

SCRUTINY COORDINATING COMMITTEE AGENDA



Wednesday 1st December 2010

9.00 am

To

4.15pm

in the Council Chamber,
Civic Centre, Hartlepool

MEMBERS: SCRUTINY COORDINATING COMMITTEE:

Councillors C Akers-Belcher, S Akers-Beldher, Cook, Cranney, Flintoff, Griffin, James, London, A Marshall, McKenna, Preece, Richardson, Shaw, Simmons, Thomas and Wells.

Resident Representatives: Evelyn Leck, Linda Shields and Angie Wilcox

ALL OTHER SCRUTINY MEMBERS

Councillors Atkinson, Barclay, Barker, Fleet, Gibbon, Ingham, Lauderdale, Lawton, A Lilley, G Lilley, Maness, Rogan and P Thompson

Resident Representatives: Christine Blakey, John Cambridge, Mary Green, Ted Jackson, Brenda Loynes, John Maxwell, Iris Ryder, Joan Steel and Hilda Wales

1. **APOLOGIES FOR ABSENCE**

2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

3. **MINUTES**

3.1 To confirm the minutes of the meetings held on 12th November 2010 (*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

No Items

6. FORWARD PLAN

No Items

7. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS

No Items

8. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

8.1 Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 - Initial Consultation Proposals – *Scrutiny Manager*

9. ITEMS FOR DISCUSSION

No Items

10. CALL-IN REQUESTS

11. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT ITEMS FOR INFORMATION

i) This meeting to be adjourned and reconvened on Friday 3rd December 2010, commencing at 2.00 pm in the Council Chamber

SCRUTINY CO-ORDINATING COMMITTEE

1 December 2010



Report of: Scrutiny Manager

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2011/12 TO 2014/15 – INITIAL CONSULTATION
PROPOSALS

1. PURPOSE OF REPORT

1.1 To enable all Members of Overview and Scrutiny to consider, and comment on, initial proposals put forward for the Medium Term Financial Strategy (2011/12 to 2014/15).

2. BACKGROUND

2.1 The Council's Constitution requires that consultations be undertaken in relation to the draft Budget and Policy Framework for each coming year. In accordance with this requirement, successful practice in previous year had been that each Standing Scrutiny Forum would explore proposals in relation to the service areas within its remit. However, the tight timescale of this year's budget consultation process has resulted in the need to amend the established Scrutiny process.

2.2 The Scrutiny Co-ordinating Committee (at its meeting on the 15 October 2010) subsequently approved a revised process and timetable for consideration of the Executive's initial proposals for the Medium Term Financial Strategy (2011/12 to 2014/15), with consideration of the proposals retained in their entirety by the Scrutiny Co-ordinating Committee.

2.3 In formulating the Scrutiny Co-ordinating Committee's response to this year's very challenging budget, it was recognised that the proposals for each Department must still be looked at in detail. To achieve this, a number of sessions have been organised at which presentations will be given by the relevant Directors to assist Members in their consideration of the proposals for each of the Councils Departments. Details of these sessions are outlined over the page:-

1 December 2010 (today's meeting)*

9.00am to 9.30am - Introductory Presentation by the Chief Finance Officer

9.30am to 12.30pm - **Regeneration and Neighbourhoods Department Budget** (Presentation by the Director of Regeneration and Neighbourhoods)

1.00pm to 4.00pm - **Child and Adult Services Department Budget** (Presentation by the Director of Child and Adult Services)

*Please note that this meeting will be adjourned and reconvened on the 3 December 2010.

3 December 2010*

2.00pm to 4.00pm - **Chief Executive's Department Budget**

*Please note that this meeting will be adjourned and reconvened on the 10 December 2010.

10 December 2010

2.00pm – Approval of Scrutiny Response

- 2.4 In accordance with the agreed process, and timetable, this element of the consultation process will be ongoing between the 1 December and the 10 December, with the Scrutiny Co-ordinating Committee's formal response to the initial proposals to be submitted to Cabinet on the 20 December 2010.
- 2.5 All Scrutiny Members have been invited to attend today's Scrutiny Co-ordinating Committee meeting to participate in discussion as part of the consultation process. To assist Members in doing this, in addition to the presentations to be given by each of the Directors, invitations have been extended to the Mayor and each of the Portfolio Holders to attend the sessions relevant to their areas of responsibility.
- 2.6 It is recognised that additional information may be required in order to formulate the Committee's response. The need for additional sessions will be identified following completion of the each of today's presentations.

3. CONSIDERATION OF ISSUES

- 3.1 At its meeting on 29 November 2010, Cabinet will be considering a detailed report (**copy attached as Appendix A**) which covers the areas outlined over the page:

- National Financial Position and Spending Review;
- Review of Local Government Finance
- 2010/11 Financial Position
- Capital Programme 2011/12 to 2014/15
- General Fund Revenue Budget 2011/12 to 2014/15
- Redundancy Issues and Funding
- Budget Risks
- Timetable
- Specific Grants
- Consultation

- 3.2 At the time of writing this report Cabinet had not yet considered the report circulated at **Appendix A** and as such details of its response to the proposals will be reported verbally at today's meeting.
- 3.3 Please note that the information contained within the report will form the basis of the Directors presentations and following each presentation questions, comments and suggestions will be welcomed in the formulation of the Committee's response to Cabinet.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Scrutiny Co-ordinating Committee: -
- a) as part of the Budget and Policy Framework initial consultation proposals for 2011/2012, consider the proposals outline in the report circulated at **Appendix A**; and
 - b) formulates any comments and observations it may wish to see included in the formal Overview and Scrutiny response to be presented to the Cabinet on 20th December, 2010.

Contact Officer:- Joan Stevens – Scrutiny Manager
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 Hartlepool Borough Council
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BACKGROUND PAPERS

No background papers were used in the preparation of this report.

CABINET REPORT

29 November 2010



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY
(MTFS) 2011/12 TO 2014/15

SUMMARY

1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) to provide details of the Government's Spending Review and the impact on the Council, and
- ii) to enable Cabinet to approve the initial budget consultation proposals to be referred to Scrutiny Co-ordinating Committee.

2. SUMMARY OF CONTENTS

2.1 The report provides a detailed up date to the report submitted to Cabinet on 11th October and provides details of the impact of the Spending Review announcement.

2.2 The report concentrates on the General Fund budget and the impact of cuts to Formula Grant. The report also highlights the key Spending Review issues as follows:

- Formula Grant will be cut by 28% by 2014/15;
- Formula Grant cuts will be front loaded and in 2011/12 the cut will be 14% and 9% in 2013/14;
- A specific grant will be paid to authorities which freeze Council Tax at the 2010/11 level;
- Removal of ring fence from £3.4 billion of specific grants;
- Changes to Social Services Grants;
- Abolition of Working Neighbourhood Fund.

2.3 The Spending Review confirms that the public sector, in particular local authorities, face a period of sustained and significant reductions in funding. Whilst, the actual Formula Grant cut of 28% is within the planning figures previously reported of 25% to 30%, the cuts are more front loaded than feared. This means the Council faces a more difficult financial position over the next two years than previously forecast.

- 2.4 The forecast grant cuts will reduce the core formula grant from £51.5m in 2010/11 to £36.5m by 2014/15. In cash terms this is the level of grant the Council received in 2004/05. Since this date the Council has had to fund significant pressures, including demographic pressures, caring for older people, increased cost of Looked After Children and the ongoing cost of implementing the single status pay agreement. As these commitments are ongoing the grant cut means services will need to be scaled back, or stopped.
- 2.5 For planning purposes it is assumed that the national decreases will apply at a local level. The impact of the grant cuts on a population basis of the grant cuts is particularly unfair on areas dependent upon Government grant, such as Hartlepool, as the cuts per head of population are greater as illustrated below:

	Grant Cuts Per Head of Population
Hartlepool	£78
Average Unitary	£53

- 2.6 The Council faces a gross General Fund budget deficit for 2011/12 of £14m. As reported previously a range of measures for reducing this 2011/12 budget deficit have already been identified, including savings from Business Transformation of £2.9m for next year. However, after reflecting these issues and the impact of the Spending Review the Council still faces a deficit next year of £5.6m. As Members are aware significant savings have already been made through the Management Structure changes and Service Delivery Options completed or planned to deliver savings from April 2011.
- 2.7 Therefore, the budget strategy for 2011/12 is moving beyond delivering more efficiencies and begins a process of reducing and prioritising the services the Council provides. This is a fundamental change in how the budget will be managed and is necessary to address a period of sustained and significant grant cuts. This will require the Council to make the most difficult decisions it has faced since becoming a unitary authority in 1996. The report includes detailed proposals for bridging the net deficit of £5.6m.
- 2.8 The Council will continue to face deficits on the General Fund in future years and further cuts of between £11.9m and £13.9m will need to be made over the next three years.
- 2.9 The report also advises Members that the Council will also face cuts in specific grants, including the withdrawal of the Working Neighbourhood Fund. Given the significant pressures on the core budget from the cut in the Formula Grant the Council will not be in a position to mainstream cuts to these grants. Therefore, cuts to these

grant regimes will need to be passported and services terminated or scaled back accordingly.

3. RELEVANCE TO CABINET

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

4. TYPE OF DECISION

4.1 Budget and Policy Framework.

5. DECISION MAKING ROUTE

5.1 Cabinet 29th November 2010, Cabinet 7th February 2011 and Council 12th February 2011.

6. DECISION(S) REQUIRED

6.1 Cabinet is required to determine its proposals.

Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY
(MTFS) 2011/12 TO 2014/15

1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) to provide details of the Government's Spending Review and the impact on the Council, and
- ii) to enable Cabinet to approve the initial budget consultation proposals to be referred to Scrutiny Co-ordinating Committee.

2. BACKGROUND

2.1 A detailed report was submitted to Cabinet on 11 October 2010 detailing the key financial issues affecting the Council over the next four years. The report covered the following issues:

- National Financial Position and Spending Review;
- Review of Local Government Finance
- 2010/11 Financial Position
- Capital Programme 2011/12 to 2014/15
- General Fund Revenue Budget 2011/12 to 2014/15
- Redundancy Issues and Funding
- Budget Risks
- Timetable
- Specific Grants
- Consultation

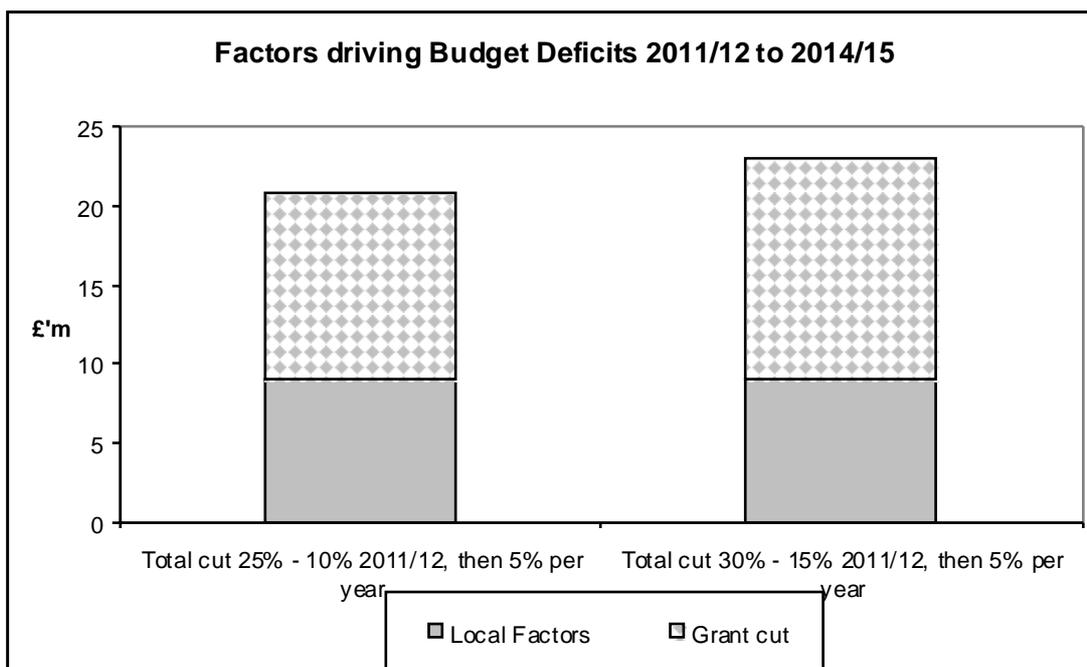
2.2 The report advised Members that the public sector faces the most challenging financial position since the end of the second World War. The report indicated that owing to the Government's commitment to protect the NHS, Education and International Development budgets other areas of Government spending, including Local Government, would face significant funding reductions over the next four years.

2.3 The previous report concentrated on the General Fund Revenue Budget and advised Members that the Council faces the most difficult financial position since becoming a unitary authority in 1996. The position reflects two key issues:

- Local pressures – which cover inflation, demographic pressures and the phased reduction in the budget support fund;
- Anticipated cuts in Government grants

2.4 Whilst both of the above issues have a significant impact on the Council’s financial position the level of grant cuts is the major factor. The MTFFS forecasts anticipated grant cuts of between 25% and 30% over the next four years and on this basis the Council faces a cumulative budget deficit of between £20.8m and £23.1m by 2014/15. The following table provides a breakdown of the deficit between local pressures and grant cuts.

Table 1: Factors driving budget deficit 2011/12 and 2014/15



2.5 The MTFFS forecast also anticipated that these cuts would be front loaded and the following table shows the forecast deficits for 2011/12 and the cumulative deficit for the periods 2011/12 and 2014/15.

Table 2: Forecast Budget Deficit

Grant Cut over 4 years starting 2011/12	2011/12 Deficit (£'m)	Cumulative deficit 2011/12 to 2014/15 (£'m)
Total cut 25% - 10% 2011/12, then 5% per year	8.1	20.8
Total cut 30% - 15% 2011/12, then 5% per year	10.7	23.1

2.6 A range of permanent and temporary measures were identified to reduce the 2011/12 deficit. These proposals totalled £4.1m and are

detailed in Appendix 1. A key component of these proposals is an increase in the value of Business Transformation Programme (BTP) efficiencies. The MTFS had previously anticipated BTP efficiencies of £6m over a four year period, with £1.3m included in the 2011/12 forecasts. Based on progress to date it is anticipated that a higher proportion of the aspirational target of £8m can be achieved over a shorter period. It is therefore now possible to anticipate a further £1.6m in 2011/12, subject to Members agreeing detailed proposals when they are brought forward.

3. 2010 SPENDING REVIEW

3.1 The Executive Summary to the Government Spending Review 2010 document states:

- “The Spending Review makes choices. This has enabled the Coalition Government to prioritise the NHS, Schools, early year’s provision and the capital investments that support long term economic growth, setting the Country on a new path towards long term prosperity and fairness. As a result of these choices, departmental budgets, other than health and overseas development will be cut by an average of 19% over four years, the same pace as planned by the previous government.”

3.2 In relation to Local Government grant funding (excluding Police and Fire) the headline reduction in funding over the 4 year period of the Spending Review is 28%, which is significantly higher than the ‘average’ of 19%. As shown in the table below this is one of the highest funding cuts announced by the Government.

Table 3: Headline funding cuts over the 4 year period of the Spending Review

- 51% - CLG departmental expenditure
- 33% - Treasury
- 29% - Environment, Food and Rural Affairs
- **28%- Local Government (excluding Police and Fire)**
- 27% - Small and Independent bodies
- 25% - Business, Innovation and Skills
- 24% - Law Officers
- 24% - Foreign and Commonwealth
- 23% - Justice
- 23% - Home Office

3.3 The Spending Review gave a range of figures for the change in Local Government Funding. This was supplemented by information provided in a letter to Local Authority Leaders on the day of the settlement from the Secretary of State for Communities and Local Government which stated: “Councils will face an average grant loss of 7.25%, in real terms, in each of the next four years.” At different

levels the Spending Review document and supplementary announcements presented information using annual figures, totals for the four years of the Spending Review, cash reductions and real terms reductions. This made it difficult to make an initial assessment of the impact of the Spending Review at both a national and local level.

3.4 The Secretary of State statement of an average grant loss of 7.25% per year initially suggested that grant cuts would be evenly phased. This would have provided a longer lead time for Councils to manage a significant cut in grant funding. However, a detailed analysis of figures provided in the Spending Review and the supporting information indicates this is not the case. This position was also complicated by changes the Government will be making to the main formula grant, which masked the underlying grant cuts. The key changes include:-

- removing the ring fence from £3.4 billion of specific grants, which will now be paid through the formula grant;
- the introduction of a new Personal Social Services Grant (which it could be argued is simply reallocating some of the money being cut from the existing formula grant paid to Councils); and
- funding to pay for a 2011/12 Council Tax freeze.

3.5 Once these factors are taken into account it is clear that the cuts to the core formula grant are front loaded and in the next two years the grant cuts are greater than the planning assumptions included in the MTFS. This clearly has an adverse impact on the Council's financial position and this issue is considered in detail in Section 4. Details of the phasing of grant cuts are set out in the table below.

Table 4: Reductions in existing Formula Grant

	2010/11	2011/12	2012/13	2013/14	2014/15
Existing Formula Grant (£ billion)	24.6	21.1	19.1	18.8	17.4
Annual Reduction	0	14%	9%	2%	7%
HBC MTFS Planning Figures	0	10 to 15%	5%	5%	5%

3.6 As indicated in the October Budget Report the Government has previously given commitments to:

- Carry out Britain's unavoidable deficit reduction plan in a way that strengthens and unites the Country. The Spending Review will be guided by the principles of freedom, fairness and responsibility, in order to demonstrate that we are all in this together;
- Limit as far as possible the impact of reductions in spending on the most vulnerable in society and those regions heavily dependent on the public sector.

- 3.7 Based on current information there is no evidence that the Government will be addressing the concerns raised by the Chief Finance Officers of the twelve North East unitary councils to ensure areas with higher levels of deprivation and dependency on the public sector can be partly protected. The main concern related to a flat rate percentage reduction in Formula Grant, as this will disadvantage authorities which currently receive higher grants per resident to reflect deprivation and the lower ability to fund services locally through Council Tax owing to lower property values.
- 3.8 As things currently stand the national percentage cuts in Formula Grant will be passported through to individual authorities. This will disadvantage the North East and Hartlepool. The following table highlights the impact of a flat rate cut in grant of 14% per head of population.

Table 5: Impact of 14% Formula Grant cuts in 2011/12

<i>Authority</i>	<i>Grant cost per head of population</i>
Hartlepool	£78
Average unitary	£53

- 3.9 If the grant cut per head of population for Hartlepool was limited to the average for a unitary authority the headline percentage reduction would be 10%. This would equate to a £2.3m reduction in the local grant cut.
- 3.10 Given the Governments commitment to review the existing Local Government grant system it is extremely unlikely that the Government will seek to address this issue and limit percentage grant cuts for individual councils. Therefore, for planning purposes it is appropriate to work on a local grant cut of 14% for 2011/12.
- 3.11 The Spending Review and supplementary announcements also included a number of other key announcements, which will impact in 2011/12, covering the following issues:

- **Council Tax Freeze**

The Government have announced a new grant will be paid to local authorities (including Police and Fire Authorities), which decide to freeze or reduce Council Tax next year.

If authorities decide to freeze Council Tax in 2011/12 an additional grant equivalent to raising the 2010/11 Council Tax by 2.5% will be paid. The spending review also commits to “lock in” this funding for the four years of the spending review.

The Government has not yet said what will happen with this grant after the Spending Review period ends, or provided any indication of what will happen to Council Tax in 2012/13. Information in the Spending Review suggests that Councils will mitigate ongoing grant cuts in 2012/13 and beyond by increasing Council Tax. However, the ability to do so will be limited by political priorities and the proposed Council Tax referendum arrangements.

ESTIMATED IMPACT ON HARTLEPOOL	£1 MILLION GAIN
(assuming Council approve Council Tax freeze)	

- **Removal of Grant Ring Fences**

The Spending Review removes the ring fence from £3.4billion of specific grants which will now be rolled into the Formula Grant. The Government states this will “devolve significant financial responsibility to Councils”. The reality, in a period of financial austerity, is the delegation of difficult decisions to local authorities, particularly in the context of the significant cuts to the Formula Grant referred to in the previous paragraph.

This change is also expected to have an adverse impact on Hartlepool as specific grants are targeted at areas with higher levels of deprivation. The transfer of funding into the Formula Grant means that funding will be allocated on a different, less favourable basis. It is anticipated that this change will reduce funding allocated to Hartlepool.

ESTIMATED IMPACT ON HARTLEPOOL	£0.9 MILLION LOSS
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- **Support for Personal Social Services**

The Government are implementing a series of changes to Personal Social Services and how those services are funded. An initial assessment of these changes has been made on the basis of information currently available. These changes fall into three categories:

- i) **NHS support for Social Care**
Extra funding will be provided to enable the NHS to work more closely with Local Authorities. In practice it is extremely unlikely that these monies will be paid over to councils. Therefore, for financial planning purposes it would not be prudent to rely on these resources.
- ii) **Learning Disability Transfer Grant**
This grant covers the transfer of responsibility for residual NHS learning disability services from the NHS to Local Authorities. An initial assessment indicates Hartlepool will receive £1.9million in 2011/12, which is approximately

£50,000 less than the expected liabilities transferring to the Council based on the current costs for the services in place.

In the medium term this is a risk area owing to demographic changes and personal social services having a lower national priority than the NHS.

ESTIMATED IMPACT IN HARTLEPOOL	£50,000 LOSS
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iii) New Personal Social Services Grant

It was initially anticipated that this funding covered the learning disability responsibilities referred to above. However, this is actually new funding which will be included in the Formula Grant. The Government states that this funding is to help tackle the pressure on social services.

Given the cut to the main Formula Grant (which effectively funds approximately 55% of Hartlepool expenditure on social services) this 'new' grant is simply giving part of the Formula Grant cut back to Local Authorities. However, as this change was not expected it does help to mitigate the inflation and the specific pressure on the social services budget included in the MTFS next year.

ESTIMATED IMPACT ON HARTLEPOOL	£1.0 MILLION GAIN
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- **Abolition of Working Neighbourhood Fund (WNF)**

The WNF was originally anticipated to be a three year programme which would end on 31 March 2011, although it was hoped that the Government would extend this programme particularly in light of the recession.

The Spending Review confirms that this Programme will end at the end of this year. In Hartlepool this equates to a loss of funding of £5.0 million.

In addition to this direct loss of funding, the planned support for the Council's core budget from the WNF and the Area Based Grant will not be sustainable in 2011/12 and future years.

ESTIMATED IMPACT ON MTFS	£0.5 MILLION LOSS
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- **Increase in Public Works Loans Board (PWLB) Interest Rate**

The Spending Review announced an immediate increase in all interest rates on new PWLB loans of 1%. The PWLB is a Government body which enables Local Authorities to access the

same interest rates as the Government. The Chancellor has stated “the Spending Review required tough choices, and so that loans to local authorities better reflect the availability of capital funding, interest rates on PWLB loans have been increased to 1% above Government gilts”.

This changes means Local Authorities borrowing from the PWLB will have to pay more interest. The Treasury will make a surplus on these loans. Councils can also borrow from banks, although the PWLB rate effectively acts as a benchmark for interest rates charged by banks.

In the medium term this is a potential budget risk as the Council has a significant underlying borrowing requirement in relation to historic capital expenditure. At this stage no provision needs to be made in the MTFs, although the position will need to be kept under review. This issue will be addressed when the Treasury Management strategy is updated.

- **Changes to the Carbon Reduction Commitment (CRC) Regime**

The Government has determined to remove the CRC regime incentives and the Treasury will retain the resources generated from this scheme. Details of this scheme are still emerging, it is anticipated that Hartlepool will have an initial liability of £195,000. It is not yet clear if there will also be an ongoing liability and details will be reported when they are known. A proposed strategy for funding the initial liability is detailed in paragraph 13.2.

3.12 The Spending Review also indicated that the Government will be looking at a range of other issues. These changes will not impact on the 2011/12 budget, although in the medium term they could have a fundamental impact on Local Government. Details of these issues will be reported when they become available and cover:

- Review of Local Government funding;
- Changes to Council Tax benefit and potential localisation of this benefit;
- Review of business rates and potential re-localisation;
- Introduction of Tax Incremental Financing (TIF);
- Proposed introduction of a national funding formula for schools.

4. IMPACT OF SPENDING REVIEW ON HARTLEPOOL

4.1 The spending review announcements provide a clear picture of the funding cuts facing councils over the next four years. The exact impact on individual councils won't be known until the detailed local government grant settlement is announced by CLG and other departments provide details of the remaining specific grants.

- 4.2 The headline cuts in Formula Grant (detailed in Table 4 – paragraph 3.5) indicate that over the next two years the grant cuts will be higher than anticipated. At a local level the actual cuts will be determined by the impact of changes in the underlying Formula Grant methodology and the level of grant flooring and ceilings (if these continue). Owing to the range of the proposed changes to the Formula Grant methodology this risk cannot be assessed, although in total the proposed changes disadvantage the North East and Hartlepool.
- 4.3 For planning purposes it is therefore appropriate to update the MTFS forecasts to reflect the phasing of the national Formula Grant cuts and the other changes identified in the previous paragraph. On this basis the net unfunded 2011/12 deficit is £5.6million, compared to the forecast range of £4.1 million to £6.6 million, as detailed below. The table also highlights the original gross deficit and measures already identified to mitigate this position. This highlights the scale of the reductions in the Council's core revenue budget.

Table 6: Update 2011/12 Budget Deficit

Position as at 11.10.10	£'000	£'000
Gross Deficit (based on 10% grant cut)		10,400
Add – Impact of Spending Review Changes		
Increase of grant cut from 10% to 14%	2,100	
Impact of specific grants being included in formula grant	900	
Loss of ABG Support and Grant Fund	500	
Learning Disability Transfer	50	
		<u>3,550</u>
Gross Deficit		13,950
Less – Impact of Spending Review Changes		
Council Tax Freeze Grant	(1,000)	
New Personal Social Services	(1,000)	
		(2,000)
Less – Planned use Budget Support Fund		(900)
Less – 2011/12 Planned BTP Efficiencies		(1,300)
Less – Proposed 2011/12 Permanent and temporary cuts (detailed in Appendix 1 – including additional BTP efficiencies £1.6m)		(4,100)
Revised 2011/12 Deficit		5,650

4.4 COUNCIL TAX 2011/12

- 4.5 For planning purposes the revised 2011/12 forecast deficit assumes that Cabinet will wish to freeze Council Tax at the 2010/11 level to enable the Council to receive the Council Tax freeze grant. For Hartlepool this grant equates to £1m. The Spending Review commits to providing this funding for 4 years. It is not clear what happens when the current spending review ends. The Government will either

need to continue this funding or authorities will face a funding reduction in 2015/16.

- 4.6 In terms of the impact on Hartlepool residents of freezing Council Tax the benefits of this additional grant are as follows:

Table 7: Potential Benefit from a Council Tax Freeze

	Council Tax Band	
	A	D
Potential Saving if Hartlepool Council Freeze Council Tax	£24	£35
Potential Saving if Hartlepool Council, Police and Fire Freeze Council Tax	£28	£42

- 4.7 The detailed announcement of the 2011/12 Council Tax freeze also reminds Local Authorities of the Government's plans to legislate in the Localism Bill to give local residents new powers to veto excessive Council Tax rises. These arrangements will replace Government capping from 2012/13 onwards. Until then the Secretary of State has stated "he reserves that right to use capping powers against any individual authorities which ignore the freeze and set excessive Council Tax rises".
- 4.8 The Secretary of State will not announce 2011/12 capping criteria until after local authorities set their budgets and Council Tax levels. Based on information currently available the capping level is likely to be set at, or very near to 2.5%.
- 4.9 If Members wish to consider increasing Council Tax in 2011/12 they need to appreciate that this will have limited impact in 2011/12. This is because only the increase above 2.5% will benefit the bottom line. For Members information each 1% increase above 2.5% generates £0.4m. In the longer term, i.e. after the end of the Spending Review there would be an on-going benefit from increasing Council Tax in 2011/12 by more than 2.5%, as this will increase the Council's resource base. This benefit will depend on the capping level.
- 4.10 Members need to therefore determine if they wish to freeze Council Tax in 2011/12 or implement a higher increase than 2.5% and forego the Council Tax freeze grant for the next 4 years.
- 4.11 The Government have not yet made any announcement on Council Tax increases from 2012/13 and the detailed criteria for triggering Council Tax referendum. However, there are indications that the trigger point for a referendum may be set at 2.5%.
- 4.12 In accordance with existing regulations Cabinet needs to set indicative Council Tax increases for 2012/13 and 2014/15. The existing MTFS

has previously included indicative Council Tax increases for 3 years of 0% in 2012/13 and 3.9% in 2013/14 and 2014/15.

- 4.13 Cabinet needs to review the existing indicative Council Tax increases and determine if they wish to approve alternative increases. For planning purposes it is suggested Members increase the indicative increase for 2012/13 to 2.5% and maintain the increases for 2013/14 and 2014/15 at 3.9%. This proposal potentially reduces the 2012/13 budget deficit by £1m, as detailed in Table 9, paragraph 6.2. Actual Council Tax increases will be determined on an annual basis.

5. STRATEGY FOR MANAGING THE 2011/12 BUDGET DEFICIT

- 5.1 Assuming Cabinet approves a Council Tax freeze for 2011/12 and confirms the measures already identified for reducing expenditure a strategy is needed to fund the net deficit of £5.6m. As Members are aware significant savings have already been made through the Management Structure changes and Service Delivery Options completed or planned to deliver savings from April 2011.
- 5.2 Therefore, the budget strategy for 2011/12 is moving beyond delivering more efficiencies and begins a process of reducing and prioritising the services the Council provides. This is a fundamental change in how the budget will be managed and is necessary to address a period of sustained and significant grant cuts. This will require the Council to make the most difficult decisions it has faced since becoming a unitary authority in 1996.
- 5.3 The first part of this strategy involves reviewing new budget pressures. In October these were initially assessed as having a total value of £1.289m. A detailed review of these items reduces the value of new commitments to £1.066m (which includes £0.645m of social care pressures). Details of these commitments are provided in **Appendix 2**. The main reduction relates to the use of Prudential Borrowing to fund a variety of requirements and assuming Cabinet approves the lower capital allocation, detailed proposals for using this amount will be submitted as part of the final budget report in February. In the meantime, it is suggested that Scrutiny Co-ordinating Committee is requested to provide views on the detailed proposals set out in **Appendix 2**.
- 5.4 The budget deficit can also be reduced by deleting the Cabinet Contingency and Provision for Cabinet projects budget – total value £75,000.
- 5.5 The majority of the 2011/12 deficit will need to be bridged by reducing existing services. Over the last few months initial proposals for managing a net 2011/12 deficit of up to £6.7m have been considered. This work indicated that cuts of this magnitude from the 1st April 2011 will be extremely difficult to achieve. Assuming the proposals detailed

in the previous paragraphs are agreed the net deficit reduces to £5.352m. This is still a very significant deficit and will mean that the majority of the proposals previously identified will need to be implemented.

- 5.6 These savings are provided in **Appendix 3** and these proposals reflect a detailed review of existing services. They also reflect Cabinet's guidance to maximise administrative and managerial savings at a corporate and departmental level, which has identified savings of approximately £1.5m from these areas. The remaining savings have to come from front line services as this is where most of the Council's budget is spent.
- 5.7 In total the value of the above measures is £5.812m compared to the unfunded deficit of £5.650m, as summarised in the following table.

Table 8: Summary of Proposed Budget Reductions

	£'000
Net Deficit	5,650
Reduction in Budget Pressures	(223)
Removal of Cabinet Contingency and project budgets	(75)
Sub total	<u>5,352</u>
Chief Executives Department cuts	(741)
Regeneration & Neighbourhoods Department cuts	(1,735)
Child and Adult Services Department cuts	(3,038)
Total budget reductions	<u>(5,812)</u>
Forecast Net Deficit/(Surplus)	(162)

- 5.8 There are a number of areas where alternative proposals for achieving the specific cuts detailed in **Appendix 3** could be achieved. Cabinet has indicated that they wish these proposals to be referred to Scrutiny Co-ordinating Committee for consideration:
- i) Regeneration and Neighbourhood Services – Beach Safety
Appendix 3 includes a proposal to reduce the Beach Safety budget by £50,000. A lower reduction of £19,000 could be achieved and the savings shortfall bridged by closure of paddling pools.
 - ii) Regeneration and Neighbourhood Services – Dial-a-Ride
Appendix 3 includes a proposal to discontinue this service to save £209,000. As an alternative this service could be continued on a self financing basis by increasing the current fare of £2.50 per journey to £10.00.
 - iii) Regeneration and Neighbourhood Services – Waste Management
Appendix 3 includes a proposal to reduce the bulky waste service from 3 rounds to 2 owing to reduced demand. An additional

saving of £100,000 could be achieved by ceasing to provide this service completely.

iv) Child and Adult Services – Libraries and Community Centres

Appendix 3 includes proposals to reduce Libraries and Communities Centres, which are in addition to reductions approved as part of the SDO savings for these services. These savings can either be achieved by the retention of:

a) Libraries at Owton Manor, Central, Throston, Headland; or

b) Libraries at Seaton, Central, Throston, Headland; or

c) Libraries at Owton Manor, Central, Throston, Headland, and Seaton – with Seaton downsized and combined as a community space (as per Throston under SDO). This would require closure of a further Community Centre at Burbank and balance of additional library/ community centre budget reductions to meet balance.

v) Child and Adult Services – Brinkbum Pool

Appendix 3 includes proposals to relocate primary swimming to Mill House Leisure Centre and the subsequent closure of Brinkbum pool to save £76,000. As an alternative it may be possible to transfer Brinkbum Pool to Hartlepool Sixth Form College to achieve this saving.

5.9 As the value of proposed budget reductions marginally exceeds the amount currently required to balance the budget it is suggested that this amount is earmarked until the actual grant figure for 2011/12 is known. This will provide some flexibility to manage the actual cut in the Council's Formula Grant, which may be higher than forecast owing to proposed changes to the formula. In the event that this risk does not materialise this amount can be earmarked to manage timing risks associated with implementing such large cuts in expenditure in 2011/12, or timing risks associated with the implementation of the increased Business Transformation efficiencies for 2011/12.

5.10 In some cases the proposals detailed in **Appendix 3** include areas where it is already planned to implement Business Transformation SDO efficiencies. These areas will need careful management to ensure both the SDO efficiency and planned cuts are delivered on time.

6. 2012/13 TO 2014/15 BUDGET POSITION

6.1 On the basis of the Spending Review announcement the grant cuts by 2014/15 of 28% are broadly in line with expectations. As indicated earlier these cuts are being front loaded in 2011/12 and 2012/13 and cuts in Formula Grant over this period will total 23%, compared to

forecasts of 15% to 20% consequently, the Council will need to cut expenditure earlier than expected.

- 6.2 The announcement of the new Personal Social Services grant, the clarification of the Council Tax freeze, and broad statements on future Council Tax increases may reduce the total deficit by 2014/15 slightly. However, there are other factors, most notably changes to the existing formula Grant methodology, which may adversely impact on the Council. Therefore it is appropriate to consider a range of budget deficits when looking at the position beyond 2012/13 as summarised in the following table.

Table 9: Budget Summary 2012/13 to 2014/15

Planning Assumptions	Forecast Annual Deficit		
	2012/13	2013/14	2014/15
<u>Worst Case</u> (assumes no additional benefit from new Social Services Grant in 2012/13 and existing Council Tax increases of 0% 2012/13 and 3.9% in 2013/14 and 2014/15)	£6.9m	£2.4m	£4.6m
<u>Best Case</u> (assumes additional £1m benefit from new Social Services Grant in 2012/13 and Council Tax increase of 2.5% in 2012/13 and 3.9% in 2013/14 and 2014/15)	£4.9m	£2.4m	£4.6m

- 6.3 As indicated in the October budget report it will become increasingly difficult to bridge the budget deficit after 2011/12 owing to the measures which will have already been implemented. Therefore, to address the future challenges, the Council's strategy needs to include:
- Shared Services with other Councils or organisations;
 - Commissioning Services from other organisations;
 - Increasing income;
 - Prioritising Services to identify areas which will be scaled back or stopped completely.
- 6.4 In relation to sharing services and commissioning services the scale of reductions which can be made in these areas will be dependant on the impact of TUPE regulations, which will limit the Council's ability to reduce costs by transferring staff. These areas will therefore need careful consideration.

6.5 In practice, the final bullet point will form the major component of the strategy for reducing expenditure. Detailed proposals will need to be developed during 2011/12 to address the 2012/13 deficit. Some of these measures, such as reviewing existing eligibility criteria or charging for social care, will need considering at an early stage owing to lead times needed to implement from April 2012.

7. 2011/12 REDUNDANCY/OTHER ONE OFF COSTS AND FUNDING

7.1 If Members approve the proposals for reducing budgets detailed in **Appendix 3**, the number of employees at risk of redundancy is 150. This figure only covers General Fund staff directly and indirectly (via reduction in trading account income) affected by proposals detailed in **Appendix 3**. There will also be redundancies arising from SDOs and cuts to specific grants and these redundancy numbers will need to be quantified when grant allocations are known. In accordance with existing policies the Council will try to mitigate compulsory redundancy through redeployment and voluntary redundancies. However, given the scale of employees at risk it is extremely unlikely that compulsory redundancies can be avoided completely.

7.2 Following Cabinet's decision today, the Authority will need to commence consultation with the Trade Unions. Formal notification to the Government and Trade Unions will commence on the basis of Cabinet's decisions today. A consultation programme has been prepared which complies with statutory requirements and the Council's policy for reorganisation, redeployment and redundancy.

7.3 Work is ongoing to quantify redundancy and related costs for 2011/12. In terms of funding these costs it is still proposed that this will need to be achieved through a combination of reviewing reserves, the use of any one-off benefits and under spends, and seeking Government approval to capitalise redundancy costs. Further details will be reported in the final budget report early next year.

7.4 The Secretary of State for Communities and Local Government has guaranteed "a £200 million capitalisation fund in 2011/12 to support authorities that wish to deliver efficiency savings through internal restructuring". No details of how this fund will operate or the costs which will be eligible for funding have been provided. In practice, a fund of £200 million will not meet the redundancy liabilities across Local Government. If this amount was allocated on a population basis, Hartlepool would only receive around £400,000 of this allocation.

7.5 In some instances it may be possible to redeploy staff into other posts. If these are at a lower pay level the Council's existing Single Status Agreement provides protection at one salary band above the new grade where this is lower than the current grade. Protection is currently paid for 3 years. In the circumstances it would be

appropriate to fund protection costs in the same way as redundancy costs for 2011/12.

8. BUDGET RISKS

- 8.1 As reported in October the major financial risks facing the Council prior to the Spending Review were the level of grant allocations, the detailed basis for implementing cuts to different grant regimes and the link between grant regimes at a local level.
- 8.2 The Spending Review announcement provided a broad overview of the position on grants, which confirms a number of risks have materialised; including the size of the overall formula grant cut, the expected phasing, abolition of the WNF and the transfer of specific grants into the formula grant. This information confirms the broad cuts in grant funding. There is still a risk of further cuts owing to proposed changes in the Formula Grant methodology. The extent of this risk will not be known until the detailed Local Government Grant settlement and specific grant allocations are known.
- 8.3 The Council also continues to monitor a range of risks and to make appropriate plans to mitigate these risks so that services are not adversely affected. As part of the 2010/2011 budget the Council reviewed its previous strategy of mitigating risk by allocating monies to individual risks and carrying earmarked reserves. This strategy is dependent upon there being sufficient financial flexibility to do this. This is no longer the case, therefore, a 'Strategic Risk Reserve' was established for these risks. This reserve has a current balance of £2.3m.
- 8.4 The risks against this reserve were initially estimated at £4.8m. Further work has been carried out and continues to be done to refine these and other risks. Some risks have occurred and been addressed, including the 2009/2010 income shortfalls and the non payment of the Local Public Service Agreement Reward Grant. Other risks have been reviewed.
- 8.5 Further details on current risks are provided in **Appendix 4** and summarised in Table 10 (overleaf). In overall terms the table shows the total value of risks has reduced from £4.8m+ to £2.8m+. This is mainly owing to the significant reduction in the BSF one-off costs risks owing to the Government cutting funding for this programme. As indicated previously these risks fall over a number of years. It will be necessary to consider topping up this reserve in future years depending on changes to the underlying risk factors or the availability of any further flexibility. Should the amounts payable in any year exceed the risk reserves, the shortfall will need to be met from the General Fund balance as a last resort.

Table 10 – Risk Issues Summary

Risk	Risk Assessment	Year	Estimated Value £'000
Income Shortfalls	Red	10/11 + 11/12	300
Equal Pay and Equal Value Claims	Red	10/11 onwards	2,000+
Achievement of Salary Turnover Target	Amber	10/11 onwards	500
Additional BSF One-Off Costs	Green	11/12	?
JE Appeal Exceed £0.4m	Amber/ Green	Back- dated to 01.04.07	?
Estimated Value of Risks			2,800+

9. SPECIFIC GRANTS

- 9.1 This report concentrates on the impact of cuts to the Council's Formula Grant and other cuts announced in the Spending Review.
- 9.2 Whilst the Government has significantly reduced the number of specific grants, a number of these grants will continue. The Council has already been affected by in-year cuts to specific grants which were announced in the Government's 'emergency budget' in June. A strategy for managing these cuts was approved in the late summer. The report advised Members that further cuts in specific grants would be made for 2011/12.
- 9.3 The Council is still waiting to find out the impact of cuts to specific grants for 2011/12, which makes financial planning for these grants extremely difficult. The Corporate Management Team has been planning on the basis of these grants reducing by 30%. Once actual grant allocations are known these plans can be reviewed and detailed proposals brought forward for Cabinet's consideration.
- 9.4 The Spending Review confirmed that the Working Neighbourhood Fund (WNF) grant will terminate at the end of the current year as originally planned and will not be extended. For Hartlepool this is a grant loss of approximately £5 million.
- 9.5 Given the significant pressures on the core budget from the cut in the Formula Grant the Council will not be in a position to mainstream either cuts in the specific grants or the Working Neighbourhood Fund. Therefore, cuts to these grant regimes will need to be passported and services terminated or scaled back accordingly.

- 9.6 For Council schemes the Council will need to fund redundancy costs from its own resources, as grant funding is generally committed to meeting running costs to the end of the year and redundancy costs are generally not eligible for grant funding. This will place an additional financial burden on the Council. Where redundancy costs can be funded from grants, schemes will be scaled back where possible to reduce the financial impact on the Council.

10. STATUTORY CONSULTATION

- 10.1 As Members will be aware from previous years, the detailed proposals determined by Cabinet at the meeting today will be referred to Scrutiny Co-ordinating Committee. Owing to the timing of the Spending Review the normal timetable could not be followed. Therefore, an alternative arrangement has been made to enable Scrutiny to consider the budget proposals on 1st December 2010.
- 10.2 This report will also form the basis for the statutory budget consultation with the Trade Unions and Budget Sector.

11. LOCAL CONSULTATION

- 11.1 Details of feedback from the initial budget consultation were reported to Cabinet in October.

Further consultation and analysis has been completed since the Cabinet report and the results are summarised below.

11.2 Talking with Communities

Further consultation has been completed with the Talking with Communities group drawn from different communities in Hartlepool, for example, Bangladeshi, Pakistani, Chinese, Korean, Filipino, Kurdish, Indian, asylum seekers, and refugees. For a full summary see **Appendix 5**.

In key respects the views of the Talking with Communities group are similar to views expressed in other consultations:

- Services for vulnerable people – adults and children were the key priority services
- Views for all other service areas were more mixed. Support services and management, recreation, leisure and community were the areas where spending reductions were most accepted.
- Overall there was little appetite for making spending reductions. There was a recognition that in many areas more needed to be done not less and therefore making choices was tough.

11.3 Further Viewpoint analysis

In addition further analysis of Viewpoint results has been completed. This compared views of Viewpoint residents living in the Neighbourhood Renewal Area (NRA) with those living in the rest of Hartlepool. The NRA comprises the most deprived neighbourhoods in Hartlepool; North Hartlepool (Headland, Central Estate and West View King Oswy), Throston, Dyke House / Stranton / Grange, New Deal for Communities area, Rift House, Burbank, Rossmere and Owton. In addition, results have been analysed by age, disability and gender. The following paragraphs focus on views about the acceptability to cut spending on a range of 47 services. A fuller summary of results by NRA area can be found in **Appendix 6**, and a summary of results by age, disability and gender can be found in **Appendix 7**.

Appendix 8 shows the Viewpoint data tables for the services Viewpoint members find unacceptable to cut by NRA/non-NRA, gender, age and disability.

Neighbourhood Renewal Area

Viewpoint members were asked whether it was acceptable or unacceptable to cut spending for 47 services. For the majority of these services, Viewpoint members from the NRA said reduced spending was unacceptable. Viewpoint members from the NRA were more likely to think it unacceptable to cut spending for these services than Viewpoint members from the rest of Hartlepool. There were only 9 services where over 50% of Viewpoint members from the NRA said it was acceptable to cut, compared to 17 services for the rest of Hartlepool. For 25 out of the 47 services, Viewpoint members from the NRA were notably more likely to say it is unacceptable to cut spending, than members from the rest of Hartlepool.

Age, Disability, Gender

Female Viewpoint members, younger Viewpoint members (17 to 34), older Viewpoint members (65 years and over), and members with a disability were less likely to identify services as acceptable to cut spending on.

Female Viewpoint members, older Viewpoint members, and Viewpoint members with a disability were less likely to want to see cuts for concessionary fares and support for the bus service.

Older Viewpoint members and Viewpoint members with a disability were also more likely to find it unacceptable to make cuts in the provision of advice to encourage self help in relation to adult social care. In addition, Viewpoint members with a disability were more likely to find it unacceptable to cut spending on 'Dial a Ride' and regeneration projects.

Female Viewpoint members also identified community development and beach safety as services to protect from cuts. And younger

Viewpoint members were more likely to find it unacceptable to cut spending on energy efficiency and management, and adult and community education and learning.

11.4 Equality Assessment

Additional consultation will be undertaken as part of the equality assessment (a statutory requirement) of the budget proposals. The results of the assessments will be reported to Cabinet in February 2011 to ensure due regard of the impact of the proposals on protected groups (as defined by equality legislation) when budget decisions are made.

12. CAPITAL

12.1 The Spending Review has only provided headline announcements for total Local Authority Capital Expenditure which will fall by 30% by 2014/15.

12.2 Details of the impact on the Council will be reported when this becomes available.

13. 2010/11 FORECAST OUTTURN

13.1 As reported to Cabinet on 22nd November 2010, no significant additional issues have been identified as part of the quarter 2 financial management arrangements. A number of income streams continue to be at risk and the position will continue to be monitored as the Strategic Risk Reserve may need topping up, or these items included as a permanent pressure from 2012/13.

13.2 The Council has recently been notified of successful rating appeals against the 2005 rating list. As a result a one off refund of £0.2m has been secured. It is suggested that this amount is allocated to meet the Carbon Reduction Liability (as detailed in paragraph 3.11).

14. CONCLUSION

14.1 The Spending Review Announcement on 20th October 2010 confirmed the Government's commitment to reduce the national budget deficit and to achieve the majority of this reduction through spending cuts. The Spending Review sets out the choices the Government has made to prioritise the NHS, schools, early years and capital investments that support long term economic growth. These choices mean significant cuts in other areas, including Local Government funding, over the next four years.

14.2 For Local Government the Formula Grant cut will be 28% by 2014/15 - £7.2billion at a national level. This compares to a local planning forecast of 25% to 30%. The Spending Review stated that this

equates to an average annual grant cut of 7.25% in each of the next four years.

- 14.3 In reality the grant cut is front loaded and over the next 2 years the Formula Grant cut will total £5.5 billion – which accounts for three quarters of the planned cuts over the next four years. This equates to a cut in 2011/12 of 14% and in 2012/13 of 9%.
- 14.4 The forecast grant cuts will reduce the core formula grant from £51.5m to £36.5m by 2014/15. In cash terms this is the level of grant the Council received in 2004/05. Since this date the Council has had to fund significant pressures, including demographic pressures, caring for older people, increased cost of Looked After Children and the ongoing cost of implementing the single status pay agreement. As these commitments are ongoing the grant cut means services will need to be scaled back, or stopped.
- 14.5 For planning purposes it is assumed that the national decreases will apply at a local level. On this basis, the position on Formula Grant cuts for the next two years is worse than feared. The impact on a population basis of the grant cuts is particularly unfair on areas dependent upon Government grant, such as Hartlepool, as the cuts per head of population are greater as illustrated below:

	Grant Cuts Per Head of Population
Hartlepool	£78
Average Unitary	£53

- 14.6 There were some positive aspects included in the Spending Review which benefit local authorities, including funding to freeze Council Tax in 2011/12 and the new Personal Social Services Grant. Given the cuts in total Formula Grant, which at a local level, funds approximately 55% of Social Services expenditure, this 'new' grant effectively only gives back a proportion of the initial grant cut.
- 14.7 On balance, the grant cuts announced in the Spending Review are worse than feared, particularly in 2011/12 and 2012/13.
- 14.8 In relation to 2011/12, total permanent General Fund expenditure reductions and service cuts will amount to £10.4m, as overleaf:

	£'m	£'m
Business Transformation Programme		
– Initial 2011/12 proposals	1.3	
– Additional 2011/12 proposals	<u>1.6</u>	
		2.9
Other Corporate reductions (detailed in Appendix 1)		1.9
Proposed 2011/12 cuts in departmental budgets (detailed in Appendix 3)		5.6
Total permanent expenditure reductions and cuts		10.4

- 14.9 The position for 2012/13 to 2014/15 General Fund expenditure remains extremely challenging and further expenditure cuts, of between £11.9m and £13.9m will need to be made over this period.
- 14.10 Until details of the Local Government grant settlement is known the exact impact on the Council will not be known. It is hoped that the actual position is no worse than the forecasts detailed in this report.
- 14.11 The Council will also be affected by cuts in specific grants and the WNF. Given the scale of the cuts to the General Fund in 2011/12 it will not be possible for the Council to consider mainstreaming cuts to specific grants and the WNF – as this will simply mean other services need to be cut. Therefore, the cuts in specific grant and the WNF will need to be passported.
- 14.12 Cabinet needs to determine the detailed consultation proposals to be referred to Scrutiny and those issues are outlined in the next section.

15. RECOMMENDATIONS

- 15.1 It is recommended that Cabinet refers this report to Scrutiny Co-ordinating Committee (SCC) and asks for views on the following consultation proposals:
- 15.2 The proposed permanent and temporary budget reductions detailed in **Appendix 1**.
- 15.3 The revised 2011/12 pressures, including the proposed reductions, detailed in **Appendix 2**.
- 15.4 The proposal to have a single capital allocation of £1million (funded from Prudential Borrowing) to cover SCRAPT priorities, capital allocations for Neighbourhood Forums, Community Safety initiatives and Disabled Adaptations and Disabled Facility Grants.

(If Cabinet and SCC support this allocation detailed proposals for using this amount will be developed and included in the final budget report).

- 15.5 The proposal to freeze Council Tax for 2011/12 in order to secure the payment of the Council Tax freeze grant of £1million for 2011/12 and the following 3 years.
(Members need to note that for 2011/12 the Secretary of State will still have power to cap Council Tax. In addition, it is only the increase in Council Tax above 2.5% which will benefit the budget in 2011/12, although any increase in 2011/12 will be locked into the base resource basis on a permanent basis).
- 15.6 If Cabinet support a Council Tax freeze for 2011/12 do they wish to write to the Police and Fire Authorities advising them of Cabinets proposal. (Police and Fire Authorities are eligible to receive the Council Tax Freeze grant).
- 15.7 The proposed cuts detailed in **Appendix 3** to bridge the 2011/12 budget gap and the alternative proposals for specific issues detailed in paragraph 5.8.
- 15.8 The proposal to implement the Working Neighbourhood Fund grant cuts imposed by the Government withdrawing this funding.
- 15.9 The proposals to passport cuts in specific grant when these are announced by the Government.
- 15.10 The proposal to allocate the one off rates refund of £0.2m to meet the 2011/12 CRC liability.
- 15.11 The proposed indicative 2012/13 Council Tax increase of 2.5% and indicative increases for 2013/14 and 2014/15 of 3.9%.

Appendix 1

Schedule of 2011/12 Permanent and Temporary Budget Reductions

There are a range of permanent and temporary measures available to reduce the 2011/12 deficit. The temporary items are beneficial in addressing the 2011/12 deficit, although this will defer part of the budget deficit to 2012/13. These issues are detailed below :

	<u>£'000</u>
<u>Permanent Benefits</u>	
i) <u>Increase in Business Transformation Programme Efficiencies</u>	1,600
<p>The MTFS currently anticipates BTP of £6m over a four year period, with £1.3m included in 2011/2012 forecasts. Based on progress to date it is anticipated that the aspirational target of £8m can be achieved over a shorter period. It is therefore now possible to anticipate a further £1.6m in 2011/2012, subject to Members agreeing detailed proposals when they are brought forward.</p>	
ii) <u>Lower Pay Awards 2010/2011 and 2011/2012</u>	1,000
<p>The position on pay awards for April, 2010 and 2011 is now becoming clearer and the cumulative provision can be reduced by £1m in 2011/2012. This assumes there are no pay awards for 2010/2011 and 2011/2012 and leaves provision to cover the estimated cost of a flat rate increase of £250 for employees earning below £21,000 from April, 2011.</p>	
iii) <u>Removal of One-Off Budgets for Brierton Site Costs and Dyke House Transport Costs</u>	345
<p>The Dyke House Capital Scheme will be completed over a shorter period than originally anticipated. Therefore, provision for these costs was made in the 2009/2010 Outturn Strategy. This means the base budget provision for this item is not needed for 2011/2012.</p>	
iv) <u>Removal of Mill House Loan Repayment Budget</u>	309
<p>The base budget includes £0.309m to support Prudential Borrowing towards the Mill House replacement. This project needs to secure significant grant funding to proceed. As this is unlikely to be achievable in the current financial climate this budget can be taken as a permanent saving.</p>	
v) <u>Reduction in Looked After Children Contingency</u>	250
<p>This proposal depends on 2009/2010 expenditure trends continuing in the current year which would enable the Looked After Children Risk Reserve to be increased to</p>	

£0.5m. This would provide a Risk Reserve equivalent to the value of the contingency for this area of two years.

- vi) Review 2009/2010 and 2011/2012 Pressures and Contingency 83

A review of this item has identified a number of minor issues which no longer require funding.

Total Permanent Budget Reduction 3,587

Temporary Benefits

- i) Use of Specific Departmental Reserves 513

Departments created a number of specific reserves as part of the 2009/2010 outturn strategy. These reserves are specifically earmarked to meet service pressures which have been included in the commitments identified against the budget headroom, as detailed in Appendix 2. These reserves can be released to support expenditure in 2011/2012.

Total Temporary Resources 513

Total Permanent Budget Reductions and Temporary Resources 4,100

SCHEDULE OF 2011/12 BUDGET PRESSURES

2011/12 PRESSURES - CORPORATE ITEMS

Budget Area	Value of Pressure reported 11.10.10 £'000	Value of Pressure withdrawn £'000	Net Pressure £'000	Description of Pressure
Repayment costs of using Prudential Borrowing to capitalise revenue expenditure in 2010/11.	50	0	50	Repayment costs of using Prudential Borrowing to capitalise revenue expenditure in 2010/11 to achieve revenue saving in 2010/11 of £0.5m.
Repayment costs of using Prudential Borrowing for local priorities.	35	(35)	0	The initial pressure covered the repayment costs of using Prudential Borrowing for local priorities following capital allocations for 2011/12 - Neighbourhood Forum Minor Works allocations £156,000, Community Safety Initiatives £150,000 and Disabled Adaptations £50,000. Given the scale of the Formula Grant cut it is now proposed that these areas are considered alongside other local capital priorities and considered as bids against a single capital pot - see next item.
Repayment costs from continuing SCRAPT programme.	180	(80)	100	The initial pressure covered the repayment costs arising from capital allocation of £2.2 million in 2011/12 to continue SCRAPT programme, second phase of planned maintenance work and DDA works. Given the scale of the Formula Grant cut it is now proposed that these areas, and the items detailed in the previous item are considered as bids against a single capital pot of £1.2m. Detailed proposals for using the capital allocation will be developed if Cabinet approves inclusion of this revenue pressure.
	265	(115)	150	

2011/12 PRESSURES - CHILD AND ADULT SERVICES

Mental Health	155	0	155	Continuation of previous trend of an increase in the number of high cost community based packages associated with Aspergers/autism/complex dual diagnosis. These are complex cases requiring significant funding and trends are expected to continue in the coming years. The Council is under a statutory duty to meet assessed needs and there are risks around failure in meeting our Duty of Care.
Older People Demographics	190	0	190	Continuation of previous years demographic trend arising from an aging population and increase in individuals with severe dementia requiring care.
Learning Disabilities	250	0	250	Increase in number of individuals with complex care needs.
YOS Senior Practitioner	50	0	50	Increased capacity to address issue raised in external inspection.
	645	0	645	

SCHEDULE OF 2011/12 BUDGET PRESSURES2011/12 PRESSURES - CORPORATE ITEMS2011/12 PRESSURES - REGENERATION AND NEIGHBOURHOODS DEPARTMENT

Budget Area	Value of Pressure reported 11.10.10 £'000	Value of Pressure withdrawn £'000	Net Pressure £'000	Description of Pressure
Removal and disposal of abandoned and nuisance vehicles.	15	(15)	0	Funding for the removal and disposal of abandoned and nuisance vehicles. Formerly funded through LPSA reward grant monies.
Waste Disposal	50	0	50	Increase in Waste Disposal Costs arising from increase in Energy From Waste gate fee and landfill tax.
Concessionary Fares	110	0	110	Provision for above inflationary increase in Concessionary Fares.
Section 38 Budget	111	0	111	Loss on income arising from reduction in development, which is expected to continue owing to reductions in public sector capital spending. This risk was previously managed at a departmental level, but this is no longer sustainable as the existing reserve is expected to be fully committed in 2011/12. Therefore, this commitment needs including in the budget forecasts for 2011/12 and the remaining reserve released to support the overall budget.
Environmental Enforcement Officers	93	(93)	0	3 x Environmental Enforcement Officers funded by Housing Hartlepool. Current funding is for one year only. Negotiations are currently ongoing with Housing Hartlepool to continue this funding.
	379	(108)	271	
Total Pressures	1,289	(223)	1,066	
Less Headroom included in budget forecasts for pressures	(1,000)	0	(1,000)	
Additional net pressure to be funded	289	(223)	66	

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Performance and Partnerships	Performance and partnerships functions cover the operation of the LSP, sub groups and arrangements around these, the performance management and service planning functions of the Authority in conjunction with Consultation (including Viewpoint) and Risk management.	Reduction in a variety of consultation activity, BVPP budgets for publishing the plan which is no longer a formal requirement, training and consultants spend in relation to current partnership activity which is used to support core capacity. *Significant reduction / scaling back of the operation of the LSP and the arrangements surrounding this. Consideration to the minimum requirements to be in place to meet statutory guidelines and their implementation with consideration to the resources required to deliver this. Also the reduction / scaling back / ceasing elements of consultation work significantly including viewpoint. This would require a reconsideration of the mechanisms for consultation and the consideration of how any remaining work would be delivered with the potential reduction of posts across these functions.	143.5
Scrutiny	Support and development of the scrutiny function.	Significantly reducing the budgets for professional fees and reductions in a range of other small scale budget heads in respect of travel and other support costs.	6.5
Public Relations	The operation and management of the PR function of the authority with particular reference to the Councils reputation.	Attempt to deliver Hartbeat on zero budget (there is currently provision of approx £7k to support overall costs of production reduced significantly from previous years in conjunction with a reduction in the number of editions and the same with Newsline). * Consideration of a potential reduction corporately in the spend on external advertising with alternative arrangements to be supported by the PR team, the generation of income from external sources or a reduction in the work and operations of the team with a subsequent consideration of the resources required to deliver this with a potential reduction of posts across this function.	27
Corporate ICT	The Central ICT function supports departments in the development and delivery of ICT projects and the management of the NIS contract.	Take out ICT infrastructure budget which was included approximately 2 years ago to fund infrastructure costs as there had never been a base budget for this. This will result in a need should there be infrastructure costs to revert to the mechanism of identifying provision from departments. *A reconfiguration and reallocation of the work within the team with a reduction in the resources to deliver this.	42
Scrutiny / Democratic Services	Support and development of the scrutiny function and the operation and management of the democratic processes.	Reduction of the resources over two teams. This may be achieved by a range of measures but is dependant upon a reduction in meetings .	34
Internal Audit	The Internal Audit function supports the Section 151 officer and provides independent reviews of financial systems and procedures across the Council.	Specialised internal audit software 'TeamMate' was initially implemented in September 2008 and this automated manual processes and has been developed to enable auditors to work off site. These changes increase auditor productivity and after two years of operation an 'Auditor' post can be deleted. This proposal should not adversely affect performance against the Audit Plan or the External Auditors assessment of the robustness of Internal Audit coverage. This reduction will reduce capacity to a minimum level required to deliver the Internal Audit Plan for the Council and Cleveland Fire Authority (which is provided on a cost recovery basis).	30

* denotes where two comments have been amalgamated together.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Corporate Finance	The Corporate Finance function supports the Section 151 officer and provides accountancy and financial management support to the Council and service departments.	Following the amalgamation of the departmental and central finance teams into a new Corporate Finance section and the achievement of the management structures and Service Delivery Options efficiencies a review of this area has been undertaken. A saving of £25,000 can be achieved by deleting a consultancy budget as work on the schools funding formula has now been brought in-house. Further efficiencies will be achieved by rationalising working practises to reduce current establishment levels. * Further rationalisation and prioritisation of workloads.	138
Diversity	Co-ordinate corporate statutory diversity responsibilities including the planning and review of services and employment provisions.	Reduce corporate support, placing more emphasis on departmental responsibilities. Possible shared arrangement with other local authorities for advice, guidance and consultation.	40
Registration & Nationality Service	Registration of marriages, civil partnership, births and deaths. Provision of citizenship ceremonies and associated records and information provision.	Relocate Registration and Nationality Services to Civic Centre.	28.5
Workforce Services/HR Business Support	Provides Human Resources support to the Council, service departments and schools.	Reduce development and corporate initiatives which will impact on the proactive work being done to co-ordinate and modernise employee policies and support organisational development. * Reduce support to managers for low level/routine employee matters e.g. sickness absence, recruitment, grievances and replace with training and toolkits. This will potentially risk increased absence, poor performance, deterioration in employee relations and potential increase in claims to ET. Assumes a reduction in workforce numbers which require support.	135.5
Legal Services	The Legal Services function provide legal services to the Council and service departments, including supporting the Monitoring Officer.	Proposed deletion of team leader (Environment & Development) post. Note, this post presently funds a property lawyer through a contract for provision of services. This is a recommendation on the likelihood of a diminution in the volume of property related work.	43
Revenues Service	Collection and recovery of Council Tax and business rates.	Increase by £10 from £60 to £70 the cost to the council taxpayer where the council has to issue a court summons and obtain a court liability order for unpaid council tax. This proposed increase must be formally approved by the court as reasonable. Rejection by the court of the proposed increase is viewed as low risk as 2 other Tees Valley Councils are currently charging £65.50 and £80.	25
Benefit Service	Processing and award of Housing Council Tax Benefit.	Reduce resources impacting on customer service standard e.g. reduced support, increased waiting times, increasing processing times, etc.	24
Hartlepool Connect	First point of contact for customer services e.g. personal callers, telephone, e-mail and mail.	Reduce resources impacting on customer services standards e.g. increased waiting time, reduced opening hours, etc.	24
TOTAL CHIEF EXECUTIVES DEPARTMENT			741

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>SERVICE AREA</u>	<u>DESCRIPTION OF SERVICE</u>	<u>Description of Reduction</u>	<u>Value Reduction £ 000</u>
Community Centres x 7 Establishments	Community Centres (net of income) and management of grants to the community and Voluntary Sector.	This closes 3 community centres with additional associated premises costs to be identified and saved from Centralised budgets. This leaves 4 community centres and community rooms for hire in other facilities.	51
Cultural Services	Provision and management of Museum, Art Gallery, Theatre, Events, Hartlepool Maritime Experience visitor attraction and Arts Development in high profile facilities. Significant income is generated in commercial buildings	Cease non grant funded arts development work, reduce museum/arts gallery and cultural events staff, and non staff budgets which will reduce the exhibition programme. Cease Tees Archaeology non statutory activity.	94
Havelock & Warren Road Day Centres	In house provision of day opportunities and specialist support for individuals with complex learning and physical disabilities.	Further rationalisation of staffing structure	50
Commissioning - Working Age Adults, Older People, Mental Health	Expenditure spent on individuals for residential care, homecare, direct payments	Cut contracts to providers. Budgets already part of SDO with £1.2M target. Any higher cuts than these may destabilise some providers and lead to home closures and the need to move very vulnerable people. Could also affect quality. * Negotiate no inflation on contracts.	476
Health Promotion	Health promotion initiatives	Cease Activity	77
Sport, Leisure & Recreation Facilities	Facilities including Mill House & Headland Leisure centres, Grayfields and Summerhill recreation sites	Increase fee income at headland sports hall and MHLC, increased income streams is in line with other authorities and preferred to cutting services in the short term, pending looking at longer term Trust or similar, options. Concessions would be offered	100
Libraries - Central, Branch and Home/Delivered Services	Library service consisting of hub and branch network (6 branches), special services, home delivery, Tees Archive and Reference services.	This closes a branch library cuts stock, some children's library activity and reference service including core staff . * Further staff rationalisation and stock reductions etc includes closure of a further branch library.	235
Grants to Community & Vol Organisations	Community Pool grant support to circa 30 voluntary and community organisations	30% cut to Community Pool budget. Remaining funds would increasingly be linked to commissioning of services.	134
Director, Assistant Directors & PA Support	Director, 5 Assistant Director	Delete one Chief Officer Post	98
Sport & Health in the Community	Management of Summerhill. Sport & fitness in community in partnership with Health colleagues (inc GP referrals). Sports club development, outdoor activities, disability sport, volunteer and community sports leadership development.	Reduction of staffing and projects, based on savings options above the original SDO target.	125
Social Care User Property & Finance Team	Service which provides specialist support to manage finances of those who do not have mental capacity, financial assessment for social care service, arrangement of funerals, boarding of pets, protection of property following emergency admission to hospital or death.	Reduce support staff through efficiencies. Income levels may be at risk as a result.	20

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>SERVICE AREA</u>	<u>DESCRIPTION OF SERVICE</u>	<u>Description of Reduction</u>	<u>Value Reduction £ 000</u>
Departmental Running Costs	Non-pay costs including printing, CRB's, postage, IT partnership costs, Software licences etc	Delete Directors Initiatives budget and reduce general expenditure	138
Performance Management Team	Team completes detailed statutory returns, and develops/provides management information for managers, schools, and members. Requires specialist knowledge of C&AS.	Reduction of 2 posts	40
Administration Team	Administration support in main office bases	Delete four posts. Reduce support to operational teams.	95
Workforce Planning & Development Team	In house and external training for workforce, including social care	Delete two posts. Scale back/reorganise training programmes.	110
Adults Complaints, Investigations & Public Information Team	Complaints monitoring & investigation, public information and other communications.	Delete one post.	25
Pupil Support (Outdoor Facilities)	Carlton & Lanehead fees for FSM pupils	Cease subsidy for free school meals pupils. Reflects additional deprivation funding received by schools to provide increased educational and related support for children from deprived areas.	30
Children's Contracted Services	Number of commissioned services to support the delivery of children's social care e.g. counselling, advocacy, sponsored day care.	Negotiate no inflation on all contracts. Also cease providing sponsored day care for children as part of support plan	38
Children's Placements (inc Fostering Allowances)	Payments for placements of looked after children to independent providers and Foster Carers (Fostering allowance approx £2.3M)	Negotiate no inflation on placements cost (excluding Fostering Allowances)	70
Promoting Outcomes for Looked After Children	Provision of services for looked after children to improve outcomes, participation, pursuit of extra curricular interests, child health promotion	20% overall reduction in the budget - would involve scaling back provision for children and young people who are looked after	12
Family Resource Services (Children's Social Care)	Direct work with families as part of intervention plan including intensive support packages, support to placements of looked after children and transport of children and facilitate contact	Deleting unqualified social care post following promotion of the worker to a Qualified social work post in summer 11/12. Significant saving already achieved through SDO	33
Children's Fund	Match funding for grants which deliver activities for children aged 5-11, commissioned from voluntary sector e.g. Barnardos	Reduce services provided for vulnerable young people (5-11), thus placing this group of children at risk of engaging in anti-social behaviour. * Additional 20% Reduction - This reduction in services provided for vulnerable young people (5-11) may place this group of children at risk of engaging in anti-social behaviour.	43
Hartlepool Children's Trust	Arrangements to provide Children's Trust (2 staff), plus two social work staff in related activity	Delete 2 Trust posts and related non-pay costs of producing plans etc. Local authorities no longer need to have formal trust - local partner organisations would need to find mechanisms to work towards shared priorities and goals.	87
Community Facilities in schools (Contingency for Sustainability)	Budget to cover any unexpected deficits in schools operating Community Facilities	Support for these facilities has been less than initially anticipated, therefore the contingency can be deleted. Any under spend from this year can be put into a reserve to help, but schools will have to manage the risk. * Additional reductions in no-pay costs.	102

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>SERVICE AREA</u>	<u>DESCRIPTION OF SERVICE</u>	<u>Description of Reduction</u>	<u>Value Reduction £ 000</u>
School Swimming	Use of Brinkburn Pool for Primary Swimming Programme.	Relocation of primary school swimming to MHLC, includes plan for fewer but longer swim sessions for curriculum and performance benefit	76
Parenting Support Strategy	Provision of programmes to support and improve parenting commissioned from voluntary sector	20% Overall Reduction in the budget, which will have an impact on the support for parents.	3
Improving Educational Outcomes for Pupils	Targeted work with schools to ensure we maintain and improve outcomes for our pupils. Support to meet challenges from and preparation for Ofsted inspections.	20% reduction in mainstream funding. Will reduce the capacity to improve children's education and prospects.	77
Outdoor Education Centres	Net cost of supporting use of Carlton (£80K) and Lanehead (£60K) by Hartlepool children. Carlton is run by Hartlepool - Lanehead is run by Middlesbrough	Cease subsidy contribution to Lane Head. A corresponding withdrawal from Carlton may result with income generation becoming critical. Schools using the centres would have to meet more of the cost.	60
Special Educational Needs Services	Special Educational Needs Services	Reduction of 1 Educational Psychologist	60
ICT Licences & Development	ICT Licences & Development	Withdraw capacity for ICT Development	29
Youth Offending Service	Provision of resources to deliver interventions to young offenders as ordered by the Court	15% overall reduction. If further reductions in service were required, this would have a direct impact upon the resources of the service to meet its statutory function to young offenders. The likely impact would be an increase in the number of young offenders in Hartlepool, an increased crime rate and the council being open to judicial review for failure to meet its requirements.	93
Integrated Youth Service	Three main centres + satellite centres. Also funding for a variety of projects such as Duke of Edinburgh, Deaf Youth and Salaam Centre. Plus Staffing budget for youth workers and training budget used to deliver NVQ2 to voluntary and statutory youth support service. Linked to Connexions information, advice and guidance service.	Contribution from schools to Personal Advisors (£96k); Share offices with TOS and Through Care team (£58k); Delete three posts (£100K); Reduce commissioning budget for Headland youth support activities (£3k). Centres and satellites would remain open. Grant would be re-distributed. *Delete a Team Manager post from Connexions function.	297
Home to School Transport	School buses and bus passes for eligible pupils	Reduction in services & costs/potential income generation	50
Family Intervention Project and similar prevention initiatives	Intensive support for families at risk of breakdown	Reduction in preventative services could lead the needs of primary school children becoming greater before statutory intervention and the likelihood of a higher level of resource in the long term	10
		TOTAL CHILD AND ADULT SERVICES DEPARTMENT	3,038

* denotes where two comments have been amalgamated together.

SCHEDULE OF BUDGET RISKS

Risk	Risk Assessment	Year	Estimated Value £'000
<u>Income Shortfalls</u> Continuation of adverse trends owing to impact of recession on shopping centre, car parking and land charges income.	Red	10/11 + 11/12	300
<u>Equal Pay and Equal Value Claims</u> The Council continues to face a range of equal pay and equal value claims. A separate detailed report was reported to Cabinet on 27 th September, 2010 to provide an update on these risks. This report advises Members that this risk continues to be the single largest risk, after grant cuts. Therefore a significant provision continues to be necessary to attempt to safeguard services and the Council's position.	Red	10/11 onwards	2,000+
<u>Achievement of Salary Turnover Target</u> The base budget includes a 3% reduction in staffing costs to reflect normal delays in filling vacancies. The target is currently some £1m and has generally been achieved. There is an increasing risk the target will not be achieved owing to lower turnover and reduction in public sector vacancies. The turnover target will need to be reduced down in proportion to the value of salary savings taken to balance the 2010/2011 budget.	Amber	10/11 onwards	500
<u>Additional BSF One-Off Costs</u> This risk was previously estimated at £1.8m for the full BSF programme and was not expected to arise until 2012/2013. Following the reduction in this programme this risk has reduced. Work is currently ongoing to assess this risk.	Green	11/12	?
<u>JE Appeal Exceed £0.4m</u> This risk has reduced following the completion of 'red circle' appeals which carried the highest risk. Other appeals continue to be progressed.	Amber/ Green	Back- dated to 01.04.07	?
Estimated Value of Risks			2,800+

REGENERATION AND NEIGHBOURHOODS DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Housing (homelessness, advice, private sector team)	Housing (homelessness, advice, private sector team)	The Housing SDO has already identified that the main budget areas cover employees and building related costs associated with Housing Options Centre (rent, rates, utilities, cleaning, waste removal etc) Several of the staff are either grant funded or funded from fee income on capital spend. The only options available are staff cuts. Deletion of one Housing Advice Officer post.	29
Public Protection	Environmental Health, Trading Standards, Licencing	Provide the out of hours noise service for 3 months only (June, July and August). *Remove student EHO Bursary provision. (Students will still be trained but no financial support will be given).	42
Community Safety, ASB, DAT	Community Safety, ASB, DAT	A saving can be generated by more efficient service provision between teams which work with landlords and tenants. *The DAT budget for printing will be reduced and income generated by CCTV, based on business case developed with Housing Hartlepool, who provide monitoring service.	55
Urban and Planning Policy	Core Strategy and Urban Regeneration Team	Delete Principal Planning Officer (split between SDO).	20
Landscape Planning and Conservation	Landscape Planning and Conservation	Reduce general controllable budget e.g. reduce professional fees budget and training budgets etc. *Reduce general controllable budget at Conservation Grant stage at 30%.	35
Building Control	Building Control	Restructure service - reduce from 7 posts to 6.	40
Economic Development	Economic Development	Delete enhancing employability post. *Reduce tourism marketing budget by £10,000. Reduce Economic Development General budget £15k.	55
Community Regeneration	Community Regeneration	*Reduction will be a combination of either reduced hours, loss of 1/2 post or a full post. The post or reduced hours have yet to be identified against specific staff but can be achieved.	20
Waste Management	Waste Collection& disposal service. Household Waste Recycling Centre & Waste Transfer Station, Burn Road.	Increased recycling of waste at waste transfer station, review existing HWRC contract, change opening hours to suit actual demand, thus reducing overall waste disposal budget. *Reduce bulky waste service by 1 round (2 operatives, plus one vehicle).	135
Neighbourhood management	Neighbourhood Management & street cleansing	Neighbourhood Management functions - 2 cleansing vacancies currently filled with agency. *Remove Derelict Buildings budget.	70
Parks & Countryside	Parks/ Grounds maintenance and Tanfield Road Nursery	Reduction in spring/summer beds plus change in nursery opening hours, and review of existing Parks & Countryside structure, with the loss of one operative in the Nursery and one Parks Officer.	80
Pride in Hartlepool	Pride in Hartlepool	Absorption of full Pride in Hartlepool function into Neighbourhood Management.	70
Beach Safety	lifeguard service	Scaleable reduction in service.	50
Facilities Management	Building Maintenance	Increased income target on Capital works.	100
Property Services	Provision of architectural and project management services to corporate and education assets	As a result of reducing capital programmes and rationalising of the Council's property there is a need to reduce resources accordingly. A combination of reduction in the budget for corporate property and associated staff reduction will be required particularly where fees will not be available to cover all functions and current posts. Substantial savings in this area are also being generated through the BT Asset Management Workstrand.* A further combination of reduction in the budget for corporate property and associated staff reduction will be required for 15% savings.	100
Procurement / Reprographics	Procurement / Reprographics	Potential to increase efficiencies and income in the reprographics area. The Procurement function already has a savings target of £135k p.a. as part of the BT Non-transactional workstrand.*Further efficiency / income generation in reprographics required for 15% savings.	23

* denotes where two comments have been amalgamated together.

REGENERATION AND NEIGHBOURHOODS DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Resources (Support Services)	Admin Support / Service Development / PA Support	Reduction of administrative posts following the completion of further efficiency reviews and the streamlining of working practices. *Implement changes to the Business Apprenticeship programme in order to reduce costs whilst seeking to maintain existing numbers of apprentices. *Reduce staffing resources available to identify and support the delivery of service improvements and also to undertake performance management and business planning functions. Reduce the level of PA support to reflect proposed changes to the department's senior management structure.	165
Dial a Ride	Dial a Ride Subsidised transport service for the public	Discontinuation of whole service.	209
Hospital Service	H1 Hospital service	Cease the Supported bus H1 hospital service.	85
Traffic Management	Traffic Regulation Orders, Road Safety Schemes	Small budget used for the implementation of Traffic Regulation Orders associated with road safety schemes. Charge direct to capital scheme (although funding is likely to reduce if LTP grant is reduced).	15
Street Nameplates	Street Nameplates	This budget is used to maintain the existing street nameplate assets when damaged.	23
Traffic Signs and Bollards	Traffic Signs and Bollards	This budget is used to maintain traffic signs and bollards when damaged.	15
Supported Buses	Susidy given to bus operators to provide financial backing to "non viable" service	Stop Supported Buses Service. (excluding Scholar Service).	287
Cleveland Emergency Planning Unit (4 Local Authorities) - Hartlepool Contribution to CEPU Budget is 16.3%	Cleveland Emergency Planning Unit (4 Local Authorities) - Hartlepool Contribution to CEPU Budget is 16.3%	Reduction of 1 Emergency Planning Officer. Upon retirement of Chief Emergency Planning Officer change Job Description and take out of Chief Officer band. Income generation from use of EPU premises from NEAS and CFB. Total saving £47.6k (4 LA's contribute to EPU budget proportionally based on population therefore Hartlepool's contribution = £8k) *Cut back in external training, cleaning services. Recover management costs from LRF and use some CEPU reserve fund. Total saving £23k therefore Hartlepool's contribution is £4k.	12
TOTAL REGENERATION & NEIGHBOURHOODS DEPARTMENT 10%			1,735

* denotes where two comments have been amalgamated together.

Talking with Communities Analysis

**Talking with Communities Notes of meeting Tuesday 6 October
Budget Consultation – questions, comments and responses**

20 people attended from a range of different communities representing Polish, Chinese, Korean, Iranian, Eritrean, Gambian, Zimbabwean, Pakistani, Indian, Sri Lankan, Ghanaian and Filipino. The attendees ranged from as young as 12 to their 50s and economically active or seeking employment. Some of them have been residents of Hartlepool for up to 40 years.

The meeting started with a presentation about the Council's overall budget position, followed by the people attending splitting into three groups. Representatives from the Council facilitated a discussion with each group on the topics of:

- Value for money
- Satisfaction with Council services
- Priorities for spending

In addition, other comments and suggestions were noted.

Value for money and satisfaction

In terms of value for money and satisfaction views were very mixed. There was recognition that more needs to be done to regenerate the town. If anything more money was needed not less.

The groups emphasised the need for efficiency and the Council seeking to do things more cheaply but to keep up standards.

There was support for considering means testing of benefits, for example bus travel. Others queried why ESOL services were free in some areas but in Hartlepool there was a charge.

There was support for communities, families and parents to take responsibility, for example keeping the local area tidy and making sure children were given breakfast and midday meal so they were prepared for school.

Spending Priorities

Adult social services and children's services

The general message here was that these services should not be cut. These were the key priorities for this group – protecting the most vulnerable.

There was less support from some for support to schools. Schools were considered to have their own budgets so further funding should not be needed.

There was general support for providing things for young people to do such as youth clubs. Some commented that these services were currently poor with provision patchy across the town.

Regeneration and planning

Views here were more mixed. There was recognition that the town needed more jobs for regeneration to work. Training it was suggested needed to be very clearly targeted to where there was some prospect of employment rather than just training for its own sake.

Crime and Community safety

Again views were mixed with some groups taking the view that these could be cut. Others very clear that protection from anti social behaviour and harassment for minority groups was very important if they and their families were to feel safe enough to stay in Hartlepool. Individuals gave examples of personal abuse and harassment, and vandalism of their homes.

There was questioning of why the Council were funding this type of service and views expressed that the Police should be responsible for community safety and dealing with crime.

Support services and management

There was generally support for seeking efficiencies and reducing expenditure in this area. There was understanding that this would reduce employment opportunities for people in the town which was accepted reluctantly.

Transport

Again views were mixed. There was recognition that roads needed maintenance and repair. Bus services were essential to help people get to employments. There was criticism of the difficulty/impossibility of using public transport to get to many employment opportunities outside town. In many instances a car was essential but unaffordable.

There was specific support for retaining the Dial a Ride service.
There was support for means testing of concessionary fares.

Recreation, leisure and community

There was general agreement that this area could be cut. Although retaining things for young people to do was mentioned under other areas. One school age attendee missed the free swimming.

Environment and health

Again this was an area where views were mixed with some clear that cuts could be made. Others thought improvements were necessary and therefore spending should not be cut.

Specific comments included that it took months to get a replacement blue box, that there had been an increase in the rat population and that people should be encouraged to take more personal responsibility to make sure the town was kept clean and tidy. Increasing fines was suggested as one means to do this.

Conclusion

In key respects the views of this group are similar to views expressed in other consultations:

- Services for vulnerable people – adults and children were the key priority services for most people
- Views for all other areas were more mixed.
- Support services and management and Recreation, leisure and community were the areas where spending reductions were most accepted.

Overall there was little appetite for making spending reductions. There was a recognition that in many areas more needed to be done not less and therefore making choices was tough.

NRA Analysis**1. Providing value for money**

In total, 29% of Viewpoint members agreed or strongly agreed that the council provides value for money. Forty per cent disagreed or strongly disagreed with this statement, and a third (32%) neither agreed nor disagreed.

Three out of ten (31%) Viewpoint members from the Neighbourhood Renewal Area (NRA) agreed or strongly agreed that Hartlepool Borough Council provides value for money, and a similar proportion (32%) disagreed or strongly disagreed with this statement.

Viewpoint members from the NRA were less likely to disagree or strongly disagree with this statement than members from the rest of Hartlepool. However, rather than there being a move into the agree/strongly agree category, Viewpoint members from the NRA were more likely to say they neither agreed nor disagreed with the statement that Hartlepool Borough Council provides value for money.

Q1. To what extent do you agree or disagree that Hartlepool Borough Council provides value for money?

	Hartlepool's NRA	Wider Hartlepool
Tend to / strongly agree	31%	28%
Neither agree nor disagree	37%	30%
Tend to / strongly disagree	32%	42%

2. Satisfaction with the service provided

In total, 50% of Viewpoint members were pleased with the overall service currently provided by Hartlepool Borough Council. Twenty-eight per cent were neither pleased nor unhappy, and just over a fifth (22%) were unhappy.

Just over half (53%) of Viewpoint members from the NRA were fairly or very pleased with the overall service Hartlepool Borough Council provides. Two out of five (20%) said they were fairly or very unhappy.

There was no difference in opinion between Viewpoint members from the NRA and the rest of Hartlepool regarding how pleased they are with the service provided by Hartlepool Borough Council.

Q2. Thinking of the overall service Hartlepool Borough Council currently provides, how pleased are you with our service?

	Hartlepool's NRA	Wider Hartlepool
Fairly / very pleased	53%	48%
Neither pleased nor unhappy	27%	29%
Fairly / very unhappy	20%	23%

3. Services which are acceptable or unacceptable to cut

We asked View point members to tell us whether it was acceptable or unacceptable to cut future spending on 47 services, and for the majority of these services, View point members overall said reduced spending was unacceptable.

For View point members from the NRA, there were only 9 services (shaded grey below) where over 50% of NRA View point members said it was acceptable to cut than unacceptable, compared to 17 services for the rest of Hartlepool. These 17 services are listed in the table below .

Services that are acceptable to cut: NRA Viewpoint members

NRA or wider Hartlepool stating % acceptable to cut greater than or equal to 50%
Gray shading indicates less than 50% of people from the NRA respond acceptable to cut

	Services	Hartlepool's NRA	Wider Hartlepool
Services acceptable to cut in Hartlepool's NRA	Support for Councillors and democratic arrangements	83%	94%
	Planning, Building Control and Development Control	67%	71%
	Tourism, including the Tourist Information Centre	62%	63%
	Climate change / carbon reduction	62%	68%
	Dealing with abandoned vehicles	61%	64%
	Support for alternative transport, such as paths and cycle lanes	57%	70%
	Support services	55%	68%
	Energy efficiency / management	54%	60%
	Museums, art gallery, theatre, Historic Quay, festivals and events	52%	53%
Additional services acceptable to cut for the rest of Hartlepool	Support for employers and businesses	48%	55%
	Adult and community education and learning	47%	60%
	Support for schools	43%	58%
	Closed circuit television	43%	52%
	Community development	41%	56%
	Support for bus services and concessionary fares	41%	53%
	Transport to school	39%	51%
	Environmental enforcement	34%	51%

We wanted to see if there were any services that Viewpoint members from the NRA were more likely to find unacceptable to cut than members from the rest of Hartlepool.

Out of the 47 services asked about, Viewpoint members from the NRA area were noticeably more likely to say it is unacceptable to cut spending for 25 of these services than for Viewpoint members from the rest of Hartlepool. These services are listed in the table below .

Services where there is a notable difference between responses for services that are unacceptable to cut, for the NRA and Wider Hartlepool

% stating unacceptable to cut

		Hartlepool NRA	Wider Hartlepool	Percentage point difference
1	Environmental enforcement	66%	49%	17
2	Beach safety	73%	57%	17
3	Regeneration projects	74%	59%	16
4	Support for schools	57%	42%	15
5	Community development	59%	44%	15
6	School catering	83%	69%	14
7	Maintaining and cleaning Council property	79%	66%	13
8	Support for alternative transport, such as paths and cycle lanes	43%	30%	13
9	Support for bus services and concessionary fares	59%	47%	13
10	Adult and community education and learning	53%	40%	13
11	Support services	45%	32%	12
12	Transport to school	61%	49%	12
13	Working with young people to reduce offending	72%	60%	12
14	Support for Councillors and democratic arrangements	17%	6%	11
15	Public and environmental health	76%	65%	11
16	Anti-social behaviour team	83%	73%	10
17	Working to reduce drug and alcohol misuse	78%	69%	10
18	Libraries	68%	58%	10
19	Youth offending service	68%	58%	10
20	'Dial a Ride' for people with disabilities	83%	73%	9
21	Youth services	69%	60%	9
22	Closed circuit television	57%	48%	9
23	Security patrols	74%	65%	9
24	Provision of advice to encourage self help	65%	56%	8
25	Street cleaning and litter picking	86%	78%	8

4. Different ways to deliver services

View point members were asked to tell us if they would support the Council delivering services in different ways if it helped to protect services. Overall there was strong public support from Viewpoint members for working with other public sector agencies and voluntary community and charitable organisations in order to protect services. There was less support, although still a majority, for working with the private sector and neighbouring councils.

There was strong support from Viewpoint members from the NRA for working with other public sector agencies (86%) and voluntary community and charitable organisations (85%) in order to protect services. There was less support, although still a majority, for working with the private sector (62%) and neighbouring councils (51%).

When looking at the difference in responses between Viewpoint members from the NRA and wider Hartlepool, Viewpoint members from the NRA were less likely to support sharing services with other councils (51%) than members from the rest of Hartlepool (59%). However, there was no real difference of opinion between Viewpoint members from the NRA or wider Hartlepool for delivering services via the other methods asked about in the question

Q5. If, to protect services, the Council needed to consider different ways of delivering them, which of the following methods would you support? (Results for 'Support')

% stating support

	Hartlepool's NRA	Wider Hartlepool
a. Work with the private sector to provide services instead of the Council	62%	64%
b. Work with other public sector agencies to deliver services	86%	86%
c. Work with voluntary community and charitable organisations	85%	84%
Share services with other councils	51%	59%

Age, Disability and Gender**1. Providing value for money**

In total, 29% of Viewpoint members agreed or strongly agreed that the council provides value for money. Forty per cent disagreed or strongly disagreed with this statement, and a third (32%) neither agreed nor disagreed.

Gender

There was no real difference in opinion between male and female Viewpoint members.

Q1. To what extent do you agree or disagree that Hartlepool Borough Council provides value for money?

	Male	Female
Tend to / strongly agree	27%	31%
Neither agree nor disagree	32%	32%
Tend to / strongly disagree	40%	37%

Age

Older Viewpoint members (65 years and over) were more likely to agree or strongly agree that the Council provides value for money (37%) than younger Viewpoint members (17 to 34 years) (21%). Younger Viewpoint members were more likely to say they neither agreed nor disagreed with this statement (44%).

Q1. To what extent do you agree or disagree that Hartlepool Borough Council provides value for money?

	17 to 34	35 to 44	45 to 54	55 to 64	65 yrs +
Tend to / strongly agree	21%	27%	32%	31%	37%
Neither agree nor disagree	44%	26%	29%	32%	28%
Tend to / strongly disagree	36%	46%	39%	37%	35%

Disability

More Viewpoint members who classify themselves as having a disability agree or strongly agree that the Council provides value for money (39% compared to 27%). However, there has not been a reduction in the proportion of Viewpoint members with a disability disagreeing with this statement, rather a reduction in the proportion of Viewpoint members with a disability neither agreeing nor disagreeing with this statement.

Q1. To what extent do you agree or disagree that Hartlepool Borough Council provides value for money?

	Disabled	Not disabled
Tend to / strongly agree	39%	27%
Neither agree nor disagree	21%	34%
Tend to / strongly disagree	41%	38%

2. Satisfaction with the service provided

In total, 50% of View point members were pleased with the overall service currently provided by Hartlepool Borough Council. Twenty-eight per cent were neither pleased nor unhappy, and just over a fifth (22%) were unhappy.

Gender

More male View point members are unhappy with the service provided by Hartlepool Borough Council than female View point members. However, rather than there being a move into the 'pleased' category, female View point members were more likely to say they are neither pleased nor unhappy with the statement that Hartlepool Borough Council provides value for money, than male View point members.

Q2. Thinking of the overall service Hartlepool Borough Council currently provides, how pleased are you with our service?

	Male	Female
Fairly / very pleased	49%	51%
Neither pleased nor unhappy	25%	31%
Fairly / very unhappy	26%	18%

Age

View point members aged between 35 to 44 years old were less likely to be pleased with the service provided by Hartlepool Borough Council. Compared to View point members from other age groups, View point members aged between 35 and 44 years were more likely to say they are neither pleased nor unhappy (33%) or that they are fairly or very unhappy (27%) with the service provided by the Council.

Q2. Thinking of the overall service Hartlepool Borough Council currently provides, how pleased are you with our service?

	17 to 34	35 to 44	45 to 54	55 to 64	65 yrs +
Fairly / very pleased	51%	40%	52%	52%	56%
Neither pleased nor unhappy	24%	33%	31%	28%	27%
Fairly / very unhappy	25%	27%	18%	21%	17%

Disability

Slightly more View point members with a disability are pleased with the service provided by the council, and fewer members with a disability are unhappy. However, the difference in opinion identified between Viewpoint members with or without a disability are not significant differences.

Q2. Thinking of the overall service Hartlepool Borough Council currently provides, how pleased are you with our service?

	Disabled	Not disabled
Fairly / very pleased	54%	50%
Neither pleased nor unhappy	24%	21%
Fairly / very unhappy	22%	29%

3. Services which are acceptable or unacceptable to cut

We asked View point members to tell us whether it was acceptable or unacceptable to cut future spending on 47 services, and for the majority of these services, View point members said reduced spending was unacceptable.

Gender

Out of the 47 services asked about, a majority of female View point members thought it would be acceptable to cut spending for 11 of these services, compared to male View point members who identified 17 services where cuts were acceptable. Most notably we can see that female View point members do not find it acceptable to cut spending on concessionary bus fares, environmental enforcement, or community development. These services are detailed in the table below.

Services that are acceptable to cut: Gender split

Males or Females stating % acceptable to cut greater than 50%

Gray shading indicates less than 50% of females respond acceptable to cut

	Male %	Female %
Support for Councillors and democratic arrangements	89	92
Planning, Building Control and Development Control	72	67
Support for alternative transport, such as paths and cycle lanes	64	67
Dealing with abandoned vehicles	62	65
Climate change / carbon reduction	70	62
Tourism, including the Tourist Information Centre	63	62
Support services	66	61
Energy efficiency / management	61	55
Support for schools	56	51
Support for employers and businesses	55	51
Museums, art gallery, theatre, Historic Quay, festivals and events	53	51
Adult and community education and learning	62	48
Transport to school	50	44
Closed circuit television	57	42
Community development	61	41
Environmental enforcement	51	41
Support for bus services and concessionary fares	60	39

For 44 of these 47 services, female View point members were more likely to say it is unacceptable to cut spending than male View point members. And female View point members were notable more likely to say it is unacceptable to cut spending for 24 of these services, with up to a 21 percentage point difference in opinion from male View point members. Details of the services that female View point members are more likely to say it is unacceptable to cut than male View point members are detailed in the following table:

Services where there is a notable difference between responses for services that are unacceptable to cut, for male and female Viewpoint members

% stating unacceptable to cut

		Male %	Female %	Percentage point difference
1	Support for bus services and concessionary fares	40	61	21
2	Community development	39	59	20
3	Beach safety	52	72	20
4	Closed circuit television	43	58	15
5	Working to reduce drug and alcohol misuse	65	79	14
6	Adult and community education and learning	38	52	14
7	Improved opportunities for employment	66	80	14
8	Youth services	56	69	13
9	Youth offending service	55	68	13
10	'Dial a Ride' for people with disabilities	70	83	13
11	Provision of equipment and aids to support daily living	68	80	12
12	Working with young people to reduce offending	58	70	12
13	Road safety	79	91	12
14	Coast protection	69	80	11
15	Provision of advice to encourage self help	54	64	10
16	Environmental enforcement	49	59	10
17	Security patrols	63	72	9
18	Anti-social behaviour team	72	81	9
19	Residential care / day centres	81	89	8
20	Care in own home to support daily living	83	91	8
21	Support for young people in care	75	83	8
22	Support for children and young people in needs, including adoption and fostering	81	89	8
23	Climate change / carbon reduction	30	38	8
24	School catering	70	77	7

Age

View point members aged between 17 and 34 were less likely to identify services where it would be acceptable to cut spending than View point members from other age groups. Out of the 47 services listed, the younger View point members identified only 9 services where it would be acceptable to reduce spending. View point members aged between 35 and 44 identified 18 services, 45-54 year olds identified 17 services, 55-64 year olds identified 14 services, and finally View point members aged 65 years and over identified 11 services. There were only six services where members agreed it was acceptable to reduce spending regardless of their age.

View point members aged 55 years and over were less likely to support cuts for concessionary fares. Only View point members aged 35-44 years supported cuts in the youth offending service. And only View point members aged 17 to 34 supported cuts in the provision of advice to encourage self help in relation to adult social care.

However, we can see from the chart below that both of these services identified are borderline at 50% each.

Services that are acceptable to cut: Age split

At least one age group with % stating acceptable to cut greater than or equal to 50%
Shading indicates an age group with less than 50% responding acceptable to cut

	17-34 %	35-44 %	45-54 %	55-64 %	65+ %
Support for Councillors and democratic arrangements	91	91	91	90	89
Planning, Building Control and Development Control	74	74	71	62	61
Dealing with abandoned vehicles	68	66	59	66	55
Climate change / carbon reduction	56	70	67	70	72
Support for alternative transport, such as paths and cycle lanes	56	69	64	74	69
Support for bus services and concessionary fares	56	65	59	36	25
Tourism, including the Tourist Information Centre	53	66	63	70	65
Support for schools	51	57	57	55	49
Provision of advice to encourage self help	50	45	42	35	29
Support services	49	73	72	72	59
Maintaining grounds	49	46	50	46	39
Community development	47	59	52	54	44
Transport to school	46	51	53	52	35
Environmental enforcement	46	50	47	47	38
Energy efficiency / management	45	57	64	63	67
Closed circuit television	45	55	57	45	44
Support for employers and businesses	43	65	54	58	50
Museums, art gallery, theatre, Historic Quay, festivals and events	42	58	52	59	56
Adult and community education and learning	39	74	56	56	57
Youth offending service	28	50	37	46	37

Out of the 47 services asked about, there was a notable difference in opinion between the older View point members (aged 65 years and over) and the younger View point members (aged 17 to 34 years) for 25 of these services. The percentage point difference ranged from between -22 percentage points and +33 percentage points. Younger View point members were more likely to find it unacceptable to cut spending for energy efficiency / management, and adult and community education and learning than older View point members. Older View point members were more likely to find it unacceptable to cut spending on the provision of advice to encourage self help in terms of adult social care and for concessionary bus fares.

Services where there is a notable difference between responses for services that are unacceptable to cut (between 17-34 and 65 year +), by age
% stating unacceptable to cut

	17-34 %	35-44 %	45-54 %	55-64 %	65+ %	Percentage point difference
Energy efficiency / management	55	43	36	37	33	-22
Adult and community education and learning	61	26	44	44	43	-18
Climate change / carbon reduction	44	30	33	30	28	-16
Museums, art gallery, theatre, Historic Quay, festivals and events	58	42	48	41	44	-14
Support for alternative transport, such as paths and cycle lanes	44	31	36	26	31	-13
Tourism, including the Tourist Information Centre	47	34	37	30	35	-12
Support services	51	27	28	28	41	-10
Youth offending service	72	50	63	54	63	-9
Parks, playgrounds and countryside	72	68	63	54	63	-9
Sport and physical recreation	78	67	67	60	69	-9
Anti-social behaviour team	84	72	72	73	77	-7
Public and environmental health	78	62	66	64	71	-7
Support for employers and businesses	57	35	46	42	50	-7
Maintaining and cleaning Council property	79	64	68	64	72	-7
Safeguarding children and young people	87	89	92	89	94	7
Support for children with disabilities and special needs	87	84	86	90	95	8
Environmental enforcement	54	50	53	53	62	8
'Dial a Ride' for people with disabilities	75	67	77	84	84	9
Maintaining grounds	51	54	50	54	61	10
Transport to school	54	49	47	48	65	11
Provision of equipment and aids to support daily living	69	71	74	81	82	13
Dealing with abandoned vehicles	32	34	41	34	45	13
Planning, Building Control and Development Control	26	26	29	38	39	13
Provision of advice to encourage self help	50	55	58	65	71	21
Support for bus services and concessionary fares	44	35	41	64	75	31

Disability

View point members with a disability identified 11 services where it is acceptable to cut spending out of the 47 services asked about, compared to 14 services identified by View point members without a disability. Most notably, View point members with a disability were far less likely to find it acceptable to make cuts in spending for support for bus services and concessionary fares than Viewpoint members without a disability. The services where View point members with and without a disability find it acceptable to cut are detailed in the table below :

Services that are acceptable to cut: Disability split

With or without a disability stating % acceptable to cut greater than or equal to 50%
Gray shading indicates less than 50% of people with a disability respond acceptable to cut

	With a disability %	Without a disability %
Support for Councillors and democratic arrangements	89	91
Climate change / carbon reduction	70	65
Tourism, including the Tourist Information Centre	67	62
Planning, Building Control and Development Control	66	70
Energy efficiency / management	65	57
Support services	62	64
Museums, art gallery, theatre, Historic Quay, festivals and events	60	51
Support for alternative transport, such as paths and cycle lanes	58	66
Dealing with abandoned vehicles	57	64
Adult and community education and learning	52	55
Support for employers and businesses	51	53
Support for schools	49	54
Community development	41	52
Support for bus services and concessionary fares	28	52

Out of the 47 services asked about, View point members with a disability were notably more likely to find it unacceptable to cut spending for ten of these services, and notably more likely to find it acceptable to make cuts for two of these services, compared to Viewpoint members without a disability. The difference of opinion between the two groups ranges from -9 percentage points to +24 percentage points. View point members with a disability were more likely to find it unacceptable to make cuts for concessionary fares and for 'Dial a Ride' services, than Viewpoint members without a disability. The main differences have been highlighted in the table below :

Services where there is a notable difference between responses for services that are unacceptable to cut, for disabled and non-disabled Viewpoint members
% stating unacceptable to cut

		With a disability %	Without disability %	Percentage point difference
1	Support for bus services and concessionary fares	72	48	24
2	'Dial a Ride' for people with disabilities	89	75	14
3	Regeneration projects	75	62	13
4	Provision of advice to encourage self help	69	57	12
5	Community development	59	48	11
6	Transport to school	63	52	11
7	Provision of equipment and aids to support daily living	84	73	11
8	Beach safety	71	61	10
9	Support for alternative transport, such as paths and cycle lanes	42	34	8
10	Dealing with abandoned vehicles	43	36	7
11	Energy efficiency / management	35	43	-8
12	Museums, art gallery, theatre, Historic Quay, festivals and events	40	49	-9

4. Different ways to deliver services

View point members were asked to tell us if they would support the Council delivering services in different ways if it helped to protect services. There was strong public support from View point members for working with other public sector agencies and voluntary community and charitable organisations in order to protect services. There was less support, although still a majority, for working with the private sector and neighbouring councils.

Gender

More male View point members supported the suggestion to work with the private sector and to share services with other councils than female View point members.

Q5. If, to protect services, the Council needed to consider different ways of delivering them, which of the following methods would you support? (Results for 'Support')

	Male	Female
a. Work with the private sector to provide services instead of the Council	66%	60%
b. Work with other public sector agencies to deliver services	86%	86%
c. Work with voluntary community and charitable organisations	83%	86%
d. Share services with other councils	60%	53%

Age

Older View point members (aged 65 years and over) were slightly more likely to support the suggestion of working with the private sector, than Viewpoint members

from other age groups. Younger Viewpoint members (aged between 17 and 34) were more likely to support the suggestion of working with other public sector agencies to deliver services (95%) than older Viewpoint members (78%). Viewpoint members aged between 45 and 54 years were more likely to support the suggestion of sharing services with other councils.

Q5. If, to protect services, the Council needed to consider different ways of delivering them, which of the following methods would you support? (Results for 'Support')

	17 to 34	35 to 44	45 to 54	55 to 64	65 yrs +
a. Work with the private sector to provide services instead of the Council	61%	64%	61%	62%	67%
b. Work with other public sector agencies to deliver services	95%	90%	80%	82%	78%
c. Work with voluntary community and charitable organisations	88%	81%	86%	84%	82%
d. Share services with other councils	58%	55%	61%	55%	50%

Disability

View point members with a disability were less likely to support any of the proposed suggestions to deliver services than View point members without a disability. However, there was very little difference between the proportion of View point members with a disability and without a disability who said they would support the council working with voluntary community and charitable organisations. There was also a less than a majority support from View point members with a disability for the Council sharing services with other councils.

Q5. If, to protect services, the Council needed to consider different ways of delivering them, which of the following methods would you support? (Results for 'Support')

	Disabled	Not disabled
a. Work with the private sector to provide services instead of the Council	57%	64%
b. Work with other public sector agencies to deliver services	78%	87%
c. Work with voluntary community and charitable organisations	83%	85%
d. Share services with other councils	46%	58%

Appendix A

Appendix 8

Viewpoint tables showing the results for 'Not acceptable to cut'

	Total %	Area %		Gender %		Age %					Disability %		
		NRA	Non-NRA	Male	Female	17-34	35-44	45-54	55-64	65+	Yes	No	
Adults	Provision of advice to encourage self help	59	65	56	54	64	50	55	58	65	71	69	57
	Provision of equipment and aids to support daily living	74	77	73	68	80	69	71	74	81	82	84	73
	Residential care / day centres	85	89	83	81	89	87	79	84	85	89	89	84
	Care in own home to support daily living	88	92	86	83	91	87	85	84	91	92	89	87
Children	Support for schools	47	57	42	44	49	49	43	43	45	51	51	46
	Transport to school	53	61	49	50	56	54	49	47	48	65	63	52
	Youth services	63	69	60	56	69	68	53	63	59	67	64	62
	Support for young people in care	79	81	78	75	83	83	71	81	78	81	80	79
	Support for children and young people in needs, including adoption and fostering	85	84	86	81	89	86	81	84	84	89	83	85
	Support for children with disabilities and special needs	88	90	87	86	91	87	84	86	90	95	91	88
	Safeguarding children and young people	90	92	90	87	93	87	89	92	89	94	90	90
Crime	Dealing with abandoned vehicles	37	39	36	38	35	32	34	41	34	45	43	36
	Closed circuit television	51	57	48	43	58	55	45	43	55	56	54	51
	Youth offending service	62	68	58	55	68	72	50	63	54	63	61	62
	Working with young people to reduce offending	64	72	60	58	70	71	56	65	60	67	63	65
	Security patrols	68	74	65	63	72	71	63	66	72	68	68	68
	Working to reduce drug and alcohol misuse	72	78	69	65	79	78	65	69	69	76	71	72
	Anti-social behaviour team	77	83	73	72	81	84	72	72	73	77	76	77

Appendix A

		Total %	Area %		Gender %		Age %					Disability %	
			NRA	Non-NRA	Male	Female	17-34	35-44	45-54	55-64	65+	Yes	No
Environment	Climate change / carbon reduction	34	38	32	30	38	44	30	33	30	28	30	35
	Energy efficiency / management	42	46	40	39	45	55	43	36	37	33	35	43
	Maintaining grounds	54	56	53	52	56	51	54	50	54	61	56	54
	Environmental enforcement	55	66	49	49	59	54	50	53	53	62	57	54
	Public and environmental health	69	76	65	66	72	78	62	66	64	71	74	68
	Coast protection	75	78	73	69	80	78	74	65	72	80	78	74
	Street cleaning and litter picking	81	86	78	80	82	86	77	77	80	83	81	81
	Waste collection, disposal and recycling	90	92	89	91	89	92	88	90	86	91	87	90
Planning	Planning, Building Control and Development Control	31	33	29	28	33	26	26	29	38	39	34	30
	Tourism, including the Tourist Information Centre	38	38	37	37	38	47	34	37	30	35	33	38
	Support for employers and businesses	47	52	45	45	49	57	35	46	42	50	49	47
	Adult and community education and learning	45	53	40	38	52	61	26	44	44	43	48	45
	Regeneration projects	64	74	59	62	66	66	55	69	65	65	75	62
	Improved opportunities for employment	73	77	71	66	80	80	60	75	66	80	76	73
Recreation	Museums, art gallery, theatre, Historic Quay, festivals and events	48	48	47	47	49	58	42	48	41	44	40	49
	Community development	49	59	44	39	59	53	41	48	46	56	59	48
	Parks, playgrounds and countryside	65	63	66	62	68	72	68	63	54	63	66	65
	Libraries	61	68	58	58	64	66	58	53	59	67	62	61
	Sport and physical recreation	69	72	68	66	72	78	67	67	60	69	69	69
	Beach safety	62	73	57	52	72	66	53	60	64	69	71	61
Support	Support for Councillors and democratic arrangements	9	17	6	11	8	9	9	9	10	11	11	9
	Support services	37	45	32	34	39	51	27	28	28	41	38	36
	Maintaining and cleaning Council property	71	79	66	69	72	79	64	68	64	72	70	71
	School catering	73	83	69	70	77	76	74	74	68	72	75	73
Transport	Support for alternative transport, such as paths and cycle lanes	35	43	30	36	33	44	31	36	26	31	42	34
	Support for bus services and concessionary fares	51	59	47	40	61	44	35	41	64	75	72	48
	'Dial a Ride' for people with disabilities	77	83	73	70	83	75	67	77	84	84	89	75
	Road safety	85	88	84	79	91	89	79	83	85	90	90	85
	Maintaining roads, footpaths, streets lights and gullies/drains	91	91	90	88	93	93	86	88	91	95	93	90

SCRUTINY CO-ORDINATING COMMITTEE

10 December 2010



Report of: Scrutiny Support Officer

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S INITIAL MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12 TO 2014/15 CONSULTATION PROPOSALS – COVERING REPORT

1. PURPOSE OF THE REPORT

1.1 To feedback the collective responses of all Scrutiny Members, following their recent consideration of the Executive's Initial Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 Consultation Proposals.

2. BACKGROUND INFORMATION

2.1 At a meeting of the Scrutiny Co-ordinating Committee held on 15 October 2010, approval was given to process to consider the Executive's Initial Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 Consultation Proposals.

2.2 At this meeting it was agreed that the initial consultation proposals were to be considered through joint meetings of all Scrutiny Members held on 1 & 3 December 2010. With any comments/observations being fed back to this meeting of the Scrutiny Co-ordinating Committee to assist in the formulation of this Committee's formal response, to be presented to the Cabinet on 20 December 2010.

2.3 Due to the detail of proposals considered on 1 & 3 December 2010, Task and Finish Groups were arranged for 6 & 8 December 2010 to consider the remaining budget proposals that had not been covered during 1 & 3 December 2010. As such, attached as **Appendix A** is the Cabinet Report containing the collective feedback of Scrutiny Members attending the meetings held on 1, 3 & 6 December 2010, with the exception to the Task and Finish Group scheduled for 8 December 2010 which will be circulated at this meeting, to enable the formal response to be compiled

3. RECOMMENDATION

- 3.1 It is recommended that Members note this report and consider the feedback from Scrutiny Members detailed in **Appendix A**, in conjunction with the written feedback of the Task and Finish Group held on 8 December to be provided at this meeting, to assist in the formulation of this Committee's formal response, to be presented to the Cabinet on 20 December 2010.

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Hartlepool Borough Council
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BACKGROUND PAPERS

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

- (i) Report of the Chief Finance Officer entitled 'Medium Term Financial Strategy (MTFS) 2011/2012 to 2014/2015 – Initial Consultation Proposals' presented to the Scrutiny Co-ordinating Committee held on 15 October 2010.
- (ii) Report of the Scrutiny Manager entitled 'Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 – Initial Consultation Proposals' presented to the Scrutiny Co-ordinating Committee held on 1 December 2010.
- (iii) Minutes of the Scrutiny Co-ordinating Committee held on 15 October 2010, 1 December 2010 and 3 December 2010.

CABINET REPORT

20 December 2010



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S INITIAL MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12 TO 2014/15 CONSULTATION PROPOSALS

SUMMARY

1. PURPOSE OF REPORT

1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 consultation proposals.

2. SUMMARY OF CONTENTS

2.1 The report provides an overview of Scrutiny's involvement in the Authority's Budget setting process, together with their formal response to the Executive's Initial Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 consultation proposals.

3. RELEVANCE TO CABINET

3.1 Cabinet are requested to consider the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial proposals, prior to determining their finalised proposals.

4. TYPE OF DECISION

4.1 Not applicable in this instance.

5. DECISION MAKING ROUTE

5.1 Cabinet (29 November 2010 and 20 December 2010), Scrutiny Co-ordinating Committee (1 December 2010, 3 December 2010 and 10

December 2010) and Task and Finish Groups (6 December 2010 and 8 December 2010).

6. DECISION(S) REQUIRED

6.1 It is recommended that the Cabinet:-

- (a) considers the formal response of the Scrutiny Co-ordinating Committee; and
- (b) provides feedback to the Scrutiny Co-ordinating Committee in relation to the formal response, as outlined in Section 3, during the consideration of the Executive's finalised Medium Term Financial Strategy (Mfs) 2011/12 to 2014/15 proposals.

CABINET

20 December 2010



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S INITIAL MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12 TO 2014/15 CONSULTATION PROPOSALS

1. PURPOSE OF THE REPORT

1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Initial Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 consultation proposals.

2. BACKGROUND INFORMATION

2.1 The Council's Constitution requires that consultations be undertaken in relation to the draft Budget and Policy Framework for each coming year. In accordance with this requirement, successful practice in previous years had been that each Standing Scrutiny Forum would explore proposals in relation to the service areas within its remit. However, the tight timescale of this year's budget consultation process resulted in the need to amend the established Scrutiny process.

2.2 The Scrutiny Co-ordinating Committee (at its meeting on the 15 October 2010) subsequently approved a revised process and timetable for the formulation of a response, with consideration of the proposals retained in their entirety by the Scrutiny Co-ordinating Committee. It was, however, recognised that in formulating the required response to this year's very challenging budget, each Department must still be looked at in detail.

2.3 In order to achieve this, a number of sessions were held, focusing specifically on individual departmental budget proposals, with presentations by the relevant Directors. These sessions were held on the 1 December 2010, 3 December 2010 and 10 December 2010, with further Task and Finish Groups held on the 6 December 2010 and 8 December 2010. This culminated in the production of a formal response by Scrutiny, to be considered by Cabinet today (20 December 2010).

- 2.4 Following the consideration of the Scrutiny Co-ordinating Committee's formal response during this meeting (20 November 2010) it is anticipated that further consideration will be given to the finalised proposals by the Scrutiny Co-ordinating Committee in January 2011 (date to be finalised).

3. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVE'S INITIAL BUDGET AND POLICY FRAMEWORK CONSULTATION PROPOSALS FOR 2010/11

- 3.1 The Scrutiny Co-ordinating Committee, with all Scrutiny Members invited to attend and participate, considered in detail the proposed budgetary pressures and reductions.
- 3.2 During the determination of a formal response, Members recognised the exceptional nature of the challenge facing the Council and acknowledged the need to make difficult / controversial decisions in the making the required savings. In addition to this, a number of concerns/comments were made by Scrutiny Members, as outlined below:-

Regeneration and Neighbourhoods Department

Proposed Budget Reductions

3.3 Environmental Enforcement Officers

Members recognised the importance of the issues these roles dealt with.

Alternative proposals :-

- (a) Members suggested services should continue to be provided by existing teams where possible.
- (b) Members suggested that funding for the posts should be negotiated with Housing Hartlepool.

Housing

Members raised a number of concerns in relation to:-

- (a) The deletion of a Housing Advice Officer post at a time when the need for the service was likely to increase.
- (b) Savings not being sought across all posts in this area.
- (c) The location of the team in Park Towers and the proportion of the rent funded by HBC in relation to the floor space utilised.

Alternative proposals :-

- (a) Members suggested that required savings should be sought across all posts in this area.
- (b) Rent of Park Towers is re-negotiated with Housing Hartlepool in relation to the percentage of floor space used.

Public Protection

Members agreed with the proposed saving.

Community Safety, ASB, DAT

Members suggested that the funding of the mediation service provided by UNITE was reviewed. Further information regarding this service and its funding was requested and has been provided to Members.

Urban and Planning Policy

Members agreed with the proposed saving.

Landscape, Planning and Conservation

Members agreed with the proposed saving but would like it noted that they had concerns regarding the capacity to maintain adequate staff training in the future.

Building Control

Members agreed with the proposed saving.

Economic Development

Members raised concerns that there should be any reduction in this area at a time when the need for such services were at their greatest.

Members requested that the tourism marketing budget was considered in conjunction with the marketing budget held in the Child and Adult Services Department.

Community Regeneration

Members supported the proposed savings for this area, but felt it should be noted the authority must not absent itself from the responsibility of job creation and the un-ring fencing of the area based grant meant that funding could be made available if there is sufficient political will to do so.

Waste Management

Following discussion Members largely supported the proposed budget reduction in this area, but would like the potential of bio-mass waste management to be explored in the future. It was felt this would reduce the amount of waste sent for incineration and to landfill, therefore reducing costs; this may also be a potential area for future income generation.

Neighbourhood Management

The Forum requested a full breakdown of agency and consultancy staff across the directorate, but were advised that no agency or consultancy staff were being retained.

Alternative proposal:-

Members suggested that neighbourhood management posts should be reviewed prior to 2012/13.

Parks & Countryside

Members supported the proposed budget reductions in this area but requested that the potential to transfer a proportion of the Tanfield nursery site to a social enterprise was considered in the future.

Pride in Hartlepool

Alternative proposal:-

- (a) Members would like businesses in and around Hartlepool to be approached for further funding for this initiative.
- (b) Members would like the VCS to be considered in this area to open up further funding opportunities not available to the public sector.

Beach Safety

Members were gravely concerned regarding cuts to this area but accepted the proposals to start the season later in the year to bring beach coverage in Hartlepool into line with other authorities in the Tees Valley. The remainder of the proposed savings in this area were not deemed to be acceptable.

Facilities Management

Members agreed with the proposed saving.

Property Services

Members raised concerns in relation to the following areas:-

- (a) The sale of land/property which may be required for use in the future.
- (b) The sale of land/property at a time when market prices are low.

Alternative proposals :-

- (a) Members suggested where possible properties should be transferred to the voluntary and community sector on a gift / lease or right to buy basis, with a responsibility to maintain the property attached.
- (b) Members suggested where properties were transferred they should be retained for community use.

Procurement / Reprographics

Members raised concerns in relation to the amount of paperwork currently received and the associated costs.

Members would like access to electronic working papers to be looked into in the future.

Resources (Support Services)

Members agreed with the proposed saving.

Dial a Ride

Members reluctantly accepted the proposed saving.

Hospital Service

Members reluctantly accepted the proposed saving.

Members strongly recommended that the reasoning behind the decision to remove the Dial – a – Ride and Hospital Bus Service be communicated via the local press.

Traffic Management

Members agreed with the proposed savings.

Street Nameplates

Members agreed with the proposed saving

Traffic Signs and Bollards

Members agreed with the proposed saving, but recommended that the department seek to secure enough monies from developers as "planning gain" to provide sufficient finance to meet the needs of adequate signage.

Supported Buses

Members agreed with the proposed saving.

Cleveland Emergency Planning Unit

Members agreed with the proposed saving.

Child and Adult Services Department

Proposed Pressures

3.4 Members were largely supportive of the Child and Adults Services Department's proposed pressures. However, Members raised a concern about the following future budget pressure:-

- (a) The transfer of public health to the Local Authority – Members wondered if in light of the new Public Health white paper whether any additional pressures may be placed upon the Local Authority in addition to those identified. Members felt that pre-planning for any public health transfer was essential but raised concerns about how it would be possible for the Local Authority to take on this extra responsibility at a time when the capacity to manage is diminishing, even with a possible ring fenced public health budget transfer.

Proposed Budget Reductions

Community Centres x 7 Establishments

Members raised the following issues in relation to the closure of community centres:-

- (a) A reliance cannot be placed on voluntary sector community facilities as they may not have the resources to continue to have their own community buildings;
- (b) If community facilities are to be combined in one building, then the suitability of the building needs to be considered carefully. Concerns were expressed over the proposal of Throston library transferring to the community centre due to lack of space and asked for reassurance that other options for combined use were being considered;
- (c) Members raised concerns about the closure of specific community centres in certain areas of the town and requested that this issue be

looked at further. Members were advised that options were available to choose from (libraries and community centres) and that any combination of closures could be considered. A range of options and combinations focussed on a north, central and south approach to keeping some community resources in each area were given.

Alternative proposal:-

- (a) It was suggested that the Sure Start Centre on Lealholm Road be relocated back into the Jutland Road Community Centre, which would mean that the current Sure Start building could be returned to its original state (2 houses) so providing much needed homes within the community.

Cultural Services

Members raised the following issues in relation to Cultural Services:-

- (a) Members were strongly of the view that the annual fireworks display should not be stopped.
- (b) The Celebrating Success Event for Council employees should be continued but costs need to be scaled down.

Alternative proposals :-

- (a) Members suggested that the fireworks display should be a larger event / festival to generate income and joint arrangements with partner organisations, such as the fire brigade should be explored.
- (b) Members requested that the tourism marketing budget be considered in conjunction with the marketing budgets held within other departments to rationalise services.

Havelock and Warren Road Day Centre

Members agreed with this proposed saving.

Commissioning – Working Age Adults, Older People, Mental Health

Members did not agree that the nil inflationary uplift should apply to voluntary sector organisations and that a different approach should be looked at to differentiate between voluntary and private organisations. Members requested that this be explored further.

Health Promotion

Members agreed with this proposed saving.

Sport, Leisure and Recreation Facilities

Members agreed with this proposed saving.

Libraries – Central, Branch and Home / Delivered Services

Members made the following comments in relation to the closure of libraries:-

- (a) Closing libraries is very unpalatable and if there is any other way then it needs to be sought;
- (b) Members would like to see the comments / views of the library staff on the proposals to close libraries;
- (c) Libraries need to be kept open as an increasing number of people will need to use their facilities as other community facilities are decreasing; and
- (d) Members raised concerns about the closure of specific libraries and requested that this issue be looked at further. Members were advised that options were available to choose from (libraries and community centres) and that any combination of closures could be considered. A range of options and combinations focussed on a north, central and south approach to keeping some community resources in each area were given.

Chief Executive's Department

Proposed Corporate Pressure

3.5 Repayment Costs from Continuing SCRAPT Programme

Although Members agreed in principle to the continuation of the SCRAPT programme; in particular for the DDA works; Members were concerned that their involvement in the allocation of SCRAPT was limited. Members agreed that they would prefer to see proposals for capital expenditure clearly identified through reports to Full Council and that the fund be re-designated as a "Special Council Capital Fund".

Proposed Budget Reduction

Performance and Partnerships

Members agreed with the proposed saving.

Scrutiny

Members agreed with the proposed saving.

Public Relations

Members were pleased to learn that the potential reduction of posts identified; in the original report to Cabinet; were now not necessary. However, Members did wish to reemphasise that consideration be given to the rationalisation of marketing posts across departments.

Corporate ICT

Members agreed with the proposed saving.

Scrutiny / Democratic Services

Members could not support the identified budget reduction at this time. Members agreed that such a reduction was not appropriate at this time, although it was agreed that this should be looked at over the next 12 months and that in line with the Boundary Commission reduction in Members by the start of the 2012/13 Municipal Year, it maybe more appropriate to reduce the support to Members and the number of associated meetings at that time. Members wished to emphasise that they were not giving Scrutiny / Democratic Services special protection, but that discussions were needed at Full Council before this identified budget reduction be revisited. In addition Members highlighted the important role that Scrutiny played in ensuring public accountability of the Council and in light of the reduction of the Consultation and PR functions there was a danger that this would disenfranchise the public of Hartlepool.

Internal Audit

Although Members in principal supported this reduction, they wished further investigation be made into savings that may materialise from the management of counter fraud.

Corporate Finance

Members agreed with the proposed saving.

Diversity

Members agreed with the proposed saving.

Registration and Nationality Services

Members agreed to this reduction, but in addition Members wished for income generation to be considered by not only relocating Registration to the Civic Centre, but by offering a ceremony provision with a thought to catering and drinks packages from the Council. There was also a request from Members for consideration to be given to people's parking needs when using the registration services.

4. RECOMMENDATIONS

4.1 It is recommended that the Cabinet:-

- (a) considers the formal response of the Scrutiny Co-ordinating Committee, as outlined in Section 3 of this report; and
- (b) provides feedback to the Scrutiny Co-ordinating Committee in relation to the formal response, as outlined in Section 3, during the consideration of the Executive's finalised Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 proposals.

December 2010

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BACKGROUND PAPERS

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

- (i) Report of the Corporate Management Team entitled 'Medium Term Financial Strategy (MtfS) 2011/12 To 2014/15' presented to the Scrutiny Co-ordinating Committee held on 1 December 2010.

Child and Adult Services

Grants to Community and Voluntary Organisations

Members did not accept this proposed saving.

Alternative Proposals:

- (a) Members requested that the current remaining balance of the Community Pool budget be used as an in-year saving; and
- (b) That no-more than a 14% cut is imposed next year.

In relation to the remaining funds being linked to the commissioning of services, Members requested that when the new set of criteria is drafted that the voluntary sector organisations and Scrutiny are consulted before any proposals are finalised.

Director, Assistant Directors and PA Support

Members agreed with this proposed saving.

Sport and Health in the Community

Members agreed with this proposed saving in principle however requested further information on the projects which would be affected and whether some projects would be eligible to access the Community Pool budget.

Members requested that all Government funding sources be accessed where available.

Social Care User Property and Finance Team

Members agreed with this proposed saving.

Departmental Running Costs

Members agreed with this proposed saving.

Performance Management Team

Members agreed with this proposed saving.

Administration Team

Members agreed with this proposed saving.

Workforce Planning and Development Team

Members agreed with this proposed saving.

Adults Complaints, Investigations and Public Information Team

Members agreed with this proposed saving.

Pupil Support (Outdoor Facilities)

Members agreed with this proposed saving.

Children's Contracted Services

Members agreed with this proposed saving, however, raised concerns about the nil inflationary uplift applying to voluntary sector organisations and that a different approach should be looked at to differentiate between voluntary and private organisations.

Children's Placements (inc Fostering Allowances)

Members agreed with this proposed saving.

Promoting Looked After Children

Members agreed with this proposed saving.

Family Resource Services (Children's Social Care)

Members agreed with this proposed saving.

Children's Fund

Members did not accept this proposed saving. Members requested further information on the impact that these reductions would have in practice.

Hartlepool Children's Trust

Members agreed with this proposed saving.

Community Facilities in Schools (Contingency for Sustainability)

Members reluctantly agreed with this proposed saving.

Schools Swimming

Members agreed with this proposed saving on the caveat that:-

- (a) Members are consulted on the proposals for the Brinkbum pool, and should it be sold funds are used for the 25 metre pool at Brierton.

Parenting Support Strategy

Members agreed with this proposed saving.

Improving Educational Outcomes for Pupils

Members reluctantly agreed with this proposed saving.

Outdoor Education Centres

Members agreed with this proposed saving and in addition to this suggested that the Council enter into discussions with West Hartlepool Trust to explore alternative options which may be more useful to the Council, for example a phased withdrawal or entering into a joint venture/social enterprise to generate shared income.

Special Educational Needs Services

Members agreed with this proposed saving.

ICT Licences and Development

Members agreed with this proposed saving.

Youth Offending Service

Members agreed with this proposed saving.

Integrated Youth Service

Members agreed with this proposed saving and requested that a wider review of information advice and guidance (IAG) services provided by the Council be undertaken, which may result in a more generic and improved service delivered across the town whilst also having the potential to generate further savings.

Home to School Transport

Members agreed with this proposed saving on the condition that the number of HBC schools buses did not decrease.

Family Intervention Project and Similar Prevention Initiatives

Members agreed with this proposed saving.

Additional comments:

With reference to paragraph 2.9 of the Cabinet report, referring to the withdrawal of the Working Neighbourhoods Fund, Members asked Cabinet to respond to the following question:-

How will this authority respond to increase in unemployment as a result of job cuts within the public and private and voluntary sectors and what assistance will there be for residents to help them seek alternative employment / start a business of their own?

Chief Executive's Department

Workforce Services

Members agreed with this proposed saving although it was highlighted that staff may experience higher levels of stress through these difficult economic times, which could manifest itself as sickness absence.

Legal Services

Members agreed with this proposed saving but raised concerns in relation to capacity and whether the remaining staff would be able to absorb the extra workload. Members indicated that an in-house legal service was the best way of working.

Revenues Service

Members agreed with this proposed saving in principle on the caveat that:-

- (a) the proposed savings would not exasperate the hardship situation;
- (b) further savings be achieved through deletion of vacant posts and where possible, a further reduction in management structures;
- (c) the proposed savings would not impact on front line / outreach support services;
- (d) the outcome of the negotiations with Housing Hartlepool regarding funding for the benefit surgery service be completed by January 2011 in order to feed into the next stage of the budget process; and
- (e) the face to face advice offered through Hartlepool Connect be maintained as Members do not want to see a reduction in face to face advice.

Alternative Proposal:

- (a) In relation to the benefit surgery service, Members suggested the movement of the service into community settings (i.e. libraries) to deliver more generic support.

Benefit Service

Members agreed with this proposed saving. However, Members wanted reassurance that the reduction in the checking of benefit applications would not be detrimental to the claimant or the tax payer.

Hartlepool Connect

Members agreed with this proposed saving.

In relation to the overall proposed budget reductions for the Chief Executive's Department a question was raised about operating a 'Directorship' as opposed to a directly appointed Chief Executive and Assistant Chief Executive. Members requested that the feasibility of this three directorate approach be explored, not just in relation to the financial aspects but the difference / benefits that it would bring to the delivery of corporate services.