VALUE UNIT: BENEFITS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

## Outcome(s)

Improve access and understanding between the Council and the public (41)

## Objective(s)

Develop and improve customer service provision

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Benefits</b>							
1,275.0	Direct costs - Employees	1,275.1	0.0	0.0	0.0	0.0	(41.6)	1,237.5
109.2	- Other	111.9	0.0	0.0	0.0	0.0	0.0	111.9
1,384.2	Total Direct Cost	1,387.0	0.0	0.0	0.0	0.0	(41.6)	1,349.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1,303.6)	Income	(1,335.2)	0.0	0.0	0.0	0.0	0.0	(1,335.2)
80.6	Gross Budget Requirement	54.8	0.0	0.0	0.0	0.0	(41.6)	13.2
0.0	Use Of Departmental Reserves					0.0		0.0
80.6	Net Budget Requirement	54.8	0.0	0.0	0.0	0.0	(41.6)	13.2

**2010/2011 BUDGET - BEST VALUE UNIT: CORPORATE FINANCE**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve financial management and reporting (40)

Improve efficiency and effectiveness of the organisation (43)

Objective(s)

Formalising the budgetary roles and responsibilities of the departmental and central finance teams (CORP OD07)

Improving accounting reporting mechanisms by developing linkages between performance and financial management (CORP OD08)

Development of annual reports (CORP OD09)

Improving awareness of council's financial position (CORP OD10)

Develop and implement Business Transformation Programme (CORP OD15)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Corporate Finance</u>							
1,071.8	Direct costs - Employees	1,069.6	0.0	0.0	0.0	0.0	(128.8)	960.7
91.8	- Other	94.2	0.0	0.0	0.0	0.0	0.0	94.2
1,163.7	Total Direct Cost	1,163.7	0.0	0.0	0.0	0.0	(128.8)	1,064.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(196.6)	Income	(200.5)	0.0	0.0	0.0	0.0	0.0	(200.5)
968.1	Gross Budget Requirement	963.2	0.0	0.0	0.0	0.0	(128.8)	854.4
0.0	Use Of Departmental Reserves					0.0		0.0
968.1	Net Budget Requirement	963.2	0.0	0.0	0.0	0.0	(128.8)	854.4

**2010/2011 BUDGET - BEST VALUE UNIT: INTERNAL AUDIT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve governance arrangements (39)

Objective(s)

Development of governance arrangements (CORP OD05)

Ensure arrangements are in place to deal with new and existing legislation (CORP OD06)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Internal Audit</b>							
296.5	Direct costs - Employees	297.5	0.0	0.0	0.0	0.0	0.0	297.5
15.0	- Other	15.4	0.0	0.0	0.0	0.0	0.0	15.4
311.5	Total Direct Cost	312.9	0.0	0.0	0.0	0.0	0.0	312.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(47.3)	Income	(48.5)	0.0	0.0	0.0	0.0	0.0	(48.5)
264.2	Gross Budget Requirement	264.4	0.0	0.0	0.0	0.0	0.0	264.4
0.0	Use Of Departmental Reserves					0.0		0.0
264.2	Net Budget Requirement	264.4	0.0	0.0	0.0	0.0	0.0	264.4

# **2010/2011 BUDGET - BEST VALUE UNIT: SHARED SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy  
Theme: 09 Organisational Development

## Outcome(s)

Be globally competitive (02)  
Improve efficiency and effectiveness of the organisation (43)

## Objective(s)

Support the local economy through discretionary rate relief mechanisms; the promotion of the small business rate relief scheme; accelerating payment procedures to businesses within the Borough (CORP JE03)

Development of transaction services (i.e. payroll services, payment of creditors, insurance, income management services). (CORP OD16)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Shared Services</b>							
609.0	Direct costs - Employees	612.0	0.0	0.0	0.0	0.0	0.0	612.0
30.0	- Other	30.7	0.0	0.0	0.0	0.0	0.0	30.7
639.0	Total Direct Cost	642.7	0.0	0.0	0.0	0.0	0.0	642.7
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
278.5	Income	(285.4)	0.0	0.0	0.0	0.0	0.0	(285.4)
917.5	Gross Budget Requirement	357.3	0.0	0.0	0.0	0.0	0.0	357.3
0.0	Use Of Departmental Reserves					0.0		0.0
917.5	Net Budget Requirement	357.3	0.0	0.0	0.0	0.0	0.0	357.3

# **2010/2011 BUDGET - BEST VALUE UNIT: REVENUES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy

Outcome(s)

Be globally competitive (02)

Objective(s)

Support the local economy through discretionary rate relief mechanisms; the promotion of the small business rate relief scheme; accelerating payment procedures to businesses within the Borough (CORP JE03)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Revenues</b>							
1,006.7	Direct costs - Employees	1,050.4	0.0	0.0	0.0	0.0	(35.0)	1,015.4
193.6	- Other	203.1	0.0	0.0	0.0	0.0	0.0	203.1
1,200.3	Total Direct Cost	1,253.5	0.0	0.0	0.0	0.0	(35.0)	1,218.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(71.8)	Income	(73.5)	0.0	0.0	0.0	0.0	0.0	(73.5)
1,128.5	Gross Budget Requirement	1,180.0	0.0	0.0	0.0	0.0	(35.0)	1,145.0
0.0	Use Of Departmental Reserves					0.0		0.0
1,128.5	Net Budget Requirement	1,180.0	0.0	0.0	0.0	0.0	(35.0)	1,145.0

# **2010/2011 BUDGET - BEST VALUE UNIT: FRAUD**

The unit contributes to the achievement of the following corporate objectives:

## **Objective(s)**

To prevent, detect and investigate benefit fraud and abuse, ensuring that benefit assistance is directed to those claimants who are lawfully entitled to it

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Fraud</b>							(2+3+4+5+6+7)
248.3	Direct costs - Employees	249.3	0.0	0.0	0.0	0.0	(41.6)	207.7
32.7	- Other	33.6	0.0	0.0	0.0	0.0	0.0	33.6
281.0	Total Direct Cost	282.9	0.0	0.0	0.0	0.0	(41.6)	241.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(115.3)	Income	(118.1)	0.0	0.0	0.0	0.0	0.0	(118.1)
165.7	Gross Budget Requirement	164.8	0.0	0.0	0.0	0.0	(41.6)	123.2
0.0	Use Of Departmental Reserves					0.0		0.0
165.7	Net Budget Requirement	164.8	0.0	0.0	0.0	0.0	(41.6)	123.2

## **Business Transformation**

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: REVENUE AND BENEFITS CENTRAL**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve access and understanding between the Council and the public (41)

Improve efficiency and effectiveness of the organisation (43)

Objective(s)

Develop and improve customer service provision (CORP OD11)

Development of transactional services (CORP OD16)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Revenue and Benefits Central</u>							
225.0	Direct costs - Employees	224.7	0.0	0.0	0.0	0.0	3.9	228.6
347.3	- Other	355.0	0.0	0.0	0.0	0.0	0.0	355.0
572.3	Total Direct Cost	580.7	0.0	0.0	0.0	0.0	3.9	584.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(655.1)	Income	(671.5)	0.0	0.0	0.0	0.0	0.0	(671.5)
(82.8)	Gross Budget Requirement	(90.8)	0.0	0.0	0.0	0.0	3.9	(86.9)
0.0	Use Of Departmental Reserves					0.0		0.0
(82.8)	Net Budget Requirement	(90.8)	0.0	0.0	0.0	0.0	3.9	(86.9)



# **2010/2011 BUDGET - BEST VALUE UNIT: LEGAL SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

## Outcome(s)

Improve Governance Arrangements (39)

## Objective(s)

Development of Governance Arrangements (CORP OD05)

Ensure arrangements are in place to deal with new and existing legislation (CORP OD06)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Legal Services</b>							
615.6	Direct costs - Employees	629.2	15.9	0.0	0.0	0.0	(23.0)	622.1
76.7	- Other	77.5	(15.9)	0.0	0.0	0.0	0.0	61.6
692.3	Total Direct Cost	706.7	0.0	0.0	0.0	0.0	(23.0)	683.7
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(110.5)	Income	(113.2)	0.0	0.0	0.0	0.0	0.0	(113.2)
581.8	Gross Budget Requirement	593.5	0.0	0.0	0.0	0.0	(23.0)	570.5
0.0	Use Of Departmental Reserves					0.0		0.0
581.8	Net Budget Requirement	593.5	0.0	0.0	0.0	0.0	(23.0)	570.5

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: HUMAN RESOURCES & HEALTH AND SAFETY**

The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Strengthening communities  
Theme: 09 Organisational Development

## Outcome(s)

Freedom from discrimination and harassment (36)  
Improve access and understanding between the Council and the Public (41)  
Improve Elected member and Workforce arrangements (42)

## Objective(s)

Enhance Equality and Diversity arrangements and mainstream into all Council service activities (CORP SC17)

Develop and improve customer Service Provision (CORP OD11)

Implement the Communicating with your Council plans (CORP OD12)

Implement the People Strategy and Workforce Development Strategy (CORP OD14)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Human Resources &amp; Health and Safety</u>							
1,109.1	Direct costs - Employees	1,120.6	2.1	0.0	0.0	0.0	(45.6)	1,077.1
93.2	- Other	95.5	0.0	(11.7)	0.0	0.0	0.0	83.8
1,202.3	Total Direct Cost	1,216.1	2.1	(11.7)	0.0	0.0	(45.6)	1,160.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(391.2)	Income	(400.0)	6.4	0.0	0.0	0.0	0.0	(393.6)
811.1	Gross Budget Requirement	816.1	8.5	(11.7)	0.0	0.0	(45.6)	767.3
0.0	Use Of Departmental Reserves					0.0		0.0
811.1	Net Budget Requirement	816.1	8.5	(11.7)	0.0	0.0	(45.6)	767.3

## Budget Pressures / Efficiency Savings

A small increase in employee costs and loss of external income have been offset by savings in other areas.

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: TRAINING AND EQUALITY**

The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Strengthening communities

Theme: 09 Organisational Development

Outcome(s)

Freedom from discrimination and harassment (36)

Objective(s)

Enhance equality and diversity arrangements and mainstream into all Council service activities (CORP SC17)

Implement the People Strategy and Workforce Development Strategy (CORP OD14)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Training and Equality</b>							
363.0	Direct costs - Employees	365.2	0.0	0.0	0.0	0.0	0.0	365.2
18.9	- Other	19.4	0.0	0.0	0.0	0.0	0.0	19.4
381.9	Total Direct Cost	384.6	0.0	0.0	0.0	0.0	0.0	384.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(43.0)	Income	(42.6)	0.0	0.0	0.0	0.0	0.0	(42.6)
338.9	Gross Budget Requirement	342.0	0.0	0.0	0.0	0.0	0.0	342.0
0.0	Use Of Departmental Reserves					0.0		0.0
338.9	Net Budget Requirement	342.0	0.0	0.0	0.0	0.0	0.0	342.0

**2010/2011 BUDGET - BEST VALUE UNIT: COUNCIL TAX AND HOUSING BENEFITS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve access and understanding between the Council and the public (41)

Objective(s)

Develop and improve customer service provision

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Council Tax and Housing Benefits</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11,099.3	- Other	11,376.8	0.0	0.0	0.0	0.0	0.0	11,376.8
11,099.3	Total Direct Cost	11,376.8	0.0	0.0	0.0	0.0	0.0	11,376.8
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(10,892.0)	Income	(11,164.3)	0.0	0.0	0.0	0.0	0.0	(11,164.3)
207.3	Gross Budget Requirement	212.5	0.0	0.0	0.0	0.0	0.0	212.5
0.0	Use Of Departmental Reserves					0.0		0.0
207.3	Net Budget Requirement	212.5	0.0	0.0	0.0	0.0	0.0	212.5

**2010/2011 BUDGET - BEST VALUE UNIT: SHOPPING CENTRE**

The unit contributes to the achievement of the following corporate objectives:

This is the rental income received from the owners of the Shopping Centre

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Shopping Centre</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(892.7)	Income	(915.0)	0.0	0.0	0.0	0.0	0.0	(915.0)
(892.7)	Gross Budget Requirement	(915.0)	0.0	0.0	0.0	0.0	0.0	(915.0)
0.0	Use Of Departmental Reserves					0.0		0.0
(892.7)	Net Budget Requirement	(915.0)	0.0	0.0	0.0	0.0	0.0	(915.0)

**2010/2011 BUDGET - BEST VALUE UNIT: CENTRAL ADMINISTRATION CHARGES**

The unit contributes to the achievement of the following corporate objectives:

This budget represents recharges of support activities

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts. Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
0.0	<u>Central Administration Recharges</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1,649.6)	Support Recharges	(1,690.9)	0.0	0.0	0.0	0.0	0.0	(1,690.9)
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1,649.6)	Gross Budget Requirement	(1,690.9)	0.0	0.0	0.0	0.0	0.0	(1,690.9)
0.0	Use Of Departmental Reserves					0.0		0.0
(1,649.6)	Net Budget Requirement	(1,690.9)	0.0	0.0	0.0	0.0	0.0	(1,690.9)

**2010/2011 BUDGET - BEST VALUE UNIT: CENTRAL PROPERTY UNIT**

The unit contributes to the achievement of the following corporate objectives:

This budget shows the cost of operating the Council's administrative buildings and managing property costs

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Central Property Unit</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5,346.5	- Other	5,624.5	0.0	0.0	0.0	0.0	0.0	5,624.5
5,346.5	Total Direct Cost	5,624.5	0.0	0.0	0.0	0.0	0.0	5,624.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5,346.5	Gross Budget Requirement	5,624.5	0.0	0.0	0.0	0.0	0.0	5,624.5
0.0	Use Of Departmental Reserves					0.0		0.0
5,346.5	Net Budget Requirement	5,624.5	0.0	0.0	0.0	0.0	0.0	5,624.5

**2010/2011 BUDGET - BEST VALUE UNIT: MUNICIPAL ELECTIONS AND REGISTRATION OF ELECTORS**

The unit contributes to the achievement of the following corporate objectives:

This budget shows the costs of Municipal elections and the costs of gathering information in order to produce the Electoral Register

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Municipal Elections and Registration of Electors</u>							
124.9	Direct costs - Employees	127.3	0.0	0.0	0.0	0.0	0.0	127.3
63.7	- Other	65.3	0.0	0.0	0.0	0.0	0.0	65.3
188.6	Total Direct Cost	192.6	0.0	0.0	0.0	0.0	0.0	192.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(1.3)	Income	(1.3)	0.0	0.0	0.0	0.0	0.0	(1.3)
187.3	Gross Budget Requirement	191.3	0.0	0.0	0.0	0.0	0.0	191.3
0.0	Use Of Departmental Reserves					0.0		0.0
187.3	Net Budget Requirement	191.3	0.0	0.0	0.0	0.0	0.0	191.3



**2010/2011 BUDGET - BEST VALUE UNIT: CORPORATE EXPENSES**

The unit contributes to the achievement of the following corporate objectives:

This is one of 5 budgets, lettered from (A) to (E), which either do not fall within a Best Value Service unit, or are recharged to service units as a support charge. The budgets are detailed on the following page, with the performance measures detailed on the service sheets replaced by a brief budget description where appropriate.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Victoria Park</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.6	- Other	0.6	0.0	0.0	0.0	0.0	0.0	0.6
0.6	Total Direct Cost	0.6	0.0	0.0	0.0	0.0	0.0	0.6
0.7	Support Recharges	0.7	0.0	0.0	0.0	0.0	0.0	0.7
(22.5)	Income	(23.0)	0.0	0.0	0.0	0.0	0.0	(23.0)
(21.2)	Gross Budget Requirement A	(21.7)	0.0	0.0	0.0	0.0	0.0	(21.7)
	<u>Corporate Management Running Expenses</u>							
390.5	Direct costs - Employees	391.7	4.2	(10.8)	0.0	0.0	0.0	385.1
49.2	- Other	50.4	2.1	0.0	0.0	0.0	0.0	52.5
439.7	Total Direct Cost	442.1	6.3	(10.8)	0.0	0.0	0.0	437.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(7.9)	Income	(8.1)	4.8	0.0	0.0	0.0	0.0	(3.5)
431.8	Gross Budget Requirement B	434.0	10.9	(10.8)	0.0	0.0	0.0	434.1
	<u>Trade Union Representative</u>							
43.5	Direct costs - Employees	43.5	0.0	0.0	0.0	0.0	0.0	43.5
1.1	- Other	1.1	0.0	0.0	0.0	0.0	0.0	1.1
44.6	Total Direct Cost	44.6	0.0	0.0	0.0	0.0	0.0	44.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
44.6	Gross Budget Requirement C	44.6	0.0	0.0	0.0	0.0	0.0	44.6
	<u>Central Council Expenses</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
88.2	- Other	90.4	0.0	0.0	0.0	0.0	0.0	90.4
88.2	Total Direct Cost	90.4	0.0	0.0	0.0	0.0	0.0	90.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
88.2	Gross Budget Requirement D	90.4	0.0	0.0	0.0	0.0	0.0	90.4
	<u>Housing Benefits</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30,593.1	- Other	31,357.9	0.0	0.0	0.0	0.0	0.0	31,357.9
30,593.1	Total Direct Cost	31,357.9	0.0	0.0	0.0	0.0	0.0	31,357.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(30,631.9)	Income	(31,397.8)	0.0	0.0	0.0	0.0	0.0	(31,397.8)
(38.8)	Gross Budget Requirement E	(39.9)	0.0	0.0	0.0	0.0	0.0	(39.9)
504.5	Gross Budget Requirement of (A) to (E)	507.4	10.9	(10.8)	0.0	0.0	0.0	507.5
0.0	Use Of Departmental Reserves							0.0
504.5	Net Budget Requirement	507.4	10.9	(10.8)	0.0	0.0	0.0	507.5

**2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND**

The unit contributes to the achievement of the following corporate objectives:

Secure a more attractive and sustainable environment that is safe, clean and tidy; a good infrastructure; and access to good quality and affordable housing.

Empower individuals, groups and committees, and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Working Neighbourhoods Fund</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
91.8	- Other	55.4	0.0	0.0	0.0	0.0	0.0	55.4
91.8	Total Direct Cost	55.4	0.0	0.0	0.0	0.0	0.0	55.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
91.8	Gross Budget Requirement	55.4	0.0	0.0	0.0	0.0	0.0	55.4
0.0	Use Of Departmental Reserves							0.0
91.8	Net Budget Requirement	55.4	0.0	0.0	0.0	0.0	0.0	55.4

**REGENERATION & NEIGHBOURHOODS**  
**DETAILED REVENUE BUDGETS 2010/2011**



**2010/2011 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY**

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
	<b>Regeneration &amp; Planning</b>								
46.9	Building Control	42.0	0.1	0.0	0.0	0.0	0.0	0.0	42.1
(8.9)	Development Control	(15.7)	2.7	0.0	0.0	0.0	0.0	0.0	(13.0)
1,256.2	Economic Development	1,271.0	0.3	(3.5)	0.0	0.0	0.0	(60.8)	1,207.0
49.3	Sustainable Development Policy	88.1	0.0	0.0	0.0	0.0	0.0	0.0	88.1
327.2	Landscape Planning and Conservation	333.9	0.0	(5.2)	0.0	0.0	0.0	5.7	334.4
871.9	Planning Policy and Regeneration	881.6	0.0	0.0	0.0	88.8	(88.8)	(59.5)	822.1
1,167.4	Community Safety	1,185.4	17.4	(15.8)	0.0	8.6	(8.6)	11.4	1,198.4
36.8	Drugs Action and Intervention	36.7	0.0	0.0	0.0	0.0	0.0	0.0	36.7
453.5	Youth Offending Service	470.7	0.2	(0.1)	0.0	35.0	(35.0)	0.0	470.8
719.7	Support Services	730.0	0.0	(0.1)	0.0	32.8	(32.8)	(241.7)	488.2
(143.5)	Staff Savings	(147.1)	28.2	(12.6)	0.0	0.0	0.0	78.7	(53.0)
874.0	Housing Services	882.0	6.6	(20.6)	0.0	0.0	0.0	(140.6)	727.4
3,741.3	Working Neighbourhood Fund	3,971.5	0.0	0.0	0.0	0.0	0.0	0.0	3,971.5
258.0	Neighbourhood Element	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9,649.8	<b>Sub-Total Regeneration &amp; Planning</b>	9,730.1	55.6	(58.1)	0.0	165.2	(165.2)	(466.8)	9,320.7
	<b>Neighbourhood Services</b>								
113.4	Client Services	115.2	0.0	0.0	0.0	0.0	0.0	(0.8)	114.3
(1,131.9)	Car Parks	(1,189.3)	0.0	0.0	0.0	0.0	0.0	(35.0)	(1,204.3)
687.3	Consumer Services	689.2	0.0	0.0	0.0	0.0	0.0	(40.7)	628.5
(611.2)	Neighbourhood Services Internal Works	(745.0)	0.0	0.0	0.0	0.0	0.0	(258.8)	(1,003.8)
1,082.7	Engineering Consultancy	1,086.2	0.0	0.0	0.0	0.0	0.0	10.2	1,099.4
269.0	Environmental Standards	268.4	0.0	0.0	0.0	0.0	0.0	(52.9)	212.5
7,949.1	Environment	8,099.5	4.0	0.0	0.0	0.0	0.0	(83.1)	8,020.4
204.7	Environmental Action	208.1	0.0	0.0	0.0	0.0	0.0	5.7	213.8
2,913.7	Highways	2,978.8	0.0	0.0	0.0	0.0	0.0	(22.0)	2,956.8
73.0	Procurement	71.3	0.0	0.0	0.0	0.0	0.0	0.0	71.3
517.4	Property Services	498.5	0.0	0.0	0.0	0.0	0.0	(28.7)	469.8
290.2	Neighbourhood Management	292.7	0.0	0.0	0.0	0.0	0.0	15.3	308.0
2,011.7	Traffic and Transportation	2,061.2	0.0	0.0	0.0	0.0	0.0	0.0	2,061.2
13.5	Traffic Management	13.9	0.0	0.0	0.0	0.0	0.0	0.0	13.9

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**2010/2011 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY**

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
295.6	Transport Services	303.4	0.0	0.0	0.0	0.0	0.0	(0.4)	303.0
385.1	Transportation Management	385.5	0.0	0.0	0.0	0.0	0.0	(58.4)	327.1
290.3	Admin - Neighbourhood Services	291.6	0.0	0.0	0.0	0.0	0.0	(21.0)	270.6
0.6	Service Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
150.2	Technical Services Management	155.1	0.0	0.0	0.0	0.0	0.0	0.0	155.1
325.3	Working Neighbourhoods Fund	331.7	0.0	0.0	0.0	0.0	0.0	0.0	331.7
16.3	Allotments	16.8	0.0	0.0	0.0	0.0	0.0	0.0	16.8
199.2	Countryside	202.6	0.0	0.0	0.0	0.0	0.0	6.4	209.0
160.2	Foreshore	161.7	0.0	0.0	0.0	0.0	0.0	0.0	161.7
463.1	Parks	472.3	0.0	0.0	0.0	0.0	0.0	0.0	472.3
70.3	Printing	68.9	0.0	0.0	0.0	0.0	0.0	0.0	68.9
16,730.8	Sub-Total Neighbourhood Services	16,838.3	1.0	0.0	0.0	0.0	0.0	(564.3)	16,278.0
26,380.6	Total Budget Including ABG Funded Expenditure	26,568.4	55.5	(58.1)	0.0	165.2	(165.2)	(971.1)	25,598.7
(4,961.0)	ABG Grant								(4,961.0)
21,419.6	Net Budget Requirement								20,750.7

**2010/2011 BUDGET - BEST VALUE UNIT: BUILDING CONTROL**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

**Outcome(s)**

Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local nature environment (20)

**Objective(s)**

Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change (JE EN01)

Review significant features of Hartlepool's natural environment (CORP EN02)

Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment (CORP EN03)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Management &amp; Service Account</u>							
287.7	Direct costs - Employees	288.8	0.1	0.0	0.0	0.0	0.0	288.9
22.8	- Other	23.4	0.0	0.0	0.0	0.0	0.0	23.4
310.5	Total Direct Cost	312.2	0.1	0.0	0.0	0.0	0.0	312.3
8.8	Support Recharges	9.0	0.0	0.0	0.0	0.0	0.0	9.0
(272.4)	Income	(279.2)	0.0	0.0	0.0	0.0	0.0	(279.2)
46.9	Gross Budget Requirement	42.0	0.1	0.0	0.0	0.0	0.0	42.1
0.0	Use Of Departmental Reserves					0.0		0.0
46.9	Net Budget Requirement	42.0	0.1	0.0	0.0	0.0	0.0	42.1

**2010/2011 BUDGET - BEST VALUE UNIT: DEVELOPMENT CONTROL**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

**Outcome(s)**

Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local nature environment (20)

**Objective(s)**

Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change (JE EN01)

Review significant features of Hartlepool's natural environment (CORP EN02)

Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment (CORP EN03)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Management &amp; Service Account</u>							
344.7	Direct costs - Employees	346.7	2.7	0.0	0.0	0.0	0.0	349.4
57.5	- Other	58.9	0.0	0.0	0.0	0.0	0.0	58.9
402.2	Total Direct Cost	405.6	2.7	0.0	0.0	0.0	0.0	408.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(411.1)	Income	(421.3)	0.0	0.0	0.0	0.0	0.0	(421.3)
(8.9)	Gross Budget Requirement	(15.7)	2.7	0.0	0.0	0.0	0.0	(13.0)
0.0	Use Of Departmental Reserves					0.0		0.0
(8.9)	Net Budget Requirement	(15.7)	2.7	0.0	0.0	0.0	0.0	(13.0)



**2010/2011 BUDGET - BEST VALUE UNIT: ECONOMIC DEVELOPMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy

Outcome(s)

Attract Investment (01)  
Be globally competitive (02)  
Create more employment opportunities for young people (03)

Objective(s)

Continue to work with partners to provide key manufacturing and service sector infrastructure including appropriate sites and premises including the development of the Southern Business Zone (CORP JE01)

Work with Tees Valley Regeneration and PD Ports for the redevelopment of Victoria Harbour with Hartlepool Quays (CORP JE02)

Continued development of Hartlepool's Business Incubation System and business support programme including the development of the visitor economy network (CORP JE04)

Develop and facilitate entrepreneurial activities including working with young people to foster the enterprise culture in the town (CORP JE05)

Develop employment and training initiatives in partnership with key stakeholders for residents which meet the demands of the local labour market and the business community (CORP JE06)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Management Account</b>							
649.3	Direct costs - Employees	650.7	0.0	(3.5)	0.0	0.0	(60.8)	586.4
47.4	- Other	48.6	0.0	0.0	0.0	0.0	0.0	48.6
696.7	Total Direct Cost	699.3	0.0	(3.5)	0.0	0.0	(60.8)	635.0
16.0	Support Recharges	16.4	0.0	0.0	0.0	0.0	0.0	16.4
(4.0)	Income	(4.1)	0.0	0.0	0.0	0.0	0.0	(4.1)
708.7	Gross Budget Requirement	711.6	0.0	(3.5)	0.0	0.0	(60.8)	647.3
	<b>Economic Development Activity</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
156.0	- Other	159.9	0.0	0.0	0.0	25.5	0.0	185.4
156.0	Total Direct Cost	159.9	0.0	0.0	0.0	25.5	0.0	185.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	(25.5)	0.0	(25.5)
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
156.0	Gross Budget Requirement	159.9	0.0	0.0	0.0	0.0	0.0	159.9
	<b>Brougham Enterprise Centre</b>							
95.0	Direct costs - Employees	95.3	0.3	0.0	0.0	0.0	0.0	95.6
61.1	- Other	62.4	0.0	0.0	0.0	0.0	0.0	62.4
146.1	Total Direct Cost	147.7	0.3	0.0	0.0	0.0	0.0	148.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(164.7)	Income	(168.8)	0.0	0.0	0.0	0.0	0.0	(168.8)
(18.6)	Gross Budget Requirement	(21.1)	0.3	0.0	0.0	0.0	0.0	(20.8)
	<b>Tourism Development</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24.7	- Other	25.3	0.0	0.0	0.0	0.0	0.0	25.3
24.7	Total Direct Cost	25.3	0.0	0.0	0.0	0.0	0.0	25.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(2.1)	Income	(2.1)	0.0	0.0	0.0	0.0	0.0	(2.1)
22.6	Gross Budget Requirement	23.2	0.0	0.0	0.0	0.0	0.0	23.2
	<b>Industrial Estates</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.0	- Other	3.1	0.0	0.0	0.0	0.0	0.0	3.1
3.0	Total Direct Cost	3.1	0.0	0.0	0.0	0.0	0.0	3.1
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(60.7)	Income	(62.2)	0.0	0.0	0.0	0.0	0.0	(62.2)
(57.7)	Gross Budget Requirement	(59.1)	0.0	0.0	0.0	0.0	0.0	(59.1)

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**2010/2011 BUDGET - BEST VALUE UNIT: ECONOMIC DEVELOPMENT - CONTINUED**

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Business Support &amp; Local Initiatives</u>							
3.7	Direct costs - Employees	3.8	0.0	0.0	0.0	0.0	0.0	3.8
97.4	- Other	99.9	0.0	0.0	0.0	0.0	0.0	99.9
101.1	Total Direct Cost	103.7	0.0	0.0	0.0	0.0	0.0	103.7
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
101.1	Gross Budget Requirement	103.7	0.0	0.0	0.0	0.0	0.0	103.7
	<u>Contribution to Sub Regional Partnership Structures</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
308.1	- Other	315.8	0.0	0.0	0.0	0.0	0.0	315.8
308.1	Total Direct Cost	315.8	0.0	0.0	0.0	0.0	0.0	315.8
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
308.1	Gross Budget Requirement	315.8	0.0	0.0	0.0	0.0	0.0	315.8
	<u>Externally Funded Schemes</u>							
107.3	Direct costs - Employees	955.5	0.0	0.0	0.0	0.0	0.0	955.5
36.9	- Other	1,350.8	0.0	0.0	0.0	0.0	0.0	1,350.8
144.2	Total Direct Cost	2,306.3	0.0	0.0	0.0	0.0	0.0	2,306.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(108.2)	Income	(2,269.3)	0.0	0.0	0.0	0.0	0.0	(2,269.3)
36.0	Gross Budget Requirement	37.0	0.0	0.0	0.0	0.0	0.0	37.0
1,256.2	Total Gross Budget Requirement	1,271.0	0.3	(3.5)	0.0	0.0	(60.8)	1,207.0
0.0	Use Of Departmental Reserves					0.0		0.0
1,256.2	Net Budget Requirement	1,271.0	0.3	(3.5)	0.0	0.0	(60.8)	1,207.0

One Off Costs Funded From Depts Reserves

Reserves used to fund forecasted additional costs associated with the Cadcam legacy building

Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: SUSTAINABLE DEVELOPMENT POLICY**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local nature environment (20)

Objective(s)

Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change (JE EN01)

Review significant features of Hartlepool's natural environment (CORP EN02)

Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment (CORP EN03)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Sustainable Development Policy</u>							
44.1	Direct costs - Employees	45.0	0.0	0.0	0.0	0.0	0.0	45.0
5.2	- Other	43.1	0.0	0.0	0.0	0.0	0.0	43.1
49.3	Total Direct Cost	88.1	0.0	0.0	0.0	0.0	0.0	88.1
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
49.3	Gross Budget Requirement	88.1	0.0	0.0	0.0	0.0	0.0	88.1
0.0	Use Of Departmental Reserves					0.0		0.0
49.3	Net Budget Requirement	88.1	0.0	0.0	0.0	0.0	0.0	88.1

**2010/2011 BUDGET - BEST VALUE UNIT: LANDSCAPE PLANNING AND CONSERVATION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local nature environment (20)

Objective(s)

Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change (JE EN01)

Review significant features of Hartlepool's natural environment (CORP EN02)

Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment (CORP EN03)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Management &amp; Service Account</u>							
224.5	Direct costs - Employees	228.6	0.0	(5.2)	0.0	0.0	5.7	229.1
102.7	- Other	105.3	0.0	0.0	0.0	0.0	0.0	105.3
327.2	Total Direct Cost	333.9	0.0	(5.2)	0.0	0.0	5.7	334.4
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
327.2	Gross Budget Requirement	333.9	0.0	(5.2)	0.0	0.0	5.7	334.4
0.0	Use Of Departmental Reserves					0.0		0.0
327.2	Net Budget Requirement	333.9	0.0	(5.2)	0.0	0.0	5.7	334.4

# **2010/2011 BUDGET - BEST VALUE UNIT: PLANNING POLICY AND REGENERATION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 01 Jobs and the Economy  
 Theme: 02 Lifelong Learning and Skills  
 Theme: 05 Environment  
 Theme: 06 Housing  
 Theme: 08 Strengthening Communities

## Outcome(s)

Promote Hartlepool's interests in economic regeneration policy making at the national, regional and sub-regional levels (05)  
 Support and promote appropriate physical and economic regeneration and pursue external funding opportunities (06)  
 Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice (08)  
 Deliver sustainable communities through high quality planning, new build and sensitive conservation and protect and enhance the local nature environment (20)  
 Balancing Housing supply and demand (26)  
 Improving quality of life and ensuring service providers are more responsive to neighbourhood needs with particular focus on disadvantaged areas (34)

## Objective(s)

Pursue due recognition of Hartlepool's economic role, needs and opportunities in national, regional and sub-regional policy (CORP JE11)  
 Coordinate Key Regeneration Programmes (CORP JE12)  
 Facilitate the physical enhancement and improvement of Hartlepool College of Further Education (CORP LLS11)  
 Coordinate the preparation of the Local Development Framework embodying the core principle of sustainable development and climate change (JE EN01)  
 Review significant features of Hartlepool's natural environment (CORP EN02)  
 Review Hartlepool's conservation areas and implement planning policy guidance relating to the historic environment (CORP EN03)  
 Pursue a strategic housing market renewal programme in partnership with Tees Valley Living and key local partners (CORP HO01)  
 Enable development of affordable housing (CORP HO02)  
 Ensure the delivery of the Neighbourhood Renewal in the Borough (CORP SC11)  
 Continue the programme of Neighbourhood Action Plans (NAP) preparation, implementation and review (CORP SC12)  
 Support the development and implementation of regeneration programmes within disadvantaged areas (CORP SC13)

The Account below covers the following activities :- Environmental Planning and Education , Conservation , Arboriculture.  
 The Management Account below covers the management of the following activities :- Planning Policy , Regeneration Strategy , Programme and Project Management , Reclamation Programmes , New Deal for Communities.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Management &amp; Service Account</u>							
887.0	Direct costs - Employees	887.1	0.0	0.0	0.0	33.1	(80.3)	849.9
238.4	- Other	244.4	0.0	0.0	0.0	0.0	0.0	244.4
1,125.4	Total Direct Cost	1,141.5	0.0	0.0	0.0	33.1	(80.3)	1,094.3
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(253.5)	Income	(259.9)	0.0	0.0	0.0	55.7	20.8	(183.4)
871.9	Gross Budget Requirement	881.6	0.0	0.0	0.0	88.8	(59.5)	910.9
0.0	Use Of Departmental Reserves					(88.8)		(88.8)
871.9	Net Budget Requirement	881.6	0.0	0.0	0.0	0.0	(59.5)	822.1

Continued Overleaf ...

2009/2010 BUDGET - BEST VALUE UNIT: PLANNING POLICY AND REGENERATION (Continued)

One Off Costs Funded From Depts Reserves

Reserves are being used to fund a fixed term contract post and to provide some realistic running cost budgets for the services

Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: COMMUNITY SAFETY**

The unit contributes to the achievement of the following corporate objectives:

Theme: 04 Community Safety

## **Outcome(s)**

Reduced Crime (15)

Improved neighbourhood safety and increase public confidence, leading to reduced fear of crime and anti-social behaviour (17)

## **Objective(s)**

Ensure compliance with section 17 of the Crime and Disorder Act 1998, by supporting all Council Departments in developing their understanding and responsibilities to preventing and reducing crime and disorder when delivering services (CORP CS01)

Contribute to developing partnership approaches to reduce the levels of violence and disorder specific to the town centre night-time economy and domestic related incidents, together with addressing alcohol related crime and disorder across Hartlepool (CORP CS02)

Reduce anti-social behaviour and criminal damage, including deliberate fire setting (CORP CS05)

Promote community cohesion and engagement within communities, including the coordination of the local Prevent strategy (CORP CS08)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
573.8	<u>Community Safety</u>							
548.4	Direct costs - Employees	526.6	11.3	0.0	0.0	0.0	11.4	649.3
	- Other	999.4	6.1	0.0	0.0	8.6	0.0	1,014.1
1,422.2	Total Direct Cost	1,526.0	17.4	0.0	0.0	8.6	11.4	1,663.4
32.8	Support Recharges	33.8	0.0	0.0	0.0	0.0	0.0	33.8
(287.6)	Income	(474.2)	0.0	(15.8)	0.0	0.0	0.0	(490.0)
1,167.4	Gross Budget Requirement	1,185.4	17.4	(15.8)	0.0	8.6	11.4	1,207.0
0.0	Use Of Departmental Reserves					(8.6)		(8.6)
1,167.4	Net Budget Requirement	1,185.4	17.4	(15.8)	0.0	0.0	11.4	1,198.4

## **One Off Costs Funded From Depts Reserves**

£8,600 from the Anti Social Behaviour Team reserve is used to temporarily fund the building rent.

**2010/2011 BUDGET - BEST VALUE UNIT: DRUGS ACTION AND INTERVENTION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 04 Community Safety

Outcome(s)

Reduced harm caused by illegal drugs and alcohol (16)  
Reducing offending and re-offending (18)

Objective(s)

Ensure effective drug treatment services and interventions (CORP CS03)

Strengthen alcohol treatment and support services (CORP CS04)

Improve the effectiveness of criminal justice interventions for adult offenders who are supervised by the Reduction of Re-offending Team (CORP CS07)

Promote integrated offender management (CORP CS08)

Support the implementation of the 'Team Around the School' model and extend the early identification and support for those children and young people who are at risk of offending (CORP CS09)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
189.2	<u>Drug Action and Intervention</u>	254.7	0.0	0.0	0.0	0.0	0.0	254.7
1,902.7	Direct costs - Employees - Other	1,849.3	0.0	0.0	0.0	0.0	0.0	1,849.3
2,091.9	Total Direct Cost	2,104.0	0.0	0.0	0.0	0.0	0.0	2,104.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(2,065.1)	Income	(2,067.3)	0.0	0.0	0.0	0.0	0.0	(2,067.3)
36.6	Gross Budget Requirement	36.7	0.0	0.0	0.0	0.0	0.0	36.7
0.0	Use Of Departmental Reserves					0.0		0.0
36.6	Net Budget Requirement	36.7	0.0	0.0	0.0	0.0	0.0	36.7



# **2010/2011 BUDGET - BEST VALUE UNIT: YOUTH OFFENDING SERVICE**

The unit contributes to the achievement of the following corporate objectives:

Theme: 04 Community Safety

## **Outcome(s)**

Reducing offending and re-offending (18)

## **Objective(s)**

Improve the effectiveness of criminal justice interventions for adult offenders who are supervised by the Reduction of Re-offending Team (CORP CS07)

Promote integrated offender management (CORP CS08)

Support the implementation of the 'Team Around the School' model and extend the early identification and support for those children and young people who are at risk of offending (CORP CS09)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Youth Offending Service</u>							
717.6	Direct costs - Employees	737.0	0.0	0.0	0.0	3.0	0.0	740.0
379.0	- Other	391.1	0.0	(0.1)	0.0	32.0	0.0	423.0
1,096.6	Total Direct Cost	1,128.1	0.0	(0.1)	0.0	35.0	0.0	1,163.0
14.8	Support Recharges	15.2	0.0	0.0	0.0	0.0	0.0	15.2
(657.9)	Income	(672.6)	0.2	0.0	0.0	0.0	0.0	(672.4)
453.5	Gross Budget Requirement	470.7	0.2	(0.1)	0.0	35.0	0.0	505.8
0.0	Use Of Departmental Reserves					(35.0)		(35.0)
453.5	Net Budget Requirement	470.7	0.2	(0.1)	0.0	0.0	0.0	470.8

## **One Off Costs Funded From Depts Reserves**

This is to support Youth Offending Service prevention initiatives in the current year

## 2010/2011 BUDGET - BEST VALUE UNIT: SUPPORT SERVICES

The unit contributes to the achievement of the following corporate objectives:

Develop a more enterprising, vigorous and diverse local economy that will attract investment, be globally competitive and create more employment opportunities for local people.

Help all individuals, groups and organisations realise their full potential, ensure the highest quality opportunities in education, lifelong learning and training and raise standards of attainment.

Make Hartlepool a safer place by reducing crime, disorder and fear of crime.

Empower individuals, groups and committees, and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
843.8	<u>Support Services</u>	853.1	0.0	(0.1)	0.0	10.8	(241.7)	622.1
70.1	Direct costs - Employees	71.9	0.0	0.0	0.0	22.0	0.0	93.9
913.9	- Other	925.0	0.0	(0.1)	0.0	32.8	(241.7)	716.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(194.2)	Support Recharges	(195.0)	0.0	0.0	0.0	0.0	0.0	(195.0)
719.7	Income	730.0	0.0	(0.1)	0.0	32.8	(241.7)	521.0
0.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	(32.8)	0.0	(32.8)
719.7	Use Of Departmental Reserves	730.0	0.0	(0.1)	0.0	0.0	(241.7)	488.2
	Net Budget Requirement							

### One Off Costs Funded From Depts Reserves

Required to temporarily fund salary costs and system upgrades

### Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: HOUSING SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 08 Housing

## Outcome(s)

Balancing Housing supply and demand (26)  
 Improving the quality of existing housing (27)  
 Changing housing needs and Meeting the Housing Needs of Vulnerable People (28)  
 Access to Housing (29)

## Objective(s)

Pursue a strategic housing market renewal programme in partnership with Tees Valley Living and key local partners (CORP HO01)  
 Enable development of affordable housing (CORP HO02)  
 Encourage improvements to homes and exceed 'decent homes standards' (CORP HO03)  
 Improve energy efficiency of houses (CORP HO04)  
 Provide support services to increase the opportunity for residents to live independently in the community (CORP HO05)  
 Ensure there is access to a choice of good quality housing to buy or rent, to meet the aspirations of residents and encourage investment (CORP HO07)  
 Open the Housing Options Centre (CORP HO08)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2009/2010  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
1,010.1	<b>Housing Services</b>	1,020.2	0.0	(20.4)	0.0	0.0	(140.6)	859.2
408.8	Direct costs - Employees	418.5	0.0	0.0	0.0	0.0	0.0	418.5
	- Other							
1,418.9	Total Direct Cost	1,438.7	0.0	(20.4)	0.0	0.0	(140.6)	1,277.7
24.1	Support Recharges	14.2	0.2	0.0	0.0	0.0	0.0	14.4
(569.0)	Income	(570.9)	6.4	(0.2)	0.0	0.0	0.0	(564.7)
874.0	Gross Budget Requirement	882.0	6.6	(20.6)	0.0	0.0	(140.6)	727.4
0.0	Use Of Departmental Reserves					0.0		0.0
874.0	Net Budget Requirement	882.0	6.6	(20.6)	0.0	0.0	(140.6)	727.4

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND

The unit contributes to the achievement of the following corporate objectives:

Secure a more attractive and sustainable environment that is safe, clean and tidy; a good infrastructure; and access to good quality and affordable housing.

Empower individuals, groups and committees, and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
695.5	Working Neighbourhoods Fund							
3,042.2	Direct costs - Employees	683.2	0.0	0.0	0.0	0.0	0.0	683.2
	- Other	3,304.3	0.0	0.0	0.0	0.0	0.0	3,304.3
3,737.7	Total Direct Cost	3,987.5	0.0	0.0	0.0	0.0	0.0	3,987.5
3.6	Support Recharges	4.0	0.0	0.0	0.0	0.0	0.0	4.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3,741.3	Gross Budget Requirement	3,971.5	0.0	0.0	0.0	0.0	0.0	3,971.5
0.0	Use Of Departmental Reserves					0.0		0.0
3,741.3	Net Budget Requirement	3,971.5	0.0	0.0	0.0	0.0	0.0	3,971.5

**2010/2011 BUDGET - BEST VALUE UNIT: NEIGHBOURHOOD ELEMENT**

The unit contributes to the achievement of the following corporate objectives:

Secure a more attractive and sustainable environment that is safe, clean and tidy; a good infrastructure; and access to good quality and affordable housing.

Empower individuals, groups and committees, and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Neighbourhood Element</u>							
22.9	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
235.1	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
258.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
258.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0		0.0
258.0	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**2010/2011 BUDGET - BEST VALUE UNIT: CLIENT SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

**Outcome(s)**

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)  
 Make better use of natural resources and reduce the generation of waste and maximise recycling (23)  
 Prepare for the impact of and secure local and global action to tackle climate change (24)

**Objective(s)**

Improve and maintain the natural and built environment (CORP EN04)  
 Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)  
 Implement the Joint Tees Valley Waste Management Strategy (CORP EN08)  
 To deliver initiatives to reduce water, waste and energy use (CORP EN12)  
 Develop and deliver corporate environmental strategies (CORP EN09)  
 Develop Energy Management "invest to save" programme for Council buildings (CORP EN10)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Client Services</b>							
44.4	Direct costs - Employees	44.5	0.0	0.0	0.0	0.0	0.0	44.5
427.9	- Other	438.6	0.0	0.0	0.0	0.0	0.0	438.6
472.3	Total Direct Cost	483.1	0.0	0.0	0.0	0.0	0.0	483.1
40.3	Support Recharges	41.3	0.0	0.0	0.0	0.0	(0.9)	40.4
(399.2)	Income	(409.2)	0.0	0.0	0.0	0.0	0.0	(409.2)
113.4	Gross Budget Requirement	115.2	0.0	0.0	0.0	0.0	(0.9)	114.3
0.0	Use Of Departmental Reserves					0.0		0.0
113.4	Net Budget Requirement	115.2	0.0	0.0	0.0	0.0	(0.9)	114.3

**2010/2011 BUDGET - BEST VALUE UNIT: CAR PARKS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<u>Car Parks</u>							
427.7	Direct costs - Employees	429.4	0.0	0.0	0.0	0.0	(33.4)	396.0
137.6	- Other	141.0	0.0	0.0	0.0	0.0	0.0	141.0
565.3	Total Direct Cost	570.4	0.0	0.0	0.0	0.0	(33.4)	537.0
64.9	Support Recharges	66.5	0.0	0.0	0.0	0.0	(1.6)	64.9
(1,762.1)	Income	(1,806.2)	0.0	0.0	0.0	0.0	0.0	(1,806.2)
(1,131.9)	Gross Budget Requirement	(1,169.3)	0.0	0.0	0.0	0.0	(35.0)	(1,204.3)
0.0	Use Of Departmental Reserves					0.0		0.0
(1,131.9)	Net Budget Requirement	(1,169.3)	0.0	0.0	0.0	0.0	(35.0)	(1,204.3)

Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: CONSUMER SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health and Wellbeing

Theme: 05 Environment

## Outcome(s)

Be Healthy (11)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

Promote community involvement in positive action to reduce poverty through fair trade and promoting peace and security (25)

## Objective(s)

Actively contribute to the health and future well being of the children of Hartlepool (CORP HW06)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

To deliver initiatives to reduce water, waste and energy use (CORP EN12)

Promote Hartlepool as a Fair Trade town (CORP EN11)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
700.5	<u>Consumer Services</u>							
166.5	Direct costs - Employees	703.3	0.0	0.0	0.0	0.0	(40.7)	662.6
	- Other	170.6	0.0	0.0	0.0	0.0	0.0	170.6
867.0	Total Direct Cost	873.9	0.0	0.0	0.0	0.0	(40.7)	833.2
43.8	Support Recharges	44.9	0.0	0.0	0.0	0.0	0.0	44.9
(243.5)	Income	(249.6)	0.0	0.0	0.0	0.0	0.0	(249.6)
667.3	Gross Budget Requirement	669.2	0.0	0.0	0.0	0.0	(40.7)	628.5
0.0	Use Of Departmental Reserves					0.0		0.0
667.3	Net Budget Requirement	669.2	0.0	0.0	0.0	0.0	(40.7)	628.5

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.



# **2010/2011 BUDGET - BEST VALUE UNIT: NEIGHBOURHOOD SERVICES INTERNAL WORKS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

## **Outcome(s)**

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

Prepare for the impact of and secure local and global action to tackle climate change (24)

## **Objective(s)**

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Implement the Joint Tees Valley Waste Management Strategy (CORP EN08)

To deliver initiatives to reduce water, waste and energy use (CORP EN12)

Develop and deliver corporate environmental strategies (CORP EN09)

Develop Energy Management "invest to save" programme for Council buildings (CORP EN10)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Neighbourhood Services Internal Works</u>							
5,747.0	Direct costs - Employees	5,780.2	0.0	0.0	0.0	0.0	(242.6)	5,537.6
9,810.5	- Other	10,055.8	0.0	0.0	0.0	0.0	0.0	10,055.8
15,557.5	Total Direct Cost	15,836.0	0.0	0.0	0.0	0.0	(242.6)	15,593.4
6,327.5	Support Recharges	6,393.2	0.0	0.0	0.0	0.0	(74.6)	6,318.6
(22,496.2)	Income	(22,974.2)	0.0	0.0	0.0	0.0	56.4	(22,915.8)
(611.2)	Gross Budget Requirement	(745.0)	0.0	0.0	0.0	0.0	(258.8)	(1,003.8)
0.0	Use Of Departmental Reserves					0.0		0.0
(611.2)	Net Budget Requirement	(745.0)	0.0	0.0	0.0	0.0	(258.8)	(1,003.8)

## **Business Transformation**

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

## **Comments**

Due to savings resulting from Business Transformation and budgets being transferred as part of SDO reviews, this Best Value Group is now showing a temporary credit balance. Work will be undertaken in 2010/2011 to reallocate the savings made in this area to the appropriate client budgets

**2010/2011 BUDGET - BEST VALUE UNIT: ENGINEERING CONSULTANCY**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
995.2	<u>Engineering Consultancy</u>							
859.8	Direct costs - Employees	997.9	0.0	0.0	0.0	0.0	12.1	1,010.0
	- Other	1,040.0	0.0	0.0	0.0	0.0	0.0	1,040.0
1,855.0	Total Direct Cost	2,037.9	0.0	0.0	0.0	0.0	12.1	2,050.0
48.6	Support Recharges	49.8	0.0	0.0	0.0	0.0	(1.9)	47.9
(510.9)	Income	(998.5)	0.0	0.0	0.0	0.0	0.0	(998.5)
1,092.7	Gross Budget Requirement	1,089.2	0.0	0.0	0.0	0.0	10.2	1,099.4
0.0	Use Of Departmental Reserves					0.0		0.0
1,092.7	Net Budget Requirement	1,089.2	0.0	0.0	0.0	0.0	10.2	1,099.4

# 2010/2011 BUDGET - BEST VALUE UNIT: ENVIRONMENTAL STANDARDS

The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health and Wellbeing

Theme: 05 Environment

## Outcome(s)

Be Healthy (11)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

Promote community involvement in positive action to reduce poverty through fair trade and promoting peace and security (25)

## Objective(s)

Actively contribute to the health and future well being of the children of Hartlepool (CORP HW06)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Implement the Joint Tees Valley Waste Management Strategy (CORP EN06)

To deliver initiatives to reduce water, waste and energy use (CORP EN12)

Promote Hartlepool as a Fair Trade town (CORP EN11)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Cemeteries &amp; Crematoriums</u>							
139.5	Direct costs - Employees	139.4	0.0	0.0	0.0	0.0	0.0	139.4
292.2	- Other	299.5	0.0	0.0	0.0	0.0	0.0	299.5
431.7	Total Direct Cost	438.9	0.0	0.0	0.0	0.0	0.0	438.9
35.5	Support Recharges	36.4	0.0	0.0	0.0	0.0	0.0	36.4
(654.4)	Income	(670.7)	0.0	0.0	0.0	0.0	0.0	(670.7)
(187.2)	Gross Budget Requirement	(195.4)	0.0	0.0	0.0	0.0	0.0	(195.4)
	<u>Environmental Standards</u>							
477.3	Direct costs - Employees	480.4	0.0	0.0	0.0	0.0	(52.9)	427.5
145.6	- Other	150.2	0.0	0.0	0.0	0.0	0.0	150.2
623.8	Total Direct Cost	630.6	0.0	0.0	0.0	0.0	(52.9)	577.7
31.1	Support Recharges	31.8	0.0	0.0	0.0	0.0	0.0	31.8
(141.8)	Income	(143.0)	0.0	0.0	0.0	0.0	0.0	(143.0)
513.3	Gross Budget Requirement	519.4	0.0	0.0	0.0	0.0	(52.9)	466.5
	<u>Outdoor Markets</u>							
0.1	Direct costs - Employees	0.1	0.0	0.0	0.0	0.0	0.0	0.1
34.9	- Other	35.7	0.0	0.0	0.0	0.0	0.0	35.7
35.0	Total Direct Cost	35.8	0.0	0.0	0.0	0.0	0.0	35.8
0.0	Support Recharges	(94.4)	0.0	0.0	0.0	0.0	0.0	(94.4)
(92.1)	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(57.1)	Gross Budget Requirement	(58.6)	0.0	0.0	0.0	0.0	0.0	(58.6)
0.0	Use Of Departmental Reserves					0.0		0.0
269.0	Net Budget Requirement	265.4	0.0	0.0	0.0	0.0	(52.9)	212.5

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: ENVIRONMENT**

The unit contributes to the achievement of the following corporate objectives:

Environment & Housing  
Theme: 05 Environment

## Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)  
Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

## Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Implement the Joint Tees Valley Waste Management Strategy (CORP EN06)

To deliver initiatives to reduce water, waste and energy use (CORP EN12)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Grounds Maintenance</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1,308.4	- Other	1,339.0	4.0	0.0	0.0	0.0	0.0	1,343.0
1,308.4	Total Direct Cost	1,339.0	4.0	0.0	0.0	0.0	0.0	1,343.0
2.2	Support Recharges	2.3	0.0	0.0	0.0	0.0	0.0	2.3
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1,308.6	Gross Budget Requirement	1,341.3	4.0	0.0	0.0	0.0	0.0	1,345.3
	<b>Street Cleansing</b>							
162.5	Direct costs - Employees	164.7	0.0	0.0	0.0	0.0	(26.6)	138.1
1,032.2	- Other	1,058.0	0.0	0.0	0.0	0.0	0.0	1,058.0
1,194.7	Total Direct Cost	1,222.7	0.0	0.0	0.0	0.0	(26.6)	1,196.1
881.9	Support Recharges	885.2	0.0	0.0	0.0	0.0	(1.8)	883.4
(173.1)	Income	(177.5)	0.0	0.0	0.0	0.0	0.0	(177.5)
1,903.5	Gross Budget Requirement	1,930.4	0.0	0.0	0.0	0.0	(28.4)	1,902.0
	<b>Waste Disposal</b>							
29.1	Direct costs - Employees	30.0	0.0	0.0	0.0	0.0	0.0	30.0
1,649.3	- Other	1,690.5	0.0	0.0	0.0	0.0	0.0	1,690.5
1,678.4	Total Direct Cost	1,720.5	0.0	0.0	0.0	0.0	0.0	1,720.5
39.6	Support Recharges	40.6	0.0	0.0	0.0	0.0	0.0	40.6
(89.3)	Income	(91.5)	0.0	0.0	0.0	0.0	0.0	(91.5)
1,628.7	Gross Budget Requirement	1,669.6	0.0	0.0	0.0	0.0	0.0	1,669.6
	<b>Waste Management</b>							
242.2	Direct costs - Employees	246.6	0.0	0.0	0.0	0.0	(52.9)	193.7
2,140.6	- Other	2,194.1	0.0	0.0	0.0	0.0	0.0	2,194.1
2,382.8	Total Direct Cost	2,440.7	0.0	0.0	0.0	0.0	(52.9)	2,387.8
1,305.2	Support Recharges	1,311.7	0.0	0.0	0.0	0.0	(1.8)	1,309.9
(579.7)	Income	(594.2)	0.0	0.0	0.0	0.0	0.0	(594.2)
3,108.3	Gross Budget Requirement	3,158.2	0.0	0.0	0.0	0.0	(54.7)	3,103.5
0.0	Use Of Departmental Reserves						0.0	0.0
7,949.1	Net Budget Requirement	8,099.5	4.0	0.0	0.0	0.0	(83.1)	8,020.4

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: ENVIRONMENTAL ACTION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Make better use of natural resources and reduce the generation of waste and maximise recycling (23)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Abandoned Vehicles</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15.2	- Other	15.6	0.0	0.0	0.0	0.0	0.0	15.6
15.2	Total Direct Cost	15.6	0.0	0.0	0.0	0.0	0.0	15.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5.4)	Income	(5.5)	0.0	0.0	0.0	0.0	0.0	(5.5)
9.8	Gross Budget Requirement	10.1	0.0	0.0	0.0	0.0	0.0	10.1
	<b>Dog Warden Service</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55.3	- Other	56.7	0.0	0.0	0.0	0.0	0.0	56.7
55.3	Total Direct Cost	56.7	0.0	0.0	0.0	0.0	0.0	56.7
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(13.0)	Income	(13.3)	0.0	0.0	0.0	0.0	0.0	(13.3)
42.3	Gross Budget Requirement	43.4	0.0	0.0	0.0	0.0	0.0	43.4
	<b>Environmental Action</b>							
112.4	Direct costs - Employees	113.4	0.0	0.0	0.0	0.0	5.4	119.8
53.4	- Other	54.7	0.0	0.0	0.0	0.0	0.0	54.7
165.8	Total Direct Cost	168.1	0.0	0.0	0.0	0.0	5.4	174.5
53.2	Support Recharges	54.6	0.0	0.0	0.0	0.0	(0.7)	53.9
(65.4)	Income	(68.1)	0.0	0.0	0.0	0.0	0.0	(68.1)
152.6	Gross Budget Requirement	154.6	0.0	0.0	0.0	0.0	5.7	160.3
0.0	Use Of Departmental Reserves					0.0		0.0
204.7	Net Budget Requirement	208.1	0.0	0.0	0.0	0.0	5.7	213.8

**2010/2011 BUDGET - BEST VALUE UNIT: HIGHWAYS**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Highways Management</b>							
346.9	Direct costs - Employees	347.8	0.0	0.0	0.0	0.0	(20.1)	327.7
13.5	- Other	13.9	0.0	0.0	0.0	0.0	0.0	13.9
360.4	Total Direct Cost	361.7	0.0	0.0	0.0	0.0	(20.1)	341.6
32.8	Support Recharges	33.6	0.0	0.0	0.0	0.0	(1.9)	31.7
(124.7)	Income	(127.8)	0.0	0.0	0.0	0.0	0.0	(127.8)
268.5	Gross Budget Requirement	267.5	0.0	0.0	0.0	0.0	(22.0)	245.5
	<b>Highways Services</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2,769.0	- Other	2,838.2	0.0	0.0	0.0	0.0	0.0	2,838.2
2,769.0	Total Direct Cost	2,838.2	0.0	0.0	0.0	0.0	0.0	2,838.2
0.2	Support Recharges	0.2	0.0	0.0	0.0	0.0	0.0	0.2
0.0	Adj to Support Servs Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(124.0)	Income	(127.1)	0.0	0.0	0.0	0.0	0.0	(127.1)
2,645.2	Gross Budget Requirement	2,711.3	0.0	0.0	0.0	0.0	0.0	2,711.3
0.0	Use Of Departmental Reserves					0.0		0.0
2,913.7	Net Budget Requirement	2,978.8	0.0	0.0	0.0	0.0	(22.0)	2,956.8

Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: PROCUREMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

**Outcome(s)**

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

**Objective(s)**

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
143.0	<b>Procurement</b>	143.0	0.0	0.0	0.0	0.0	0.0	143.0
1.8	Direct costs - Employees - Other	1.9	0.0	0.0	0.0	0.0	0.0	1.9
144.8	<b>Total Direct Cost</b>	144.9	0.0	0.0	0.0	0.0	0.0	144.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(71.6)	<b>Income</b>	(73.6)	0.0	0.0	0.0	0.0	0.0	(73.6)
73.0	Gross Budget Requirement	71.3	0.0	0.0	0.0	0.0	0.0	71.3
0.0	Use Of Departmental Reserves					0.0		0.0
73.0	<b>Net Budget Requirement</b>	71.3	0.0	0.0	0.0	0.0	0.0	71.3

# **2010/2011 BUDGET - BEST VALUE UNIT: PROPERTY SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

## Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

## Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Property Services</u>							
1,409.3	Direct costs - Employees	1,412.7	0.0	0.0	0.0	0.0	(25.1)	1,387.6
194.3	- Other	199.1	0.0	0.0	0.0	0.0	0.0	199.1
1,603.6	Total Direct Cost	1,611.8	0.0	0.0	0.0	0.0	(25.1)	1,586.7
807.3	Support Recharges	827.5	0.0	0.0	0.0	0.0	(3.6)	823.9
(1,890.5)	Income	(1,940.8)	0.0	0.0	0.0	0.0	0.0	(1,940.8)
517.4	Gross Budget Requirement	498.5	0.0	0.0	0.0	0.0	0.0	498.5
0.0	Use Of Departmental Reserves					0.0	(28.7)	0.0
517.4	Net Budget Requirement	498.5	0.0	0.0	0.0	0.0	(28.7)	469.8

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.



# **2010/2011 BUDGET - BEST VALUE UNIT: NEIGHBOURHOOD MANAGEMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 03 Health and Wellbeing  
 Theme: 04 Community Safety  
 Theme: 05 Environment  
 Theme: 08 Strengthening Communities

## **Outcome(s)**

Be Healthy (11)  
 Improved Health (10)  
 Improved neighbourhood safety and increased public confidence, leading to reduced fear of crime and anti-social behaviour (17)  
 Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)  
 Make better use of natural resources and reduce the generation of waste and maximise recycling (23)  
 Empower local people to have a greater voice and influence over local decision making and the delivery of services (32)  
 Improving quality of life and ensuring service providers are more responsive to neighbourhood needs with particular focus on disadvantaged areas (34)

## **Objective(s)**

Actively contribute to the health and future well being of the children of Hartlepool (CORP HW06)  
 Deliver advice and enforcement on legislation in relation to Public Protection issues (CORP HW20)  
 Reduce anti social behaviour and criminal damage, including deliberate fire setting (CORP CS05)  
 Improve and maintain the natural and built environment (CORP EN04)  
 Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)  
 Implement the Joint Tees Valley Waste Management Strategy (CORP EN08)  
 To deliver initiatives to reduce water, waste and energy use (CORP EN12)  
 Ensure that sound mechanisms are in place which engenders a culture that provides the opportunities for meaningful public participation in Service Delivery (CORP SC01)  
 Ensure Neighbourhood Managers have appropriate support in the implementation of Neighbourhood Action Plans (NAPS), (CORP SC10)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
229.9	<u>Town Care Management</u>	230.9	0.0	0.0	0.0	0.0	19.2	250.1
6.7	Direct costs - Employees	6.9	0.0	0.0	0.0	0.0	0.0	6.9
	- Other							
236.6	Total Direct Cost	237.8	0.0	0.0	0.0	0.0	19.2	257.0
53.6	Support Recharges	54.9	0.0	0.0	0.0	0.0	(3.9)	51.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
290.2	Gross Budget Requirement	292.7	0.0	0.0	0.0	0.0	15.3	308.0
0.0	Use Of Departmental Reserves					0.0		0.0
290.2	Net Budget Requirement	292.7	0.0	0.0	0.0	0.0	15.3	308.0

# **2010/2011 BUDGET - BEST VALUE UNIT: TRAFFIC AND TRANSPORTATION**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Theme: 09 Organisational Development

## **Outcome(s)**

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Provide a sustainable, safe, efficient and accessible transport system (22)

Improve efficiency and effective of the organisation (43)

## **Objective(s)**

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Deliver the Local Transport Plan (LTP) (CORP EN06)

Establish an integrated transport structure (CORP EN07)

Review 5 year procurement plan (CORP OD18)

Review procurement strategy (CORP OD19)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
35.3	<b>Traffic &amp; Transportation</b>	36.3	0.0	0.0	0.0	0.0	0.0	36.3
2,012.1	Direct costs - Employees	2,061.5	0.0	0.0	0.0	0.0	0.0	2,061.5
	- Other							
2,047.4	Total Direct Cost	2,097.8	0.0	0.0	0.0	0.0	0.0	2,097.8
7.9	Support Recharges	8.1	0.0	0.0	0.0	0.0	0.0	8.1
(43.6)	Income	(44.7)	0.0	0.0	0.0	0.0	0.0	(44.7)
2,011.7	Gross Budget Requirement	2,061.2	0.0	0.0	0.0	0.0	0.0	2,061.2
0.0	Use Of Departmental Reserves					0.0		0.0
2,011.7	Net Budget Requirement	2,061.2	0.0	0.0	0.0	0.0	0.0	2,061.2

**2010/2011 BUDGET - BEST VALUE UNIT: TRAFFIC MANAGEMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

Provide a sustainable, safe, efficient and accessible transport system (22)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Deliver the Local Transport Plan (LTP) (CORP EN06)

Establish an integrated transport structure (CORP EN07)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Traffic Management</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.5	- Other	13.9	0.0	0.0	0.0	0.0	0.0	13.9
13.5	Total Direct Cost	13.9	0.0	0.0	0.0	0.0	0.0	13.9
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.5	Gross Budget Requirement	13.9	0.0	0.0	0.0	0.0	0.0	13.9
0.0	Use Of Departmental Reserves					0.0		0.0
13.5	Net Budget Requirement	13.9	0.0	0.0	0.0	0.0	0.0	13.9

# **2010/2011 BUDGET - BEST VALUE UNIT: TRANSPORT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

## Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)  
Provide a sustainable, safe, efficient and accessible transport system (22)

## Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Deliver the Local Transport Plan (LTP) (CORP EN06)

Establish an integrated transport structure (CORP EN07)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
54.3	Transport Services	54.8	0.0	0.0	0.0	0.0	0.0	54.8
292.2	Direct costs - Employees	299.7	0.0	0.0	0.0	0.0	0.0	299.7
	- Other							
346.5	Total Direct Cost	354.5	0.0	0.0	0.0	0.0	0.0	354.5
32.9	Support Recharges	33.8	0.0	0.0	0.0	0.0	(0.4)	33.4
(82.8)	Income	(84.9)	0.0	0.0	0.0	0.0	0.0	(84.9)
296.6	Gross Budget Requirement	303.4	0.0	0.0	0.0	0.0	(0.4)	303.0
0.0	Use Of Departmental Reserves					0.0		0.0
296.6	Net Budget Requirement	303.4	0.0	0.0	0.0	0.0	(0.4)	303.0

**2010/2011 BUDGET - BEST VALUE UNIT: TRANSPORTATION MANAGEMENT ACCOUNT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)  
Provide a sustainable, safe, efficient and accessible transport system (22)

Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Deliver the Local Transport Plan (LTP) (CORP EN06)

Establish an integrated transport structure (CORP EN07)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Transportation Management Account</u>							
391.5	Direct costs - Employees	391.0	0.0	0.0	0.0	0.0	(55.6)	335.4
14.3	- Other	14.7	0.0	0.0	0.0	0.0	0.0	14.7
405.8	Total Direct Cost	405.7	0.0	0.0	0.0	0.0	(55.6)	350.1
48.1	Support Recharges	49.3	0.0	0.0	0.0	0.0	(2.8)	46.5
(67.8)	Income	(69.5)	0.0	0.0	0.0	0.0	0.0	(69.5)
386.1	Gross Budget Requirement	386.5	0.0	0.0	0.0	0.0	(58.4)	327.1
0.0	Use Of Departmental Reserves					0.0		0.0
386.1	Net Budget Requirement	386.5	0.0	0.0	0.0	0.0	(58.4)	327.1

Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

# **2010/2011 BUDGET - BEST VALUE UNIT: ADMIN - NEIGHBOURHOOD SERVICES**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

## Outcome(s)

Deliver effective customer focused services and improve customer satisfaction  
Improve the efficiency and effectiveness of the organisation

## Objective(s)

Review 5 year procurement plan (CORP OD18)

Review procurement strategy (CORP OD19)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Admin - Neighbourhood Services</u>							
235.1	Direct costs - Employees	235.1	0.0	0.0	0.0	0.0	(21.0)	214.1
55.2	- Other	55.5	0.0	0.0	0.0	0.0	0.0	55.5
290.3	Total Direct Cost	291.6	0.0	0.0	0.0	0.0	(21.0)	270.6
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
290.3	Gross Budget Requirement	291.6	0.0	0.0	0.0	0.0	(21.0)	270.6
0.0	Use Of Departmental Reserves					0.0		0.0
290.3	Net Budget Requirement	291.6	0.0	0.0	0.0	0.0	(21.0)	270.6

## Business Transformation

Staff salary savings have been achieved as a consequence of the Business Transformation Process.

**2010/2011 BUDGET - BEST VALUE UNIT: SERVICE DEVELOPMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 09 Organisational Development

Outcome(s)

Improve Performance Management, Data Quality and Risk Management Assessments  
 Deliver effective customer focused services and improve customer satisfaction  
 Improve the efficiency and effectiveness of the organisation  
 Improve Workforce arrangements

Objective(s)

Review 5 year procurement plan (CORP OD18)

Review procurement strategy (CORP OD19)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction In level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
0.6	<u>Service Development</u>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.6	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.6	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0		0.0
0.6	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# **2010/2011 BUDGET - BEST VALUE UNIT: TECHNICAL SERVICES MANAGEMENT**

The unit contributes to the achievement of the following corporate objectives:

Theme: 05 Environment

## Outcome(s)

Improve the quality of the local environment by having cleaner, greener and safer public, private and community spaces (21)

## Objective(s)

Improve and maintain the natural and built environment (CORP EN04)

Protect the natural and built environment and enforce environmental legislation when appropriate (CORP EN05)

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Technical Services Management</u>							
98.3	Direct costs - Employees	101.9	0.0	0.0	0.0	0.0	0.0	101.9
51.9	- Other	53.2	0.0	0.0	0.0	0.0	0.0	53.2
150.2	Total Direct Cost	155.1	0.0	0.0	0.0	0.0	0.0	155.1
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
150.2	Gross Budget Requirement	155.1	0.0	0.0	0.0	0.0	0.0	155.1
0.0	Use Of Departmental Reserves					0.0		0.0
150.2	Net Budget Requirement	155.1	0.0	0.0	0.0	0.0	0.0	155.1



**2010/2011 BUDGET - BEST VALUE UNIT: WORKING NEIGHBOURHOODS FUND**

The unit contributes to the achievement of the following corporate objectives:

Secure a more attractive and sustainable environment that is safe, clean and tidy; a good infrastructure; and access to good quality and affordable housing.

Empower individuals, groups and committees, and increase the involvement of citizens in all decisions that affect their lives.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
295.6	<u>Working Neighbourhoods Fund</u>	297.1	0.0	0.0	0.0	0.0	0.0	297.1
29.7	Direct costs - Employees	30.6	0.0	0.0	0.0	0.0	0.0	30.6
	- Other							
325.3	Total Direct Cost	327.7	0.0	0.0	0.0	0.0	0.0	327.7
0.0	Support Recharges	4.0	0.0	0.0	0.0	0.0	0.0	4.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
325.3	Gross Budget Requirement	331.7	0.0	0.0	0.0	0.0	0.0	331.7
0.0	Use Of Departmental Reserves					0.0		0.0
325.3	Net Budget Requirement	331.7	0.0	0.0	0.0	0.0	0.0	331.7

# **2010/2011 BUDGET - BEST VALUE UNIT: ALLOTMENTS**

The unit contributes to the achievement of the following corporate objectives:

Theme 07 - Culture and Leisure

## **Outcome(s)**

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

## **Objective(s)**

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Alotments</b>							
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46.1	- Other	47.3	0.0	0.0	0.0	0.0	0.0	47.3
46.1	Total Direct Cost	47.3	0.0	0.0	0.0	0.0	0.0	47.3
7.3	Support Recharges	7.5	0.0	0.0	0.0	0.0	0.0	7.5
(37.1)	Income	(38.0)	0.0	0.0	0.0	0.0	0.0	(38.0)
16.3	Gross Budget Requirement	16.8	0.0	0.0	0.0	0.0	0.0	16.8
0.0	Use Of Departmental Reserves					0.0		0.0
16.3	Net Budget Requirement	16.8	0.0	0.0	0.0	0.0	0.0	16.8

# **2010/2011 BUDGET - BEST VALUE UNIT: COUNTRYSIDE**

The unit contributes to the achievement of the following corporate objectives:

Theme 07 - Culture and Leisure

## **Outcome(s)**

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

## **Objective(s)**

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Countryside</b>							
69.9	Direct costs - Employees	187.0	0.0	0.0	0.0	0.0	0.0	187.0
184.0	- Other	71.7	0.0	0.0	0.0	0.0	6.4	78.1
253.9	Total Direct Cost	258.7	0.0	0.0	0.0	0.0	6.4	265.1
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(54.7)	Income	(56.1)	0.0	0.0	0.0	0.0	0.0	(56.1)
199.2	Gross Budget Requirement	202.6	0.0	0.0	0.0	0.0	6.4	209.0
0.0	Use Of Departmental Reserves					0.0		0.0
199.2	Net Budget Requirement	202.6	0.0	0.0	0.0	0.0	6.4	209.0

# **2010/2011 BUDGET - BEST VALUE UNIT: FORESHORE**

The unit contributes to the achievement of the following corporate objectives:

Theme 07 - Culture and Leisure

## Outcome(s)

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

## Objective(s)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Foreshore</u>							
144.5	Direct costs - Employees	145.6	0.0	0.0	0.0	0.0	0.0	145.6
16.1	- Other	16.5	0.0	0.0	0.0	0.0	0.0	16.5
160.6	Total Direct Cost	162.1	0.0	0.0	0.0	0.0	0.0	162.1
5.2	Support Recharges	5.4	0.0	0.0	0.0	0.0	0.0	5.4
(5.6)	Income	(5.8)	0.0	0.0	0.0	0.0	0.0	(5.8)
160.2	Gross Budget Requirement	161.7	0.0	0.0	0.0	0.0	0.0	161.7
0.0	Use Of Departmental Reserves					0.0		0.0
160.2	Net Budget Requirement	161.7	0.0	0.0	0.0	0.0	0.0	161.7

# **2010/2011 BUDGET - BEST VALUE UNIT: PARKS**

The unit contributes to the achievement of the following corporate objectives:

Theme 07 - Culture and Leisure

## Outcome(s)

Enrich individual lives, strengthen communities and improve places where people live through enjoyment of culture, leisure and sport (30)  
Cultural and leisure services, better meet the needs of the community, especially those from disadvantaged areas (31)

## Objective(s)

Develop and deliver strategies to improve cultural, leisure facilities and events (CORP CL01)

To ensure the public have access to a wide range of information about leisure, culture and sporting opportunities in a variety of accessible forums (CORP CL02)

To increase participation in culture, leisure and sporting activity (CORP CL03)

Ensure community involvement and engagement in the development and delivery of services (CORP CL04)

To increase universal access to high quality learning and skills opportunities (CORP CL05)

Approved Budget 2009/2010	Best Value Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b>Parks</b>							
45.4	Direct costs - Employees	45.4	0.0	0.0	0.0	0.0	0.0	45.4
421.0	- Other	431.5	0.0	0.0	0.0	0.0	0.0	431.5
466.4	Total Direct Cost	476.9	0.0	0.0	0.0	0.0	0.0	476.9
19.5	Support Recharges	20.0	0.0	0.0	0.0	0.0	0.0	20.0
(8.5)	Income	(8.7)	0.0	0.0	0.0	0.0	0.0	(8.7)
477.4	Gross Budget Requirement	488.2	0.0	0.0	0.0	0.0	0.0	488.2
	<b>Parks General (TBA)</b>							
49.4	Direct costs - Employees	49.4	0.0	0.0	0.0	0.0	0.0	49.4
4.0	- Other	4.1	0.0	0.0	0.0	0.0	0.0	4.1
53.4	Total Direct Cost	53.5	0.0	0.0	0.0	0.0	0.0	53.5
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(67.7)	Income	(69.4)	0.0	0.0	0.0	0.0	0.0	(69.4)
(14.3)	Gross Budget Requirement	(15.9)	0.0	0.0	0.0	0.0	0.0	(15.9)
0.0	Use Of Departmental Reserves					0.0		0.0
463.1	Net Budget Requirement	472.3	0.0	0.0	0.0	0.0	0.0	472.3

**2010/2011 BUDGET - BEST VALUE UNIT: PRINTING**

The unit contributes to the achievement of the following corporate objectives:

The unit provides professional and technical support services to the Council and to individual departments, to assist in the achievement of the Council's corporate objectives.

Objective(s)

To provide efficient and effective printing services to other divisions and departments meeting user requirements for cost, quality and turnaround.

Approved Budget 2009/2010	Best Value Sub Units	Budget Projection 2010/2011	Budget Pressures, Priorities & Terminating Grants & Contingencies	Efficiency Savings	Savings/ Reduction in level of Service	One Off Costs Funded From Depts Reserves	Business Transformation Savings	Total Budget 2010/2011  (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
160.1	Printing	160.9	0.0	0.0	0.0	0.0	0.0	160.9
240.5	Direct costs - Employees	246.6	0.0	0.0	0.0	0.0	0.0	246.6
400.6	- Other	407.5	0.0	0.0	0.0	0.0	0.0	407.5
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(330.3)	Support Recharges	(338.6)	0.0	0.0	0.0	0.0	0.0	(338.6)
70.3	Income	68.9	0.0	0.0	0.0	0.0	0.0	68.9
0.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70.3	Use Of Departmental Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70.3	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# COUNCIL REPORT

11 February, 2010



**Report of:** The Cabinet

**Subject:** MEDIUM TERM FINANCIAL STRATEGY – BUDGET  
AND POLICY FRAMEWORK 2010/2011 TO  
2013/2014 – SUPPLEMENTARY REPORT

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## 1. PURPOSE OF REPORT

- 1.1 To present details of the final Medium Term Financial Strategy (MTFS) proposals following the Cabinet meeting on 8 February, 2010.

## 2. CONSIDERATION OF BUDGET PROPOSALS BY COUNCIL

- 2.1 As indicated in the report issued with the main agenda papers Cabinet on 8 February, 2010, determined the final budget proposals which it wishes Council to consider.
- 2.2 At the meeting on 8 February, 2010, Cabinet considered the report from Scrutiny Co-ordinating Committee on the budget proposals (attached at **Appendix 4** to this report). This report asked Cabinet to consider providing funding for additional items not included in the budget proposals for 2010/11, namely:

Budget Priorities (**Appendix E**, page 36 of the MTFS Supporting Documentation Booklet)

- £38,000 to extend the out of hours noise service to include Friday and Saturday nights, 52 weeks of the year, as they considered and approved on 11 January 2010 (and this being a cut down version of the priority previously identified);
- £60,000 to support the Credit Union. This item would support bids for administration of pump priming loan fund from DWP to help needy families and also create a development fund to support initiatives of Hartlepool Financial Inclusion Partnership;

Proposed Income Increases (**Appendix G**, page 40 of the MTFS Supporting Documentation Booklet)

- £4,000 to enable the Youth Service tuck shop income to be retained for investment in projects agreed in consultation with young people;
- 2.3 Cabinet noted that Scrutiny Co-ordinating Committee had not identified proposals for how these additional commitments should be funded and also thanked Scrutiny Co-ordinating Committee for bringing the Youth Service tuck shop income to their attention. Cabinet determined that they wish to support the provision of additional funding to extend the out of hours services and to cover the Youth Service tuck shop income. Cabinet's proposals for funding these items are detailed in paragraphs 3.31 and 3.32. In relation to support for the Credit Union Cabinet suggested that this item should be funded on a one-off basis and funded from General Fund Balances, as detailed in paragraph 3.33.
- 2.4 Details of Area Based Grant allocations for 2010/11 were confirmed after the Cabinet report was issued. This now includes the Supporting People Grant, which was previously a specific grant and three new grants provided in line with the Government's 'new burdens' principle. It is suggested that these items, which are included in **Appendix 3** to this report and summarised below, are approved and passported as notified by the Government.

	£'000
• Supporting People	3,985
• Economic Assessment Duty	65*
• Designated Teacher Funding	6
• Community call for action/overview Scrutiny Committee	2

\* The Director of Regeneration and Neighbourhoods will review whether the whole of this amount is needed, or if part of this work can be funded from existing budgets.

### 3. PROPOSALS

- 3.1 The proposals which Cabinet wishes Council to consider were detailed in Section 8 of the Cabinet report. These items are repeated below and proposals 3.31 to 3.32 have been included to reflect the issues detailed in paragraphs 2.2 to 2.3 of this report. Where reference is made to a paragraph number or appendix this refers to the document in the separate booklet circulated with the main agenda, unless otherwise stated.

#### 3.2 CAPITAL

- 3.3 Approve the proposal to passport Government capital allocations.
- 3.4 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**.



- 3.5 Approve the proposal to use unsupported borrowing to support the following capital investment in 2010/2011

	<u>£'000</u>
Community Safety Initiatives	150
Disabled Adaptations	50
Neighbourhood Forum Minor Works	156
Vehicle Replacement Programme	1905

- 3.6 Endorse the additions to the Schools Capital Programme which have been supported by the Schools Forum Capital Sub-group.
- 3.7 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.
- 3.8 From 2011/2012 the SCRAPT priorities monies be used to address major strategic issues

### 3.9 2009/2010 OUTTURN STRATEGY

- 3.10 That a specific reserve ring fenced for Looked After Children be created from the net underspend from the Children's services budget 2009/2010.
- 3.11 That any other net departmental underspend be transferred to the new strategic risk reserve.
- 3.12 That the underspend on centralised estimates be also transferred to the strategic risk reserve.
- 3.13 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.

### 3.14 2010/2011 REVENUE BUDGET

- 3.15 Approve the pressures of £1.159m included at **Appendix C** (5.2.3).
- 3.16 Approve the contingency of £0.450m as detailed in **Appendix D**.
- 3.17 Approve the Business Transformation efficiency of £2.514m (5.2.7).
- 3.18 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)
- 3.19 Confirm the detailed allocations for individual Area Based Grant Schemes (Working Neighbourhood Fund Projects) as set out in **Appendix F** (5.2.11)

- and individual Area Based Grant Schemes (Non Working Neighbourhood Fund Projects) as set out in **Appendix 3** of this report.
- 3.20 Confirm the Corporate efficiencies and savings of £1.75m as detailed in 5.2.12, excluding the item detailed in paragraph 3.32 of this report.
- 3.21 Approve the proposed increase in Council Tax of 2.5%, with guideline increase of 2.5% for 2011/2012, 2012/2013 and 3.9% for 2013/2014.
- 3.22 Approve the additional items reflected in Cabinet report of 22<sup>nd</sup> December report and detailed in 5.2.18 together with the proposed funding of these changes as detailed in 5.2.19.
- 3.23 Approve the detailed proposals for the achievement of the income target as detailed in **Appendix G** (5.2.18) excluding the item detailed in paragraph 3.32 of this report.
- 3.24 Note the achievement of the 4% efficiency target (5.2.20)
- 3.25 Note the Budget risks and approve the mitigation strategy (5.2.22).
- 3.26 Note the key financial assumption underpinning the budget as detailed in **Appendix I** (5.5.3).
- 3.27 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)
- 3.28 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.
- 3.29 Members note the lack of insurance cover for the Tall Ships event and note the continued need for the specific reserve.
- 3.30 **Additional Recommendations to reflect Cabinet's response to Scrutiny Co-ordinating Committee Feedback on the budget proposals**
- 3.31 Approve the allocation of £38,000 to extend the out of hours noise service to include Friday and Saturday nights, 52 weeks of the year and to fund this commitment from the saving in cleansing costs on the Marina, which will now be funded by the owners of the Marina. This funding will need to be underwritten from General Fund Balances in 2010/11 and if necessary in future years from the budget headroom;
- 3.32 Approve that the £4,000 Youth Service tuck shop income is retained for investment in projects agreed in consultation with young people and in 2010/2011 this amount is funded from the Collection Fund surplus and in future years from the budget headroom;

- 3.33 Determine if they wish to provide £60,000 on a one-off basis to support the Credit Union and to fund this from General Fund Balances.

### 3.34 Supporting Statutory Resolutions

- 3.35 Approve the following supporting amounts which must be calculated by the Council for 2010/2011 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 and relevant regulations.

- i) Approve the net budgeted requirement of £91,188,205 (as summarised at **Appendix 1** of this report) and for the purposes of Section 32(2), (3) and (4) of the Local Government Finance Act 1992, the following amounts be approved: -

	<u>£</u>
Aggregate Expenditure	278,112,242
Aggregate Income	<u>(186,924,037)</u>
Budget Requirement (inc Parish Precepts)	<u>91,188,205</u>

- ii) Being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support grant £6,532,869 and redistributed Business Rate Grant £44,989,336, increased by the amount the Council estimates will be transferred from the Collection Fund to the General Fund as its surplus in respect of Council Tax as at 31<sup>st</sup> March, 2010, £252,515 in accordance with Section 97 (3) of the Local Government Finance Act 1988 and the Local Government Changes for England (Collection Fund Surpluses and Deficits) Regulations 1995 as amended.
- iii) Being the amount calculated by the Council in accordance with Section 33 of the Act, as the basic amount of Council Tax for the year of £1,419.64.
- iv) Approve the contributions made towards the expenses of Dalton Piercy, Elwick Greatham and Hart Parish Councils to enable them to carry out the associated concurrent functions; and formally accept the Precepts in relation to non concurrent functions and approve the aggregate amount of all special items referred to in Section 34(1) of the Act as set below:-

	<u>Concurrent Functions</u>	<u>Precepts</u>
	<u>£</u>	<u>£</u>
Dalton Piercy	2,839	5,813
Elwick	5,977	5,667
Greatham	1,385	3,201
Hart	3,410	3,250
Headland	0	8,000
Newton Bewley	<u>0</u>	<u>222</u>
Total Concurrent functions	13,611	

Aggregate Amount (Section 34 (i))	26,153
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- v) Being the basic Council Tax for 2010/2011 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items of £1,418.70.
  - vi) The basic Council Tax for 2010/2011 calculated in accordance with Section 34(3) for dwellings in those areas that have parish precepts be as set out in **Appendix 2**, Table 1 (to this report).
  - vii) The amounts of Council Tax at items (iv) and (v) multiplied by the proportions applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in **Appendix 2**, Table 2 (to this report).
- 3.36 Approve indicative Council Tax increases for 2011/2012 and 2012/2013 of 2.5%.

## STATEMENT OF GENERAL FUND REQUIREMENTS 2009/2010 TO 2013/2014

	2009/2010 APPROVED BUDGET	2010/2011 PROPOSED BUDGET	2011/2012 PROJECTED BUDGET	2012/2013 PROJECTED BUDGET	2013/2014 PROJECTED BUDGET
	£m.	£m.	£m.	£m.	£m.
<b>DEPARTMENTAL REQUIREMENTS</b>					
Adult and Community Services	33.233	30.467	31.234	32.015	32.815
Chief Executives Department	5.795	10.021	10.276	10.533	10.796
Rent Allowances/C. Tax benefit not subsidised	1.364	1.398	1.433	1.469	1.506
Rent Allowances Grant	(1.157)	(1.186)	(1.216)	(1.246)	(1.277)
Children's Services	19.194	18.983	19.462	19.949	20.448
Neighbourhood Services	17.108	15.849	16.253	16.659	17.075
Regeneration & Planning	5.700	5.041	5.168	5.297	5.429
<b>TOTAL DEPARTMENTAL REQUIREMENTS</b>	<b>81.237</b>	<b>80.573</b>	<b>82.610</b>	<b>84.676</b>	<b>86.792</b>
<b>EXTERNAL REQUIREMENTS</b>					
Magistrates, Probation and Coroners Court	0.187	0.192	0.197	0.202	0.207
North Eastern Sea Fisheries Levy	0.021	0.025	0.026	0.027	0.028
Flood Defence Levy	0.046	0.031	0.032	0.033	0.034
Discretionary NNDR Relief	0.034	0.035	0.036	0.037	0.038
<b>CORPORATE COMMITMENTS</b>					
I.T.	2.625	2.691	2.758	2.827	2.898
Audit Fees	0.356	0.365	0.374	0.383	0.393
Centralised Estimates (Note 5)	6.502	6.819	6.824	6.847	6.869
Insurances	0.178	0.182	0.187	0.192	0.197
Designated Authority Costs	0.067	0.090	0.092	0.094	0.096
Pensions	0.353	0.362	0.371	0.380	0.390
Members Allowances	0.355	0.364	0.373	0.382	0.392
Mayoral Allowance	0.077	0.079	0.081	0.083	0.085
Emergency Planning	0.093	0.095	0.097	0.099	0.101
<b>NEW PRESSURES</b>					
Prudential Borrowing Costs - Mill House	0.000	0.000	0.309	0.309	0.309
Contingency	0.023	0.024	0.025	0.026	0.027
Planning Delivery Grant terminated	0.117	0.121	0.124	0.127	0.130
Strategic Contingency (note 1)	0.160	0.369	0.344	0.352	0.360
Waste Disposal pressure 2010/11	0.000	0.130	0.133	0.136	0.139
2006/07 Final Council Commitments (note 2)	0.015	0.015	0.015	0.016	0.016
2007/08 Provision for Grants/Pressures/Priorities (note 3)	0.037	0.038	0.039	0.040	0.041
Provision for Cabinet projects	0.052	0.053	0.054	0.055	0.056
Job Evaluation (Note 4)	0.707	1.030	1.499	1.536	1.575
Contribution towards one-off BTP costs (note 4)	0.450	0.450	0.000	0.000	0.000
2010/11 Business Transformation Efficiencies	0.000	0.000	(0.153)	(0.153)	(0.153)
2011/12 Business Transformation Efficiencies	0.000	0.000	(1.105)	(1.133)	(1.161)
2012/13 Business Transformation Efficiencies	0.000	0.000	0.000	(2.020)	(2.020)
2010/11 Pressures and contingency	0.000	0.120	0.123	0.126	0.129
Headroom for 2011/12 Pressures	0.000	0.000	1.000	1.025	1.051
Headroom for 2012/13 Pressures	0.000	0.000	0.000	1.000	1.025
Headroom for 2013/14 Pressures	0.000	0.000	0.000	0.000	1.000
2009/10 Pressures year 2 and 3 additional costs	0.000	0.100	0.312	0.312	0.312
Benefit Subsidy income	(0.200)	(0.300)	(0.300)	(0.300)	(0.300)
Removal of Revenue funding & replace with capitalisation	0.000	(0.500)	(0.500)	(0.500)	(0.500)
Review of Car allowances	0.000	(0.200)	(0.400)	(0.400)	(0.400)
LATS income	0.000	(0.250)	(0.200)	(0.200)	(0.200)
Climate Change initiatives - Area Base Grant Funded	0.023	0.023	0.023	0.023	0.023
Parish Precepts	0.024	0.026	0.027	0.028	0.029
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>93.539</b>	<b>93.152</b>	<b>95.428</b>	<b>96.667</b>	<b>100.007</b>
Council Tax Percentage Increase	3.9%	2.5%	2.5%	2.5%	3.9%
Council Tax - base income	38.255	39.413	40.555	41.759	43.365
Area Based Grant Review (Appendix F)	0.310	0.490	0.490	0.490	0.490
Formula Grant	49.834	51.522	48.946	46.499	44.174
Contribution from Budget Support Fund and other reserves	4.630	1.474	0.900	0.000	0.000
Lower Protection costs - release of reserve	0.200	0.000	0.000	0.000	0.000
Collection Fund Surplus/(deficit)	0.310	0.253	0.200	0.200	0.200
<b>BUDGET LIMIT</b>	<b>93.539</b>	<b>93.152</b>	<b>91.091</b>	<b>88.948</b>	<b>88.228</b>
<b>DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>0.000</b>	<b>4.337</b>	<b>7.720</b>	<b>11.779</b>
<b>Less Cumulative cuts in previous years</b>		<b>0.000</b>	<b>0.000</b>	<b>(4.337)</b>	<b>(7.720)</b>
<b>New Annual Savings - above BTP</b>		<b>0.000</b>	<b>4.336</b>	<b>3.383</b>	<b>4.059</b>

## NOTES

## 1) Strategic Contingency

	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>2013/14</u> <u>£'000</u>
Energy Costs	160	19	19	20	20
Energy Costs 2010/11	0	150	154	160	166
Repayment severance costs	0	120	120	120	120
Discretionary Business Rates	0	50	51	53	54
Fire Safety Risk Management	0	30	0	0	0
	160	369	344	352	360

## 2) 2006/07 Final Council Commitments

	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>2013/14</u> <u>£'000</u>
Celebration of Achievement Contingency	15	15	15	16	16
	15	15	15	16	16

## 3) 2007/08 Provision for Grants/Pressures/Priorities

	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>2013/14</u> <u>£'000</u>
Priorities - Members ICT	32	33	34	34	35
Priorities - Resourcing Scrutiny Function	5	5	5	6	6
Total	37	38	39	40	41

## 4) Job Evaluation and Pay Award Provision

This provision is currently held corporately and the majority of this amount will be allocated to departmental budgets before 1/4/09.

This will ensure budgets are being monitored on a robust basis from the start of the financial year. The net budget held corporately will be allocated to departments to meet the costs of successful appeals and other job evaluation changes, if such costs arise. In the event that the pay award is lower than expected resources allocated within departmental budget will be claw back.

	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>2013/14</u> <u>£'000</u>
Provision made in 2007/08 Budget Strategy	2730	3100	3180	3184	3188
Provision made in 2008/09 Budget Strategy (including provision for Pay awards)	1455	1304	1334	1367	1402
Provision made in 2008/09 Budget Strategy (including provision for Pay awards)	900	913	935	935	935
Allocated to departmental budgets	(3,928)	(4,437)	(4,550)	(4,550)	(4,550)
Temporary incremental saving allocated towards one-off BTP costs as approved by Council 17.09.09.	(450)	(450)	0	0	0
Provision for increase in pay bill (i.e. National insurance, pension increases and pay awards)	0	600	600	600	600
Net total allocated for appeals, unmatched posts, JE increments, and 2010/11 NI, pension increase and pay award	707	1030	1499	1536	1575

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Centralised Estimates Core Budget	6657	6557	6564	6587	6609
Civic Centre Maintenance (Prudential Borrowing provision)	300	300	300	300	300
Centralised Estimates saving SCE (R) replaced SCE (C)	(250)	(250)	(250)	(250)	(250)
Prudential Borrowing costs re. Contact Centre	100	100	100	100	100
Prudential Borrowing costs re. Minor Capital Provision 06/07	100	100	100	100	100
Prudential Borrowing Costs - Capital Strategy (note 6)	300	300	300	300	300
Prudential Borrowing Costs - Property issues 09/10	100	100	100	100	100
Contact Centre	(105)	(108)	(110)	(110)	(110)
LOEO Saving	(200)	(200)	(200)	(200)	(200)
Temporary Investment income 2008/09	0	0	0	0	0
Lower borrowing cost saving	7,002	6,899	6,904	6,927	6,949
Temporary Investment income 2009/10	(300)	(300)	(300)	(300)	(300)
Approved contribution towards one-off BSF costs	(700)	0	0	0	0
Earmarked for planned contribution towards one-off BSF costs (£0.12m funded from lower borrowing costs saving net of repayment of severance costs and £0.1m from increase in Council Tax base)	500	0	0	0	0
	0	220	220	220	220
Total	6,502	6,819	6,824	6,847	6,869

## 6) Prudential Borrowing Costs - Capital Strategy

This provision will support annual capital investment of £1.2m per annum up to 2010/11 and will enable the Council to address backlog capital investment needs.

## 7) Area Based Grant (ABG)

The Area Based Grant will be allocated as detailed in Appendix F to the main budget report.

## 8) Use and Value of Budget Support Fund

	£'000
Balance as at 31st March 2009	6,755
Contribution from 2008/09 Outturn strategy	
Approved use 2008/09	
Proposed use 2009/10	(4,630)
Proposed use 2010/11	(1,474)
Proposed use 2011/12	(900)
Shortfall to be funded from RTB receipts 2009/10 to 2011/12	(249)

## Detailed usage of reserves by year (supports above table)

	2009/10 £'000	2010/11 £'000	2011/12 £'000
CONT. FROM BUDGET SUPPORT FUND	2,000	1,000	500
CONT. FROM 07/08 UNDERSPEND	-	-	-
USE MARCH 2007 DISCOUNT	674	-	-
USE 2008/09 LABGI GRANT	402	237	-
USE OF 2008/09 OUTTURN RESOURCES	1,554	237	400
	4,630	1,474	900

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

(Replaces Appendix F, page 37 of Supporting Information Booklet)

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
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
Stronger Safer Communities Fund - Neighbourhood Element	R&P	258	0
Appendix F Total			6,133
<b>Late Area Based Grant Announcements</b>			
Economic Assessment Duty	R&P	0	65
Supporting people	A&CS	0	3,985
Community Call for Action/Overview Scrutiny Committee	CORP	0	2
Designated Teacher Funding	CS	0	6
ABG total		<b>6,395</b>	<b>10,191</b>



# 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

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## 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 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 15<sup>th</sup> 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  
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#### **BACKGROUND PAPERS**

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

- (i) Report of the Scrutiny Manager entitled '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.

**COUNCIL**  
11<sup>th</sup> February 2010



**Report of:** Chief Executive

**Subject:** BUSINESS REPORT

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**1. APPOINTMENT OF INDEPENDENT MEMBER TO THE COUNCIL'S STANDARDS COMMITTEE AND THE INDEPENDENT REMUNERATION PANEL**

The Relevant Authorities (Standards Committees) Regulations, 2001 and now the Standards Committee (England) Regulations, 2008, provide that Standards Committees must ensure that at least 25 per cent of its membership are "independent members". As previously noted to Council, the 2008 Regulations also provide the criteria for the appointment of independent members, as follows:

- approved by majority of the members of the authority;
- advertised in one or more newspapers circulating in the area of the authority, and in such other publications or websites as the authority considers appropriate;
- of a person who submitted an application to the authority;
- has within a period of five years immediately preceding the date of the appointment has not been a member or officer of the authority; or
- is a relative or close friend of a Member or Officer of the authority.

Following a publicity exercise, an application was forthcoming from Professor Brian Footitt, for appointment as an independent and therefore a co-opted member of the Council's Standards Committee. Professor Footitt also indicated his willingness to serve upon the Council's Independent Remuneration Panel, subject to the approval of Council.

Professor Footitt was interviewed for these positions before a meeting of the Council's Standards Committee, which convened on 15 December, 2010. The Committee unanimously recommended that Professor Footitt be appointed, subject to Council approval, in respect of these two roles. Members are therefore asked to approve the appointment of Professor Footitt for a term of four years upon the Council's Standards Committee and also upon the Independent Remuneration Panel.

## **RECOMMENDATION**

That Council approve the appointment of Professor Brian Footitt as an Independent Member upon the Council's Standards Committee and as a Member of the Independent Remuneration Panel for a term of four years.

## **2. APPOINTMENTS PANEL ASSISTANT DIRECTOR – REGENERATION & PLANNING**

Cabinet agreed on 16 November 2009 to establish a post of Assistant Director – Regeneration & Planning, in line with the Council's procedures. As a result, the Vacancy Monitoring Panel considered the above post at its meeting on 27 January 2010 and confirmed the request to fill the post. The Trade Unions were consulted on 28 January 2010 and agreed to the release of the post during the Recruitment Freeze.

Council is requested, therefore, to approve the establishment of an Appointments Panel. In line with the Officer Employment Procedure Rules, as set out in the Constitution, the Panel will consist of eight members, as follows:-

The Mayor

The Chairman of the Council

Group nominations – 3 Labour Councillors, 1 Conservative Councillor, 1 Liberal Democrat Councillor and 1 Administrative Group Councillor.

In addition, as identified in the Officer Employment Procedure Rules, Council is also requested to reflect the gender balance of the Council when nominating to the Panel. It is suggested therefore that Council nominate three female Councillors to the Panel.

Council is requested to approve the establishment of the Appointments Panel and nominate members accordingly.

## **3. TREASURY MANAGEMENT STRATEGY 2010/11**

### **3.1 OBJECTIVES**

3.2 This report outlines the Council's Treasury Management Strategy for 2010/2011, which includes Prudential Indicators for 2010/2011 – 2012/2013 and sets out the expected Treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of Prudential Indicators based on expected capital activities.
- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year.



- The Treasury Management Strategy Statement which sets out the planned borrowing and investment strategies and the limitations on treasury activity by the use of Treasury Prudential Indicators.
  - The Investment Strategy which sets out the Council's criteria for investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the Department of Communities and Local Government (CLG) Investment Guidance.
- 3.3 The above policies and parameters provide an approved framework within which officers undertake the day to day capital and Treasury activities.

#### **4. BACKGROUND**

- 4.1 Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were issued in late November 2009 and the CLG is currently consulting on changes to the Investment Guidance. The revised guidance and CLG proposals have been incorporated within this report. If necessary the Investment Strategy will be revised if any elements of the final CLG Investment Guidance result in significant changes.
- 4.2 The main changes arising from the new guidance are process related and now make it compulsory to adopt practices that the Council already had in place. One notable change from existing practice is the requirement to nominate a body (best practice recommends this is normally the Audit Committee) to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to Council. It is recommended that this responsibility be given to the Audit Committee. This year, because the revised guidance was not received until December it was not been possible for the Audit Committee to review the strategy prior this report being presented to the Council. The Strategy will be referred to the next meeting of the Audit Committee on 16<sup>th</sup> March and if any changes are recommended these will be referred to the next meeting of the Council on 15<sup>th</sup> April, 2010.
- 4.3 The revised Code increases the responsibility of Members' in this area. This will require training for Members to enable better scrutiny of the Treasury policies. Arrangements will be made early in the new year for training to be provided.
- 4.4 This report covers the following areas:
- Prudential Indicators and Treasury Limits for 2010/2011 to 2012/2013;
  - Outlook for Interest Rates;
  - Borrowing Strategy;
  - Investment Strategy

## **5. PRUDENTIAL INDICATORS AND TREASURY LIMITS FOR 2010/2011 TO 2012/2013**

5.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce Prudential Indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. This report updates currently approved indicators and introduces new indicators for 2012/2013.

5.2 Details of the proposed prudential limits are set out in the following sections. The prudential indicators relating to the Borrowing and Investment strategy are detailed sections in sections 5 and 6 to aid understanding of these issues.

### **5.3 CIPFA Treasury Management Code of Practice**

5.4 The first Prudential Indicator is confirmation that the Council has adopted the CIPFA Treasury Management Code of Practice.

### **5.5 Capital Expenditure**

5.6 The Council's capital expenditure plans are summarised below and this is the second of the prudential indicators. A certain level of capital expenditure is supported by the Government through the revenue grant system. For 2010/11 the Government have provided a supported borrowing allocation of £2,775,000. Any decisions to spend above this level will be classified as 'unsupported' capital expenditure and the Council needs to have regard to following when approving such proposals:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the Council Tax);
- Practicality (e.g. the achievability of the forward plan).

5.7 The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources. These commitments are reflected in the MTFS for 2010/11.

5.8 Capital expenditure can be funded for immediately by applying capital resources such as capital grants or revenue resources, but if these resources are insufficient any planned residual capital expenditure will add to the Council's borrowing need.

## 5.9 The Medium Term Financial Strategy reflects the following:

Capital Expenditure	2009/10 Original £'000	2009/10 Revised £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Capital Expenditure	22,194	41,909	34,167	45,686	35,225
<b>Financed by:</b>					
Capital grants and contributions	15,912	27,901	20,559	40,499	29,644
Capital Receipts	0	262	0	0	0
Revenue	0	730	0	0	0
<b>Net financing need for the year</b>	<b>6,282</b>	<b>14,008</b>	<b>13,608</b>	<b>5,187</b>	<b>5,581</b>

The impact of the above movements on the revenue budget are considered below.

5.10 **Affordability Prudential Indicators**

- 5.11 These indicators are intended to illuminate the affordability of planned capital expenditure financed by borrowing.

Incremental Impact of Capital Expenditure on Council Tax

This indicator identifies the revenue costs associated with new schemes introduced to the three year Capital Programme recommended in the budget strategy report compared to the Council's existing approved commitments and current plans.

	Forward Projection 2010/11 £'000	Forward Projection 2011/12 £'000	Forward Projection 2012/13 £'000
<b>CouncilTax - Band D</b>	£4.62	£8.53	£4.62

The increase in 2011/12 reflects the planned expenditure of £3m on the Mill House Leisure Centre.

Ratio of Financing Costs to Net Revenue Stream

This shows the net cost of capital borrowing as a percentage of the net budget, which is spent on servicing debt. The upwards trend reflects the increasing costs associated with each year's capital expenditure and the expected reduction in investment income.

%	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Ratio	7.32%	7.49%	7.70%

## 6. OUTLOOK FOR INTEREST RATES

6.1 The table below provides the latest interest rate forecasts provided by Butlers.

Medium-Term Rate Estimates (averages)

\* Borrowing Rates

Annual Average %	Bank Rate	Money Rates		PWL B Rates*			Money Rates		PWL B Rates*		
		3 month	1 year	5 year	20 year	50 year	3 month	1 year	5 year	20 year	50 year
2008/09	3.9	5	5.3	4.2	4.8	4.5	5	5.3	4.2	4.8	4.5
2009/10	0.5	0.8	1.4	3.2	4.4	4.6	0.8	1.4	3.2	4.4	4.6
2010/11	1	1.5	2.3	4	5	5.2	1.5	2.3	4	5	5.2
2011/12	2	2.5	3.3	4.3	5.3	5.3	2.5	3.3	4.3	5.3	5.3
2012/13	4.5	4.8	5.3	5.3	5.5	5.3	4.8	5.3	5.3	5.5	5.3

- 6.2 Short-term rates are expected to remain low for a considerable time. The recovery in the economy has commenced but is insipid. There is a danger that the reversal of monetary easing with rate cuts and Quantative Easing (QE) could trigger a dip back to negative growth and a W-shaped economic recovery path. Otherwise known as a 'dead cat bounce'
- 6.3 Credit extension to the corporate and personal sectors has improved modestly but banks remain nervous about the viability of counterparties. This is likely to remain a drag upon economic growth prospects, as will the lacklustre growth of broad money supply.
- 6.4 The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. This will be amplified by increases in VAT and National Insurance. Without a rebound in this key element of UK economy, any recovery is set to be weak and protracted.
- 6.5 The MPC may continue to promote easy credit conditions via quantitative monetary measures. QE has been extended to a total of £200bn and there is still an outside chance that it could be expanded further in February. Whether this has much impact in the near term remains uncertain given the personal sector's reluctance to take on more debt and add to its already unhealthy balance sheet.
- 6.6 With inflation set to remain subdued in the next few years (though a sharp blip is forecast for the next few months), the pressure upon the Monetary Policy Committee (MPC) to increase rates will remain moderate. However, some increase will be seen as necessary in 2010 to counter the effects of external cost pressures (as commodity price increases filter through) and to avoid damage that sterling could endure if the UK is seen to defy an international moves to commence policy exit strategies.
- 6.7 The outlook for long-term fixed interest rates is less favourable. While the UK's fiscal burden should ease in the future as painful action is taken, this will

be a lengthy process and deficits over the next two to three financial years will require a very heavy programme of gilt issuance. The market will no longer be able to rely upon Quantitative Easing to alleviate this enormous burden. The absence of the Bank of England as the largest buyer of gilts will shift the balance between supply and demand in the gilt-edged market. Other investors will almost certainly require some incentive to continue buying government paper. This incentive will take the form of higher interest rates. The longer fixed interest rates will suffer from the lack of support from the major savings institutions – pension funds and insurance companies who will continue to favour other investment instruments as a source of value and performance.

- 6.8 Shorter term fixed interest rates will be pressured higher by the impact of rising money market rates. While bank purchases in this part of the market will continue to feature as these institutions meet regulatory obligations, this process will be insufficiently strong to resist the upward trend in yields. Accordingly interest rates are expected to increase to facilitate this.

## 7. BORROWING STRATEGY

- 7.1 The uncertainty over future interest rates presents risks for Treasury activity. As a result the Council will take a cautious approach to its borrowing strategy.

### 7.2 The Council's Borrowing Need (the Capital Financing Requirement)

- 7.3 The Council's Capital Financing Requirement (CFR) is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

	2009/10 Original £'000	2009/10 Revised £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
<b>CFR b/f</b>	83,763	82,599	92,829	101,960	102,174
Capital Expenditure Financed by <u>Borrowing</u>	6,282	14,008	13,608	5,187	5,581
Less MRP/VRP and other financing movements	3,765	3,779	4,476	4,973	5,304
<b>CFR c/f</b>	<b>86,280</b>	<b>92,829</b>	<b>101,960</b>	<b>102,174</b>	<b>102,451</b>

- 7.4 The Council is required to pay off an element of the CFR each year through a revenue charge called the Minimum Revenue Provision (MRP), although it is also allowed to undertake additional voluntary payments (VRP).

- 7.5 CLG Regulations require the Council to approve **an MRP Statement** in advance of each year. The Council is recommended to approve the following MRP Statement

- For capital expenditure incurred before 1<sup>st</sup> April, 2008 the Council's MRP policy is to calculate MRP in accordance with former CLG Regulations. This is calculated as 4% of the CFR for Supported Prudential Borrowing

and Unsupported Corporate Borrowing. For Departmental Prudential Borrowing the Council adopts a prudent approach by making Voluntary Revenue Payments (VRP) based on asset life.

- From 1<sup>st</sup> April, 2008 the Council calculates MRP based on asset life for all assets.

## 7.6 Debt and Investment Projections 2010/11 – 2012/2013

- 7.7 The table below sets out the Council's projected borrowing requirement and level of debt.

	2009/10 Revised £'000	2010/11 Estimated £'000	2011/12 Estimated £'000	2012/13 Estimated £'000
<b>External Debt</b>				
Debt at 1 April	75,080	46,823	73,066	76,056
Expected change in debt	(28,057)	26,243	2,990	5,187
Debt at 31 March	47,023	73,066	76,056	81,243
<b>Capital Finance Requirement</b>	<b>92,829</b>	<b>101,960</b>	<b>102,174</b>	<b>102,451</b>
<b>Under Borrowing</b>	<b>35,289</b>	<b>28,879</b>	<b>26,770</b>	<b>26,770</b>

- 7.8 The table shows the Council's borrowing requirement increases each year. In the short term the Council will maximise the use of its balance sheet resources to finance 'Under Borrowing'. This reduces counterparty risk and shelters against the expected fall in investments returns. The ability to do this is limited by the level of these resources which are temporary in nature. The table in paragraph 6.4 shows how the Council's balance sheet resources.
- 7.9 The key risk of deferring long term borrowing is that when the Council does need to borrow it is not at too high a rate. Long-term fixed interest rates are at risk of being higher over the medium term, and short term rates are expected to rise but from a historically exceptionally low level. The Council needs to ensure that it achieves benefits from those historically low short term rates whilst retaining the flexibility to lock into longer term rates before they rise significantly. In these circumstances not only is the level of interest rate a factor but the speed at which it is changing.
- 7.10 There is also a risk that the Council's LOBO's (Lenders Option Borrowers Option) are recalled which will need to be refinanced. This will be from internal resources in first instance and then temporary loans until the Council is confident that the timing is right to obtain long term borrowing. The Chief Financial Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.
- 7.11 The cost to the Council of a 1% change in interest rates in relation to financing the CFR is £928,000. However in practice the Council is cushioned from the full impact of higher interest rates because it has already locked into £47m at

a low average rate of 4% and the ability to internally finance some of the debt requirement.

## 7.12 Limits to Borrowing Activity

7.13 Within the Prudential Indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits

7.14 For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2010/2011 and the following two financial years . This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

	2009/10 Revised £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Gross Borrowing	47,023	73,066	76,056	81,243
Investments	33,000	3,000	0	0
<b>Net Borrowing</b>	<b>14,023</b>	<b>70,066</b>	<b>76,056</b>	<b>81,243</b>
<b>Capital Finance Requirement (CFR)</b>	<b>92,829</b>	<b>101,960</b>	<b>102,174</b>	<b>102,451</b>

7.15 The table below shows two key limits for the monitoring of debt. The Operational Limit is the likely limit the Council will require and is aligned closely with the actual CFR on the assumption that cashflow is broadly neutral.

<b>Borrowing Limits</b>	2009/10 Revised £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Operational Limit	93,000	102,000	102,000	102,000
Authorised limit	105,000	115,000	115,000	115,000

7.16 The Authorised Limit for External Debt is a further key prudential indicator to control the overall level of borrowing. This represents a limit beyond which external debt is prohibited. This limit is set to take account of the range of cash flows that might occur for the Council in addition to the CFR. It also reflects the flexibility required to enable advance refinancing of existing loans.

7.17 The Chief Financial Officer reports that the Council complied with these Prudential Indicators in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

7.18 The Council has some flexibility to borrow funds this year for use in future years. The Chief Financial Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Chief Financial Officer will adopt a cautious approach

to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Any borrowing in advance of need will be reported to the Council in the next treasury management report.

## 8. INVESTMENT STRATEGY

8.1 The primary objectives of the Council's investment strategy in order of importance are:

- safeguarding the re-payment of the principal and interest of its investments on time;
- ensuring adequate liquidity;
- investment return.

8.2 Following the economic background above, the current investment climate has one over-riding risk consideration which is that of **counterparty security risk**. As a result of these underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.

### 8.3 Investment Projections 2010/2011 – 2012/2013

8.4 The table below sets out estimates for the expected level of resources for investment or financing capital expenditure.

Year End Resources	2008/09 Outturn £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Balances and Reserves	34,709	21,889	15,879	13,770	13,770
Provisions	3,176	2,400	2,000	2,000	2,000
Unapplied Grants	5,770	5,000	5,000	5,000	5,000
Unapplied Capital Receipts	1,533	1,000	1,000	1,000	1,000
<b>Total Core Funds</b>	<b>45,188</b>	<b>30,289</b>	<b>23,879</b>	<b>21,770</b>	<b>21,770</b>
Working Capital*	-1,036	5,000	5,000	5,000	5,000
<b>Resources Available for Investment</b>	<b>44,152</b>	<b>35,289</b>	<b>28,879</b>	<b>26,770</b>	<b>26,770</b>
(Under)over borrowing	(34,992)	(35,289)	(28,879)	(26,770)	(26,770)
<b>Net Investments</b>	<b>9,160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Temporary borrowing	(26,073)	23,000	3,000		
<b>Investments</b>	<b>35,233</b>	<b>23,000</b>	<b>31,879</b>	<b>26,770</b>	<b>26,770</b>

\* This as an estimate based on the year end position for debtors and creditors.

8.5 The table shows the level of investments falling as resources are used to finance capital expenditure. The balance for 2009/10 represents existing investments which will mature in 2010/11. Although the Council will be reducing its level of investments it will ensure that it maintains a level of investments in relation to the Fire Authority's cash held in the Pooled Investment Fund.



## 8.6 Benchmarking

- 8.7 A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Security and liquidity benchmarks are new requirements to the Member reporting and benchmarks in these areas are significantly less developed. The application of these is also more subjective in nature.
- 8.8 These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is to assist monitoring and illuminate any changes to the strategy. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.
- 8.9 The benchmark for monitoring security is based on the historical risk of default associated with the credit rating of an organisation. The higher rated counterparties have a lower rate of historic default.
- 8.10 The Table below sets out the historic default percentages for each type of credit rated institution and the period of deposit.

Rating/Years	Maturity Period in Years				
	1	2	3	4	5
AAA	0.000%	0.000%	0.000%	0.000%	0.000%
AA	0.000%	0.000%	0.000%	0.030%	0.060%
A	0.030%	0.150%	0.300%	0.440%	0.650%
BBB	0.240%	0.780%	1.480%	2.240%	3.110%
BB	1.150%	3.300%	5.340%	7.230%	9.340%
B	1.310%	3.420%	5.540%	8.020%	9.870%
CCC	21.910%	28.010%	33.020%	36.760%	42.670%
Council	0.000%	0.000%	0.000%	0.000%	0.000%

- 8.11 The Council will aim to ensure that the historic default probability of its investment portfolio will not exceed 0.2%.
- 8.12 An additional proposed benchmark is the average risk of default. This is based on the historic risk of default multiplied by the value of each investment. It does not constitute the actual expectation of loss. Rather it is intended to give a guide as to the relative security of investments. For the forthcoming year this is expected to not exceed £100,000
- 8.13 To ensure adequate Liquidity the Council seeks to maintain a bank overdraft of £1.5m. In addition the Pooled Investment Fund will include the use of call accounts to enable cash to be obtained with immediate notice. The proposed benchmark for monitoring liquidity is 'Weighted Average Life'. This reflects the average number of days to maturity for investments and therefore gives an indication of the liquidity profile of investments held. For the forthcoming year because of the lack of value obtainable for deposits exceeding 12 month and the need to ensure maximum security this benchmark is expected to be 0.5 years, with a maximum of 3 years.

#### 8.14 Investment Counterparty Selection Criteria

8.15 The Council's criteria for providing a pool of high quality investment counterparties is as follows:

- **Banks** – the Council will use UK banks which have at least the following Fitch (or Moody's and Standard and Poors equivalent) ratings (where rated):
  - Short Term – F1
  - Long Term – A-
  - Individual / Financial Strength – C (Fitch / Moody's only)
  - Support – 3 (Fitch only)
- **Building Societies** – the Council will invest with where they have asset base of more than £1bn and form part of the HM Treasury Guarantee scheme, or where Societies meet the ratings for banks outlined above. These are currently excluded from the operational counterparty list as a result of reduced credit ratings in the sector generally but are included in the Council's criteria on the basis that they may be reinstated if ratings improve.
- **Other Local Authorities.**
- **Debt Management Office** – this is a UK Government Agency which manages debt on behalf of the Government.

8.16 The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March, 2009 and the CIPFA Treasury Management Code of Practice.

8.17 Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered on a daily basis before investments are made. For instance a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

8.18 Note that the above criteria only includes UK institutions and therefore has never included Icelandic banks, owing to the risk that if these banks ran into

financial difficulties the Icelandic Government may not have been able to underwrite depositors funds.

- 8.19 The criteria is different to that used to define Specified and Non-Specified investments which is the classification used by CLG regulations. This is because it is intended to create a pool of high quality counterparties for the Council to use rather than defining what its investments are. Further details of the Specified/Non Specified criteria are contained at Appendix 1.
- 8.20 The Council 'pools' its investments with Cleveland Fire Authority to help spread counterparty risk. As a result of this collaboration both organisations already share the same Treasury Management Strategies and criteria determining approved investment counter-parties. The limits need to be the same for each member of the Fund although it should be noted that the exposure of each party is limited to their proportionate share of the overall fund. It is currently estimated 3/4<sup>th</sup> of investments will relate to the HBC and 1/4<sup>th</sup> to CFA, although these proportions will change over time depending on the amounts invested by the CFA and HBC.
- 8.21 The table below shows the Limits proposed for the 'Pooled Investment Fund' and illustrates the 'implied' limit for the Council, based on the current proportionate share of the overall investments.

	<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poors</b>	<b>Limit for Investment Fund</b>	<b>HBC 'Implied Limit</b>	<b>Time Limit</b>
Upper Limit Category	F1+/AA	P-1/Aa3	A-1+/AA-	£10m	£7.5m	3 years
Middle Limit Category	F1/A-	P-1/A3	A-1/A-	£7m	£1.75m	364 days
Lower Limit Category	Unrated bank subsidiaries and building societies with assets over £1bn			£2m	£1.5m	6 months
Other Limits	Other Local Authorities			No limit	No Limit	3 years
	Nationalised Banks			£ 10m	£7.5m	3 years
	Debt Management Office			£20m	£15m	3 years
	UK Banks covered by UK Government Guarantee			£10m	£7.5m	3 years

- 8.22 The above limits set the overall framework for managing the investment fund. In practice the Chief Financial Officer uses his delegated powers to set operational limits which further tighten the lending criteria as necessary in response to developments caused by the Global 'credit crunch'. These actions reflect the Chief Financial Officer's assessment of risk which is particularly important as credit ratings are not a guarantee of an organisation's financial strength and can only provide a starting point for assessing risk.

This flexibility is needed to take advantage of opportunities arising where maximum security can be obtained to reduce the risk of financial loss, while still benefitting from competitive rates of return.

8.23 In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

8.24 The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the longer term investment limits.

#### 8.25 **Economic Investment Considerations**

8.26 Expectations on shorter-term interest rates, on which investment decisions are based, show the likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

8.27 There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term whilst credit quality is uncertain/reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter term investments would provide better security.

8.28 **The criteria for choosing counterparties set out above provides a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve the base criteria above, under the exceptional current market conditions the Chief Financial Officer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.**

8.29 Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local Council deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

#### 8.30 **Sensitivity to Interest Rate Movements**

8.31 The Council will be required to disclose in its Statement of Accounts the impact of risks on the Council's Treasury Management activity. The impact of interest rate risk is specifically detailed in paragraph 5.11.

### 8.32 Treasury Management Limits on Activity

8.33 There are four further Treasury activity limits, which were previously Prudential Indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance.

8.34 The indicators are:

- Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates

8.35 The Proposed limits are as follows:

Interest rate Exposures	2010/11 £000 Upper	2011/12 £000 Upper
Limits on fixed interest rates:		
• Debt	102,000	102,000
• Investments	(30,000)	(25,000)
<b>Limits on fixed interest rates based on net debt</b>	<b>72,000</b>	<b>77,000</b>
Limits on variable interest rates		
• Debt	102,000	102,000
• Investments	(60,000)	(60,000)
<b>Limits on variable interest rates based on net debt</b>	<b>42,000</b>	<b>42,000</b>

8.36 Limits for the 'Maturity Structure of Borrowing' are intended to reduce exposure to large fixed rate sums falling due for refinancing. The view of the Chief Financial Officer is that limits on fixed and variable rates for **borrowing** are unhelpful and could lead to unnecessary higher costs of borrowing. Previous experience has shown that it is possible to move from a position of predominantly fixed rate borrowing to variable rate borrowing and then back to fixed rate borrowing over a period of two years. Currently the market is so volatile that the Council should ensure maximum flexibility to minimise costs to the revenue budget in the medium term. The tables above and below therefore allow for borrowing up to the Capital Financing Requirement at either variable or fixed rates. The intention is to move to fixed rate borrowing when rates are at an appropriate level and may require the temporary use of variable rate borrowing in the interim.

<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>		
	<b>2010/11 £000 Lower Limit</b>	<b>2011/12 £000 Upper Limit</b>
Under 12 months	0	93,000
12 months to 2 years	0	102,000
2 years to 5 years	0	102,000
5 years to 10 years	0	102,000
10 years to 20 years	0	102,000
20 years to 30 years	0	102,000
30 years to 40 years	0	102,000
40 years to 50 years	0	102,000
50 years to 60 years	0	102,000
60 years to 70 years	0	102,000

- 8.37 Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

<b>Limit for Maximum Principal Sums Invested &gt; 364 days</b>			
	<b>1 year £000</b>	<b>2 years £000</b>	<b>3 years £000</b>
Maximum	30,000	20,000	15,000

### 8.38 Performance Indicators

- 8.39 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the Treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. The Council will produce the following Performance Indicators for information and explanation of previous Treasury activity:

- Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – returns above the 7 day LIBID rate

### 8.40 Treasury Management Advisers

- 8.41 The Council uses Butlers as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;

- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies;

8.42 Whilst the advisers provide support to the internal Treasury function, under current market rules and the CIPFA Code of Practice the final decision on Treasury matters remains with the Council. This service is subject to regular review.

#### 8.43 **Member and Officer Training**

8.44 The increased role of Members and the need to ensure officers dealing with Treasury Management are well trained and kept up to date requires a suitable training process for Members and officers. Officers already attend regular training courses provided by Butlers. Arrangements will be made for some training for Members in the early part of the year. This is likely to take the form of a number of a workshop session involving Butlers.

### 9. **PROPOSALS**

9.1 It is proposed that Council approves the following:

- i) The responsibility for the effective scrutiny of Treasury activities to be allocated to the Audit Committee.
- ii) The Prudential Indicators and Limits relating to Capital Expenditure for 2010/2011 to 2012/2013 as per in Section 3.
- iii) The Minimum Revenue Provision (MRP) Statement as per paragraph 5.5.
- iv) The Borrowing Strategy for 2010/2011 to 2012/2013 and related Treasury Prudential Indicators as set out in Section 5.
- v) The Investment Strategy Counterparty Criteria contained in Section 6.
- vi) The Investment Strategy for 2010/2011 to 2012/2013 and related Treasury Prudential Indicators as detailed in Section 6.

## Appendix 1

**Credit And Counterparty Risk Management**

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12<sup>th</sup> March, 2004 and this forms the structure of the Council's policy below. The LG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy.

The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently and that priority is given to security and liquidity before interest return. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and applies its principles to all investment activity. In accordance with the Code, the Chief Financial Officer has produced its treasury management practices covering investment counterparty policy which requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for decision making on investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The strategy proposed for approval by the Council is set out below.

**Strategy Guidelines** – The main strategy guidelines are contained in the body of the Treasury Strategy Statement. Because the Council's investment funds will be pooled with Hartlepool Borough Council, it will be the limits set by 'the Council' which will apply. These are set out below. The Council's share of these limits will equate to approximately 1/4<sup>th</sup> based on its share of the pool.

**Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within twelve months if it wishes. These are low



risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

1. The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Other Councils.
3. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.
4. A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society. This covers bodies with a minimum rating of A- (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is:

	Fitch	Moody's	Standard & Poors	Limit for Investment Fund	Time Limit
Upper Limit Category	F1+/AA-	P-1/Aa3	A-1+/AA-	£10m	364 days
Middle Limit Category	F1/A-	P-1/A3	A-1/A-	£7m	364 days
Other Institution Limits	Other Local Authorities			No Limit	364 days
	Nationalised Banks			£10m	364 days
	Debt Management Office			£20m	364 days
	UK Banks covered by UK Government			£10m	364 days

**Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any investments with:

- **Building societies not meeting the basic security requirements under the specified investments.** The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Investment Fund may use building societies with assets over £1bn. These will be limited to £2.5m over 3 months.

- Any **bank or building society** that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

	<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poors</b>	<b>Money Limit</b>	<b>Time Limit</b>
Upper Limit Category	F1+/AA-	P-1/Aa3	A-1+/AA-	£10m	3 years
Other Local Authorities				No limit	3 years
Nationalised Banks				£7m	3 years
Building Societies				£2m	
Debt Management Office				£20m	3 years
UK Banks covered by UK Government				£7m	3 years

**The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating advice from its advisers, Butlers, on a daily basis, and as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Chief Financial Officer and if required new counterparties which meet the criteria will be added to the list.