

SCRUTINY CO-ORDINATING COMMITTEE AGENDA



21st October, 2005

at 2.00 p.m.

in Committee Room “B”

MEMBERS: SCRUTINY CO-ORDINATING COMMITTEE:

Councillors Cambridge, Clouth, Cook, Cranney, Flintoff, Hall, Hargreaves, James, Kaiser, Lilley, A Marshall, J Marshall, Preece, Richardson, Shaw and Wright.

Resident Representatives:

Evelyn Leck, 2 Vacancies

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 7th October 2005 (to follow)

4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE

No Items

5. CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS

5.1 Scrutiny Topic Referral from South Neighbourhood Consultative Forum '20 mph Speed Limit Zones Outside of Schools – Additional Information – Joint report of the Traffic Team Leader and the Scrutiny Manager

6. FORWARD PLAN

No Item

7. ITEMS FOR DISCUSSION

- 7.1 Budget and Policy Framework Initial Consultation Proposals 2006/07
– Chief Financial Officer
- 7.2 Review into the Authority's Financial Reserves:-
 - (a) Budgetary Breakdown of The Way Forward Allocated Reserve
– Chief Financial Officer
 - (b) Draft Final Report - Scrutiny Manager
- 7.3 Draft Final Report – Additional Powers for Community Wardens – Scrutiny Manager (to follow)

8. CALL-IN REQUESTS

No Items

9. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

ITEM FOR INFORMATION

Date of Next Meeting – 25th November 2005, commencing at 2.00pm in Committee Room B.

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

7th October 2005

Present:

Councillor Marjorie James (In the Chair)

Councillors: John Cambridge, Harry Clouth, Rob Cook, Gerard Hall, Ann Marshall, Arthur Preece, Carl Richardson and Jane Shaw

Resident Representatives:
Evelyn Leck

Officers: Mike Ward, Chief Financial Officer
Sandra Shears, Chief Accountant
Dave Stubbs, Environment Manager
Alison Mawson, Head of Community Safety and Prevention
Claire Clark, NDC Community Safety Manager
Charlotte Burnham, Scrutiny Manager
Angela Hunter, Principal Democratic Services Officer

Also Present:
Julie Rudge, NDC Resident

47. Apologies for absence

Apologies for absence were received from Councillors Kevin Cranney, Bob Flintoff, Pamela Hargreaves, Stan Kaiser, Geoff Lilley, John Marshall and Edna Wright.

48. Declarations of interest by members

None.

49. Confirmation of the minutes of the meeting held on 2nd and 30th September 2005.

Confirmed.

50. Responses from the Council, the Executive or Committees of the Council to Reports of the Scrutiny Co-ordinating Committee

None.

51. Forward Plan

No items.

52. Consideration of request for Scrutiny Reviews from Council, Executive Members and Non-Executive Members – Trincomalee – Referral from Council

The Scrutiny Manager submitted a report which informed Members of the HMS Trincomallee Trust referral from Council to this Committee.

The report outlined that at the meeting of Council on 15th September 2005, a discussion regarding the representation and long term sustainability of the Trincomalee Trust took place. At this meeting, it was subsequently resolved that Scrutiny examine the operation of the Trincomalee and that the Board of Trustees co-operate fully.

Following initial scoping discussions, it was evident that this issue could fall within the current remit of the Regeneration and Planning Services Scrutiny Forum. However, due to the financial aspects relating to the HMS Trincomalee, it could also be considered by the Scrutiny Co-ordinating Committee.

The Committee was informed that the Mayor had been invited to be on the Board of the Trust and although he had declined this offer, he had nominated Councillor Gerard Hall to take his place. It had also been agreed to seek a further four nominations from within the community to be agreed by the Council.

A discussion followed in which it was suggested that nominations which reflect the gender/disability and ethnic make up of the town be invited from the Community Empowerment Network. A brief critique on each nominee would be requested in order that this Committee could make recommendations to Council for the extra four places on the Board.

Decision

- That Scrutiny Co-ordinating Committee accommodate this referral within its current Work Programme for 2005/06.
- That nominations be sought from the Community Network and reported

back to a future meeting of this Committee in order that recommendations could be made to Council for the extra four places on the Board.

53. Ongoing Review into the Authority's Reserves – Consideration of the Authority's Specific Reserves and General Fund Balances (as at 31st March 2005)
(Chief Financial Officer)

The Scrutiny Manager submitted a report together with appendices which detailed an itemised breakdown of the Authority's Specific Reserves and General Fund Balances as at 31 March 2005.

The Chief Financial Officer summarised the background to reserves which were categorised into the following three main areas together with an explanation/reason for each departmental and corporate reserve:

- Direct support of the revenue programme
- Direct support of the capital programme
- Support Change

During the line-by-line enquiry into the Authority's Reserves, the following issues were raised:

Coastal Defences – A Member asked if the Headland coastal defences were included in this budget. The Chief Financial Officer advised Members that the works to be undertaken on the Headland coastal defences were included within grant monies from the Ministry of Agriculture Fisheries and Food.

Schools Reserves – A Member asked where the interest from the schools budgets was included. The Chief Financial officer indicated that any interest received from School's budgets was included within the General Fund.

Insurance Fund – Concern was raised at the level of excess payable for property/combined liability claims. The Chief Financial Officer indicated that policies with a lower excess, inevitably had significantly higher premiums in order to achieve the lower excess. However, the Council did invite tenders every three years for this service and the range of excesses was examined together with the level of premium required. Members were also concerned about the level of claims made for injuries sustained from tripping on pavements etc. The Chief Financial Officer advised that the amount being paid out for these claims had reduced and the Environmental Manager added that this was due to the commitment made by the Council investing in more highways inspections.

Ghost Ships – A Member was concerned that the level of reserve would not be sufficient to cover any issues or legal costs that could still arise. The Chief Financial Officer indicated that any shortfall would be met by either underspends from elsewhere or the general fund reserve.

Local Government Pensions – Members asked if employee contributions were to rise, would the Council, as employer, match this increase. The Chief Financial Officer indicated that there was currently a Local Government Pension Review being undertaken and that the Pension Fund was managed by a Trustee Group which included employees.

Resources MRU – Members had several queries regarding resources managed revenue underspend and they were answered by the Chief Financial Officer as follows:

- The Learning Pool set up budget was to fund the moveable floor to be installed in the Brinkburn Learning Pool.
- Funding for scrutiny was being examined but could be funded from reserves as one-off budget item. A report was being submitted to Cabinet to request the funding of an extra full-time member of staff.
- All departments could create reserves as MRU. This gave departments the ability to allocate reserves for specific schemes.
- The reserve for rating and council tax re-evaluations be returned to the General Fund Balances as recommended by this Committee to Cabinet.
- Members support and development included the development of a training programme for Members.
- Way Forward – Members requested further information on the breakdown of the Way Forward reserve to be presented to the next meeting of this Committee to held on 21st October 2005.
- Mobile working equipment – This was to fund the new tablet pc's to enable mobile working which included taking details for claims in claimant's homes. The pilot scheme had been funded with £90k of reserves but resulted in an annual saving of £200k.

Celebrating Success Event – It was confirmed that this event was for the Looked After Children within the care of the Council as their Corporate Parent and would celebrate the achievements of these children.

Brierton Site – Clarification was sought to exactly what this reserve was to fund. The Chief Financial Officer indicated that it was to cover the capital cost of the reallocation of the top site as an A2L Centre.

Economic Development – The Chief Financial Officer advised Members that the majority of posts within the Economic Development Division were funded through temporary programme money and this reserve would ensure the job security of staff once these temporary programmes ended, unless new programmes were undertaken.

Benefit Subsidy – The Chief Financial Officer advised that any balances from this reserve could be made available to the general fund and Members agreed that this be a recommendation of this Committee.

Social Services Departmental Reserves – Members were concerned that general reserves had been used to fund the gap in Social Services Department's overspend in previous years. When this was agreed by

Members, they did not have the full information regarding the departmental reserves held by Social Services.

Carlton Centre Development – The capital cost for this project had increased as the scheme would have been in jeopardy if funding had not been found.

District Auditor's Review - The Chief Financial Officer advised Members that the District Auditor was undertaking a specific review of the Council's balances and Members agreed to receive a report at a future meeting regarding this.

Decision

- That a further report be presented by the Chief Financial Officer outlining the breakdown of the Way Forward reserve to the next meeting of this Committee to be held on 21st October 2005.
- That the Committee's Draft Final Report into the Authority's Reserves be considered at the next meeting of this Committee on 21 October 2005 and the Cabinet thereafter detailing the following recommendations:
 - That consideration be given to returning the £1.6 million Coastal Defences Specific Reserve to the Authority's General Fund, in light of the findings to be published in the engineer's report which is expected to state that significant improvement works would not be required as originally expected, only that of maintenance works;
 - That any remaining balances from the Benefit Subsidy Reserve be returned to the Authority's General Fund as at 31 March 2006 and the associated risk transferred to the General Fund;
 - That the £50,000 Specific Reserve, ring-fenced for the Council Tax Re-Evaluations for 2007/08 be returned to the Authority's General Fund, given the Government has deferred such exercise until 2010; and
 - That upon receipt of Audit Commission's findings into the Authority's Financial Reserves, consideration be given by the Scrutiny Co-ordinating Committee to the content of their report.

54. Scrutiny Committee/Forum – Progress Reports

The Scrutiny Manager highlighted the additional meetings arranged for Scrutiny Co-ordinating Committee set out in the progress report of the Chair of the Scrutiny Co-ordinating Committee.

The remaining reports from the Chairs of the Scrutiny Forums were received.

Decision

That the reports were received.

55. **Additional Powers for Community Wardens – Consultation Results** (*Scrutiny Support Officer*)

The Scrutiny Support Officer outlined the Additional Powers for the Community Wardens inquiry and the consultation that was undertaken.

In summary, the consultation had shown that people who did not live in an area patrolled by Community Wardens were in favour of the additional powers. However, people were less inclined to agree to the additional powers if they already lived in a patrolled area. The Wardens themselves preferred to have general powers rather than the powers to issue Fixed Penalty Notices (FPNs). However, the consensus of opinion within the survey was that wardens should be given limited powers.

The Head of Community Safety and Prevention indicated that there was concern that the intelligence information currently provided to Wardens would cease as giving extra powers to Wardens would give a different emphasis. The New Deal for Communities evaluation also indicated that the degree of intelligence provided would diminish if the Wardens were given extra powers, however it was acknowledged that consistency with the Council's policy was important.

A representative from the NDC Residents' Association added that the Wardens had worked very hard to gain the confidences of residents and she was concerned that the additional powers would create barriers.

The Head of Environmental Management indicated that any powers given to the Wardens would only be used if necessary and that the current flow of intelligence should still remain as the Wardens performed a very useful community role. Members felt that training was an issue for the Wardens and that this should be pursued. A Member indicated that the area he represented did not have Community Wardens but the residents felt this would be a good idea for the future. Members agreed that the issue of what powers to issue should be discussed in more detail.

The Head of Community Safety and Prevention indicated that the role of the Police Community Safety Officers was currently being examined and a neighbourhood policing pilot was being undertaken. This may change the way the police work and any changes were not due to be implemented until April 2006.

In summary, Members of this Committee concluded:-

- That the current role and number of Police Community Support Officers was currently being examined with proposed changes arising from the Neighbourhood Policing pilot scheme being implemented from April 2006 which may have an impact on the focus of the Community Wardens' role under the Accreditation Scheme;
- That the funding for Community Wardens expires on 31 March 2006. and that funding for a further six months would give continuity to the community if changes were to be made;
- That given the small number of responses received to the consultation exercise, it was difficult to make meaningful comparison between the preferred range of additional powers available under the Accreditation Scheme. However, in light of the small number of responses, those powers which received the most support from the consultation exercises were namely issuing Fixed Penalty Notices for:
 - (i) Dog fouling;
 - (ii) Littering;
 - (iii) Graffiti;
 - (iv) Throwing fireworks; and
 - (v) Behaviour likely to cause harassment, alarm or distress.
- That given there was no direct correlation between the preferred range of additional powers, Members concluded that the findings of the consultation exercise (Appendix A refers) should be forwarded onto the Mayor's Portfolio, to assist the Mayor in the overall determination of additional powers under the Accreditation Scheme in light of the issues raised throughout the discussion of this item.

Decision

That Members of the Scrutiny Co-ordinating Committee recommends to the Regeneration and Liveability Portfolio:-

- That the findings of the consultation exercise (Appendix A refers) be used to assist in the determination of additional powers for Community Wardens under the Accreditation Scheme in conjunction with those powers which received the most support as outlined in the findings of the consultation exercise, the future funding pressures of Community Wardens and proposed changes arising from the Neighbourhood Policing pilot scheme, and
- That the future funding arrangements of Community Wardens be considered as an area worthy of further scrutiny review during the

compilation of the Authority's Overview and Scrutiny Work Programme for the 2006/07 Municipal Year.

55. Final Report – Investigation into 'Alcohol Abuse and Young People' (*Chair of Adult and Community Services and Health Scrutiny Forum*)

The Chair of the Adult and Community Services and Health Scrutiny Forum presented the findings of the Forum's investigation into Alcohol Abuse and Young People in Hartlepool.

The inquiry began in January 2005 and focussed on Alcohol Abuse to ensure it was a manageable scrutiny investigation. During the course of the inquiry, the Forum heard from a number of witnesses, including representatives from the Primary Care Trust, Hartlepool's Licensees Association, Social Services, Cleveland Police, Trading Standards, Community Safety and the Youth Service.

Figures detailing the national perspective on alcohol abuse were provided in the report. The Government had developed a national strategy entitled the Alcohol Harm Reduction Strategy for England (AHRSE) and this was published in 2004. The strategy aimed to co-ordinate health and crime, which were arguable the main areas of alcohol related crime.

The Strategy identified two patterns of drinking as particular risks of harm – binge drinking and chronic drinking. Binge drinkers were more likely to be aged under 25 and male. Chronic drinkers were more likely to be over 30 with around two-thirds being male. A series of measures were aimed at achieving a long term change in attitudes to irresponsible drinking and behaviour and they were included in the report at para 7.2.7.

The key findings from this inquiry were detailed in the report with various statistics provided by the Police. From these findings the Forum noted that alcohol was the most common drug used by young people with regular consumption starting early on with 89% of children having their first alcoholic drink by the age of 13. However, it was acknowledged that this was a difficult issue to measure and felt that they regarded lifestyle as a personal factory to every family, culture and community.

The Forum found that alcohol misuse was an increasing problem with a lower profile than other substances liable to misuse and welcomed the Elected Mayor's steps towards the development of a local Alcohol Strategy for Hartlepool.

The Forum wished to thank all who had contributed to this inquiry in particular the willingness and co-operation received from:

- The Elected Mayor
- Richard Sewell, Hartlepool Licensees Association

- Representatives from Hartlepool PCT
- Peter Carlin Page, Sunderland PCT
- Tim Blades, Acting Superintendant Operations, Cleveland Police
- All representatives from Council Departments.

Decision

That the content of the Final Report into Alcohol Abuse and Young People be endorsed and forwarded on to Cabinet for consideration on 24 October 2005 with the following recommendations:-

The Forum recommended that the Mayor take forward the following key issues as Chair of the Safer Hartlepool Partnership:

- That the Council leads (via the Mayor) in developing the alcohol strategy and ensures that all key stakeholders are engaged in the process, including license holders.
- That alcohol abuse prevention is given a high priority locally and that there is improved co-ordination of local support services to tackle the issue of Alcohol Abuse.
- That a Lead Officer is appointed to develop the Alcohol strategy, and that funding for this appointment is sought externally via the Health Sector.
- That the Blueprint Model be assessed for possible use within the Alcohol Strategy.
- That specific measures are introduced within the Alcohol Strategy to tackle the growing trend amongst young women and alcohol abuse
- That the Executive actively promotes local support services for people with Alcohol Problems.
- That the Scrutiny Forum receives regular updates on progress in relation to developing an alcohol strategy.

MARJORIE JAMES

CHAIRMAN

SCRUTINY CO-ORDINATING COMMITTEE

21st October 2005



Joint Report of: Traffic Team Leader and Scrutiny Manager

Subject: SCRUTINY TOPIC REFERRAL FROM SOUTH NEIGHBOURHOOD CONSULTATIVE FORUM – ‘20 MPH SPEED LIMIT ZONES OUTSIDE OF SCHOOLS’ – ADDITIONAL INFORMATION

1. PURPOSE OF REPORT

- 1.1 To outline the Department for Transport guidelines for introducing 20 mph limits, the work currently being undertaken and report on good practice from neighbouring local authorities.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the South Neighbourhood Consultative Forum held on 12 August 2005, a Member raised the issue of 20 mph speed limit zones near schools that used to be in force and asked if this was still the case. The Chairman said this would be good to work into the Local Transport Plan and subsequently resolved that this issue should also be referred to the Scrutiny Co-ordinating Committee to determine its appropriateness (Minutes 28 refers).
- 2.2 At the meeting of this Committee held on 30 September 2005 consideration was given to the appropriateness of undertaking a scrutiny investigation into the issue being referred.
- 2.3 Subsequently, Members agreed that in order to determine the appropriateness of such a review, further information be received on the Department for Transport guidelines for introducing 20 mph limited together with the consideration of good practice from neighbouring local authorities at this meeting.

3. DEPARTMENT FOR TRANSPORT GUIDELINES

3.1 The Department for Transport (DfT) provides guidance on the use of 20mph limits as summarised below:-

- (a) 20mph limits are very effective in reducing collisions and injuries when used in the right situation. Research shows that the number of accidents involving injury to children may be reduced by up to two thirds;
- (b) Councils' are now able to introduce 20mph limits without obtaining consent from the Secretary of State, whereas prior to 1999 this was a requirement of the legislation;
- (c) 20mph limits should be self enforcing and should only be introduced where vehicle speeds are already low (85th percentile speed of 24mph or below) or where additional traffic calming measures are to be implemented as part of the scheme. The Police would be extremely unlikely to enforce a 20mph limit introduced with signs alone;
- (d) Appropriate traffic calming measures should involve the use vertical deflections in the form of speed humps, cushions or raised junctions. Horizontal deflections such as road narrowings and chicanes can also be used, and no point within a 20mph limit should be further than 50 metres from a traffic calming feature (unless in a cul-de-sac);
- (e) Entrances to 20mph limits need to be clearly signed, and the use of coloured surfacing can also help to highlight that motorists are entering an area where there is an increasing need to take care;
- (f) A 20mph zone is something that should be imposed over an area consisting of several roads, whereas a 20mph limit can be used for individual roads;

3.2 A copy of the Government's Traffic Advisory Leaflet 9/99 is attached as **Appendix A** to this report, which provides more specific details regarding the implementation of 20mph limits and zones.

4. NEGATIVE IMPACT OF 20 MPH ZONES

4.1 The negative impact of 20mph zones and limits can be the noise and vibration from vehicles going across road humps, and increased air pollution from vehicles as they accelerate between humps.

4.2 It has been suggested that 20mph limits could be brought in for specific times during the day, however, DfT legislation unfortunately does not allow for this. It would also be difficult to achieve as the physical traffic calming measures would obviously be permanent features on the road.

5. PROGRESS ON 20 MPH ZONES IN HARTLEPOOL -

5.1 At present, three 20mph limits are being considered for Hartlepool :-

- (a) **Rift House School, Masefield Road** – High speeds recorded during surveys added to road safety concerns near to the school. Consultation has taken place and the scheme was approved at Culture, Housing and Transportation Portfolio on 5 October (see attached plan – **Appendix B** refers). The scheme will be implemented this financial year;
- (b) **Clavering School, Clavering Road** – High speeds also recorded during surveys. Proposed speed cushions and 20mph limit outside of school (see attached plan – **Appendix C** refers). No funding is available at present, but the scheme will be fed into the programme of potential schemes for the new financial year; and
- (c) **Kingsley School, Kingsley Avenue** – Traffic calming scheme was introduced last year, and 20mph limit will be introduced to cover this area.

5.2 Due to the need for 20mph zones and limits to be self enforcing by means of physical traffic calming measures, not all roads are therefore, appropriate sites. For example, a 20mph limit on Catcote Road outside of English Martyrs School would lead to increased congestion and difficulties for emergency services. There are, however, other methods of improving road safety in these areas without actually introducing a 20mph limit.

5.3 High speeds recorded outside of Fens School on Mowbray Road were a cause for concern and to combat this, it is proposed to introduce a Vehicle Activated Sign in this area. The VAS will flash the school sign, speed limit and a “slow down” warning to drivers exceeding the limit. VAS also have the advantage of being able to be switched on and off at specific times, and to be activated at different speeds, as required.

6. SUMMARY OF 20 MPH ZONES IN NEIGHBOURING LOCAL AUTHORITIES

6.1 At the meeting of this Committee on 30 September 2005, Members requested that additional information is sought from neighbouring local authorities, in particular those that have already implemented 20 mph zones/limits.

6.2 With this in mind the Authority's Traffic Team Leader has written to officers who serve on the Northern Region Road Safety Engineers Group, which geographically covers those local authorities from Northumberland down to North Yorkshire. Such information will be verbally presented to Members of this Committee during the actual meeting, in light of the tight turnaround for obtaining this information.

7. FINANCIAL IMPLICATIONS

- 7.1 Each 20mph limit or zone introduced requires associated traffic calming measures and therefore, would need significant funding. As a ballpark figure, the Masefield Road scheme in Hartlepool is expected to cost £10,000 – £15,000.

8. OFFICER ADVICE

- 8.1 That, where appropriate, 20mph limits continue to be implemented outside of schools, particularly where road casualty figures and / or speed survey results give cause for concern.

9. RECOMMENDATION

- 9.1 It is recommended that the Scrutiny Co-ordinating Committee:-
- (a) considers the information provided within this report together with the good practice of neighbouring local authorities which is to be reported verbally during this meeting; and
 - (b) considers the appropriateness of undertaking a scrutiny enquiry into this matter and re-directs this issue to the relevant Scrutiny Forum if appropriate.

Contact:- Peter Frost – Traffic Team Leader
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Chief Executive's Department, Corporate Strategy,
Hartlepool Borough Council
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BACKGROUND PAPERS

The following background paper was used in the preparation of this report:-

- (i) Minutes of the South Neighbourhood Consultative Forum held on 12 August 2005.
- (ii) Report of the Scrutiny Manager entitled 'Scrutiny Topic Referral from South Neighbourhood Consultative Forum – '20 mph Speed Limit Zones Outside of Schools' presented to the Scrutiny Co-ordinating Committee on 30 September 2005.



20 mph speed limits and zones

INTRODUCTION

The first three 20 mph speed limits forming zones were implemented in Sheffield, Kingston upon Thames and Norwich, in January 1991. Since then, around 450 zones have been installed in the UK. Until June 1999 specific consent from the Secretary of State was needed. The legislation has now been changed, and local traffic authorities no longer need to obtain the consent of the Secretary of State before implementing 20 mph speed limits.

In addition to changes in the Road Traffic Regulation Act 1984, amendments have been made to the Traffic Signs Regulations and General Directions (TSRGD), the Highway (Road Humps) Regulations, and the Highway (Traffic Calming) Regulations; and the Road Humps (Scotland) Regulations and the Roads (Traffic Calming) (Scotland) Regulations. These make possible two different means of implementing 20 mph speed limits. Broadly, these are:

- use of speed limits, indicated by terminal and repeater signs alone;
- a zonal approach using terminal signs together with suitable traffic calming measures to provide a self enforcing element.

The purpose of this leaflet is to provide advice on how and where to implement 20 mph speed limits and 20 mph zones, to help in meeting the objectives of the Government White Paper, "A New Deal for Transport: Better for Everyone" and the requirements for Local Transport Plans.



BACKGROUND

The use of 20 mph speed limit zones was intended to address the serious problem of child pedestrian accidents occurring in and around residential areas, and so was initially limited to these areas. Subsequent research has shown that the risk of a child being involved in an accident has reduced by about two-thirds where 20 mph zones have been installed.

20 mph zones are no longer confined to residential areas. There are a number of town centre zones. In the "Bypass Demonstration Project", four of the six towns had 20 mph zones in their central areas. A small number of 20 mph zones have also been used in rural areas, an example being in Epping Forest.



*BETTER PLACES
THROUGH BYPASSES*



June 1999

Traffic Advisory Unit

APPLICATION

It will be for local authorities to determine whether speed limits or zones should be used. They will need to decide whether the proposed type of speed limit is

- appropriate to the area, and
- beneficial in road safety and environmental terms.

Equally important is that the form of speed limit chosen does not require unreasonable levels of enforcement by the police.

20 mph speed limits by signs alone would be most appropriate where 85th percentile speeds are already low and further traffic calming measures are not needed.

20 mph zones should be used where excessive speeds occur, and where traffic calming measures would be needed to ensure speeds are at or below 20 mph.

20 mph zones would be particularly appropriate when there is an existing record of accidents to children occurring over an area, or where concentrations of pedestrians and/or cyclists exist or are anticipated. They can help to protect children walking and cycling to and from school, and may encourage other children to walk or cycle.

With new road layouts, where suitable features can be included in the design, the preference should be for 20 mph zones. Design Bulletin 32 and the companion guide "Places, Streets & Movement" provide further advice.



SIGNING

20 mph speed limits require terminal signs and repeater signs to diagram 670 (TSRGD). Terminal signs, to diagram 670, on trunk and principal roads within 50m of a street lamp must be illuminated. The terminal signs should be placed on both sides of the carriageway to form a gateway. Additional emphasis at the start of the speed limit can be provided by yellow backing boards. Where a limit starts near to a junction, great care must be taken in siting the signs to ensure that they are clearly visible to turning traffic. Advice on the spacing of repeater signs for 20 mph speed limits is given in Traffic Advisory Leaflet 1/95.

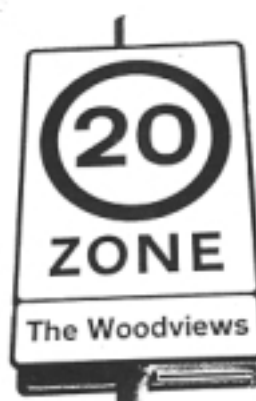
Road humps will need to be signed separately, and appropriately lit, where a 20 mph speed limit is designated by diagram 670. Whether other traffic calming measures need to be signed will depend on the circumstances, but diagram 670 cannot be relied upon to warn of their presence.

20 mph zones require signs to diagram 674 and 675 (TSRGD) placed on both sides of the carriageway. It has become recognised that diagram 674 (TSRGD) provides a warning that drivers are entering an area where they can expect to encounter closely spaced traffic calming measures. For this reason, the road hump and the traffic calming regulations do not require additional signs to warn of individual traffic calming measures in the zone. Signs to diagram 674 do not need to be illuminated. Traffic Advisory Leaflet 2/93 gives detail on signing.

Changes to the General Directions of the Traffic Signs Regulations and General Directions provide that diagram 674 may be used only where the speed limit is enforced by the presence of speed controlling features not more than 100m apart. Speed controlling features may be summarised as road humps, chicanes, pinch points, gateways, narrowings and bends. Culs de sac not longer than 80m would not require any additional measures. The Traffic Signs General (Amendment) Directions 1999 should be consulted for a precise interpretation of what constitutes a speed controlling measure.



Diag. 670



Diag. 674

Exit from 20 mph zone showing signs to Diag. 675



RESEARCH

The Transport Research Laboratory (TRL) reviewed results from 250 zones in England, Wales and Scotland. The outcome is described in TRL Report 215 - "Review of Traffic Calming Schemes in 20 mph zones". The main findings indicated that average speeds reduced by 9 mph, annual accident frequency fell by 60%, the overall reduction in child accidents was 67%, and there was an overall reduction in accidents to cyclists of 29%. Traffic flow in the zones was reduced by 27%, but flows on the surrounding boundary roads increased by 12%. There was generally little accident migration to surrounding roads.

TRL have also carried out a review of low speed-limit zones in this country and abroad, where physical measures have not been used extensively to influence speed, and reliance is placed primarily on signing. The results of this review are reported in TRL Report 363 - "Urban Speed Management Methods". The review has indicated that using 20 mph speed limit signs alone, without supporting traffic calming features, led to reductions in 'before' speeds, on average, of 1 mph.

Data from vehicle speed surveys of a range of roads in Great Britain show that a high proportion of drivers exceed posted speed limits.

A study of the effects that 20 mph zones may have on the activities of residents in a zone is being undertaken. The full results of this study will not be available for some years. Interim outputs indicate that whilst residents tend to be enthusiastic about the proposed imposition of 20 mph speed limits, they become less supportive following implementation if the speed limit is not observed.

The Scottish Office is monitoring the effectiveness of advisory 20 mph speed limits in residential areas and around schools. The results of the trials should be available in the Autumn of 2001.



Entry to 20 mph zone



Specific cycling facilities where needed in a 20 mph zone



Zone entry with a build out



Enhanced gateway treatment, Bury St. Edmunds.

DESIGN ADVICE

20 mph speed limits without self-enforcing features have the attraction of being relatively inexpensive to implement. However, regard must be given to the 'before' speeds, because the higher they are the less likely speeds will be reduced to 20 mph. It will be important that the local police are consulted at the outset, to obtain an understanding of the level of enforcement that could be applied and how effective that might be in ensuring a significant reduction in speed.

There will be some areas where speeds are relatively low already and the provision of a 20 mph speed limit indicated by terminal and repeater signs alone, without extensive police enforcement, will be sufficient to bring speeds down to 20 mph. Circular Roads 1/93 advises that if the observed 85th percentile speed is within 7 mph or 20% of the proposed limit, the new limit may be introduced. For 20 mph speed limits it is recommended that the 20% figure is applied. If observed 85th percentile speeds are above 24 mph, then it is unlikely a 20 mph speed limit would be appropriate, unless traffic calming measures can be provided.

When considering the appropriateness of a 20 mph speed limit, the area or length of road involved will also have some bearing. It is generally recommended that 20 mph speed limits (including 20 mph zones) should be imposed over an area consisting of several roads and not just an individual road. There may be exceptions to this but it is doubtful that a single road 20 mph speed limit would have any significant effect on speeds or accidents unless it was at least 500m in length. Accidents in areas where 20 mph speed limits would be most successful seldom occur in particular locations, but are scattered throughout an area.

It is of doubtful benefit to have a short length of either a 20 mph speed limit or a 20 mph zone outside a school. Apart from the uncertainty of whether drivers will observe the limit, they may subsequently speed up significantly in an area where children, in relatively large numbers, will be approaching or leaving the school. Forming a self-enforcing 20 mph zone in roads surrounding the school would be likely to reduce the frequency of accidents not only in the immediate vicinity of the school, but also on the routes that children take to that school.

Roads serving as cycle routes, away from main distributor roads, may be suitable locations for implementing a 20 mph zone. However, speed control devices should be 'cycle friendly'. Horizontal deflections and narrowings can be of particular concern to cyclists (TA Leaflet 1/97) and cycle lane bypasses around these devices are advisable. Sinusoidal humps may improve comfort for cyclists, but may be more expensive to install (TA Leaflet 9/98)

Motorcyclists also need to be taken into account in design, though it is inadvisable to permit these vehicles to use cycle lane facilities. Providing motorcyclists moderate their speeds, they should have few problems in negotiating speed control devices. However, the layout needs to be clearly visible.



Cycle lane bypass

Regard will need to be given to other types of vehicles that may operate within the 20 mph speed limit or zone. These include emergency vehicles, buses and goods vehicles.

There should normally be routes for through traffic that avoid a 20 mph zone. There will be exceptions, for example in rural areas where a village straddles a main road and the character of the village warrants a low speed limit. However, in designing speed controlling devices for such roads (see TA Leaflet 2/97) it should be borne in mind that they are likely to have a higher proportion of larger vehicles than other roads, and so problems of noise and ground-borne vibrations could arise (TA Leaflets 6/96 and 8/96).

Previously, 20 mph zones were not permitted if any part of the zone was more than 1km from any boundary road. Although this no longer applies, it remains sound general advice. The cost of providing 20 mph zones with self-enforcing measures over large areas could be prohibitive, certainly in the short term. The effects it might have on the public transport system and the commercial viability of the area would also need to be considered carefully.

The start of a zone is best located on a side road at a 'T' junction with the major road. This ensures that traffic speed is naturally reduced by the action of traffic turning into the side road.



Typical entry to 20 mph zone

For a zone to start on one of the arms of a junction, vehicle drivers need to be able to readily see the zone signs. This is particularly important where a junction is controlled by traffic signals. Siting the zone signs so that they do not obscure, or are not obscured by the signals, will need particular attention. If a satisfactory solution cannot be found, then the start of the zone will need to be relocated.

Zones can be commenced midway along a street, but care must be taken that the start of the zone can be readily seen. This would normally require measures in addition to the zone signs, so that a gateway effect is formed.



Gateway treatment, mid-way along a road

Gateways have been shown to be very effective in reducing vehicle speeds (TA Leaflets 13/93, 1/94, and 2/97) but to achieve this they need to be conspicuous. This can present a particular challenge in sensitive conservation areas (see TA Leaflet 1/96).

Gateways can incorporate coloured surfaces, with or without a 20 mph elongated roundel marking. Where a 20 mph roundel is used, it is strongly recommended that it is placed on a coloured background to give it prominence. At present such roundels require authorisation by the Department. 20 mph roundels used as repeater signs would only be appropriate where a speed limit was to be enforced by signs alone, as the roundel marking must be accompanied by a vertical repeater sign.

Use of 20 mph roundel marking



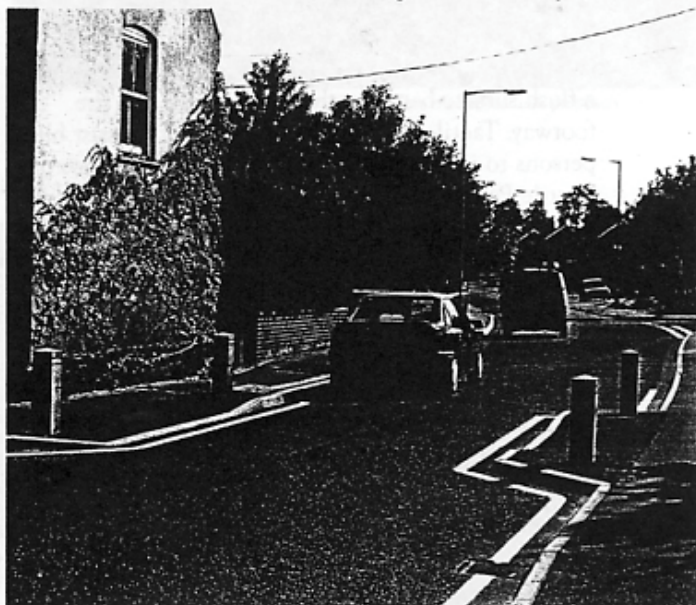
Carriageway texture changes can also be used but care needs to be taken that such surfaces do not create a noise nuisance. Rumble strips are not recommended (TA Leaflet 11/93). Whilst they can form a good alerting device, they may not be effective as a speed reducing feature, and will often result in a noise nuisance arising.

Narrowing the carriageway (TA Leaflets 2/94, 7/95, and 1/97) at the entrance to a zone by creating a pinch point can be effective, and may be a preferred option where coloured surfacing is considered inappropriate. Narrowings can be used with coloured surfaces to provide further emphasis. Narrowings must not be used to physically prevent access by any particular vehicle type unless there is a Traffic Regulation Order prohibiting such traffic. Narrowings should be clearly visible at all times, and where bus routes serve the zone they should not impede the movement of buses. In rural areas the effects on access by agricultural vehicles should be considered.



Narrowing at entrance to a 20 mph zone

Narrowings used within a 20 mph zone



SPEED CONTROLLING MEASURES

Within a 20 mph zone, the features that are required to be used as speed controlling measures are broadly defined in the Traffic Signs General (Amendment) Directions 1999. However, some measures which fall within this definition are more effective than others. It is for the local traffic authority to determine which particular measures should be used according to the circumstances.

The following is a guide to the various speed controlling measures available.



Road humps: The new Highways (Road Humps) Regulations 1999 differ little from the previous Highways (Road Humps) Regulations 1996, therefore TA Leaflet 7/96 is still applicable. Humps need to be advertised and consulted on. They should where possible not exceed 75mm in height. 'H' and 'S' humps for use in 20 mph zones may require steeper gradients than described in TA Leaflet 9/98 to ensure speeds are reduced to 20 mph. Where buses need to cross road humps, drivers should be encouraged to adopt a steady speed of 15 mph to minimise discomfort to passengers.



Raised Junctions are a form of road hump covering the whole of a junction. They may be constructed 100mm high to bring them close to the level of the adjacent footways. When this height is used, ramp gradients should be in the order of 1:15 to 1:20. Where kerb heights are in excess of 100mm they should be ramped down at crossing places to provide a flush surface between the carriageway and the footway. Tactile surfaces should be used to assist blind persons to identify where to cross, (see Guidance on Tactile Paving Surfaces published by DETR).

Speed cushions (TA Leaflet 4/94 and 1/98): The speed controlling/reducing characteristics of these devices can be much less than that of round or flat-top humps. Therefore, using these devices extensively

within a 20 mph zone may not result in an acceptable reduction in speed levels. This is true also of thermoplastic humps, known as 'thumps' (TA Leaflet 7/94).

Horizontal Deflections:

The Highways (Traffic Calming) Regulations 1999 differ only marginally from the previous regulations, and the advice in TA Leaflet 7/93 is still relevant. Horizontal deflections in the form of buildouts, chicanes, pinch points and traffic islands (TA Leaflets 9/94, 1/97 and 12/97) can all be used to reduce speeds. For 20 mph zones they need to be so designed that a vehicle is deflected through an angle greater than 15°, which may be difficult along bus routes. Where narrowings reduce the carriageway to a single lane width, it is advisable that one direction is given priority by the installation of give way markings to diagram 1003 (TSRGD) on the opposite approach. Priority signs, diagrams 615, and 811 (TSRGD) together with the prescribed supplementary plates may also be used. Diagram 501, 'Give Way' (TSRGD) is not appropriate or permitted. A pedestrian refuge or traffic island which does not deflect traffic is unlikely to influence traffic speed, and as a result would not meet the traffic calming requirements of the Traffic Signs General (Amendment) Directions 1999.



Bends: A bend where a driver has to change direction by not less than 70° within a distance of 32m measured along the inside kerb is suitable for reducing speeds of vehicles. They would normally be used in association with other measures.

Culs-de-sac: Those that are less than 80m in length would not require any additional speed controlling devices.

Junctions: Designers should ensure that, where a signal controlled junction precedes a series of road humps, approach speeds to the hump are not excessive as a result of any acceleration before or after the signals.

Spacing of Measures: The measures used in the zone should not only keep speeds low, but should encourage a smooth vehicle speed throughout the zone. Physical measures should be around 60m to 70m apart. This will be beneficial to accident reduction, and in reducing noise and vehicle exhaust emissions (TA leaflets 4/96 and 6/96).

Peripheral Roads: The effects of any additional traffic on peripheral roads should be taken into account, so that access problems, particularly for the elderly, the young and those with a mobility handicap, do not occur.



MONITORING

The success of any 20 mph zone or limit will depend on the local authority being able to demonstrate that the measures introduced have shown a significant benefit. In the longer term this will generally be related to the reduction or the prevention of accidents, particularly to children. In the shorter term a good indication of whether a zone or limit has been successful is the reduction in vehicle speeds to 20 mph or below. An appropriate method of measurement for speeds in 20 mph zones would be to monitor the mean and 85th percentile speeds both at speed controlling features and at locations between them. The measurements should be taken in dry weather conditions at the position on a road where speeds are expected to be highest. For 20 mph speed limits, measurement should be made at the mid-point of a road. Not every road would need to be monitored and specific locations chosen could represent up to five other roads of similar characteristics and measures. Only speeds of light vehicles need be measured, taken at times when traffic is flowing freely. A sample size of 100 vehicles would normally be appropriate, but where traffic flows are low then measurement of light vehicles over a two hour period would be acceptable. If the results showed that the overall mean speeds at and between measures exceed 20 mph, then further speed controlling measures would need to be installed.

Monitoring can increase the overall cost of schemes. However, if it is not done demonstrating worthwhile benefits might prove difficult.

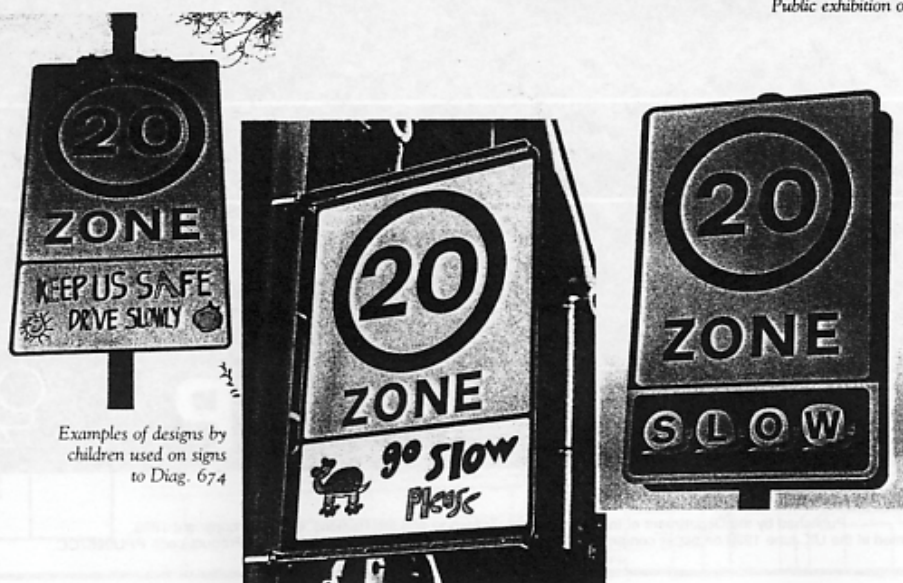
DETR have requested local authorities to provide information on an annual basis for each 20 mph zone or 20 mph speed limit installed. This should show the accident record for at least the three-year period before installation and for each year for three years after implementation. Information on speeds would also be helpful. The information should be included in the annual Local Transport Plan progress report.

CONSULTATION

The value of adequate consultation being undertaken cannot be over-emphasised. Without such consultation, schemes are likely to be subject to considerable opposition, both during and after implementation. The police need to be consulted about a scheme, particularly where a 20 mph speed limit is proposed. If sufficient measures to reduce and control speeds are not installed, then the zones or limits will not be self enforcing and the police could be faced with calls upon their time to enforce the 20 mph speed limit. Residents within the zone or limit would of course need to be consulted, and it might be advisable to consult with school communities occurring within the zone. School children have in the past provided designs for the bottom panel of 20 mph zone signs, to diagram 674. Consultation with the fire and ambulance services (TA Leaflet 3/94), and any bus operators will be necessary. Additionally, haulage operators may need to be approached depending on the land use of the area where the zone is to be installed. The views of users of agricultural equipment in more rural areas will need to be obtained. Authorities should be prepared to modify schemes to meet valid concerns raised.



Public exhibition of 20 mph speed limit proposals



Examples of designs by children used on signs to Diag. 674

ENQUIRIES

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 76 Marsham Street
 LONDON SW1P 4DR
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Administrative:

Road Safety Division
 Department of the Environment, Transport and the
 Regions
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 76 Marsham Street
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 Tel: 0171-676 2028

REFERENCES

Department of Environment, Transport and the
 Regions Circular 05/99, 20 mph Speed Limits

SODD Circular No 13/99, 20 mph Speed Limits
 (Scottish Office)

Welsh Office Circular 28/99, 20 mph Speed Limits
 Circular Roads 1/93 / Welsh Office Circular 1/93 -
 Road Traffic Regulation Act 1984: Section 81 - 85
 Local Speed Limits

SOLD Circular No 1/93, Speed Limits (Scottish Office)

TA Leaflet 2/93 20 mph Speed Limit Zone Signs

TA Leaflet 7/93 Traffic Calming Regulations

TA Leaflet 1/95 Speed Limit Signs - A Guide to Good
 Practice

TA Leaflet 7/96 Highways (Road Humps) Regulations
 1996

TA Leaflet 4/99 Traffic Calming Bibliography

TRL Project Report 215 - Review of Traffic Calming
 Schemes in 20 mph zones

TRL Report 363 - Urban Speed Management Methods

Design Bulletin 32 - Residential Roads and Footpaths,
 (2nd edition), DoE. The Stationery Office, 1992

Places, Streets & Movement: A companion guide to
 Design Bulletin 32, DETR. The Stationery Office, 1998

Highways Act 1980

Roads (Scotland) Act 1984

Road Traffic Regulation Act 1984

The Highways (Road Humps) Regulations 1999.
 SI 1999, No. 1025

The Highways (Traffic Calming) Regulations 1999.
 SI 1999, No. 1026

The Road Humps (Scotland) Regulations 1998

The Traffic Signs General (Amendment) Directions 1999

The Roads (Traffic Calming) (Scotland) Regulations 1994

The Department of the Environment, Transport and the Regions sponsors a wide range of research into traffic management issues. The results published in Traffic Advisory Leaflets are applicable to England, Wales and Scotland. Attention is drawn to variations in statutory provisions or administrative practices between the countries.

The Traffic Advisory Unit (TAU) is a multi-disciplinary group working within the Department of the Environment, Transport and the Regions. The TAU seeks to promote the most effective traffic management and parking techniques for the benefit, safety and convenience of all road users.

Requests for unpriced TAU publications to:
 Charging and Local Transport Division,
 Zone 3/23, Great Minster House
 76 Marsham Street, London, SW1P 4DR
 Telephone 0171 676 2478
 e-mail: tal@dot.dtm.demon.co.uk

Within Scotland enquiries should be made to:
 The Scottish Office, Development Department,
 Victoria Quay, Edinburgh, EH6 6QQ
 Telephone 0131 244 0847

Within Wales enquiries should be made to:
 Welsh Office, Transport and Local Roadways,
 Cathays Road, Cardiff, CF1 2YU
 Telephone 01222 333733



Cycling



Traffic
 Management



Walking



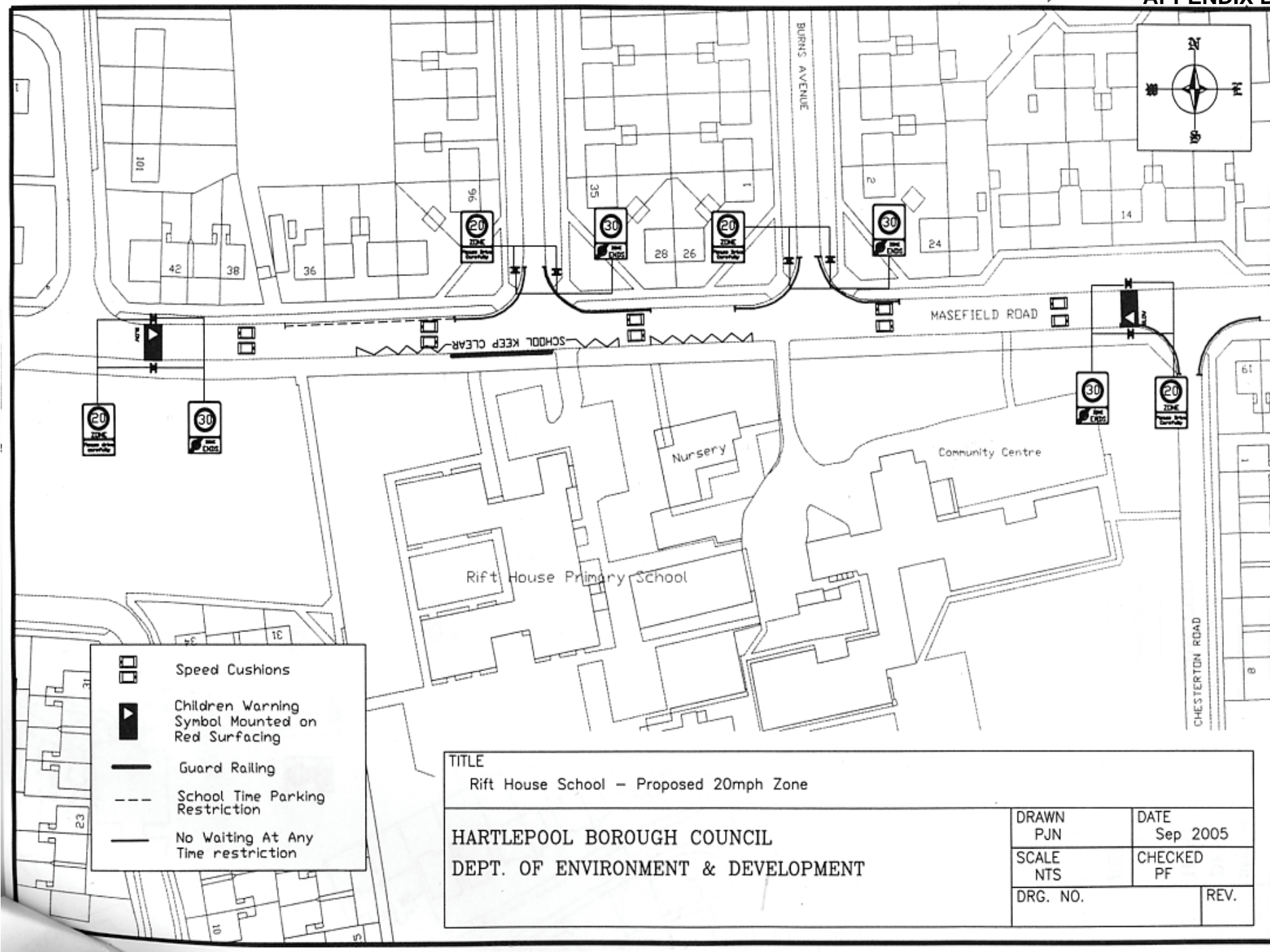
Bus
 Priority
 systems



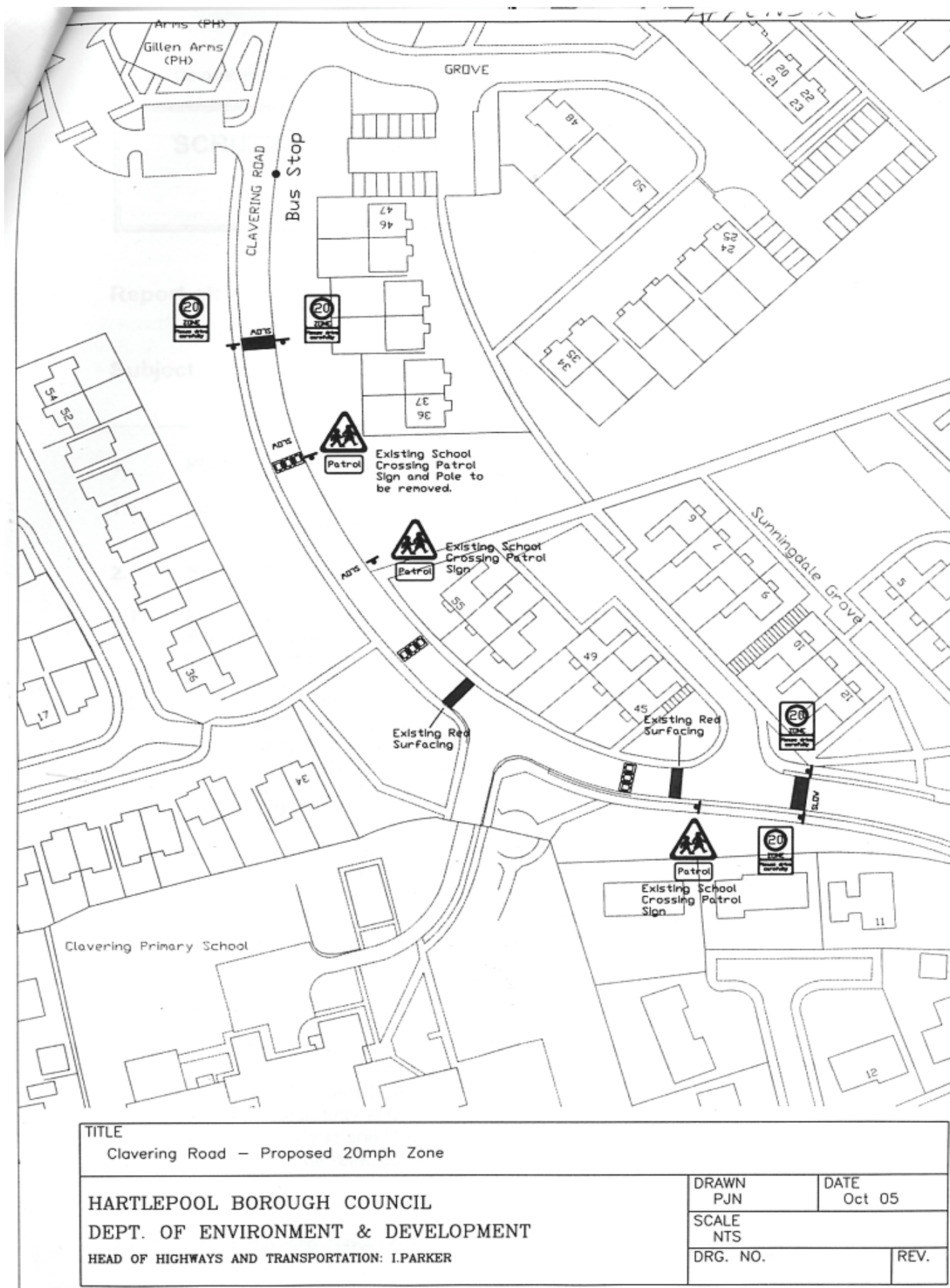
Parking



Signs
 and
 Signals



APPENDIX C



20MPH LIMITS OUTSIDE OF SCHOOLS

SITUATION IN NEIGHBOURING AUTHORITIES

Stockton Borough Council – 20mph limits are only brought in with associated traffic calming measures. They won't be considered without these as a high percentage of vehicles would abuse the limits, bringing them into disrepute. Schools are not specifically targeted as speeds are generally low due to congestion caused by parents parking, and accident levels are also very low.

Redcar and Cleveland Borough Council – Generally in favour of 20mph limits outside schools and requests are considered dependent on the suitability of the road.

Durham City Council – Policy states "self enforcing 20mph zones shall be provided around schools with above average number of accidents, particularly where children are involved." Have only one 20mph limit at present and do not have major problems outside of schools in terms of casualties.

Sunderland City Council – Do not have 20mph limits without traffic calming as they have no significant effect. On main roads School Safety Zones are used instead, consisting of high visibility signing, road markings and coloured surfacing, to highlight the presence of a school.

North Tyneside Council – Currently have around twenty 20mph zones, which have been concentrated in appropriate areas with high numbers of casualties. All zones are self enforcing with physical traffic calming measures outside of schools.

Northumberland County Council – No 20mph limits specifically on the section of road fronting a school. They do, however, have 44 20mph zones, 29 of which include a school within them.

SCHOOL TIME CASUALTIES IN HARTLEPOOL

In the 3 year period from April 2002 – March 2005, there have been 6 child pedestrian casualties outside of schools, at school times, as follows:-

- All casualties are categorised as fatal, serious or slight. All 6 in this case were slight casualties.
- 2 casualties were on Masfield Road outside of Rift House School, where the scheme will be implemented this financial year, as per the plan attached to the report.

- 2 casualties were on Owton Manor Lane, outside Manor College of Technology.
- 1 casualty was on Catcote Road, outside Brierton Comprehensive School. A pedestrian guard railing scheme has since been implemented to channel people to the safest crossing points, and School Keep Clear markings extended to improve visibility.
- 1 casualty was on King Oswy Drive, outside St. Hild's Comprehensive School.
- All casualties were as a result of the child running or walking into the road without looking, apart from the one in King Oswy Drive, where the child was waiting to cross at the pelican crossing which had the lights removed. The driver appeared to be allowing the pedestrian to cross, then collided with them and drove off without stopping. The crossing has now been re-positioned due to the school re-development and is operational.
- There are 36 schools in Hartlepool, with approximately 15,200 children making the school journey each day.

SCRUTINY CO-ORDINATING COMMITTEE

21st October, 2005



Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2006/07

1. PURPOSE OF REPORT

- 1.1 To enable Scrutiny Co-ordinating Committee to consider the Executive's initial Budget and Policy Framework consultation proposals.

2. BACKGROUND

- 2.1 In accordance with the requirements of the Council's Constitution the Executive is required to consult on the draft Budget and Policy Framework for the coming year.
- 2.2 This initial consultation is achieved by submitting this report to your Committee to enable Members to express their initial views on the initial Budget and Policy proposals. These comments will then be taken into account by the Executive before they determined the draft Budget and Policy proposals to be referred for formal Scrutiny, in late December 2005/early January 2006.
- 2.3 To enable this Committee's comments to be considered by Cabinet this stage of the consultation needs to be completed over the next few weeks. This will then enable your Committee to report back to Cabinet on 9th December 2005. Cabinet will then finalise its draft Budget and Policy proposals on 19th December 2005 and these will then be referred to this Committee on 20th December 2005.

3. CONSIDERATION OF ISSUES

- 3.1 At its meeting on 10th October 2005 Cabinet considered a detailed report on this issue. The report covers the following areas:
- Outturn Strategy 2005/06;
 - Capital Strategy 2006/07;
 - General Fund and Council Tax 2006/07;
 - Issues to be referred for consultation.

- 3.2 A copy of the Cabinet report is attached.
- 3.2 As Members will appreciate the development of initial budget proposals at this earlier stage is difficult. This is particularly the case for 2006/07 as the Government is proposing major changes to local government funding arrangements, which will impact on the Council's financial position. However, whilst final details of these changes will not be known until late November/early December, it is clear that the public sector is facing a difficult financial position in the next few years. This position will apply to the whole of local government, including Hartlepool. These early forecasts therefore enable the Council to begin to address these issues. The necessary work could not be completed in the time available if we wait for the provisional 2006/07 Local Government finance settlement.
- 3.3 At its meeting on 10th October 2005 Cabinet determined to refer the attached report to your Committee to enable Members to become aware of the issues facing the Council. Cabinet also resolved to seek this Committee's views on the specific issues identified in paragraph 6.7 of the attached report. Members should note that Cabinet determined to amend two of the issues identified at paragraph 6.7 as follows:
- Do Cabinet wish to consider a Council Tax increase other than 6%? (Paragraph 5.38). – Cabinet determined to examine the impact of Council Tax increases of 3.5% and 4.5%.
 - Do Cabinet wish to investigate the impact of cuts of 3%, 5% and 7%? – Cabinet determined to investigate the impact of cuts of 5%, 7% and 9%.
- 3.4 Cabinet also determined to note the budget pressure and priorities identified in the report and to defer prioritising these items until the provisional 2006/07 settlement is known and the potential service cuts have been identified. Cabinet considers that these issues need to be examined as a package. At this stage Cabinet would welcome your Committee's views on the budget pressure and priorities identified in the report.

4. RECOMMENDATION

- 4.1 That the views and comments of the Scrutiny Co-ordinating Committee are sought during this meeting, in relation to the issues identified within the appended Initial Budget and Policy Framework Consultation Report

CABINET REPORT

10th October 2005



Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2006/07

SUMMARY

1. PURPOSE OF REPORT

To provide the Executive with a comprehensive report on the issues surrounding the initial Budget and Policy Framework proposals for 2006/07.

2. SUMMARY OF CONTENTS

The report provides a detailed overview of the financial issues affecting the Council in relation to:

- the development of the 2005/06 Outturn Strategy;
- Capital expenditure issues;
- The development of the 2006/07 Budget and Policy Framework.

3. RELEVANCE TO CABINET

The report enables Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

4. TYPE OF DECISION

Key

5. DECISION MAKING ROUTE

Cabinet, Scrutiny Co-ordinating Committee, Scrutiny Forums, Council.

6. DECISION(S) REQUIRED

Cabinet is required to determine its proposals.

Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2006/2007

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

2. BACKGROUND

- 2.1 It has previously been recognised that the budget process needed to become more policy orientated. To achieve this a Zero Based Budget Review (ZBBR) was commenced last year. It was anticipated that this would take two years to complete and therefore the full impact would not occur until 2007/2008. The work last year began the move to more closely incorporate the budget strategy with the Council's policy aims. Last year the financial strategy reflected two key "strands" that underpin the aims of the Council: -

- People issues;
- Liveability issues.

- 2.2 These strands are closely inter-linked and need to be addressed in an holistic way if the Council is to achieve its overall aim "to continue the revitalisation of Hartlepool life and secure a better future for Hartlepool People".

- 2.3 However, the Council has limited resources and therefore needs to prioritise how these resources will be targeted. Last year priority was given to "people issues" and significant additional resources were provided for the Education Service and Children's Social Services.

- 2.4 The final 2005/2006 budget report indicated that even after allowing for an anticipated 6% Council Tax increase the Council is likely to face a 2006/2007 budget deficit in the order of £1.5m to £2.5m.

- 2.5 This report will consider a number of issues that affect the development of the budget as follows:

- Outturn Strategy 2005/2006;
- Capital
- General Fund and Council Tax

3. OUTTURN STRATEGY 2005/2006

- 3.1 A detailed budget monitoring report for the first six months is being prepared and will be submitted to your meeting on 7th November, 2005. The report will include the first forecast outturn for the current year's budget. These forecasts will then enable a comprehensive outturn strategy to be developed. This strategy will then be included in the formal Budget and Policy Framework proposal which Cabinet will consider in December.
- 3.2 On the basis of the initial work undertaken a number of issues will need to be addressed in the detailed outturn strategy, as outlined in the following paragraphs. At this stage Members are asked to note these issues, as further work needs to be undertaken to assess these issues more accurately.

i) Optimistic Factors

- Centralised Estimates

Net expenditure on the Council's Centralised Estimates will be less than expected when the budget was set. This position largely reflects the increase in reserves at 31st March 2005, following the favourable cash outturns for 2004/2005 which resulted in flows of future income being received earlier than anticipated. Although these resources are committed for future expenditure, including supporting the ongoing revenue budget, they can be invested on a short-term basis to provide a benefit in the current year.

- Backdated Population Grant

As indicated in previous reports the Council will benefit from the use of the revised population figures in the grant distribution formula. As a result the Council will receive backdated population grant for 2003/2004 and 2004/2005. These amounts will be paid in 2005/2006 and 2006/2007. The amount payable in 2006/2007 will not be known until later in the year when details of next years grant allocations are made by the Government. It has previously been determined not to commit these amounts as the Council also faced a number of unbudgeted commitments and budget deficits in 2006/2007 and future years.

ii) Pessimistic Factors

- Equal Pay Phase 1 Payments – Tax and National Insurance Liability

At a national level the Inland Revenue has recently determined that Equal Pay settlements are subject to Income Tax and National Insurance (NI). They have also stated that the determination of the actual tax and NI liability is a matter for each authority and their local tax office.

At a local level we have previously made provision for 80% of the payments being liable for Tax and NI. The national Inland Revenue decision means that a 100% of these payments are taxable, which potentially increases the Council's liability. However, the second part of the ruling is potentially beneficial as it allows the Council to seek to apportion the one off Equal Pay settlement over the individual tax years the payment covers. This potentially reduces the overall tax liability as it reduces the number of payments, which will be subject tax and NI. It should also reduce the rate at which tax and NI will be paid.

In order to assess the impact of this ruling a detailed analysis of the payments made and individual's tax and NI status for the six years of the Phase 1 settlement needs to be undertaken. At this stage it is hoped that the final tax and NI liability will not exceed the provision that has been set aside.

- Phase 2 Equal Pay Costs

These payments cover the three years 2004/2005 to 2006/2007 and will be paid a year in arrears commencing 2005/2006. The total cost of this settlement was estimated to be £2.3m (including an 80% tax and NI liability).

As part of the approved 2004/2005 Outturn Strategy it was determined to fund half of these costs from the Pension Equalisation Reserve. This reserve was established to meet future potential costs arising from increases in the employers pension contribution rates over the next six years. The latest Pension Fund Valuation determined the Employers Pension rates for 2005/2006 and the following two years. Based on these rates this reserve will not be needed to support the budget in the three years commencing 2005/2006. Therefore, these resources were re-allocated to fund the 2005/2006 Phase 2 Equal Pay costs. It was noted that this proposal will mean that any future increases in the employers pension contributions will need to be addressed as part of the overall budget strategy.

The 2004/2005 Outturn Strategy also proposed that funding for the remaining payments of £1.15m, which will be paid in 2006/2007 and 2007/2008, be delayed until the Inland Revenue made a decision on the taxation treatment of these payments. A favourable decision would have released all, or part, of the resources previously set-aside for potential tax and national insurance liabilities. Following the recent national decision by the Inland Revenue that these payments are liable for tax and national insurance it is increasingly unlikely that these resources can be released to meet the costs in 2006/2007 and 2007/2008. Therefore, these costs will need to be funded from a further detailed review of the Balance Sheet to

determine if any additional resources can be released. If this review cannot identify sufficient resources the shortfall will have to be a first call on any underspends in the current year.

In addition, to the above issues the actual costs of the Phase 2 settlements will be £0.6m greater than initially estimated. The initial estimates were based on data agreed for the Phase 1 payments. Changes in the hours worked have increased the payments made to individuals. These additional costs will also need to be funded from a review of the Balance Sheet and/or underspends in the current year.

- 3.3 In addition to the above factors work on next years budget has identified a number of one-off pressures, which it is suggested be funded from the 2005/2006 outturn strategy if resources are available. These items are detailed below:

£'000

Invest to Save Proposals

- Young People's Services 30

This additional resource will achieve a greater range of in-house placements. This will reduce the use of more expensive external placements.

- Access to Learning (A2L) 51

This investment will increase capacity within the A2L, which will reduce the need to use more expensive external placements.

One-Off Pressures

- Broad Band Implementation 90

This provision is needed to cover the implementation of Broad Band within schools not covered by buy back arrangements. Further investigation needs to be undertaken to determine an accurate cost and at this stage it is suggested that a provision of £90,000 be set aside.

3.4 In relation to the forecast capital outturn there are three issues to bring to Members attention:

- Capital Receipts

Following the recent decision not to allocate the whole of the Briarfields site for Housing development the Council will not now achieve the anticipated receipt. These monies had been allocated to fund the existing Capital Programme and in particular, the cost of the Phase 1 Equal Pay Settlement. The loss of this capital receipt increases the current year's capital over-programming by £1.5m. This amount will therefore need to be funded from other resources, either Prudential Borrowing or capital receipt.

If necessary it is anticipated that this expenditure can be accommodated within existing Prudential limits. However, if Prudential Borrowing needs to be used there will be an additional revenue pressure in 2006/2007 and future years.

The Council's ability to generate additional capital receipts is extremely limited as most large land holdings have now been sold. The one remaining major land holding is the site of the former Stranton House and York Road flats. Negotiations are ongoing to sell this site to the PCT. It is hoped that this sale will be completed before the end of the current financial year. This amount had not previously been committed owing to the uncertainty on the timing of the sale. It had been hoped that this sale would have provided resources for new capital schemes in 2006/2007. This will now not be possible as this amount needs to be earmarked to replace the loss of Briarfields. Any resulting shortfall will need to be funded from Prudential Borrowing.

- Town Square Improvements £0.12m

The estimated cost of this scheme is £1.5m and funding of £1.38m has been secured; £0.9m from SRB, £0.225 from the Single Programme and £0.255 from European Funding. Cabinet is requested to consider funding the shortfall of £0.12m to enable the scheme to proceed and to secure the European Funding, which must be spent by the end of the calendar year. It is suggested that this amount be funded from Prudential Borrowing in 2006/2007. If Members accept this proposal the resulting repayment costs of £12,000 p.a., will need to be funded from 2007/2008.

- Anhydrite Mine Investigation

Officers are investigating the various issues in relation to the Anhydrite Mine. A detailed report on this issue will be submitted to Cabinet in the near future. In the event that more detailed investigations are needed this report will assess the options available to the Council. These options will include the practicality of the Council funding these works

from unsupported Prudential Borrowing and the impact this would have on next year's budget position.

4. CAPITAL STRATEGY 2006/2007 TO 2008/2009

- 4.1 The development of a Capital Strategy will continue to be affected by the level of supported capital allocations provided by the Government. These allocations take the form of specific capital grants, or increasingly supported prudential borrowing allocations, which must be repaid from the Council's revenue budget. These allocations cover key Government priorities, which are closely aligned to the Council's own priorities and objectives. As these areas account for the majority of available capital resources Members need to reaffirm their commitment to using these allocations as summarised in the following table. This will then form the basis for updating the Capital Strategy and the development of the revenue budget.

Table 1 – Summary of Capital Expenditure Funded from Government Allocations

	2006/2007 Forecast Allocation	
	Grant £'000	Supported Borrowing £'000
Housing		2,219
Local Transport Plan		2,400
Education	2,215	409
Social Services		61
Total	2,215	5,089

- 4.2 The Capital Strategy will also be affected by the use the Council makes of the Prudential Borrowing regime, particularly the value of unsupported borrowing funded from the overall revenue budget. Members have previously restricted unsupported borrowing to the following initiatives and Cabinet needs to reaffirm their commitment to these initiatives: -

Table 2 – Summary of Capital Expenditure Funded from Unsupported Prudential Borrowing

Scheme	Community Scrutiny Aim and Contribution	Actual	Proposed Allocation	
		2005/06 £'000	2006/07 £'000	2007/08 £'000
Community Safety Initiative	<u>Community Safety</u> Programme of Works to address Community Safety issues identified by Community Safety Partnership	150	150	150

Disabled Access Adaptation	<u>Strengthening Communities</u> Programme of Works to ensure compliance with DDA legislation	50	50	50
Neighbourhood Forum Minor Works Allocation	<u>Environment and Housing</u> Resources enable residents to address local priorities to improve their environment/address local priorities which would not be funded from mainstream funding	156	156	156
Replacement of Mill House	<u>Culture and Leisure</u> As part of 2004/2005 budget it was agreed to make annual provision of £1m commencing 2004/2005 towards the replacement of the Mill House Leisure Centre. The 2004/2005 provision has been rephased to 2005/2006.	2,000	1,000	0

5. GENERAL FUND AND COUNCIL TAX 2006/2007

5.1 This section covers the following areas:

- Background
- Formula Grant Distribution – Consultation
- Initial Budget Forecasts 2006/2007
- New Budget Issues 2006/2007
- Revised Budget Forecasts 2006/2007
- Strategy for Bridging Forecast Gap
- Role of Balances in the Budget Strategy

5.2 Background

5.3 The previous budget strategy covered the three years 2005/2006 to 2007/2008. This strategy indicated that, despite the ongoing use of around £2m of balances per year, and anticipated increases in Council Tax of 6%, the Council would face significant budget deficits in 2006/2007 and 2007/2008.

5.4 The use of £2m of balances per year equates to a Council Tax increase of 8%, or a cut in gross expenditure of 2.6%. The actual cut in net expenditure would be greater as many areas of the budget cannot be reduced in the short-term.

- 5.5 The budget forecasts anticipated that Members will wish to continue to provide increases in Education and Social Services resource allocations in line with the local increases in Formula Funding Shares (FSS's). This position is becoming untenable, as it does not clearly link policy aims with budget allocations. Therefore, Members need to consider alternative approaches for determining resource allocations which more clearly link policy objectives and budget allocations. These changes may not affect the final allocations, but will improve the policy and budget linkages.
- 5.6 The forecasts also include provision to increase resource allocations for other areas by 3%.
- 5.7 The strategy does not provide resources for additional budget priorities, pressures or service development. Any such costs will need to be funded from efficiencies or the prioritisation of services within the overall budget limit.
- 5.8 **Formula Grant Distribution – Consultation**
- 5.9 The Government has indicated that there will be significant changes to Local Government funding next year. Over the summer the Government have issued a number of consultation documents setting out their proposals. The key issues are highlighted in the following paragraphs. As the consultation is extremely complex and raises significant issues, it is suggested that Cabinet authorises me to respond on behalf of the Council.
- 5.10 **Introduction of New Funding Arrangements for Schools**
- 5.11 One of the most significant changes is the introduction of a new ring fenced grant for schools – the Dedicated Schools Grant (DSG). At a national level the DSG will be fully funded from a transfer from Revenue Support Grant (RSG). This is a fundamental change as it will mean that school's are no longer partly funded from Council Tax and Business Rates. As part of this change the Government will also allocate the remaining RSG and redistributed Business Rates on the same basis
- 5.12 This change also means that the amount of national support for the remaining services will be significantly lower. On a practical basis this change should have a neutral impact on the budget, although the mix of funding will change. In addition the change should be neutral for Council Tax, although the Council Tax will be paying for a different “basket” of locally funded services.
- 5.13 The Government has not yet determined the total value of the DSG as this issue is not straightforward and has implications for all authorities. This is because at a national level local authorities spend more than the value of the Education Formula Spending Share by approximately £200m. Therefore, if the Government decide to set DSG at the aggregate value of school funding provided through the FSS, plus the aggregate “top up” provided by Local

Authorities they will take more money out of the system than they currently put in.

- 5.14 At a local level if the DSG is set at a level including the £200M the Council will lose around £13,000. Whilst, this amount is marginal, it is inequitable that the Government are considering taking more from the system than they currently put in. Therefore, it is suggested that when responding to the consultation paper the Council express the view that it would be inequitable to include these resources in the new DSG.
- 5.15 The Government are also considering changes to specific Education grant regimes such as the Standards Fund. These changes will incorporate these grants within the new DSG. The position in relation to these changes is unclear. There is a concern that these changes may not be neutral and resources may transfer from the LEA to schools. These concerns will be included in the response to the Consultation Paper.
- 5.16 **Introduction of Three-year Grant Settlement and Changes to Formula Spending Shares (FSS)**
- 5.17 The Government also proposes introducing three-year grant settlements for Local Authorities. Although the first three-year settlement will only cover two years starting 2006/07, because of the timing of the Governments own three-year planning cycle. Whilst, this change is welcomed and will provide greater certainty in future years there are a number of issues that need careful consideration.
- 5.18 The consultation paper also proposes a range of options for changing the grant distribution system and supporting FSS's. These proposals are necessary as the current three-year formula freeze came to an end with the current years grant settlement.
- 5.19 The Government's stated aim of this review is "to produce a robust and fair system for the distribution of grant that will be fit for use in the context of three year settlements". The Government also recognises "that any system based on formulae cannot reflect all possible circumstances, so there will inevitably be an element of rough justice". More importantly the consultation paper suggests that the grant distribution system should not include notional measures of spending and council tax. This is a major shift as these figures have been included in the grant system for at least twenty years. At this stage it is difficult to assess whether this change will have a detrimental or beneficial impact.
- 5.20 The consultation paper provides details of a range of options for changing the various service specific FSS factors, as detailed at Appendix A. These changes could potentially increase the Council's total FSS by between £0.79m and £8.8m. On a practical basis the final mix of changes to FSS's is unlikely to have a major impact on next years grant allocation as any increase will be capped, probably at around 4% to 5%. Therefore, whilst changes in FSS may better reflect local spending needs they will not help

the budget problem. In some instances the changes in FSS simply mean that the FSS is catching up with reality following the end of the three-year freeze.

- 5.21 Whilst, the FSS changes will not affect the budget position it is important that the Council responds to the consultation to argue its case for the options which best reflect Hartlepool's needs. These views will be included in the response to the consultation.

5.22 Introduction of National Changes to Concessionary Fares Schemes

- 5.23 The Chancellor's Budget Statement announced the introduction of free off peak local bus travel for disabled people and those over 60 from April, 2006. The ODPM and Treasury have estimated that the total cost of this initiative will be £350m and are consulting on how these resources should be distributed.

- 5.24 At a local level the Council already has a half fare scheme. It is estimated that extending this scheme to a full fare scheme will cost in the region of £0.5m. At this stage it is unclear whether the Council's share of the national resources provided by the Government for this initiative will cover this additional cost.

- 5.25 If as expected the additional £350m is allocated through the FSS System there is a risk that the additional resources will be subsumed within the overall grant ceiling. Therefore, assuming that the Council's overall grant increase will be limited by the ceiling it would be prudent to make provision for this additional cost in the revised budget forecast. This commitment is reflected in the budget pressures identified later in the report.

5.26 Initial Budget Forecasts 2006/2007

- 5.27 The initial budget forecasts reflect the following key factors:

- Increase in Education Resource allocation 6.3%. Based on the 2005/2006 settlement this will be made up of a 6.6% increase for schools and 3.4% for LEA services;
- Increase in aggregate Children's and Adult Social Services of 6%. Based on anticipated national increases for 2006/2007 this equates to around 7.5% for Children's Social Services and 4% for Adult Social Services;
- Increase in other service resource allocations of 3%;
- Provision of £0.695m to meet the year 2 costs of 2005/2006 Prioritised budget pressures, this includes £0.5m for Single Status;
- The use of £2.4m from reserves;
- A grant increase of between 4% and 5%;
- An assumed Council Tax increase of 6%.

- 5.28 On the basis of the above factors it was previously reported that the budget gap for 2006/2007 would be in the order of £1.5m to £2.5m.

- 5.29 As indicated earlier in the report Members need to consider an alternative basis for determining resource allocations for Children's Services and Adult Social Services. Previously, these allocations have simply been based on passporting local FSS increases. However, this does not adequately link policy aims and budget allocations. Therefore, it is suggested that the initial budget allocations for all areas be calculated by applying a 3% inflation uplift. These base resource allocations will then be topped up for specific expenditure priorities identified through the budget and service planning process. As all areas will start from the same base line any additional resources provided through the budget process will be clearly identified with service priorities.
- 5.30 On a practical basis this change will reduce the initial budget gap. However, additional resources will probably be required for Children's Services and Adult Social Services. Therefore, there is unlikely to be any change in the Council's overall budget gap.
- 5.31 **New Budget Issues 2006/2007**
- 5.32 An initial assessment of the new budget issues facing the Council for 2006/2007 has been undertaken. This work is based on the detailed work undertaken last year. Further work will be needed over the next few months to refine these issues. At this stage Members need to develop a provisional strategy for addressing these new budget issues. This plan can then be firmed up when more information is available. These issues fall into two broad categories:
- Budget Pressures

These items represent budget pressures in relation to the continued provision of existing services. In many cases these pressures cannot be avoided. In other cases the pressure can only be avoided by reducing the current level of service, which in some areas would not be without risk. These items are summarised in Appendix B and further details are provided in Appendix C.
 - Budget Priorities

These items are similar to budget pressures, but relate to areas where the Council has a greater choice. However, in some instances these priorities are closely aligned to the continuation of existing services and/or the achievement of the Council's overall aims. These items are also included in Appendices B and C.
- 5.33 In addition to the above items Members need to be aware that the Government are considering changing a range of grant regimes by either terminating grants or mainstreaming. As previously reported when grants are mainstreamed the basis of allocating funds to individual authorities changes. Therefore, whilst the change is neutral at a national level it can

produce “winners and losers” at an individual authority level. Once a grant is mainstreamed the Council needs to determine whether to continue to provide the service and at what level, as local conditions may require a different level of spending than required by the grant regime.

- 5.34 At this stage it is difficult to access which grants will be mainstreamed and how this may affect the Council’s overall grant allocation. One area where it has been indicated that the Government may mainstream grant funding is in relation to grant paid to various voluntary organisations. This would be a significant change and the Council’s need to lobby the Government to ensure this change in budget neutral. Further details will be reported when they become available. In the meantime, Members views on the continuation of the following regimes, should these grants be mainstreamed, are requested:

	<u>Value</u> <u>Grant</u> <u>£'000</u>
i) <u>Children’s Services</u>	
• Teenage Pregnancy	200
• Safeguarding Children	184
• Adoption Support	65
• Choice Products	115
ii) <u>Culture, Housing & Transportation</u>	
• Peoples Network Computer Grant	28
iii) <u>Regeneration and Liveability</u>	
• Economic Development	400
iv) <u>Adult Service</u>	
• Residential Allowances	501
• Supporting People – changes will be phased. It is hoped this can be managed using Supporting People Reserves and maintaining base budget commitments.	

5.34 **Revised Budget Forecasts 2006/2007**

- 5.35 The factors identified in the previous section generally have a detrimental impact on the forecast budget gap, as summarised below:

	<u>Revised Budget Gap Range</u>	
	<u>Optimistic</u>	<u>Pessimistic</u>
	<u>£'000</u>	<u>£'000</u>
Gross Gap (forecast February, 2005)	4,700	4,700
Less – Increase in Council Tax Base	(300)	(300)
Less – 6% Council Tax Increase	(1,900)	(1,900)
Less – Additional Grant Increase from 5% Grant Increase	<u>(1,000)</u>	<u>0</u>
	1,500	2,500
Add – Reduction in Grant from lower Grant Floors and Ceilings	1,000	1,000
Add – Budget Pressures	3,127	3,727
Add – Budget Priorities (the optimistic figures assumes Members determine not to fund these issues).	0	1,466
Less – Income from Local Authority Business Growth Incentive (LABGI) Scheme	(200)	(200)
Less – 2004/2005 Backdated Population Grant Revised Gap	<u>(700)</u>	<u>(500)</u>
Revised Budget Gap	<u>4,727</u>	<u>7,993</u>

5.37 **Strategy for Bridging Forecast Gap**

- 5.38 On the basis of the information currently available the Council faces a significant budget deficit for 2006/2007. The position will not become certain until details of the actual grant allocation is known in late November/early December. However, given the size of the forecast Budget Gap Cabinet needs to develop a strategy to deal with this position. Therefore, Cabinet needs to determine its views on the following factors:

i) Efficiency Strategy

The introduction of the Gershon Efficiency Review means that the Council needs to meet an annual efficiency target of £2.2m. £1.1m from cashable savings and a further £1.1m of non-cashable savings.

The cashable savings can be used to reduce the Budget Gap. It is anticipated that this target should be achievable.

Cabinet may wish to explore whether the whole of the required efficiencies can be achieved as cashable savings to assist address the

Budget Gap. However, given the short lead in time for 2006/2007 it is suggested that the cashable efficiency target be set at £1.1m.

ii) Council Tax Increase

The budget forecasts are based on a 6% Council Tax increase. Cabinet needs to determine if they wish to consider a different increase to assist address the Budget Gap. A 1% change in Council Tax equates to £300,000.

iii) Budget Pressures

Cabinet needs to determine if they wish to fund the budget pressures identified in Appendix B.

iv) Budget Priorities

Cabinet need to determine if they wish to fund the budget priorities identified in Appendix B.

v) Savings Target

Owing to the uncertainty of the budget forecast it is suggested that Cabinet examines the impact of a range of budget cuts, say 3%, 5% and 7%. This will ensure a package of cuts can be referred for formal scrutiny when details of the actual grant for 2006/2007 are known. These cuts will need to be identified and prioritised on the basis of the Council's policy and service objectives.

5.39 **Role of Balances in the Budget Strategy**

5.40 The current three-year budget strategy commits £6.7m of the Council's balances to support the budget over three years 2005/2006 to 2007/2008. These resources arose from the one-off benefits of the Housing transfer. Therefore, the current annual support of the revenue budget from balances is not sustainable in the medium term. These resources will begin to tail off from 2008/2009. At this stage it is anticipated that the Council will lose £1m of support in 2008/2009 and the remaining £1m in 2009/2010.

5.41 A detailed review of the Council's balances is currently being undertaken by Scrutiny Co-ordinating Committee. A report on this review will be submitted to Cabinet on 9th December, 2005.

5.42 In view of this ongoing review of balances it is suggested that Cabinet awaits this report before determining whether it wishes to review the existing strategy for using balances. It is also suggested, without wishing to pre-empt the Scrutiny Co-ordinating Committee review, that should the review identify any uncommitted balances that Cabinet consider allocating these resources to meet one-off "budget reduction" costs. The one-off "budget reduction" costs will cover temporary staffing costs pending redeployment

and associated training and where redeployment is not possible, redundancy costs.

5.43 **LPSA 1 (Local Public Service Agreement) Reward Grant**

- 5.44 As part of the agreement with the Government the Council will be eligible to a LPSA 1 Performance Reward Grant. The value of the grant will depend upon actual performance against individual targets. Half of the grant will be paid as revenue grant and half as a capital grant. The grant will be paid in two equal instalments, the first in 2005/2006 and the second in 2006/2007. At this stage it is anticipated that the Council will achieve a reward grant of £1.5m, as detailed below, against a maximum of £2.08m.

	Revenue £'000	Capital £'000	Total £'000
Anticipated Reward Grant:			
2005/2006	375	375	750
2006/2007	<u>375</u>	<u>375</u>	<u>750</u>
	<u>750</u>	<u>750</u>	<u>1,500</u>

- 5.45 The following strategy for using the reward grant was approved within current years budget and policy framework proposals:

- 100% of Capital Reward Grant is earmarked for corporate priorities – details to be identified and approved by Cabinet;
- 100% of Revenue Reward Grant is allocated to the department achieving the service improvement and earmark for one-off expenditure that will contribute to the ongoing achievement of LPSA 1 targets or the achievement of LPSA 2 targets.

- 5.46 Individual Portfolio holders need to develop detailed strategies for using these monies over the next few months. These proposals will then be included in the draft budget and policy proposals to be submitted to Cabinet in December.

6. **CONCLUSION**

- 6.1 At this stage the sustainability of the Council's budget and existing services is subject to significant risks. The key risks fall into two broad categories - local risks and national risks.
- 6.2 At a local level the risks relate to national budget pressures.
- 6.3 The national issues affecting the Council relate to the overall value of Government support for Councils, the basis for distributing this funding and the implications of mainstreaming grants.

- 6.4 It is clear that at a national level 2006/2007 will be a tough financial settlement for local authorities. This position is not unexpected and largely arises from the withdrawal of the additional one-off funding the Government is providing in the current year.
- 6.5 At a local level it is hoped that the changes to the grant formula will be relatively beneficial. However, at best the Council is likely to receive a grant increase of only 3% to 4%. As a result it is currently anticipated that the Council will face a significant budget deficit.
- 6.6 The position will not become certain until the announcement of the provisional 2006/2007 settlement, which will be issued late November/early December. However, given the potential size of the budget deficit facing the Council, Cabinet cannot wait for this certainty to develop its detailed strategy for dealing with this position. Therefore, over the next two months a detailed contingency strategy needs to be developed. This will enable Cabinet to quickly develop its final budget proposals once details of next years grant allocation and related issues are known. This action will also ensure that detailed budget proposals can be considered within the time constraints of the overall budget timetable which is governed by both constitutional and statutory deadlines. Details of the budget timetable are set out in Appendix D.
- 6.7 At this stage Cabinet needs to determine the specific proposals it wishes to refer for Scrutiny in relation to the following items:

2005/2006 Provisional Outturn Strategy

- Do Cabinet wish to support the proposed issues affecting the development of the 2005/2006 outturn strategy and to refer these items for consultation? (paragraphs 3.2 and 3.3).
- Do Cabinet wish to propose that the Council provides £120,000 towards the Town Square Scheme in 2006/2007? (paragraph 3.4) (if Cabinet wish to support this proposal this issue will need to be referred to Council on 29th October, 2006 to secure the European Funding allocated to this scheme).

2006/2007 Capital Budget Proposals

- Do Cabinet wish to maintain service based capital expenditure at the level of Government allocations and to refer these proposals for consultation? (Paragraph 4.1).
- Do Cabinet wish to continue to support the locally funded Prudential Borrowing projects at current level and refer these proposals for consultation? (Paragraph 4.2).

2006/2007 Grant Fund and Council Tax Proposals

- Do Cabinet wish to implement a flat 3% budget increase for all areas, with additional resources being provided for specific pressures and policy objectives? (Paragraph 5.29).
- Which budget pressures do Cabinet wish to support? (Appendix B).
- Which Budget Priorities do Cabinet wish to support? (Appendix B).
- Do Cabinet wish to set a cashable efficiency target of £1.1m, or a higher target? (Paragraph 5.38).
- Do Cabinet wish to allocate the LABGI income and backdate population grant to support the 2006/2007 budget? (Paragraph 5.38).
- Do Cabinet wish to consider a Council Tax increase other than 6%? (Paragraph 5.38).
- Do Cabinet wish to investigate the impact of cuts of 3%, 5% and 7%?
- Do Cabinet approve the proposal to await the outcome of Scrutiny's review of reserves and should any uncommitted balances be identified to earmark these reserves to meet one-off costs which will achieve to permanent budget savings? (Paragraph 5.42).
- Do Cabinet wish to refer the above proposals for consultation?

7. RECOMMENDATION

- 7.1 It is recommended that Cabinet determines their views on the issues identified in paragraph 6.7 and the initial budget proposals to be referred for consultation.

APPENDIX A

SUMMARY OF PROPOSED CHANGES FOR FORMULA SPENDING SHARES (FSS)

	Number consultation options	Increase/(Decrease) in FSS 2005/06		Detailed options for increasing/(decreasing) FSS				
		Minimum Impact £'000	Maximum Impact £'000	Option 1 £'000	Option 2 £'000	Option 3 £'000	Option 4 £'000	Option 5 £'000
Children's Personal Social Services	3	(17)	2,227	2,227	(17)	88	n/a	n/a
Older People Personal Social Services	5	(164)	92	268 Note 1	(164)	92	6	0
Younger Adults Personal Social Services	2	1,224	2,197	1,224	2,197	n/a	n/a	n/a
Highways Maintenance	3	(1)	0	(1)	(1)	0	n/a	n/a
Environmental, Protective and Cultural Services (ECPS)	4	(520)	1,172	(520)	1,172	(3)	6	n/a
Capital Financing	3	365	2,117	2,117	365	772	n/a	n/a
Area Cost Adjustment	5	(95)	1,039	49	240	73	1,039	(95)
		792	8844					

Note

1) This option was included in the initial consultation but has subsequently been withdraw as ODPM have determined that data used is not robust.

APPENDIX B

SUMMARY OF 2006/07 BUDGET PRESSURES AND PRIORITIES

	Budget Pressures		Budget Priorities	
	Minimum £'000	Maximum £'000	Minimum £'000	Maximum £'000
Adult Services Portfolio				
Assessment & Care Management	150	150		
Learning Disabilities Purchasing	420	520		
Learning Disabilities Support	70	70		
Older People Purchasing	900	900		
Physical Disabilities	120	120		
Consumer Services	5	5	28	28
Env Standards			10	15
Sub Total	1665	1765	38	43
Culture, Housing & Transportation Portfolio				
Archaeology			2	2
Arts, Events & Museums	20	20		
Countryside	10	10		
Libraries			14	14
Housing Retained Services			60	60
Highways & Transportation			60	60
Highways Services	35	35		
Transport Services	0	500		
Sub Total	65	565	136	136
Finance Portfolio				
Municipal Elections	30	30		
Sub Total	30	30	0	0
Performance Management				
Estates Management - War Memorial			40	40
Accommodation - Energy Costs	200	200		
Contact Centre	50	50		
Corp Strategy & Public Consultation	8	8	28	28
Public Relations			17	17
Personnel Health & Safety			20	20
Training & Equality			20	20
Sub Total	258	258	125	125
Regeneration & Liveability Portfolio				
Community Safety			15	15
Economic Development			380	480
Landscape & Conservation			50	50
Environment	130	130		
Environment - Bulky Waste	20	20	100	100
Environment - Navigation Point			30	30
Town Care Management			37	37
Sub Total	150	150	612	712
Children's Services Portfolio				
Admissions	12	12		
Home to School Transport	180	180		
Children with Disabilities	30	30		
Young People's Service	210	210		
Youth Justice Team	30	30		
Raising Educational Achievement	80	80		
Special Needs Services	162	162		
A2L	40	40		
Youth Service	45	45		
Use of Education Reserves	140	140		
NRF			450	450
Community Facilities on School Sites	30	30		
Sub Total	959	959	450	450
Total	3127	3727	1361	1466

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO

APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
Adult & Community Services Department						
Adult Education	0	R (Specific Grant Funding)	None	Determined by Central Government/LSC policies	Possible risks to Learning Disability care provision whilst carrying out educational activities	Some possible cost shunting of care to Adult Social Care Consumes own smoke on educational activities
Assessment & Care Management (Inc Occupational Therapy & Duty Team)	3,183	S (Duty Team and OT cover Children's services, OT level of provision Discretionary) Assessment of equipment is not discretionary.	Hand – held tablets – likely to absorb demographic increases (2008)	Review Eligibility criteria for OT issues with view to increase from current moderate banding to substantial – possible to affect in the region of 1500 users who whilst receiving assessment and advice will not receive equipment £50,000-£70,000 06/07		Historic pressure of approx. £150,000 aids & adaptations. Ongoing demographic demand, and more people supported at home
Home Care (In House, short term)	1,449	SD (Discretion can only be exercised through agreed changes to eligibility	Development around Care Pathways to reduce morbidity. Likely efficiencies on overall budget estimated £150,000 07/08	Review Eligibility criteria with view to increase from current moderate banding to substantial – unlikely to produce any significant savings as packages are High Dependency linked to Hospital discharges and other duties to cooperate.	Delayed Hospital Discharges Fines - £100 per day per person. Increased admission to residential/nursing care	
Learning Disabilities	2,084	SD		Review Eligibility criteria	Removal of moderate services	Fees increases likely %

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
Purchasing (inc. Residential, Personal Care, Independent living)		(Elements ring fenced under resettlement from Health) (Discretion can only be exercised through agreed changes to eligibility)		with view to increase from current moderate banding to substantial. Unlikely to be many service users excluded from this group.	may result in escalation of need to substantial and critical. Causing distress to carers/service users.	under new contracts from April 06. Early estimates £120,000 06/07, plus additional £120,000 07/08 Demographic pressures 8-10 users per year for next 10 years. £300-400,000 06/07 onwards. Also College Transport?
Learning Disabilities Support (inc A&CM and Day Services)	1,521	SD (Discretion can only be exercised through agreed changes to eligibility)		Review Day Care charging policy increase non assessed charges by additional £1.00 per week £5,000. Review Eligibility criteria with view to increase from current moderate banding to substantial. Estimate that 15 service users would receive less or no service - estimated saving £15,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES	Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users.	Pressure over next 10-15 years as numbers increase. Pressure of £70,000 06/07 for increased assessment activity. Plus Transport – general?

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
Mental Health (inc. A & CM, Community Support, Residential care and Personal care)	1,271	SD (Discretion can only be exercised through agreed changes to eligibility)		Review Eligibility criteria with view to increase from current moderate banding to substantial. Estimate that 15 service users would receive less or no service - estimated saving £15,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES Removal of Preventative Services – 06/07 £20,000.	Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users and possible risk to themselves and the general public	
Older People Purchasing	6,357	SD (Discretion can only be exercised through agreed changes to eligibility)		Review Day Care charging policy increase non assessed charges by additional £1 per week will lead to £10,000 additional income. Additional Fairer Charging income 50,000 (final year of phasing) – raising level of charges for homecare in line with Fairer Charging Policy. Review Eligibility criteria - increase from moderate	Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users. Withdrawal of preventative services may tip currently	Fees increases likely under new contracts from 06/0. Also general demography increases 2% annually. Early estimates £900,000 06/07, plus additional £900,000 07/08. Loss of specific grant for Residential Allowance £501,000 06/07 (mainstreamed into FSS)

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
				banding to substantial. 100 Service Users – estimated saving £100,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES. Subsidised Frozen Meals £25,000. Day Services £50,000. Community Support £60,000.	unknown users into needs framework. Service users may unnecessarily lose independence.	
Intermediate Care (Swinburne – covers all hospital discharges)	328		Service now non- residential, with increase in cases supported. (non cashable). Relocation of services (2008?) – site savings?.			
Physical Disabilities (Incorporates A&CM, Day services, placements)	1,271	SD (Discretion can only be exercised through agreed changes to	Reprovision of day services (2010?) – site savings?	Review Eligibility criteria with view to increase from current moderate banding to substantial.	Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users.	Fees increases likely under new contracts from April 06, and demographic pressures. Early estimates £120,000

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APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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		eligibility				06/07, plus additional £120,000 07/08
Support Services (Finance, IT, Commissioning etc)	1,557	SD (Discretionary relating to set up)	New FMS system from 06/07 (corporate saving).		Not able to meet statutory return deadlines. Risks around budgetary control	
Sensory Loss £	251	SD (Discretion can only be exercised through agreed changes to eligibility)		Review Eligibility criteria with view to increase from current moderate banding to substantial.	Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users.	
Service Strategy and Regulation (Director & PA)	140	S	None - Already in lower quartile for VFM on this area.			
Sub Total	19,412		07/08 £150,000	06/07 £280,000 07/08 £130,000		06/07 £2,211,000 07/08 £1,490,000

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Neighbourhood Services Department					Risk of Public Health incident and legal case against Council	Climate Change Strategy £5k
Consumer Services	820	SD	None	None	Impact on BVPI 166 which is a key indicator in the CPA Env Block	
Env Standards	285	SD (65/35)	Increased responsibilities arising from the Gaming Act will be met from existing resources. (non cashable efficiency).	Increase income, markets and cems & crems.		Healthy food initiative, 2*FTE's £28k loss of grant funding (Priority) Cems drainage £10k + £15k (Priority)
Sub Total	1,133					
Total	20,517					

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Adult & Community Services Department						
Allotments	53	S		Increase rents by 50% £14,000 (07/08). Rent increase requires one years notice.	Seeks to increase to regional average.	Reduces allotment take up. Recommend all rental income re-invested in maintenance.
Archaeology	27	S – 60% D – 40%	None	Partnership with former Cleveland unitaries - Hartlepool lead authority.	Recharges from partners based on population, if this is unilaterally amended, service standards will differ by area.	£2,000 (Priority) Public archaeology will be affected if not met.
Arts, Events & Museums (Inc Historic Quay, Town Hall Theatre, Art Gallery & Museums)	1,049	D		<p>Increase charges by 25% for community usage of Theatre/Borough Hall £9,000 (Hire rates £114 increase equates to £28.50 per hire).</p> <p>Town Hall - Hire rates are failing to recoup basic costs of premises. Realistic hire costs required for the Town's only performing arts venue. Usage close to capacity - 80% community based.</p>	Potential impact on hire groups however balanced by replacement groups.	
			Additional income from Borough Hall bar £20,000	Increased usage is creating additional income. Private hire booking dependent.	Bookings can be variable however current facilities are much sought after.	

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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			Investigating closer working relationship with HMS Trimcomalee and potential for site savings.(2007?).	<p>Sports centre/Fitness training extension due to complete Dec 05 this will further increase capacity and use of the 'Headland Resource Centre'.</p> <p>Historic Quay – admissions income continues to fail to meet current targets. Investigate use 'front of house' workforce.</p>	Two organisations fail to agree – combined ticket fails to deliver increased income.	£20,000 income gap Historic Quay
Community Support (Community centres and Community grant pool)	744	D		Community Grants £ 380,000 Cease allocation of Community pool – major impact on the voluntary and community sector.	<p>26 groups directly affected may assist others e.g. HVDA, therefore knock on effect. CAB provides advice for benefits, which increase payment s to the most vulnerable.</p> <p>Many groups would close; many groups would reduce scale of operations. Independent studies demonstrate LA support has a multiplier effect of 700%.</p>	

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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				Close Community Centre £42,000	Regional ESF funds and existing lottery support grants cease in 2006 adding further pressure. 2005/06 bids of £565,000 received against pool of £380,000.	
Countryside	364	D (S – Public Rights of Way)		Close summer evening openings at Summerhill £5,000 Limited public use made of the visitor centre – no effect on organised courses. Countryside Access Team Withdrawal of NACRO maintenance teams announced from October 2005.	Little public impact as site remains open for usual use – close centre at 5.30p.m. Increase in repair delays of public footpaths and countryside furniture. Increase in cost provision identified as a potential maintenance pressure. BVPI at risk.	£10,000 for contractor payments to replace NACRO input.
Foreshore	155	D	None	Service in place for two years. Lifeguard service provided to	Provision of service requires current commitment (all or	

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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				three most popular beach areas for specific spring/summer timetable.	nothing). Public confidence in beach safety in life guarded areas.	
Libraries	1,768	SD	<p>Review Vehicle Delivery Service potential £23,000 (07/08)</p> <p>Regional Book Tender ability to save inflation approximately £5,500 (06/07)</p>	<p>£60K Library closure + capital receipt.</p> <p>Changing service standards with reduced need for the Bookbus provision – review underway to identify ability of the mobile library and Home delivery service to cover.</p> <p>The introduction of the Peoples Network – pc based web access at all public libraries. Was an immense improvement in the ability of the library and information service to serve the public.</p>	<p>Public satisfaction levels in libraries BVPI may be affected.</p> <p>Reduces capacity to service daycare and residential care homes – however usage levels warrant a review.</p> <p>Service cannot be withdrawn without being a retrograde step. Service contract now required from November 2006.</p>	<p>Current benefit of the grant aided Peoples Network computer system due to end Nov 06 Cost £28K (full year) Part year 06/07 £14K (Priority).</p>
Maintenance	224	D	None - Current budget insufficient		Any further reduction would simply endanger ability to provide services and add to risk managed backlogs.	

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Parks	410	D	Current budget simply sufficient to maintain current standards of ground maintenance.		Any reduction would result in closure of one of the towns four parks.	
Playgrounds	48	D	None	Hartlepool has one of the lowest playgrounds per head of population nationally. Play Strategy seeks to improve existing playgrounds in priority order.	Current revenue budget only allows routine maintenance, not renewal.	
Renaissance in the Regions	0	R – grant self funding		Hartlepool Museums included in the NE Hub grant support to Hartlepool and Tees Valley Museums. Currently employ 17 people all 100% grant funded.	Approved until 2008.	
Reserve Movements	(60)	Adjustment for shortfall at Historic Quay from TDC Sea Defence reserves interest				Pressure on Historic Quay budgets if this contribution is lost.

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Sports & Physical Recreation (Inc Mill House, Eldon Grove, Sports Grounds)	1,320	D	Mill House Leisure Centre £22,000 Health Suite Reduce staffing of suite within Mill House. Staff savings achieved via monitoring staffing levels elsewhere	. Centre Closure - Option 1 – Close centre and save £50,000 net budget, potential for capital receipt. Option 2 – Close centre and develop enhanced service provision with Brierton ??. Building costs saving potential but full business case needs to be worked up in conjunction with Children's Services/Brierton. Capital receipt potential retained.	Risk assessment required, comparable management regime to commercial sector operations. All daytime sport and leisure courses may be affected by lack of access to Brierton during school term hours. Courses/facilities bespoke to Centre may be permanently affected.	
Sub Total	6,102		£47,500 06/07 £23,000 07/08	£560,000 06/07 (£50,000 on business case).		£46,000 06/07

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Neighbourhood Services Department						
Engineers	414	SD (70/30)	Potential JVC or other partnership	2007/8	Risk of serious incidents in respect of coastal protection, anhydrite mine and flooding increases if resources reduced.	
Highways and Transportation	566	SD (33/67)	Potential JVC or other partnership	None	Failure to attract funding through LTP and bidding opportunities	Travel planning – possible loss of funding. £60k (Priority).
Highways Services	3,205	SD	None	The level to which the highway is maintained can be adjusted but increasingly we will be judged by the National code of practice and the Govt monitors highway condition as a KPI.	Increase in long term maintenance backlog. Highway condition Pis are key indicators in the CPA Env Block.	Additional condition survey necessary for BVPI £35k.
Traffic & Road Safety	(263)	SD (20/80)	Potential JVC or other partnership		More member/public complaints. Reducing KSI BVPIs are key indicators in the CPA Env Block.	?
Transport Services	980	SD (56/44)	Part of Transport Review – Impact 07/8-08/09	Council has some discretion over the level of subsidised buses.	Risk of legal challenge if Council does not adequately support non-commercial services.	Concessionary fares £0.5M.

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

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Housing Ret Services	485	SD (90/10)	None	None	Risk of serious incident in homeless service. More member/public complaints.	New Management Arrangements £60k.
Supporting People	28	S	None	None	Risk of serious incident and loss of grant to fund key support services	Change to grant allocation is a changing position. Impact not yet known.
Sub Total	5,415					
Total	11,517					

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Chief Executive's Department						
Car Loans	(83)	Discretionary	None	None	None	Current portfolio of loans is not achieving income level in base budget. Level of new loans has reduced owing to increased competitiveness of garage finance. Ongoing pressure 2006/07 (anticipate can offset this from interest earned on cashflow).
Central Admin Recharges	(1,971)	Budget represents charges of central support functions. The costs of these functions are considered elsewhere on this sheet and the sheets for the Performance Portfolio.				

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Shopping Centre	(795)	Discretionary	None	Income comes from the Council's share of rental income from the Shopping Centre. This income stream could be sold to achieve a capital receipt, which would need to be used to offset the lost revenue stream.	Capital receipt will not to produce equivalent income stream. Would also loose potential for future growth in share rental income.	
Financial Mgt	87	Statutory requirement to have CFO (Local Gov't Act 1972, S151, Local Gov't Act 2003)	None	None	None	
Municipal Elections	64	Statutory				Possible change from household to individual registration, estimated cost £30K, but timing uncertain.
Registration of Electors	74	Statutory				

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Accountancy	808	SD – section supports CFO to discharge statutory responsibilities.	None	Service is largely labour intensive and scope for savings from economies of scale is limited. Service could be contracted out to private sector, or provided in collaboration with another authority. Lead in time 18 to 24 months, therefore earliest change could be achieved is 2008/09.	Council would still need to retain “intelligent” client. Therefore, unlikely outsourcing will produce significant savings. Impact on CPA. Service may not be sustainable during interim period from decision to outsource to commencement of contract as Council is likely to lose qualified staff during this period.	
Internal Audit	293	As above	None	As above	As Above	As Above

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Benefits	210	SD - service delivered in accordance with statutory regulations determined by the Dept for Work and Pensions and National Performance Standards.	£200,000 of efficiency savings from the introduction of mobile working included in 2005/6 budget.	Partnership/Regionalisation options. The Council is currently engaging with Northgate on the development of a Framework Agreement covering Benefits Processing which will probably take 18 months to 2 years to evolve. Benefit Service is currently achieving a score of 4 for CPA purposes and national benchmarking shows the Council's costs of delivering Benefits are 11% lower than average. Further reductions in the service will impact on the CPA score for this service.	Council is accountable to the DWP and would still need to maintain a client function if outsourcing was to be adopted. Level of current operating costs and planned service changes limit scope for further savings.	None, but could change if DWP changed responsibilities and standards.

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Payments Unit	186	Discretionary with some specific statutory responsibilities on taxation	Transfer of all employees to monthly pay. Future developments through e - procurement, new FM System and EDRMS with workflow will yield some efficiency opportunities but realistically they will only emerge 2007/8 onwards. Some potential efficiencies from shared service centre concept involving Personnel but not yet evaluated.	Alternative arrangements for the delivery of payroll and creditor payment services exist. The Council however provides these services to Cleveland Fire Authority and a payroll service to Housing Hartlepool. These arrangements provide economies of scale. Historical benchmarking information indicates unit operating costs are competitive, minimising the scope to realise savings from contracting to an alternative provider.	Alternative delivery arrangements may impact adversely on relationships with CFA and Housing Hartlepool and consultation would be necessary. Being viewed as an effective provider of these services will assist in any steps to in-source work from PCT or others.	None
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BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Revenues	1,033	SD - service delivered within a framework of statutory regulations.	None	The Council is currently working with Northgate under an Incremental Partnering Arrangement which could be extended into some Revenue activities. However, primary focus of Northgate Arrangement in short term is on Benefits activity. Council is in top quartile for NNDR collection and has been in the 20 improving Councils for its Council Tax collection for the last 2 years. Long term collection rates are significantly higher than average.	Council would still need to maintain a client function under any partnering / outsource arrangement. Revenues service effectiveness impacts on corporate financial health and the Council's financial strategies and collection levels are sensitive to the effectiveness of billing and recovery administration.	None immediately, although implementation of any future changes to Council Tax from April 2007 may have an impact.

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
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Fraud	168	SD - service delivered in accordance with statutory regulations determined by the Dept for Work and Pensions and National Performance Standards.	None	None	Unlikely outsourcing would yield any significant savings.	2005/6 and previous year workload levels indicate need for additional Investigation resources. To be addressed from structural review of Revenues and Benefits.
Legal Services	489	Statutory requirement to have Monitoring Officer (MO) and for Authority to provide MO with necessary resources to discharge statutory responsibilities	Increased use of electronic registration, part of Phase 1 EDRMS. Impact not yet quantified. Investigate with other LA's legal departments opportunities for joint working		None	
Total	563					30

Chief Executive's Department						
Estates Management	(19)	SD	Rationalise Properties including consideration of Victoria Park. Sale of Briarfields Building.	New ways of working.	Loss of long term development asset in Victoria Park v HUFC needs Briarfields buildings are a security liability . War memorials are in need of urgent attention with no budgets available.	War Memorials £40k (Priority)
Accommodation	758	SD	<ul style="list-style-type: none"> • Rationalise properties • Invest-to-save in building maintenance and particularly energy 	<ul style="list-style-type: none"> • New ways of working • The level to which buildings are maintained can be adjusted but we have a backlog of £11m. 	<ul style="list-style-type: none"> • Increase in long term maintenance backlog • Health and safety risks • Key line of enquiry in CPA 2005 value for money • Access to buildings BVPI is poor performer 	<ul style="list-style-type: none"> • Energy cost increase of approx £200k (an existing usage) • Access funding ends in 2006/7 (Priority)
Corp Mgt Running Exp	359	SD – budget covers cost of Chief Executive, CE PA and elements of Corporate Strategy supporting CE.	None	None	None	
Central Council Exp	79	Discretionary – budget covers annual subscriptions to organisations such as LGA.	None	None	None	
Contact Centre	251	Discretionary	Potential income generation 07/08	Roll-out. Invest to save.	Customer Service BPR - efficiency	Staffing - £50k
Trade Union Rep	40	Discretionary			Industrial relations delay in progressing implications for staffing.	

Long Service Awards	3	Discretionary		Rewards & recognition strategy in draft.		
Democratic	249	Statutory with Discretion	£5 K (07/08) In addition a non cashable efficiency has been achieved, licensing changes and servicing within current resources.	Reductions in printing runs for committee papers with greater use of email / internet.	No major risk	None
Corp Strat & Public Consultation	549	Discretionary with some statutory Includes Perf Mgt, Risk Mgt, Consultation, ICT, Complaints, BVPP, Scrutiny, CPA, LPSA,	£3-£5K (07/08) £5 K (08/09)	More effective performance management reporting using ict system (non cashable saving). Reduced supplies due to increased ICT usage for consultation.	CPA rating and Audit Commission – view of Council .	£28K (06/07) – scrutiny (Priority) £8.5K (08/09) – consultation e software licensing (Pressure)
Support to Members	163	Statutory with discretion	Saving Paper through member ICT use.	Member Development requires further work & investment. Member ICT Improve access & Take up.	CPA negative assessment	Awaiting feedback and plan from member ICT event.
Other Office Services	(173)	Discretionary			No major risk.	
Printing	61	Discretionary	Income generation. Provide services to external partners. Reduction in external spend by departments.	Improved equipment will lead to faster turnaround. Quality & finish choice increased.	Failure to invest puts service at risk of higher printing costs from departments	
Public Relations	124	Discretionary	Potential for revisions to service level given pressure identified for (07/08 – SRB funding	Provision of service is key to managing the Council's reputation. Potential changes to provision (levels of service	Reputation	£17K (07/08) srb funding ceases (Priority)

			ceases). Consideration to increased use of Hartbeat supplements and revisions to cost base for Hartbeat.	may negatively affect this).		
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Purchasing	14		£14k to be covered from Procurement savings.			
Registration Services	91	Statutory	There may be an opportunity to review provision given national changes to Registrars service. Review may highlight negative position for Council (06/07).			None identified at this stage.
Personnel & Health & Safety	728		BPR e-recruitment Department advertising spend £60K			Invest to save £20K (Priority)
Training & Equality	309	Discretionary		Develop corporate WFD strategy and departmental strategies including childrens workforce Development Strategy, Together Project, Leadership & Management Development Programme.	Unable to deliver council priorities	£20K (Priority)
Legionella Inspection Costs	64	S	None	None	Health and Safety risk	
Sub Total	3,650					

Neighbourhood Services Department						
Property Services	404	SD	Potential JVC or other partnership	If the operation is reduced by reducing the staff then fewer central and dept overheads are covered and the service still has to be bought in.	Financial risk of not addressing changing workload Increased risk of a serious incident if resources are reduced.	Possible pressure if workload continues to decline.
Building Cleaning	227	SD (40/60)	None	The level of cleaning can be adjusted.	H&S implications. Staff moral due standards of cleanliness.	Potential Impact of JE 2007/8 – amount of pressure unknown.
DSO	181	D	This budget covers increased Pension and NI costs across various Trading Activities. This amount needs to be allocated to the relevant Client budget to meet increased contract charges arising from changes in Pension costs and NI. The detailed work to reallocate this budget has not yet been completed.			
Contribution to NS Deficit	51	D	This could be paid off from balances and the budget given as a saving			
Sub Total	863					
Total	4,513					

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Regeneration and Planning Services Building Control	170	SD The Building Control service is predominantly statutory but the pre application advice element could be deemed as discretionary. The Access advisory role within the service enables the council to pursue its statutory responsibilities under the Disability Discrimination Acts.	Private sector provides competition to this service. Developments in ICT over the last 2 years have contributed to improving efficiency. This is shown in the increasing numbers of applications that have been dealt with without extra staff resources (2002/03 – 622, 2003/4 – 704, 2004/05 746). The future introduction of EDRMS (expected 2006/7) should further improve efficiency.	The cost of providing pre-application advice (approx 10% of service cost) could potentially be stopped or reduced. Fees are set in accord with LGA advice and market conditions as service is in competition with the private sector. A relatively small amount of additional income above target is expected to be generated in 2005/6 through efficiencies and increased charges. Some repeat of this may occur in 2006/07. Income must not exceed expenditure over a period.	There is a high risk in stopping the pre- application advice that many developers would make inappropriate submissions creating more statutory work in plan checking etc. It is likely also to result in unauthorised work being carried out without permission and therefore could, in some cases, potentially create a health and safety risk to users of buildings. As a demand led service there is a risk that application numbers may dip at some point and that current fee income levels would not be sustained.	

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Community Safety	685	<p>SD</p> <p>S – Safer Hartlepool Partnership support, CCTV, security contract and anti-social behaviour unit. D – administrative support to police</p> <p>Government Floor targets for crime reduction and prevention tackled through partnership working.</p> <p>Community safety issues are high priority for residents and community generally</p>	<p>Specification to retender security contract for buildings, parks, Stranton cemetery etc currently being developed. New working arrangements are being explored, which will improve effectiveness and efficiency. Implementation from 2006/07.</p> <p>Non cashable efficiency possible within existing budget. Possible cashable savings being identified through specification development currently underway.</p>	<p>Development of strategy for CCTV during 05/06 will lead to a more effective town-wide system when it is implemented during 2006/07.</p>	<p>Each camera site will be assessed during implementation of CCTV strategy.</p> <p>Vandalism and other damage to Council assets could result from a changed security contract specification.</p>	<p>Replace admin support to police provided in partnership to enable more operational activity – funding of £15,000 to maintain hours of 2 staff at 37hrs rather than a reduced level of 22.5 hrs per week . Currently funded from grant, which ceases in 05/06. Priority.</p>

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
		(SIMALTO) Priority policy area where significant need to narrow gap to improve outcomes to meet Government floor targets.				
Development Control	353	SD Predominantly statutory but the pre application advice element of the service could be deemed as discretionary. It should be noted that planning service performance levels are seen as a high priority by ODPM, with	Developments in ICT in the last 2 years have contributed to improving efficiency. Increasing numbers of applications have been dealt with without additional staffing resources (2003/4 – 836, 2004/05 884). The introduction of a Public Access Portal along with the introduction of EDRMS (scheduled for 2005/6) is expected to further improve efficiency.	The cost of providing pre-application advice (approx 20% of service cost) is non statutory and could potentially be stopped or reduced. The recent Audit Commission VFM exercise confirmed this service to be relatively low cost and high quality in comparison to other planning authorities. The pre application service is seen as an essential element in achieving this good performance.	There is a high risk that stopping the pre application service would lead to low quality development being implemented with consequent adverse environmental impacts. Workload pressures within the statutory elements of the service would increase (e.g. dealing with poor applications, enforcement etc). It would also run counter to the Government's objective, that Local Planning Authorities provide informal advice & impact on KPIs and CPA. As a demand led service there is a risk that application numbers may dip at	

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
		service funding being performance related.		Fees set by Government. Some additional income above target is expected to be generated in 2005/6 through efficiencies and increased fee charges. Some repeat of this may occur in 2006/07.	some point and that current fee income levels would not be sustained.	
Economic Development (Business Support, Hartlepool Working Solutions (people into work and training) European Programmes and tourism).	1,033	D Approximate split of budget: 50% staffing and section running costs, 35% council contribution to regional/sub regional bodies 11% business grants 4% marketing	Double three star Best Value Review and excellent service (assessed in independent evaluation by ERS) Economic needs relatively extreme eg VAT registrations 9 th , over 50s employment rate 7 th , self employment rate 5 th worst of all 88 neighbourhood renewal local authorities. True employment rate highest in Tees Valley 16.9% of	The majority of the service funded through general fund could in theory be stopped or reduced. As well as the specific risks shown, the loss of service would compound the decrease in service levels likely as a result of reducing external match funding available to the council. The following budgets are held by the department but passported directly to the organisations shown:	Risk to priority policy area where there is significant need to narrow gap to improve outcomes to meet Government floor targets. Economic situation in worst quartile of NRF areas. Up to 2/3 rds of excellent double 3 star service/ Council capacity to contribute to Community Strategy theme at risk. Withdrawal of financial contributions to regional/sub regional organisations would leave the council marginalised, isolated and lacking access to	The need to address withdrawal of 2/3 of long term external funding into this service is a major priority. The potential shortfall in 2006/7 depends on the outcome of external funding applications over the remainder of 2005/6. There is a potential shortfall of up to £1.1m in 2006-07 although anticipated new external funding should

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
		and other	working age pop.	Joint Strategy Unit (JSU) £224k Tees Valley Regeneration (Inward Investment) £80k Cadcam Centre £48k Area tourism partnership delivery £12k	strategic expertise and support. Reduced support for businesses through the grants packages would be detrimental to employment prospects.	reduce this. To maintain a reduced but still viable service to residents and businesses would require a shortfall of £300-£400k to be addressed. Increasing recognition of the need to market Hartlepool to tourism and business sectors and potential public sector funders/ partners £80k.
Hartlepool Partnership / Community Strategy (Community Strategy, Local Strategic Partnership, Neighbourhood Renewal, Sustainable Development)	228	SD This is a largely statutory service under the Local Government Act 2000. Increasing agenda LSP, NRF £5m programme, Performance Management,	Despite a significant increase in workload, the area has the same small team and resource levels as when it was set up in 2001. In recent years, more has been achieved with the same resources, but opportunities for further efficiencies are extremely limited.	It is anticipated that the signing of a Local Area Agreement (LAA) in March 2006 will further join up service delivery and performance reporting from 2006-2007. However, this will be in addition to current arrangements for the Hartlepool Partnership performance reporting that are	Initial discussions with Government Office for the North East suggest that there will be an increase in performance reporting requirements during 2005/2006 and 2006/2007 before joint performance reporting is bedded in.	The service unit is responsible for corporate Sustainable Development Policy but to date has not had capacity to develop this service area. The recent publication of an updated UK Government Sustainable Development Strategy

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
		Local Area Agreements, Sustainable Development, Review of Community Strategy and Neighbourhood Renewal Strategy.	The Service Unit is currently required to bring in £5k annually from partners to balance the budget. Requests to partners last year for core cost funding only brought in £3k.	annual – the LAA will require 6 month updates.		places new requirements on Local Authorities that are not currently being met and which are a priority.
Landscape & Conservation (Aboriculture, ecology, conservation etc)	278	SD Specialist services feed into statutory planning etc. Elements of discretion are the graphic support service and environmental education. These are mainly staffing costs.	This is a group of individual specialists. Little opportunity exists for efficiencies. A review of charging for the graphics service could take place and potentially deliver a small additional income to the service. However income would largely be derived from other areas within the Council.	The discretionary service areas could be stopped or reduced. Virtually the entire budget is for staffing and there would therefore be the associated redundancy/ redeployment issues arising.	These services would still be required by the council. Previous reviews (including BVR 2002) have concluded that externalisation would lessen the effectiveness of the service and that no significant savings are likely to be achieved. Best practice assessment favours in house provision.	The servicing of new conservation area committee would cost the department approximately £2-3k per annum. Priority to provide conservation grants scheme. Cost say £50k.
Planning Policy & Regeneration (Development Planning,	391	SD Approx 50% of	Hartlepool 14 th most disadvantaged district -	The Regeneration service is in part, a direct response to the high levels of disadvantage	The risk of significantly reducing staffing numbers or financial contributions to major	Pressure for continued funding for the TVR Victoria Harbour project

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Housing Market Renewal, Regeneration Programmes & Neighbourhood Action Plans NAPs, Strengthening Communities).l		<p>the service relates to planning policy and housing market renewal (HMR). Planning Policy covers the preparation, monitoring and review of the Hartlepool Local Plan and the new Local Development Framework introduced under the Planning and Compulsory Purchase Act 2000. The HMR agenda is also a major and expanding area of work.</p> <p>The other 50% of the service relates to discretionary</p>	Index of Multiple Deprivation. Significant workload with new statutory Local Development Framework system, major regeneration programmes, Neighbourhood Action Plans NAPs, Strengthening Communities and Housing Market Renewal.	<p>within Hartlepool. It has been instrumental in attracting over £450m of public sector investment into the Borough in the past two decades as well as over £300m worth of private sector investment.</p> <p>Significant reductions or cessation of this service will in the short term have an immediate serious impact upon the council's ability to secure current & future external resources.</p> <p>Longer term, a reduction in costs could arguably be possible if regeneration activities and/or external funding opportunities decline, although the reality is more likely to be the need for more council investment if service performance is to be maintained in an era of far more competitive bidding.</p>	<p>regeneration schemes would potentially include the loss of investment into the Borough many times greater.</p> <p>The risk of reducing the £100k budget currently earmarked for Victoria Harbour is that once planning permission is granted and the implementation of the TVR masterplan for the area gathers momentum, council resources will be required to ensure the project progresses as planned.</p>	<p>delivery team.</p> <p>Priority for HMR activity.</p>

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
		regeneration work involving bidding for regeneration funding and managing and implementing approved projects. It includes strong links with the SRB and NDC programmes. The service also develops and maintains strong regional and sub regional relationships within planning and regeneration.				
Regeneration & Planning Services - Salary Abatement	(60)	SD		An increased target through delaying filling vacancies could in theory be proposed.	The impact on services would be random depending on who left the authority. Pressures on remaining staff to maintain services would inevitably increase. Higher sickness or loss of morale could follow in under resourced services.	

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
Youth Offending Service	287	S Significant match funding secured. Grant funding from Youth Justice Board of £229k in 05/06 , plus income from statutory partners of approx. £57k increases gross budget to £573k		Adjusting level of service may lead to pro-rata reduction in match funding of grant received from Youth Justice Board and income/contribution from statutory partners (ie Police, PCT, Probation)	YOS provides statutory service to one group of vulnerable young people (offenders). YOS performance measures contribute to the Children's Services Annual Performance Assessment, so any reduction in service effectiveness could affect this rating and significant match funding.	
Sub Total	3,365					

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				

Neighbourhood Services Department						
Environment Waste Disposal Household waste recycle Recycling scheme Refuse Collection	5,753	R SD SD SD SD	Increase in Trade Waste Income £30k	Bulky Waste collection Mayor priority 2006/7	- Cleansing standards and customer satisfaction - Recycling targets are key indicators in the CPA Env Block EPA – requires statutory targets are met	Bulky Waste collection £20K Pressure and £100K (Priority) Recycling pressure arising from introduction of Town wide AWCs £100k Shuttle service £30k Navigation point £30k (Marina maintenance) (Priority)
Street Cleansing		D				
Public Cons. Grounds Maintenance		SD				
Environment Action	293	SD	Integrated approach to Neighbourhood Policing (06/07 – 08/09)	The level of service can be adjusted by the number of people carrying out enforcement. The pressure is to have more people on the streets	Community Safety –Public confidence would fall	
Town Care Management	119	D	None	Neighbourhood teams and the	Failure to meet Govt's NM	

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

Budget Area	Net Budget 2005/06 £'000	Statutory Basis	Potential Efficiencies (including year efficiency can be achieved)	Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved)	Risks Impact	Budget Pressures (including year pressure will arise)
		R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion				
				level of neighbourhood engagement is discretionary but clearly it is a developing govt theme	aspirations More Member and ward issues causing tensions	Increase in Neighbourhood Activity £37K (Priority)
Sub Total	6,165					

PROPOSED BUDGET TIMETABLE

	Cabinet	Other (as detailed)
<u>Stage 1</u> Cabinet considers initial Budget and Policy Framework Proposals to be referred for Scrutiny Cabinets initial Budget and Policy Framework Proposals issued for Consultation	End Sept/early Oct	Scrutiny Cttee (Oct to Nov)
<u>Stage 2</u> Development of strategy/options to bridge potential budget gaps (outcome of this task will feed into draft Budget and Policy Framework report to be submitted to Cabinet on 19/12/05) Government release 2006/07 provisional Local Government Finance Settlement Cabinet briefed on impact of provisional 2006/07 Local Government Finance Settlement Scrutiny report back to Cabinet Cabinet Finalise Draft Budget and Policy Framework Proposals Draft Budget and Policy Framework proposals referred to Scrutiny Committee and Scrutiny report back to Cabinet (Scrutiny to be given at least 6 weeks to consider Cabinets proposals).	Oct/Nov Early Dec 09/12/2005 19/12/05 (Special)	ODPM (Late Nov/early Dec) Scrutiny Cttee 10/02/2006
<u>Stage 3</u> Government release 2006/07 final Local Government Finance Settlement Cabinet Finalise Budget and Hartlepool Council Tax Proposals Council considers Cabinet Budget and HBC Council Tax Proposals Council considers overall Council Tax Level (including Fire and Police precepts) Council Tax Bills produced (including determination of current benefit entitlements). Completion of packaging and distribution of Council Tax Bills (achievement of this deadline enables first instalment to be collected on 1st April, 2005).	10/02/2006	ODPM (Late Jan 2006) Council - 16/2/06 Council - 23/02/06 Finance Department 25/02/2006 Finance Department 17/03/2006

SCRUTINY CO-ORDINATING COMMITTEE

21st October, 2005



Report of: Chief Financial Officer

Subject: BUDGETARY BREAKDOWN OF THE WAY
FORWARD ALLOCATED RESERVE

1. PURPOSE OF REPORT

- 1.1 Following a request at Scrutiny Co-ordinating Committee on Friday, 7th October, 2005, this report provides details of the Council's Way Forward Reserve.

2. BACKGROUND

- 2.1 A report was submitted to Cabinet on 23rd August, 2004, from the Mayor and the Chief Executive advising Members of the need for "substantial investment in terms of time and money" to facilitate the necessary changes in the structure, workings and culture of the Council. The aim of these changes are to respond to the Government's modernisation agenda and to deliver sustainable savings to assist the Council's Medium Term budget position.
- 2.2 The report also proposed a review of the Council's Balance Sheet to identify the resources required for the investment. This review was undertaken as part of the 2005/2006 budget process.

3. SOURCES OF FUNDING

- 3.1 The sources of funding for The Way Forward Reserve were identified from the review of the Council's reserves undertaken as part of the 2005/2006 budget strategy. Details of this review were set out in the Budget & Policy Framework 2005/2006 report, which was approved by Cabinet on 7th February, 2005 and also by Council on 17th February, 2005.
- 3.2 The Way Forward Reserve of £2.120m was established from the following specific reserves: -

i) Net Premia / Discounts Reserves

The balance of £1.670m on this reserve represented the value of loan rescheduling savings achieved in 2003/2004, which could not be credited to the revenue account until 2004/2005. Of this amount £0.791m was transferred to the Fundamental Budget Reserve (FBR). This contribution, together with contributions from other reserves enabled the Council to establish a FBR reserve of £4m. The reserve will be utilised at the rate of £1m per year over four years to support the budget strategy. The remaining £0.879m left in the Net Premia/Discounts Reserve was earmarked for The Way Forward Reserve.

ii) Stock Transfer Reserve

This reserve was created to enable the Council to manage the impact of the Stock Transfer process, both the impact of a positive and negative ballot result. Following the successful Stock Transfer the potential commitments against this reserve were reviewed and this released £1.121m from this reserve into The Way Forward Reserve.

iii) 2004/2005 Outturn Strategy

As part of the Council's overall outturn strategy £0.120m was earmarked towards The Way Forward Reserve.

4. USE OF THE WAY FORWARD RESERVE

4.1 During 2004/2005 £103,583 was spent from The Way Forward Reserve. Details of the individual schemes are attached at Appendix A, 2005/2006.

4.2 Details of the commitments against this Reserve are detailed at Appendix A, 2005/2006. Commitments to date total £598,940 with an uncommitted balance of £1,417,477.

4.3 This uncommitted balance will be used to support the 2006/2007 budget strategy to achieve sustainable efficiencies. This amount will need to be used for the following areas: -

- i) interim support;
- ii) business process re-engineering;
- iii) legal and technical support in relation to the JVC for construction, property management and highways services;
- iv) contributions to IT projects.

5. RECOMMENDATIONS

5.1 Members note the report.

APPENDIX A

Table 1The Way Forward Reserve

Project Description	Actual Expenditure 2004/05 £	Commitment 2005/06 £	TOTAL £
Q Learning Leadership and Management Development Programme	33,000	38,775	71,775
Initial Consultants Fees and Expenses TWF	26,583	0	26,583
JVC Investigation and Feasibility Costs (Property Services Recharge)	36,000	36,000	72,000
Directors Job Evaluation / Pay Review	8,000	6,150	14,150
Software ~ Contact Centre	0	40,000	40,000
Telephony ~ Contact Centre	0	95,710	95,710
Staffing Costs ~ Contact Centre	0	40,000	40,000
E Procurement	0	3,000	3,000
Interim Appointments - Childrens Services	0	57,400	57,400
Business Continuity / Civic Contingencies Act	0	30,000	30,000
E-Government GIS Development	0	3,400	3,400
HR-Analyser	0	98,505	98,505
Business Process Re-engineering	0	150,000	150,000
Total	103,583	598,940	702,523

SCRUTINY CO-ORDINATING COMMITTEE

21st October 2005



Report of: Scrutiny Co-ordinating Committee

Subject: DRAFT FINAL REPORT – REVIEW INTO THE
AUTHORITY'S FINANCIAL RESERVES

1. PURPOSE OF REPORT

- 1.1 To present the draft findings of the Scrutiny Co-ordinating Committee following its review into the Authority's Financial Reserves.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the former Resources Scrutiny Forum (disbanded in July 2005), the Forum indicated that the Authority's Financial Reserves were an area worthy of further consideration.
- 2.2 Since the recent review into the Authority's Overview and Scrutiny Structure in July 2005, the work of the former Resources Scrutiny Forum was absorbed by this Committee. As a result of the revised structure, the proposed review into the Authority's Financial Reserves was subsequently incorporated into the Scrutiny Co-ordinating Committee's Work Programme for the 2005/06 Municipal Year.

3. OVERALL AIM OF THE SCRUTINY ENQUIRY

- 3.1 The overall aim of the scrutiny review was to increase the Scrutiny Co-ordinating Committee's understanding of the Authority's Financial Reserves.

4. TERMS OF REFERENCE FOR THE SCRUTINY ENQUIRY

- 4.1 The Terms of Reference for the Scrutiny review were as outlined below:-
- (a) To determine why the Authority requires Reserves?

- (b) To determine the Authority's and Chief Financial Officer's statutory responsibilities for Reserves?
- (c) To examine how Reserves are established?
- (d) To gain an understanding of the Authority's Specific Reserves and General Fund Balances? and
- (e) To examine the links between the Authority's Reserves, the Authority's Budget and Council Tax levels?

5. MEMBERSHIP OF THE SCRUTINY CO-ORDINATING COMMITTEE

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

Councillors Cambridge, Clouth, Cook, Cranney, Flintoff, Hall, Hargreaves, James, Kaiser, Leonard, Lilley, A Marshall, J Marshall, Preece, Richardson, Shaw and Wright.

Resident Representative: Evelyn Leck.

6. METHODS OF INVESTIGATION

6.1 Members of the Committee met formally between 30 September 2005 to 21 October 2005 to discuss and receive evidence relating to this review. Detailed records of the issues raised during these meetings are available from the Council's Democratic Services.

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

- (a) Presentation / Verbal Evidence from the Authority's Chief Financial Officer and Assistant Financial Officer (supplemented by written reports where appropriate); and
- (b) A briefing report of the Scrutiny Manager which provided the relevant background information and key documentation.

7. FINDINGS

7.1 Why the Authority requires Reserves? – The Committee found that the Authority's Reserves were a key component of the Council's 'financial toolkit' and were held for a variety of reasons, as outlined below:-

- (a) To smooth income/expenditure flows;
- (b) To support current levels of expenditure;

- (c) To deal with unexpected circumstances ie loss of large capital receipt;
- (d) To manage changes in sustainable income;
- (e) To achieve future revenue savings.

7.2 Chief Financial Officer's statutory responsibilities for Reserves – Members were informed that both the Authority and the Chief Financial Officer, had statutory responsibilities as set out in the Local Government Act 2003. As part of the Council Tax setting process, the Chief Financial Officer is required to report to Council on the robustness of the budget estimates together with the adequacy of the proposed Reserves and that it is the Council's responsibility to consider such report of the Chief Financial Officer when making decisions with regard to the budget and Council Tax.

7.3 How Reserves are established? – Based on the evidence presented to the Committee, it was evident that there was various means of establishing Reserves as outlined below:-

- (a) By spending less than current income;
- (b) By reducing ongoing expenditure commitments;
- (c) By selling one-off assets; and
- (d) By receiving one off windfalls ie grant opportunities and housing stock transfer, which has accounted for the majority of the Authority's Reserves that have been set aside to support future years' budgets.

7.4 The Difference between Specific Reserves and General Fund Balances? Members found that there was no real difference between Specific Reserves and the General Fund Balances, only by way of accounting definition / classification.

7.5 Specific Reserves were monies ring-fenced for:-

- (a) Specific investment / changes ie The Way Forward;
- (b) Held for liabilities ie Insurance Fund, Equal Pay costs; or
- (c) For Third Party ie School Balances.

7.6 General Fund Balances were found to be similar to that of Specific Reserves and were likely to be committed to support future revenue budgets and to meet capital commitments.

7.7 Links between the Authority's Reserves, Budget and Council Tax Levels – It was evident that the Authority's Reserves is an essential component to the Authority's budget setting and Council Tax level setting

processes, together with supporting the Council's three year Budget Strategy.

8. CONCLUSIONS

8.1 The Scrutiny Co-ordinating Committee concluded:-

- (a) That it was evident that the Authority had a strategy for the use of Reserves;
- (b) That the value of the Authority's Reserves as at 31 March 2005 was approximately £35 million;
- (c) That the Authority's Financial Reserves played a fundamental part of supporting the three year Budget Strategy, together with the budget setting and Council Tax level setting processes;
- (d) That there was clearly a beneficial impact on the Authority when using Reserves to hold down the Council Tax;
- (e) That in summary Reserves were used to manage risk and to protect services from unanticipated events that would possibly result in temporary 'cuts';
- (f) That the Audit Commission, the Authority's external auditors, were currently in the process of undertaking a review into the Authority's Reserves and anticipated presenting its findings to the Authority this Autumn; and
- (g) That there was an opportunity to return a handful of Specific Reserves and General Fund Balances back to the Authority's General Fund, following detailed consideration of the itemised Corporate and Departmental Reserves.

9. RECOMMENDATIONS

9.1 Members of the Scrutiny Co-ordinating Committee recommends to the Cabinet:-

- (a) That consideration be given to returning the £1.6 million Coastal Defences Specific Reserve to the Authority's General Fund, in light of the findings to be published in the engineer's report which is expected to state that significant improvement works would not be required as originally expected, only that of maintenance works;
- (b) That any remaining balances from the Benefit Subsidy Reserve be returned to the Authority's General Fund as at 31 March 2006 and the associated risk transferred to the General Fund;

- (c) That the £50,000 Specific Reserve, ring-fenced for the Council Tax Re-Evaluations for 2007/08 be returned to the Authority's General Fund, given the Government has deferred such exercise until 2010; and
- (d) That upon receipt of Audit Commission's findings into the Authority's Financial Reserves, consideration be given by the Scrutiny Co-ordinating Committee to the content of their report.

10. ACKNOWLEDGEMENTS

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

Chief Financial Officer; and

Assistant Chief Financial Officer.

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

October 2005

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

BACKGROUND PAPERS

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

- (i) Report of the Scrutiny Manager entitled 'Scoping report – Review into the Authority's Financial Reserves' presented to the Scrutiny Co-ordinating Committee held on 30 September 2005.

- (ii) Presentation of the Chief Finance Officer and Assistant Chief Finance Officer entitled 'Review into the Authority's Financial Reserves' delivered to the Scrutiny Co-ordinating Committee held on 30 September 2005.
- (iii) Report of the Scrutiny Manager entitled 'Draft Final Report – Review into the Authority's Financial Reserves' presented to the Scrutiny Co-ordinating Committee held on 21 October 2005.
- (iv) Hartlepool Borough Council's Budget for Best Value 2005/06 and Capital Programme to 2007/08.

SCRUTINY CO-ORDINATING COMMITTEE

21 October 2005



Report of: Scrutiny Co-ordinating Committee

Subject: DRAFT FINAL REPORT – ADDITIONAL POWERS
FOR COMMUNITY WARDENS

1. PURPOSE OF REPORT

- 1.1 To present the draft findings of the Scrutiny Co-ordinating Committee following its extensive enquiry into the additional powers available to Community Wardens under the Accreditation Scheme.

2. BACKGROUND INFORMATION

- 2.1 At a meeting of the Mayor's Portfolio held on 28 August 2003, the Mayor supported Cleveland Police's proposal to establish an Accreditation Scheme for Community Wardens. In addition to this, the Mayor requested that the issue of whether to confer enforcement powers on Community Wardens was referred to the Scrutiny Co-ordinating Committee, to be considered in conjunction with their Anti-Social Behaviour Enquiry (Minute 14 refers).
- 2.2 Due to a congested Overview and Scrutiny Work Programme for 2003/04 and 2004/05, overlong delays deferred the consideration of this item. However, at a meeting of the Scrutiny Co-ordinating Committee held on 23 November 2004, further consideration was given to the referral and it was subsequently agreed to undertake a consultation exercise with the public in relation to the range of powers available to Community Wardens under the Accreditation Scheme, prior to reaching a decision.
- 2.3 As such, this report details the findings of the public consultation exercise together with this Committee's conclusions and subsequent recommendations to the Mayor's Portfolio.

3. SETTING THE SCENE

- 3.1 In 2001 the Government's White Paper 'Policing A New Century: A Blueprint for Reform' set out plans for reforming the police and building a civil society. The White Paper made the Government's vision clear:

'The Government wants to harness the commitment of those already involved in crime reduction activities e.g. traffic wardens, neighbourhood and street wardens and security staff, through an extended police family. In the extended police family the police will accredit relevant organisations and individuals – suitably trained for the role they were taking on. Local schemes co-ordinated by the police will address anti-social behaviour and will support the police in other ways.'

- 3.2 The White Paper went on to state that, where the Chief Constable and the person's employer thought it appropriate, the accredited community safety professional could be given limited, but targeted, powers to deal with anti-social behaviour, disorder and nuisance.
- 3.3 The Police Reform Act 2002 now enables a Chief Constable, after consultation with the Police Authority and relevant local authorities, to establish a system of accreditation for the purpose of contributing to community safety and security.
- 3.4 Accreditation can cover schemes other than those operated by local authorities, for example, door-supervisors' schemes, private security guards and stewards at sports stadia, but accreditation is not compulsory. However, it should be noted that Accreditation does not give staff the power to detain individuals.
- 3.5 There are many advantages to accreditation:
- (a) Accredited staff can be given a range of limited, but targeted powers to deal with specific nuisances as outlined below:-
 - (i) Issue of Fixed Penalty Notices for dog fouling, littering and riding a bicycle on a footpath;
 - (ii) Power to request a name and address for Fixed Penalty Offences and offences that cause injury alarm and distress to another person or damage or loss of another's property;
 - (iii) Power to request the name and address of a person acting in an anti-social manner;
 - (iv) Power to confiscate alcohol from young persons;
 - (v) Power to confiscate cigarettes and tobacco products from young people;
 - (vi) Power to regulate traffic for the purpose of escorting abnormal loads;

- (vii) Power to require the removal of abandoned vehicles; and
 - (viii) Power to stop a vehicle for emissions testing.
 - (b) Staff across Cleveland Police area would wear a local uniform with a national badge, which identifies them as a member of the accredited scheme. This should enhance public reassurance;
 - (c) Employers of accredited staff would benefit from public confidence that they and their employees had reached acceptable standards; and
 - (d) Police back-up would be available more quickly.
- 3.6 In March 2003 the Government published its White Paper on anti-social behaviour (Respect and Responsibility – taking a stand against anti-social behaviour) which made clear that accreditation could be a key part of a community's response to incivility and disorder, subsequently introduced as the Anti-Social Behaviour Bill on 27 March 2003.
- 3.7 The current Community Warden Scheme focuses on public reassurance rather than enforcement. Wardens are seen as the community's friend, acting as their 'eyes and ears', gathering information and intelligence with no enforcement powers.
- 3.8 A Community Warden Scheme can become an accredited scheme, but does not have to accept the powers available. Hartlepool is therefore required to decide whether it wishes to change the focus of its Community Warden Scheme, in light of the Accreditation Scheme.

4. MEMBERSHIP OF THE SCRUTINY CO-ORDINATING COMMITTEE

- 4.1 The membership of the Committee were as detailed below:-

Councillors Cambridge, Clouth, Cook, Cranney, Flintoff, Hall, Hargreaves, James, Kaiser, Leonard, Lilley, A Marshall, J Marshall, Preece, Richardson, Shaw and Wright.

Resident Representative: Evelyn Leck.

5. THE CONSULTATION PROCESS

- 5.1 Following discussions of the powers available under the Accreditation Scheme, Members of this Committee considered that the public should be consulted about these powers prior to the Committee reaching a decision.
- 5.2 As a result of Members' requests for consultation, the following consultation mechanisms were used, as outlined below:-

- (a) Viewpoint Survey – June 2005;
- (b) Neighbourhood Forums (Discussions in the Forums and questionnaires);
- (c) Community Wardens Questionnaire; and
- (d) Consultation with young people through B76.

5.3 **Appendix A**, attached this report provides an overview of the consultation results and is divided into three sub-sections for ease as follows:

- (a) Powers to issue Fixed Penalty Notices (FPNs);
- (b) Additional Powers available to Community Wardens; and
- (c) General comments received during the consultation process.

5.4 It should be noted that these sub-sections are, in turn, divided into the results obtained from the separate consultation exercises.

6. CONCLUSIONS

6.1 That since receiving this scrutiny referral from the Mayor's Portfolio together with extensive delay in the undertaking and delivery of the findings of this enquiry, the Scrutiny Co-ordinating Committee concluded:-

- (a) That the current role and number of Police Community Support Officers was currently being examined with proposed changes arising from the Neighbourhood Policing pilot scheme being implemented from April 2006 which may have an impact on the focus of the Community Wardens' role under the Accreditation Scheme;
- (b) That the funding for Community Wardens expires on 31 March 2006. Both NDC and NRF funding streams were currently reviewing future funding beyond March 2006, in light of possible changes outlined at (a) above. However, Members were of the view that funding for a further six months (ie to September 2006) would give continuity to the community if changes were to be made;
- (c) That whilst the findings of the consultation exercise (Appendix A refers) proved useful to this Committee to gauge which additional powers should be given to Community Wardens under the Accreditation Scheme, Members agreed that given the small number of responses received, it was difficult to make meaningful comparison between the preferred range of additional powers available under the Accreditation Scheme. However, in light of the small number of responses, those powers which received the most support from the consultation exercises were namely issuing Fixed Penalty Notices for:

- (i) Dog fouling;
 - (ii) Littering;
 - (iii) Graffiti;
 - (iv) Throwing fireworks; and
 - (v) Behaviour likely to cause harassment, alarm or distress.
- (d) That given there was no direct correlation between the preferred range of additional powers, Members concluded that the findings of the consultation exercise (Appendix A refers) should be forwarded onto the Mayor's Portfolio, to assist the Mayor in the overall determination of additional powers under the Accreditation Scheme in light of paragraphs 6.1 (a), (b) and (c) as outlined earlier within this report.

7. RECOMMENDATIONS

7.1 Members of the Scrutiny Co-ordinating Committee recommends to the Mayor's Portfolio:-

- (a) That the findings of the consultation exercise (Appendix A refers) be used to assist in the determination of additional powers for Community Wardens under the Accreditation Scheme in conjunction with those powers which received the most support (paragraph 6.1 (c) refers), the future funding pressures of Community Wardens and proposed changes arising from the Neighbourhood Policing pilot scheme, and
- (b) That the future funding arrangements of Community Wardens be considered as an area worthy of further scrutiny review during the compilation of the Authority's Overview and Scrutiny Work Programme for the 2006/07 Municipal Year.

8. ACKNOWLEDGEMENTS

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

Former Director of Community Services;

Head of Community Safety and Prevention; and

Head of Environmental Management.

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

October 2005

Contact:- Charlotte Burnham – Scrutiny Manager
Jonathan Wistow – Scrutiny Support Officer
Chief Executive's Department - Corporate Strategy
Hartlepool Borough Council

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BACKGROUND PAPERS

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

- (i) Report of the former Director of Community Services entitled 'Accreditation of Community Warden Scheme' presented to the Mayor's Portfolio Meeting held on 28 August 2003.
- (ii) Minutes of the Mayor's Portfolio Meeting held on 28 August 2003.
- (iii) Report of the former Scrutiny Manager entitled 'Additional Powers for Neighbourhood Wardens' presented to the Scrutiny Co-ordinating Committee held on 23 November 2004.
- (iv) Report of the Scrutiny Support Officer entitled 'Additional Powers for Community Wardens – Consultation' presented to the Scrutiny Co-ordinating Committee held on 1 February 2005.
- (v) Report of the former Director of Community Services entitled 'Community Wardens and Accreditation' presented to the Scrutiny Co-ordinating Committee held on 18 February 2005.
- (vi) Report of the Scrutiny Support Officer entitled 'Additional Powers for Community Wardens – Consultation Process' presented to the Scrutiny Co-ordinating Committee held on 18 February 2005.

- (vii) Report of the Scrutiny Support Officer entitled 'Additional Powers for Community Wardens – Consultation Results' presented to the Scrutiny Co-ordinating Committee held on 7 October 2005.
- (viii) Minutes of the Scrutiny Co-ordinating Committee held on 23 November 2004, 1 February 2005, 18 February 2005 and 7 October 2005.

CONSULTATION SECTION ONE - POWERS TO ISSUE FIXED PENALTY NOTICES (FPN's)

1.1 **Viewpoint Survey Results**

Table 1 Which actions should the Community Wardens be able to issue Fixed Penalty Notices for?

	%	(No.)
Dog fouling	82	(986)
Behaviour likely to cause harassment, alarm or distress	81	(975)
Littering	81	(966)
Throwing fireworks in a thoroughfare	79	(952)
Drinking alcohol in a designated 'no alcohol' public place	77	(927)
Graffiti	76	(907)
Knowingly giving a false alarm to the fire brigade	74	(893)
Buying/attempting to buy alcohol on a licensed premises when under 18	68	(810)
Using public phone system to send messages known to be false to annoy people	60	(715)
To parents whose children are involved in truancy	50	(597)
Riding a bike on the footpath	41	(486)
No answer	2	(23)
(N = 1200)		

- 1.2 Through the Viewpoint Survey participants were also asked to prioritise which three actions they would most like to see Community Wardens issue an FPN for. The results of which are provided in **Table 2** below.

Table 2 **Prioritisation of actions listed in the table 1.**

	%	(No.)
Behaviour likely to cause harassment, alarm or distress	50	(601)
Dog fouling	44	(533)
Littering	35	(420)
Drinking alcohol in a designated 'no alcohol' public place	27	(323)
Knowingly giving a false alarm to the fire brigade	22	(260)
Buying/attempting to buy alcohol on a licensed premises when under 18	22	(260)
Graffiti	20	(245)
Throwing fireworks in a thoroughfare	18	(220)
To parents whose children are involved in truancy	14	(169)
No answer	11	(127)
Riding a bike on the footpath	8	(94)
Using public phone system to send messages known to be false to annoy people	6	(660)
(N = 1200)		

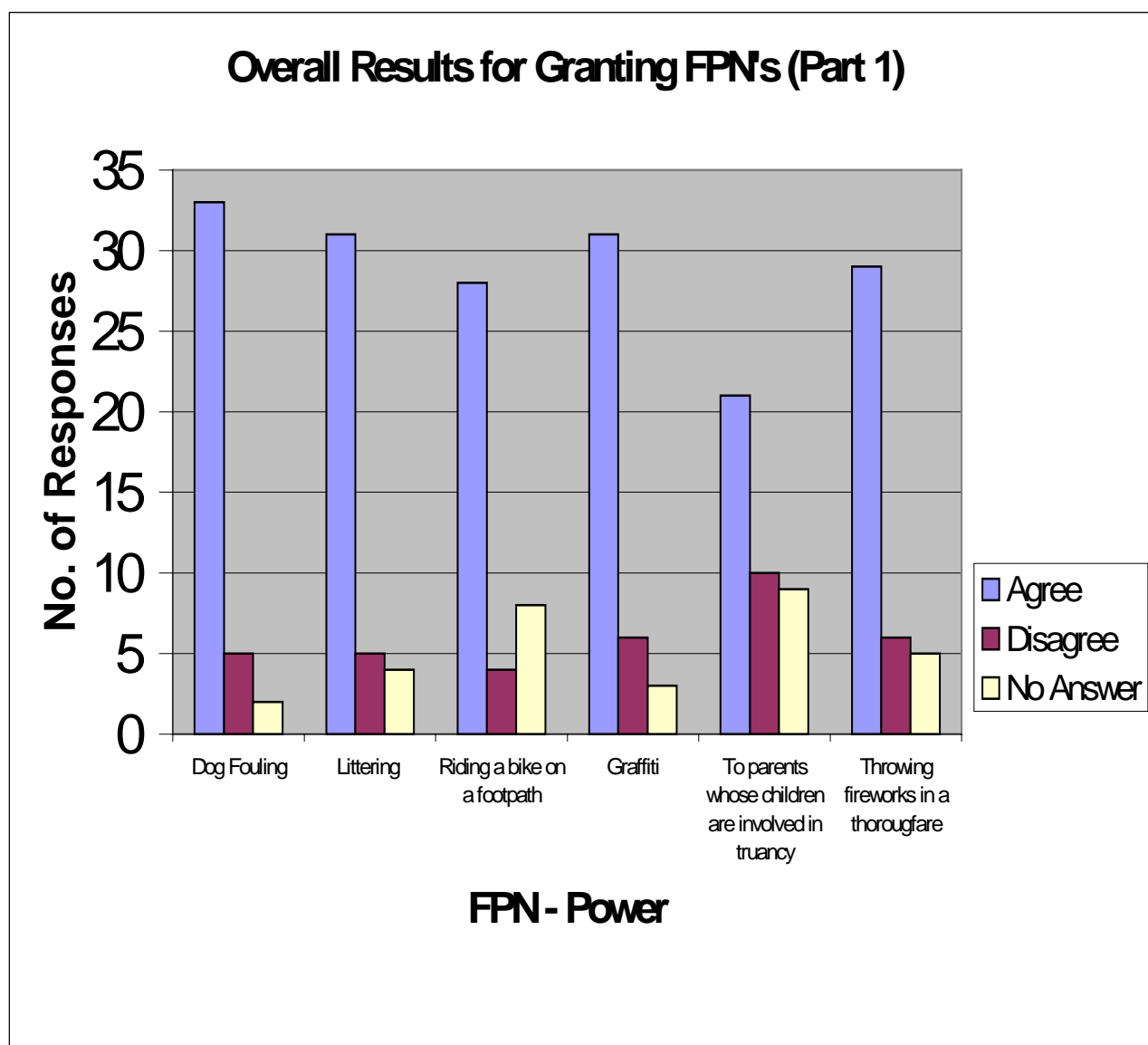
Neighbourhood Forums

- 1.3 Following consultation with the Neighbourhood Forums the results have been divided into a table (representing the overall results), and a series graphs which provide a break-down of the results into those living in warden areas and those who do not.

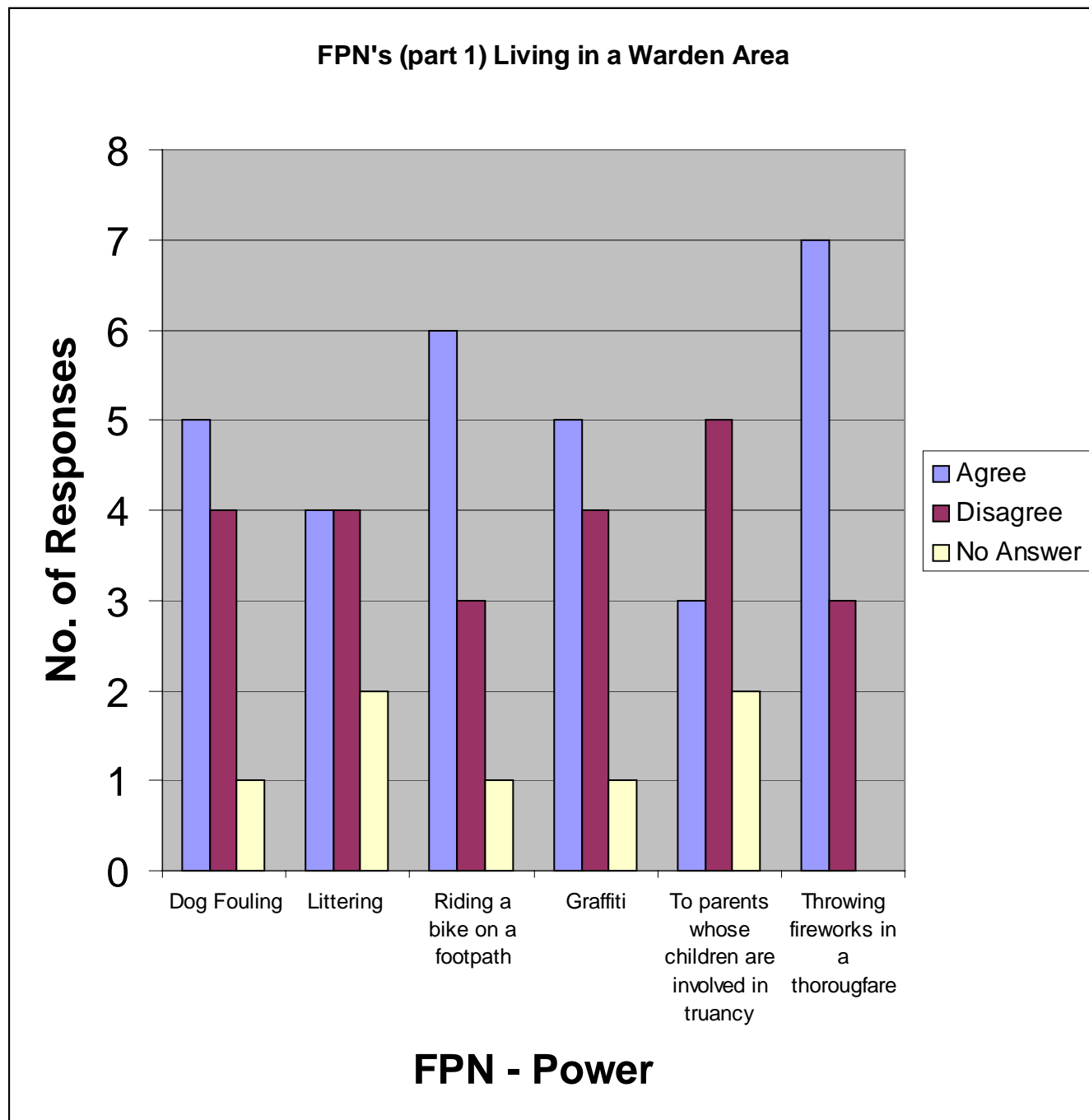
Table 3 Neighbourhood Forum questionnaire responses to which actions Community Wardens should be able to issue FPN's for.

	Agree	Disagree	No Answer
Dog Fouling	33	5	2
Behaviour likely to cause harassment, alarm or distress	32	7	1
Littering	31	5	4
Graffiti	31	6	3
Throwing fireworks in a thoroughfare	29	6	5
Riding a bike on the footpath	28	4	8
Drinking alcohol in a designated 'no alcohol' public place	28	7	5
Knowingly giving a false alarm to the fire brigade	27	10	3
Buying/attempting to buy alcohol on a licensed premises when under 18	24	10	6
Using public phone system to send messages known to be false to annoy people	23	10	7
To parents whose children are involved in truancy	21	10	9

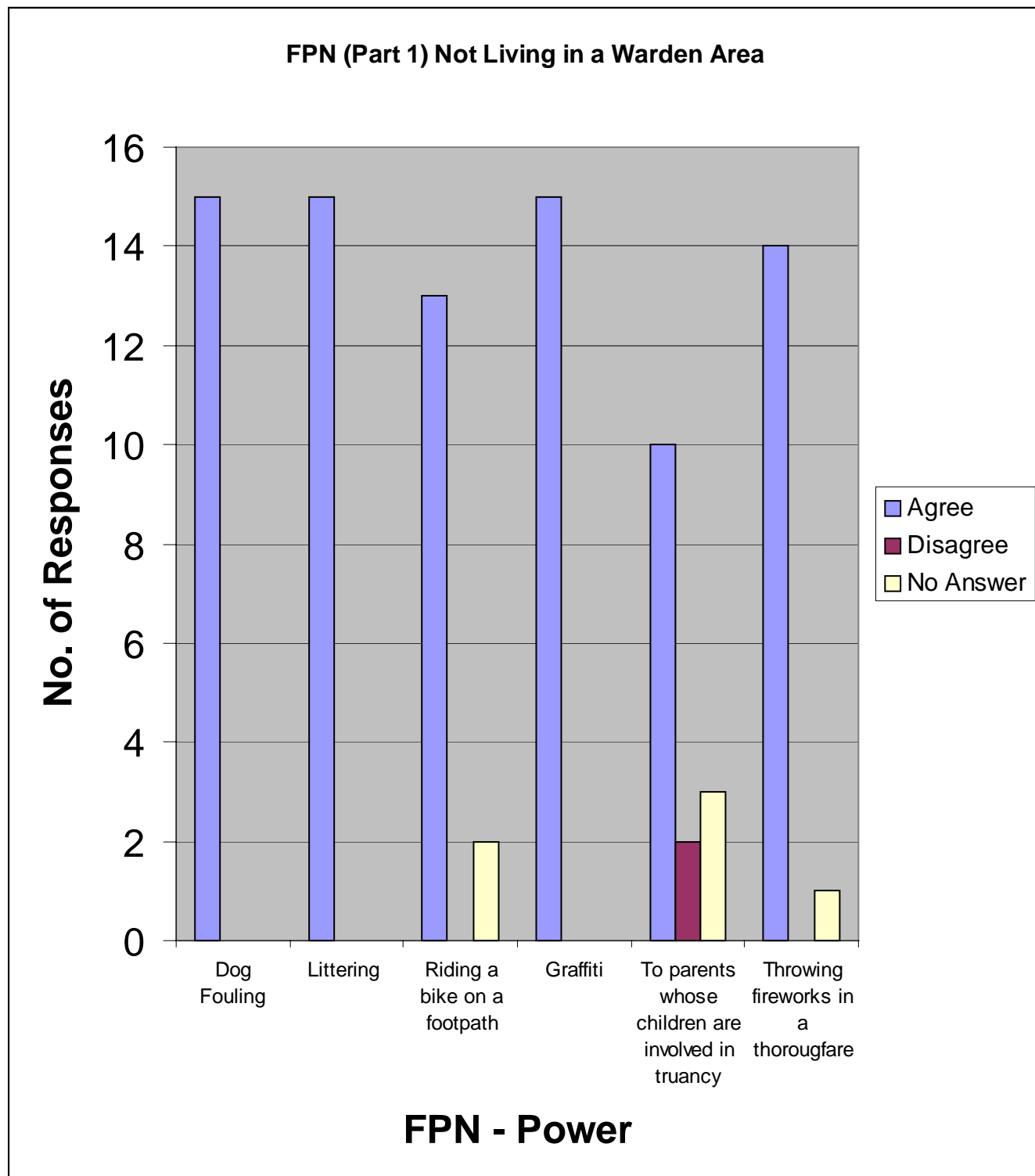
Graph1 Overall results from Neighbourhood Forum consultation – Granting FPN's (Part 1)



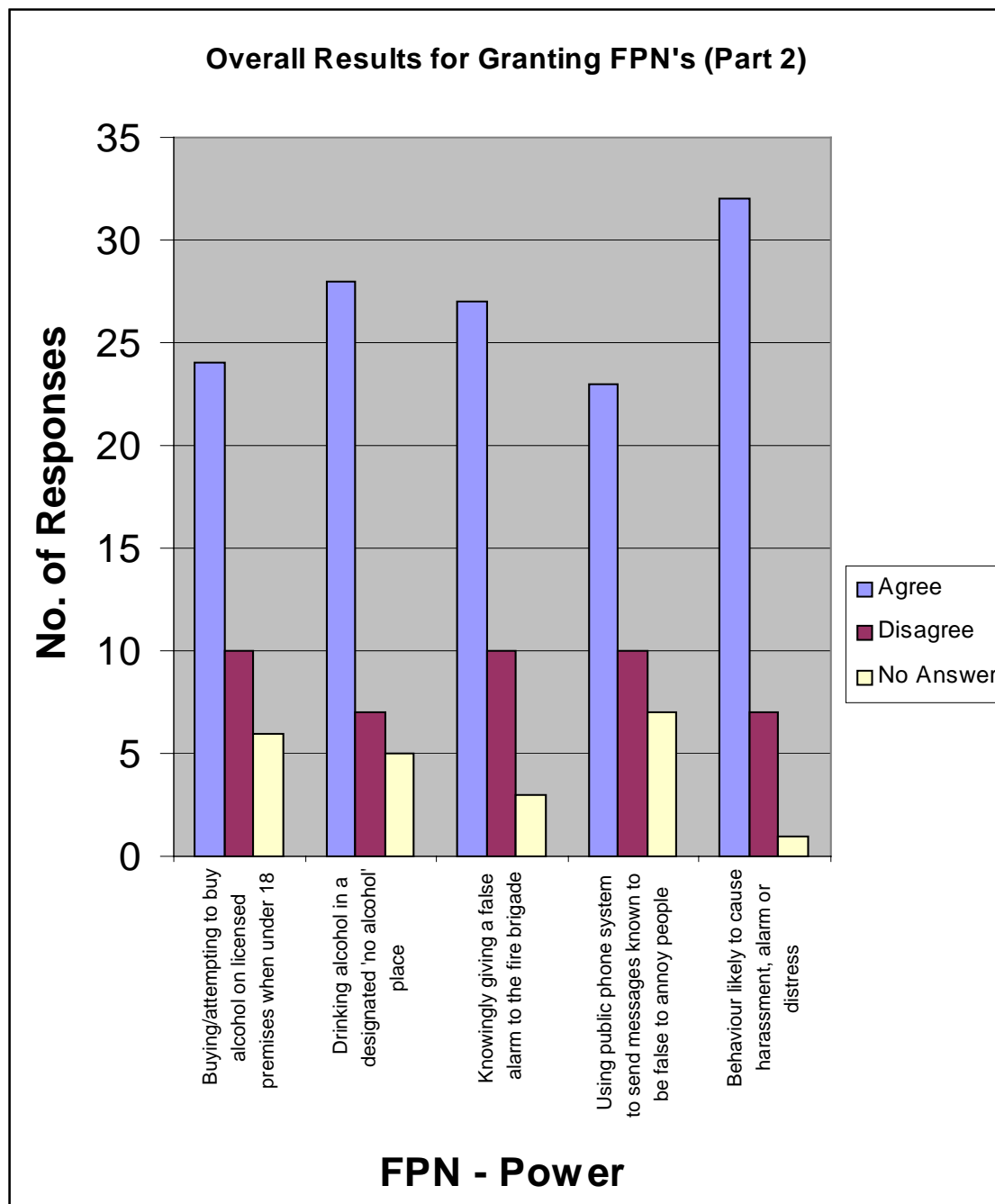
**Graph 2 Responses to Neighbourhood Forum consultation – FPN's
(Part 1) – from those Living in Warden Area**



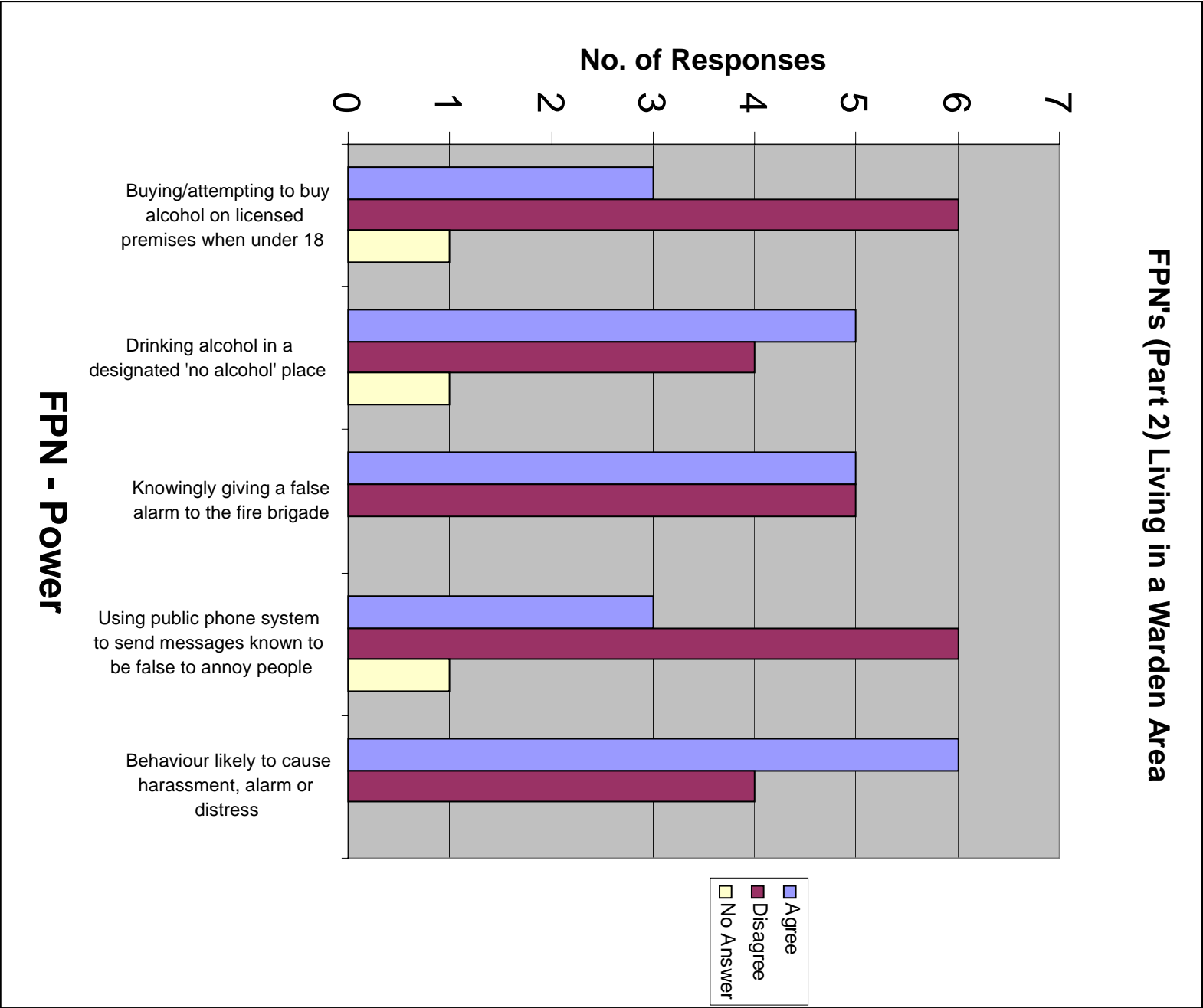
**Graph 3 Responses to Neighbourhood Forum consultation – FPN's
(Part 1) – from those Not Living in Warden Area**



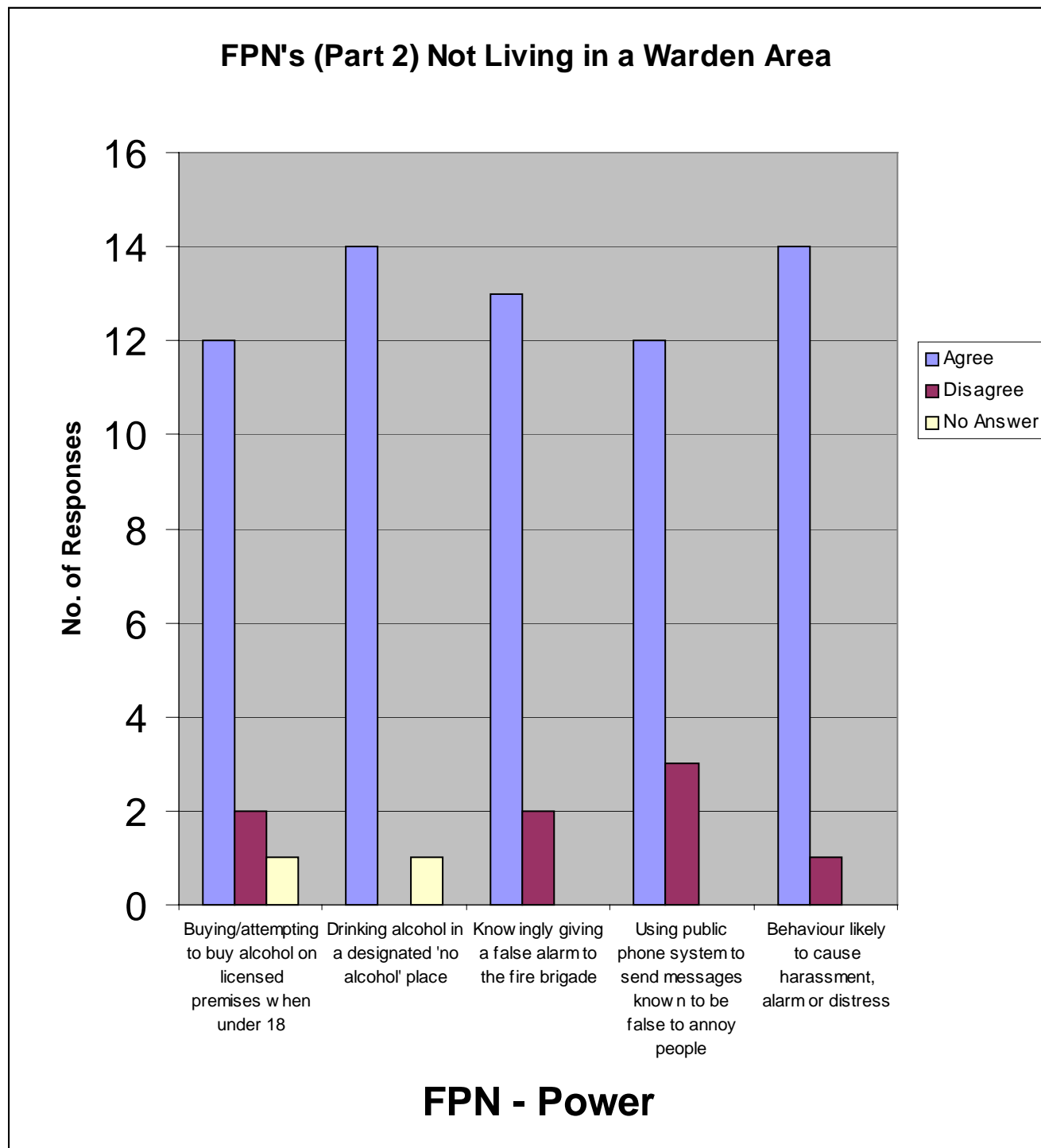
Graph 4 Overall results from Neighbourhood Forum consultation – Granting FPN's (Part 2)



Graph 5 Responses to Neighbourhood Forum consultation – FPN's (Part 2)
– from those Living in Warden area



Graph 6 Responses to Neighbourhood Forum consultation – FPN's (Part 2) – from those Not Living in Warden area



1.4 **Community Wardens Consultation**

Seven Community Wardens responded to the consultation exercise out of a total of twenty-four wardens. The results of their responses are included in the table below.

Table 4 Community Wardens response to which actions they should be able to issue FPN's for.

	Agree	Disagree	No Answer
Dog Fouling	3	4	0
Littering	0	7	0
Riding a bike on the footpath	1	6	0
Graffiti	3	4	0
To parents whose children are involved in truancy	2	5	0
Throwing fireworks in a thoroughfare	2	5	0
Buying/attempting to buy alcohol on a licensed premises when under 18	3	4	0
Drinking alcohol in a designated 'no alcohol' public place	1	6	0
Knowingly giving a false alarm to the fire brigade	1	6	0
Using public phone system to send messages known to be false to annoy people	2	5	0
Behaviour likely to cause harassment, alarm or distress	1	6	0

Consultation with Young People

- 1.5 At the request of the Committee B76 were approached with a view to finding out young people's views in relation to granting additional powers to Community Wardens. The Scrutiny Support Officer met with six young people to discuss their views on this matter. Their responses to the questionnaire are included in **table 5** and **table 9** below.

APPENDIX A**Table 5 Young People's responses to which actions Community Wardens should be able to issue FPN's for.**

	Agree	Disagree	No Answer
Dog Fouling	1	4	1
Littering	1	5	0
Riding a bike on the footpath	0	6	0
Graffiti	5	1	0
To parents whose children are involved in truancy	3	2	1
Throwing fireworks in a thoroughfare	6	0	0
Buying/attempting to buy alcohol on a licensed premises when under 18	3	3	0
Drinking alcohol in a designated 'no alcohol' public place	2	4	0
Knowingly giving a false alarm to the fire brigade	3	2	1
Using public phone system to send messages known to be false to annoy people	3	3	0
Behaviour likely to cause harassment, alarm or distress	4	2	0

CONSULTATION SECTION TWO – ADDITIONAL POWERS AVAILABLE TO COMMUNITY WARDENS

1.6 Viewpoint Survey Results

Table 6 Which powers should Community Wardens have access to?

	%	(no.)
Power to request name/address of person who causes injury, alarm or distress to another person or damages someone else's property	88	(1056)
Power to request name/address of a person acting in an anti-social manner	87	(1046)
Power to confiscate alcohol from a young person	85	(1018)
Power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place	78	(936)
Power to require the removal of an abandoned vehicle	62	(737)
Power to confiscate cigarettes/tobacco products from young people	58	(699)
Power to require the removal of an untaxed vehicle	56	(671)
No answer	5	(63)
(N = 1200)		

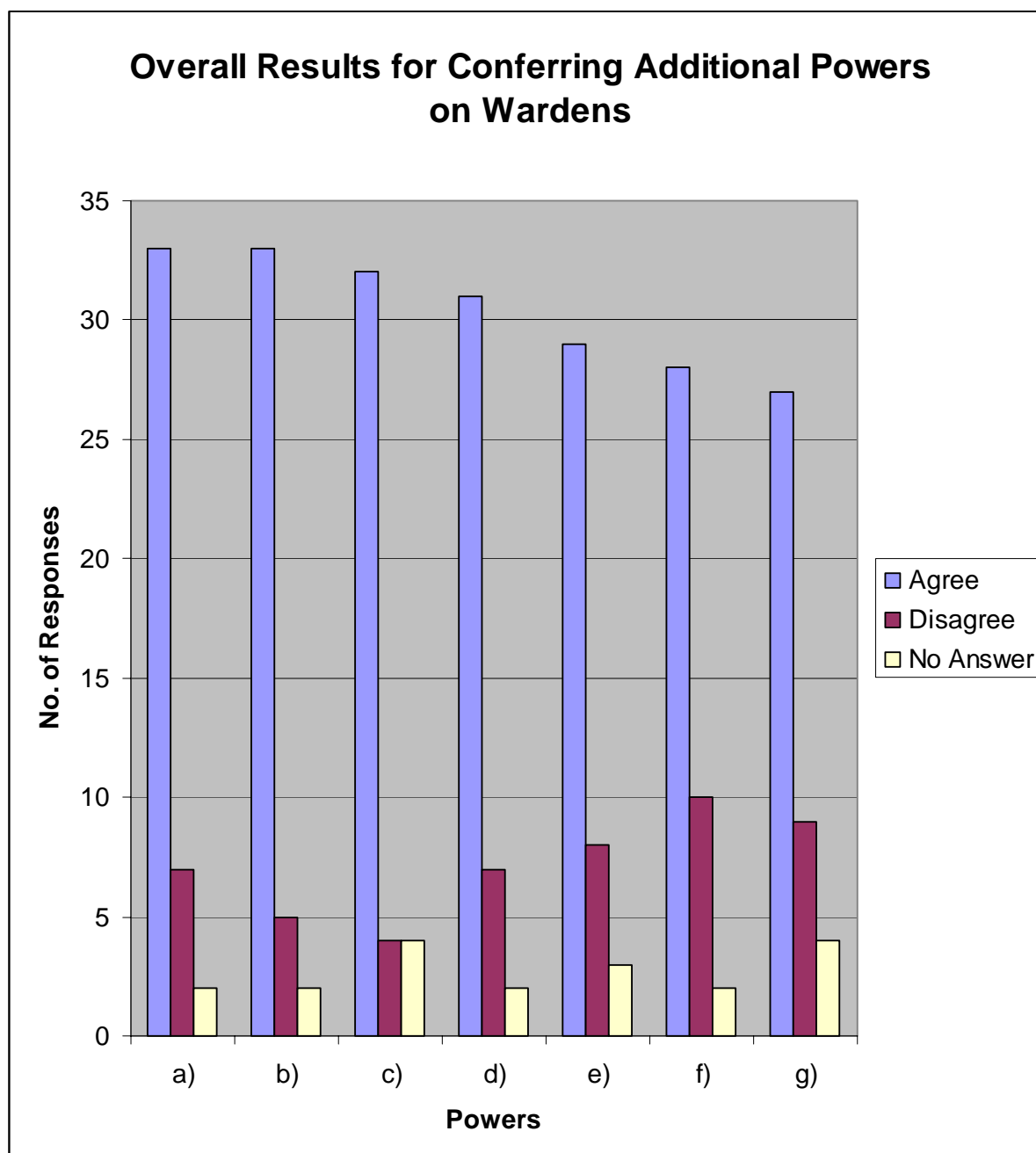
- 1.7 Through the Viewpoint Survey participants were also asked to prioritise which three powers they would most like to see Community Wardens have. The results of which are provided in **Table 7** below.

Table 7 Prioritisation of Powers listed in Table 4.

	%	(No.)
Power to request name/address of person who causes injury, alarm or distress to another person or damages someone else's property	76	(912)
Power to request name/address of a person acting in an anti-social manner	68	(818)
Power to confiscate alcohol from a young person	52	(629)
Power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place	31	(367)
Power to require the removal of an untaxed vehicle	14	(163)
Power to require the removal of an abandoned vehicle	13	(156)
Power to confiscate cigarettes/tobacco products from young people	12	(143)
No answer	10	(115)
(N = 1200)		

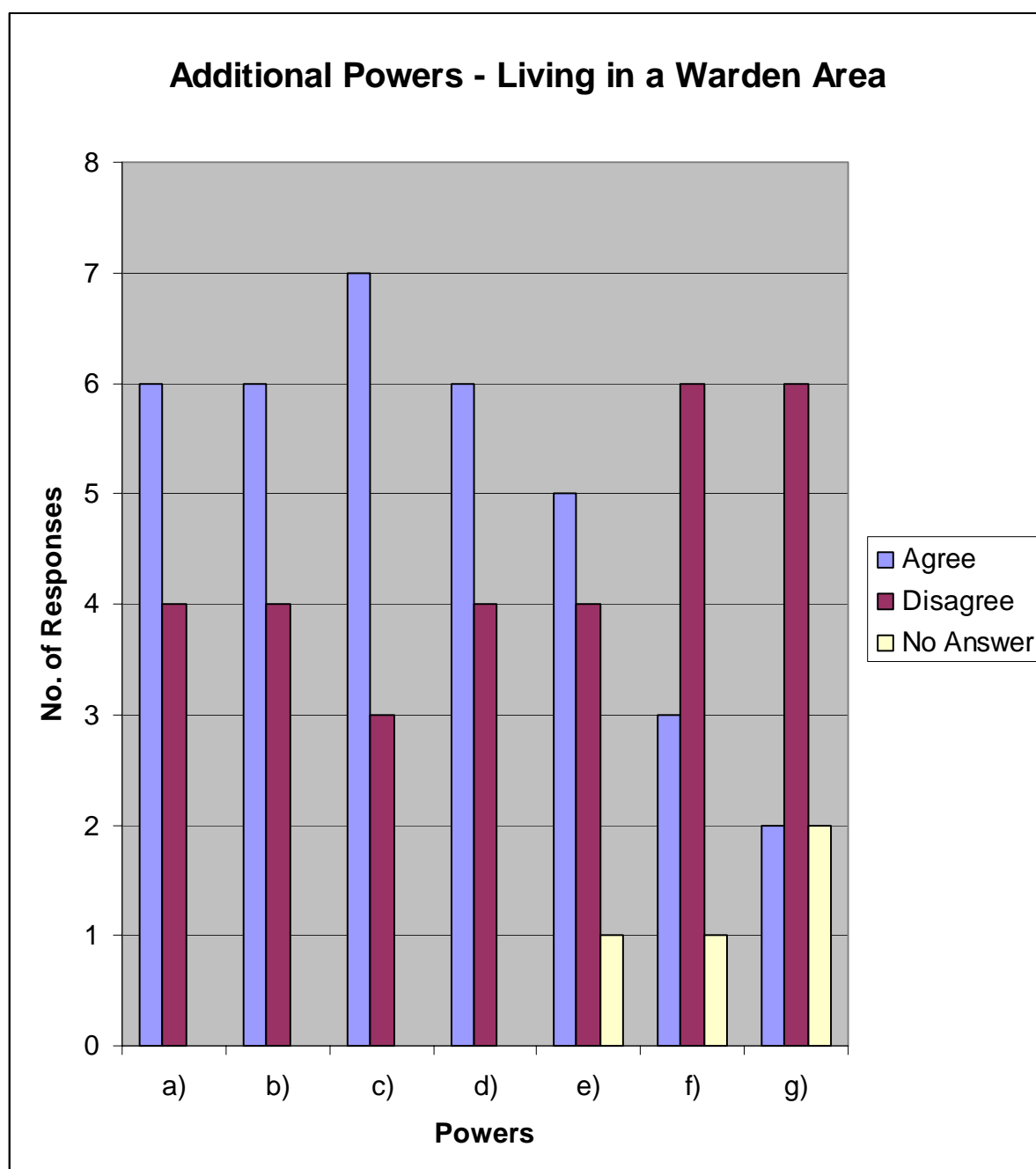
1.8 **Neighbourhood Forums****Table 8** Neighbourhood Forum questionnaire responses to which powers Community Wardens should have.

	Agree	Disagree	No Answer
a) Power to request the name and address of a person acting in an anti-social manner	33	5	2
b) Power to confiscate alcohol from a young person	33	6	1
c) Power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place	32	4	4
d) Power to request the name/address of a person who causes injury, alarm or distress to another person or damages someone else's property	31	7	2
e) Power to require the removal of an abandoned vehicle	29	8	3
f) Power to require the removal of an untaxed vehicle	28	10	2
g) Power to confiscate cigarettes/tobacco products from young people	27	9	4

**Graph 7 Overall results from Neighbourhood Forum consultation –
Conferring Additional Powers on Wardens**

n.b. See Table 7 above for the key for the powers.

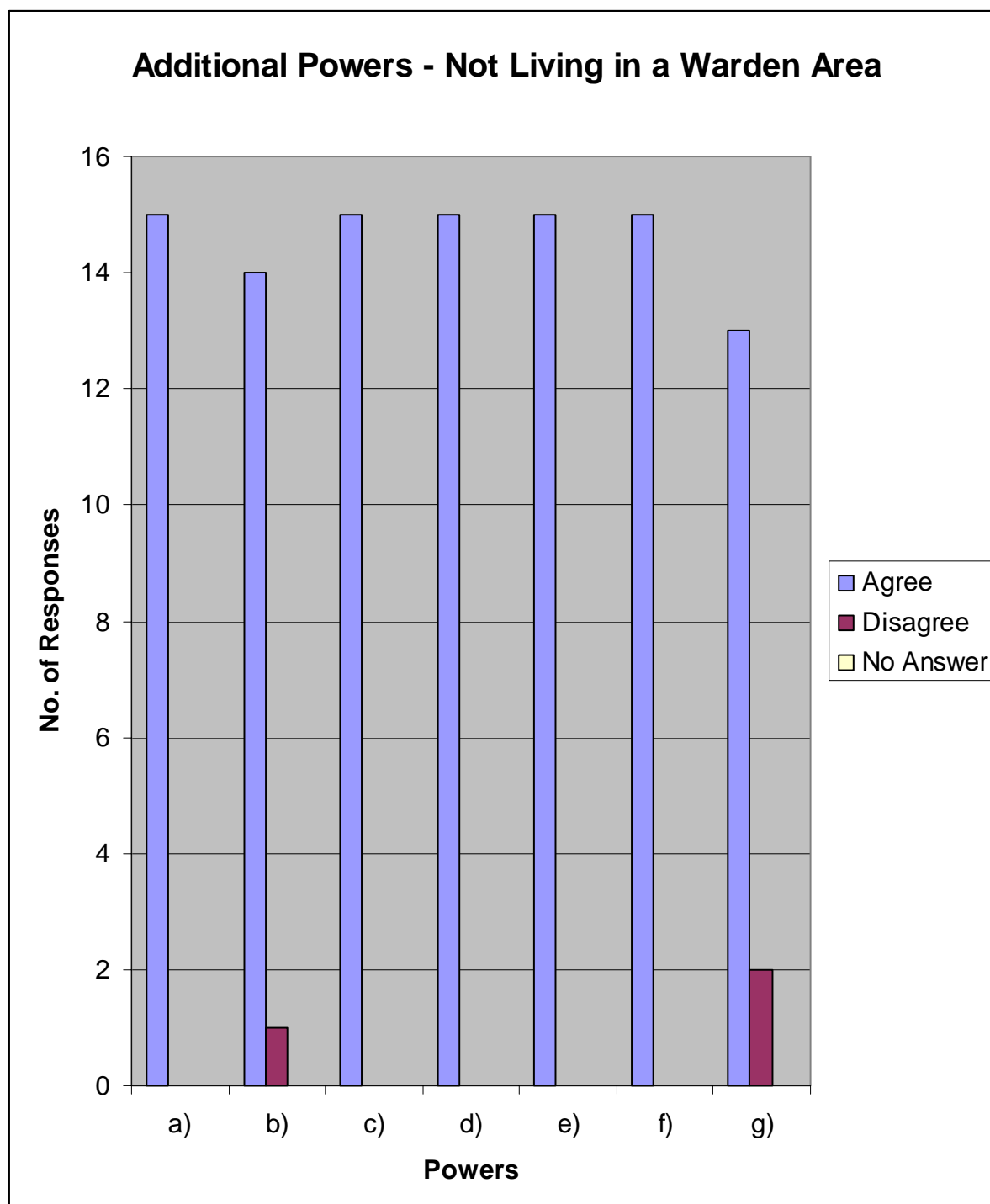
**Graph 8 Responses to Neighbourhood Forum consultation –
Conferring Additional Powers on Wardens – from those
Living in a Warden Area**



n.b. See Table 7 above for the key for the powers.

APPENDIX A

**Graph 9 Responses to Neighbourhood Forum consultation –
Conferring Additional Powers on Wardens – from those Not
Living in a Warden Area**



n.b. See Table 7 above for the key for the powers.

1.9 **Community Wardens Consultation****Table 9 Community Wardens response to which Additional Powers they wish to be granted.**

	Agree	Disagree	No Answer
a) Power to request the name/address of a person who causes injury, alarm or distress to another person or damages someone else's property	6	1	0
b) Power to request the name and address of a person acting in an anti-social manner	6	1	0
c) Power to confiscate alcohol from a young person	5	2	0
d) Power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place	4	3	0
e) Power to confiscate cigarettes/tobacco products from young people	5	2	0
f) Power to require the removal of an abandoned vehicle	6	1	0
g) Power to require the removal of an untaxed vehicle	6	1	0

1.10 **Consultation with Young People****Table 10 Young People's response to which powers Community Wardens should be granted.**

	Agree	Disagree	No Answer
a) Power to request the name/address of a person who causes injury, alarm or distress to another person or damages someone else's property	6	0	0
b) Power to request the name and address of a person acting in an anti-social manner	5	1	0
c) Power to confiscate alcohol from a young person	3	3	0
d) Power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place	2	4	0
e) Power to confiscate cigarettes/tobacco products from young people	0	5	1
f) Power to require the removal of an abandoned vehicle	4	2	0
g) Power to require the removal of an untaxed vehicle	0	5	1

CONSULTATION SECTION THREE – GENERAL COMMENTS RECEIVED DURING THE CONSULTATION PROCESS

Neighbourhood Forums

1.11 During consultation with the Neighbourhood Forums a number of general comments were made whilst the notion of conferring additional powers on Wardens was discussed. These included:

- *The wardens are never there when you need them.*
- *Young people have no respect for them (the Wardens) because they have no powers. However, other residents who were present questioned whether anyone in authority was respected. Another view was that there are a lot of young people who are respectful, whilst adults are not.*
- *In terms of litter powers, it was felt that businesses needed to accept some responsibility for this as well.*
- *There were concerns about the safety of Wardens if they are granted additional powers.*
- *New Deal for Communities (NDC) has conducted a thorough evaluation of the Warden scheme, and one of the recommendations of the report was that Wardens should not be conferred additional powers.*
- *Wardens do a very good job now, they have the confidence of residents. Further powers would mean they are taking the jobs of the police.*
- *There needs to be very definite proof that offences such as using telecommunications systems to cause annoyance, and behaviour likely to cause harassment, alarm or distress has taken place – therefore I would not support Wardens having powers for these kinds of issues.*
- *Wardens must be thoroughly trained to do the job.*
- *There was some concern about granting further powers to Wardens and how this would link with areas without wardens.*
- *Co-ordination between the Warden schemes and the Environmental Task Force is a key issue.*
- *If the Warden scheme has been successful then other areas of the town should have them.*
- *Wardens need the new powers to protect themselves.*
- *Would like to see the Wardens have more responsibilities but they need to be more aware about the community and their surroundings.*

Community Wardens

1.12 As part of the consultation with Community Wardens they were given the opportunity to provide additional comments as well as completing the questionnaire. The following comments were made:

- *Requesting someone's name and address may be difficult because they don't see us as policemen.*
- *I do not think that there are enough wardens employed at this time with the integrity or strength of character to carry out the powers consistently or fairly.*
- *Wardens would need a significant pay rise to carry out these powers.*
- *A lot more training, and the same equipment as PCSO's would be required, as a Warden's safety would now be of greater concern as we have a lot more direct conflict with the perpetrators of crimes. Items required would include stab vests and much better deterrent sprays.*
- *Accreditation would mean a change in role and we would no longer be a community link but an enforcement officer.*

Consultation with Young People

1.13 During consultation with young people about conferring additional powers on Community Wardens the following comments were made:

- *They are useless because they don't have many powers.*
- *We use false names with them already – don't see how they can get us to reveal our real names.*
- *They don't do anything, should get rid of them – they are a waste of money.*
- *No one likes them.*
- *They should have powers to restrain people – people who are fighting.*
- *They should do litter picking and gardening – care for the community.*
- *You can try and have a conversation with them.*
- *Some of them have a sense of humour.*
- *There should be more police instead of wardens.*
- *There was trouble in one street then the wardens passed it onto the police and it got sorted out.*
- *They don't help us (young people) – they don't stop robberies but get us for what we're doing wrong.*
- *Why doesn't the Council pay the police more to make them go on the streets more instead of the wardens.*
- *Never see them in my area – what's the point in them?*
- *They already use some of the powers – they always take drink off you (even though they are not supposed to).*
- *They can be very rude to young people.*

2. ANALYSIS OF FINDINGS

2.1 Given the large number of findings across the various consultation mechanisms Members may find this brief (and by no means exhaustive) analysis of the consultation results useful.

Analysis of Powers to Issue FPN's

- 2.2 The results of the Viewpoint Survey demonstrate that most people thought that powers to issue FPN's for: *dog fouling; behaviour likely to cause harassment, alarm or distress*; and *littering* should be granted to Wardens (see **Table 1**). When asked to prioritise three of the FPN powers the same three powers emerged as the highest priority, but in a different order: *behaviour likely to cause harassment, alarm or distress; dog fouling*; and *littering* (see **Table 2**).
- 2.3 The overall responses from the Neighbourhood Forums produced similar results to those of the Viewpoint Survey. Most people thought that powers to issue FPN's should be granted for: *dog fouling; behaviour likely to cause harassment, alarm or distress; littering*; and *graffiti* (see **Table 3** and **Graphs 1-6**).
- 2.4 Graphs 2 and 3, and, 5 and 6 show a breakdown of the consultation results, from the Neighbourhood Forums, into those living in warden areas and those not living in warden areas. There is a significant difference in the opinion between these. The general response of those who don't live in a warden area (see **Tables 3** and **6**) was generally one of overwhelming support for granting all available FPN powers to wardens. However, for those respondents living in warden areas (see **Graphs 2** and **5**) the findings represent a much more equal balance of views amongst residents in favour of, and opposed to conferring additional powers on Community Wardens. For six of the FPN powers residents wanted additional powers but by a much smaller margin than was evident amongst people not living in a warden area. Furthermore, there were a number of responses amongst residents living in warden areas that were opposed to granting FPN's for the following issues: *to parents whose children are involved in truancy; buying/attempting to buy alcohol on licensed premises when under 18*; and *behaviour likely to cause harassment, alarm or distress*¹.
- 2.5 The Community Wardens were generally not in favour of being granted additional powers to issue FPN's (see **Table 4**). None of the powers to issue FPN's were supported by a majority of the Wardens. The powers to issue FPN's for: *dog fouling; graffiti*; and *buying/attempting to buy alcohol in a designated no alcohol place*, were met with 3 out of 7 Wardens agreeing that they would like these powers. For the remainder of the FPN powers the Wardens were more opposed to being granted these powers.
- 2.6 Through the consultation with young people (see **Table 5**) there was a relatively even split between agreeing/disagreeing the powers for which Wardens should be able to issue FPN's for. Most notably the young people consulted were entirely in favour of granting wardens the power to issue FPN's for *throwing fireworks in a thoroughfare*, and totally opposed to the power to issue FPN's for *riding a bike on the footpath*.

¹ This is a notable exception to the Viewpoint Survey where this was regarded as one of the highest priorities amongst FPN powers.

- 2.7 In summary the overall results from the Viewpoint and Neighbourhood Forum consultations were in favour of granting Community Wardens the ability to issue FPN's for most/all available powers. However for those people living in Warden areas and young people there was a relatively even split between conferring these additional powers on wardens. The general view emerging from the Community Wardens themselves was that they are not in favour of being granted powers to issue FPN's.

Analysis of Additional Powers available to Community Wardens

- 2.8 Of the seven available additional powers for Community Wardens the Viewpoint Survey results display a majority of people in favour of each of the powers being granted. The: *power to request the name/address of a person who causes injury, alarm or distress to another person or damages someone else's property; power to request the name and address of a person acting in an anti-social manner; and power to confiscate alcohol from a young person*, were the three powers most people wanted to see adopted (see **table 6**). When Viewpoint respondents were asked to prioritise amongst these powers they chose the same three powers as those identified above (see **table 7**).
- 2.9 The responses to the Neighbourhood Forum consultation was similar to that of the Viewpoint Survey with the overall results representing support for the each of the powers available (see **table 8**). When dividing the results into those living in the warden areas and those who do not, there was a significant difference in opinion between the respondents. However, this was not as marked as it was for the powers to issue FPN's, with only the: *Power to require the removal of an untaxed vehicle, and the Power to confiscate cigarettes/tobacco products from young people* representing a majority of residents living in warden areas not wanting these two additional powers. Nevertheless, the views of residents living in warden areas was considerably more evenly split for the remainder of the powers than was the case for those who don't live in warden areas – who again demonstrated near total agreement that every available power should be issued to the Community Wardens.
- 2.10 The consultation with Community Wardens around the additional powers produced markedly different results from the Wardens' responses to issuing FPN's. The Wardens were in favour of being granted each of these additional powers, as outlined in **table 9**. The power that met with the lowest level of support from the Wardens was the *power to stop/confiscate/dispose of alcohol being consumed in a public 'no alcohol' place*.
- 2.11 The consultation with young people produced a high divergence of opinion across the various powers. A majority of respondents were in favour of granting three of the powers, and opposed to granting a further three (see **table 10**). This even split amongst the available powers demonstrates a similar split in view amongst young people for the additional powers as for the powers to issue FPN's.

- 2.12 In summary the overall responses to the consultation processes were more in favour of granting additional powers to Wardens than granting the ability to issue FPN's. The general responses to the Viewpoint Survey and Neighbourhood Forums were, again, in favour of all available powers to be issued to Wardens. There was again a split between those respondents living in Warden areas and those who don't, with those living in these areas being more likely to oppose powers being issued to Wardens. However, the difference between the two was less marked and reflected the overall trend for residents to be more in favour of additional powers to be granted to Wardens than for them to have the ability to issue FPN's. Again the young people consulted were relatively evenly split in their approach to which powers should be granted. However, the Wardens themselves were much more positive about being granted additional powers than they were for issuing FPN's.