

# **CABINET**

## **MINUTES AND DECISION RECORD**

20 December 2010

The meeting commenced at 9.15 a.m. in the Civic Centre, Hartlepool

### **Present:**

The Mayor, Stuart Drummond - In the Chair

Councillors: Jonathan Brash (Portfolio Holder for Performance Portfolio Holder)  
Robbie Payne (Deputy Mayor) (Finance and Procurement Portfolio Holder),  
Pam Hargreaves (Regeneration and Economic Development Portfolio Holder),  
Gerard Hall (Adult and Public Health Services Portfolio Holder).  
Cath Hill (Children's Services Portfolio Holder),  
Hilary Thompson (Culture, Leisure and Tourism Portfolio Holder),

Also Present: Councillor Marjorie James, Chair of Scrutiny Coordinating Committee  
Councillor Chris Simmons, Vice-Chair of Scrutiny Coordinating Committee  
Edwin Jeffries, Hartlepool Joint Trades Union Committee

Officers: Paul Walker, Chief Executive  
Andrew Atkin, Assistant Chief Executive,  
Chris Little, Chief Finance Officer  
Alyson Caman, Legal Services Manager  
Nicola Bailey, Director of Child and Adult Services  
Alan Dobby, Assistant Director, Resources  
John Mennear, Assistant Director, Community Services  
Louise Wallace, Assistant Director, Public Health  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Damien Wilson, Assistant Director, Regeneration and Planning  
Denise Ogden, Assistant Director, Neighbourhood Services  
Graham Frankland, Assistant Director, Resources  
Derek Gouldbum, Urban and Planning Policy Manager  
Antony Steinberg, Economic Development Manager  
Joan Wilkins, Scrutiny Manager  
Alistair Rae, Public Relations Manager  
David Cosgrove, Democratic Services Team

### **131. Apologies for Absence**

Peter Jackson (Transport and Neighbourhoods Portfolio Holder),

## 132. Declarations of interest by members

None.

## 133. Confirmation of the minutes of the meeting held on 29 November 2010 and 6 December 2010

Confirmed.

## 134. Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 *(Corporate Management Team)*

### Type of decision

Budget and Policy Framework.

### Purpose of report

The report provided cabinet with information on the provisional Local Government Finance Settlement announced on the 13 December 2010 and the impact on the Council's MTFS.

### Issue(s) for consideration by Cabinet

The Chief Finance Officer reported that the Scrutiny Co-ordinating Committee's feedback on Cabinet's initial consultation proposals was detailed in a separate report on the agenda. The comments had also been added to the schedule of proposed cuts as detailed in Appendix A to the report. The Scrutiny Co-ordinating Committee had indicated that they reluctantly supported the majority of Cabinet's proposals. They had also identified where they required more information and the proposals which they did not support. These issues were summarised as follows;

	<b>Value of Proposed Reductions £'000</b>
Items supported (reluctantly by SCC)	5,125
Items SCC require further information on	223
Items not supported by SCC	166
<b>Total</b>	<b>5,514</b>

Scrutiny Co-ordinating Committee had also asked a number of specific questions which were set out in Appendix B to the report. Responses to these questions would be reported to Scrutiny Co-ordinating Committee in January 2011.

The Chief Finance Officer stated that the settlement confirmed by government only covered the next two financial years; 2011/12 and 2012/13. The announcement had referred to average grant reductions of

4.4% with no authority suffering a greater reduction than 8.9%. It was stated that these figures related to a new notional figure of an authorities revenue spending power which incorporated the formula grant, specific grants, NHS social care funding and council tax revenues. Hartlepool was one of thirty-seven authorities receiving a formula grant cut of 8.9% and it was notable that many of those authorities were in the more deprived areas. The Chief Finance Officer highlighted that the transitional grant of £1.7m would only be paid in 2011/12; there would be no transitional grant for Hartlepool in 2012/13.

It had not been possible to identify how the new Personal Social Services grant would be paid, whether it was already included in the Formula Grant or would be subject to a separate announcement by government. An update would be provided to Cabinet when more information was available.

For 2012/13 the Core Formula Grant cut is 8.2%, which was broadly in line with the planning estimate of 9%. In terms of the impact on the Medium Term Financial Strategy the overall grant cut for the next 3 years was broadly in line with expectations. Any alteration from the current strategy would significantly increase the deficit in 2012/13. To enable Cabinet to consider the impact on the MTFS and to determine a strategy for managing the budget over more than one financial year it was suggested that members consider the following options:-

**Option 1 – Implement Planned 2011/12 Cuts of £5.6m**

This option would enable the Council to implement the planned 2011/12 cuts which would mitigate the cuts required in 2012/13. Under this option the Council would have one-off resources of £2.7 million available to meet 2011/12 and 2012/13 redundancy costs, in conjunction with any resources required for projects which may require investigation to ascertain if they provide any future budget benefits. This option also avoided a significantly higher deficit in 2012/13, which would be the case if cuts were deferred.

**Option 2 – Implement Revised Cuts in 2011/12 of £2.8m**

This option would simply defer part of the planned cuts until 2012/13 and significantly exacerbate the problem in this year.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
<u>Planning forecasts 29.11.10</u> (assumes no additional benefit from new Social Services Grant in 2012/13, existing Council Tax increases of 0% 2012/13 and 3.9% in 2013/14 and 2014/15 and 2012/13 BTP efficiencies of £2m not achieved)	5,650	8,900	2,400	4,600	21,550
Revised Deficits if minimum savings made in 2011/12	2,806	10,400	2,400	4,600	20,206
Revised Deficits if 2011/12 maintained at £5.650m	5,650	7,556	2,400	4,600	20,206

A number of Specific Grants had been transferred to the Formula Grant at 2010/11 prices. Work was still ongoing to identify these issues and details would be reported to Cabinet early in January to enable these issues to be referred to Scrutiny Co-ordinating Committee.

There was a consultation period on the grant allocations which ended 17 January 2011 and Councils had been informed that they could submit written submissions or request a meeting with Ministers, though both would carry the same weight. It was, therefore, suggested that a written response was prepared putting forward a case for the extension of the period covered by the transitional grant.

Following Cabinet's approval of a £1.2 million capital allocation and feedback from Scrutiny Co-ordinating Committee detailed proposals for using this capital allocation had been identified. The Allocation had been reduced from £1.556 million in 2010/11. In order to prioritise projects there was a need to agree assessment criteria. A categorisation methodology and criteria were proposed and set out in detail in the report. The funding allocations proposed by SCRAPT were set out at Appendix C to the report.

The Chief Finance Officer highlighted that the timetable to achieve a budget for submission to Council on 10 February were very tight but achievable.

The provisional settlements for 2011/12 and 2012/13 would require the Council to reduce its budget. Further significant cuts would be required in 2013/14 and 2014/15. There was a significant risk that changes to the Local Government finance system planned for implementation in April 2013 will adversely impact on Hartlepool and increase these deficits.

In terms of the options put forward in the report, the Chief Finance Officer reported that the Corporate Management Team (CMT) were recommending option 1 as it provided the greatest flexibility over the next two years.

Cabinet questioned if the government had given any guidance on the use of the transitional grant. The Chief Finance Officer indicated that the government had suggested that the grant should be utilised to deal with the scale of cuts to come. This essentially meant redundancy costs where some capitalisation had been allowed but only to around £200,000.

The Mayor questioned how an authority in a deprived area was still facing the highest levels of grant cuts together with the high cuts being faced by the Fire Authority. The Chief Finance Officer commented that it appeared that those with the highest grant were those being penalised most.

The Mayor then moved on to consider the feedback submitted by Scrutiny Coordinating Committee. The Chair and Vice Chair of Scrutiny Coordinating Committee were present at the meeting and the Chair of the Committee outlined the comments of scrutiny to Cabinet, with where they had been made, any alternative proposals for Cabinet to consider. These

were detailed in an updated report that had been circulated to Cabinet in advance of the meeting. The comments of scrutiny were as set out below together with any additional comments made by Cabinet members. (Where any proposal had been reluctantly accepted by Scrutiny and were not discussed by Cabinet, these are not reproduced below.)

## **Regeneration and Planning Services Department**

### **Proposed Budget Reductions**

#### **Environmental Enforcement Officers**

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

#### **Alternative proposals:-**

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

The Director of Regeneration and Neighbourhoods commented that a meeting had been held with Housing Hartlepool and they had given an indication that they would consider the matter further but it was unlikely we would have any response on any additional funding until January. The Mayor commented that discussions on a number of other issues with other organisations were on-going.

#### **Housing**

Scrutiny 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) Scrutiny 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.

#### **Community Safety, ASB, DAT**

Scrutiny 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 had been provided to Members.

The Director of Regeneration and Neighbourhoods commented that a further analysis of the information supplied to Members could be undertaken.

#### Landscape, Planning and Conservation

Scrutiny 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.

The Director of Regeneration and Neighbourhoods commented that there was sufficient training budget in the proposal. There were many free training schemes available and there was potential to reduce the budgets without it being detrimental.

#### Economic Development

Scrutiny 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.

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

The Director of Regeneration and Neighbourhoods commented that in conjunction with the Director of Child and Adults Services, consideration would be given to bringing all of the functions for marketing, PR and other related issues together.

#### Community Regeneration

Scrutiny 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.

The Director of Regeneration and Neighbourhoods commented that some information had been produced in response to Scrutiny Members' request and would be circulated.

#### Waste Management

Following discussion Scrutiny 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.

The Director of Regeneration and Neighbourhoods commented the use of bio-mass was being examined but was unlikely to deliver any real savings for several years.

#### 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:-

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

#### Parks and Countryside

Scrutiny 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.

The Director of Regeneration and Neighbourhoods commented that this would be considered among other options for the site.

#### Pride in Hartlepool

Alternative proposal:-

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

The Director of Regeneration and Neighbourhoods commented that the principles of Pride in Hartlepool would still continue but under the management of the Neighbourhood Managers. The Scrutiny Coordinating Committee Chair suggested that the involvement of the voluntary sector in some sort of hybrid management arrangement may allow access to funds that the authority could not gain access to.

#### Beach Safety

Scrutiny 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.

The Director of Regeneration and Neighbourhoods indicated that there

needed to be a saving in this area and the alternative proposed was to close Headland paddling pool.

### Property Services

Scrutiny 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) Scrutiny 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) Scrutiny Members suggested where properties were transferred they should be retained for community use.

The Mayor referred to the potential of an asset-backed vehicle but a decision on how properties were managed needed to be taken quickly if the savings were to be achieved. The Director of Regeneration and Neighbourhoods stated that while needing to be achieved quickly there was concern at transferring buildings overnight. An appropriate long-term plan needed to be made.

Cabinet Members supported this view but did feel that each property needed to be dealt with separately but under a set of guiding principles. It also needed to be accepted that the private sector may also have a use for some of our current property stock.

Cabinet Members questioned the previous government's practice that property could be transferred at less than market value for community use. The Director stated that at present the coalition government had only referred to local authorities 'maximising their assets'.

### Procurement / Reprographics

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

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

It was suggested that the changes to the council that would result in the 'all-out' elections in 2012 would be an appropriate time to coordinate an approach on Members IT. There was general concern at the difficulty and perceived high costs of accessing the council system under the current arrangements and Members believed that a different approach was needed. The Assistant Chief Executive stated that the security that was in place was



to ensure the protection of the council's systems and data. The way Members access the system and the information they required would, however, be reviewed to consider the suggestion.

### Dial a Ride

Scrutiny Members reluctantly accepted the proposed saving.

Cabinet Members did feel that while the removal of the service was unavoidable, the reasons needed to be communicated better to the public. The Mayor indicated that the options of removing the service or introducing a break-even charge had been put forward to scrutiny. The Chair of the Scrutiny Coordinating Committee stated that scrutiny members did not see the break-even charge as viable as customers would be more likely to move to cheaper alternatives where they are available.

There was concern that there were insufficient taxis currently in the town that could provide transport to disabled, particularly wheelchair bound, passengers. Some users had also commented on the attitudes of some drivers and it was felt that training may need to be offered. The Chair of the Scrutiny Coordinating Committee agreed that there were many people who were currently users of Dial-a-Ride that with a little assistance could use taxis. Having a Council fleet of such vehicles had been suggested.

The Director of Regeneration and Neighbourhoods indicated that the capital investment that the current fleet required was substantial, as would be the provision of a taxi style fleet of vehicles. If the service was popular with a defined demand, then the private sector would come forward to meet that demand and would be licensed by the authority to do so. There was, however, no suggestion of a service level agreement; this was service that the council would cease to provide. Some discussions with current staff and other providers had been held on the potential of picking up the capacity in the market but nothing more than that.

There was concern from some Cabinet Members at the ending of the Dial-a-Ride service particularly when Members were not supporting cuts in other areas of the council.

### Hospital Service

Scrutiny Members reluctantly accepted the proposed saving.

Scrutiny 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.

The Mayor commented that analysis had shown that every passenger on the hospital service was costing the council £9 without the support of the Health Authority or Stockton Council, whose residents used the service in high numbers, Hartlepool could no longer maintain this service. Again, it

was important for the Council to communicate these messages to the public.

#### Traffic Signs and Bollards

Scrutiny 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. Cabinet supported this suggestion.

### **Child and Adult Services Department**

#### Proposed Pressures

Scrutiny 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 – Scrutiny 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.

The Director of Child and Adult Services commented that she would welcome the transfer and ring-fencing of some of the staff and money for the public health service, however had some concerns that the ring fenced grant may not be sufficient to fund the services currently in place locally.

#### Proposed Budget Reductions

#### Community Centres x 7 Establishments

Scrutiny 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) Scrutiny 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.

In relation to the suggestion for the Lealholm Road Sure Start Centre, there was concern that there may be grant claw-back if the proposal was carried through. There was also concern that the current usage of the facility was low. The potential of claw-back should also not be an obstacle to closure.

The Director of Child and Adult Services indicated that there are proposals still to come to Cabinet via the SDO on Early years which included Children Centres in the new year. The funding had changed in definition for Children's Centres and now formed part of the new Early Intervention Grant and this needed to be assessed to see what it actually meant in practice.

The Mayor commented that this area of the proposals was one of the most difficult to deal with and one that Cabinet did not wish it had to do. If there was a way that the authority could save money and keep these facilities open then that needed to be explored. The usage of some of the properties simply made them unsustainable and Cabinet would look at any sensible alternatives.

It was highlighted that the view existed among some Members that the proposal for the Throston Grange Community Centre and Library was to join the two buildings through the construction of a 'corridor' while it appeared that the suggestion considered was that both elements would be based in one building.

Cabinet was informed that the costs quoted for the savings in these areas only related to staffing costs as property management had been centralised previously. Cabinet requested clarification on the potential total costs of the proposed closures. It was also highlighted that the agreed practice was that if a building was to be relinquished, then a plan for its future had to be in place for immediate implementation.

The Mayor was concerned that this was still an area of considerable uncertainty. Officers also highlighted that another £100,000 of savings still needed to be drawn from a rationalisation of building management already identified in the Business Transformation Programme.

There were some positives highlighted. Officers reported that the staff at Throston were excited about the future for their facility and how services could be developed.

Cabinet sought a further report on the council's property assets and the potential future for each, if that was through voluntary sector or other use.

### Cultural Services

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

- (a) Scrutiny 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) Scrutiny 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) Scrutiny Members requested that the tourism marketing budget be considered in conjunction with the marketing budgets held within other departments to rationalise services.

Cabinet Members supported the proposal that the potential for greater income through events such as the fireworks display should be explored. The Mayor commented that such events were 'nice to have's' but in light of the cuts to services and jobs that were being considered he did question them being kept. Cabinet Members acknowledged the comment and considered that the fireworks event in particular should be maintained as long as it could pay for itself. Officers indicated that income was already derived from the event but this could be further explored.

### Commissioning – Working Age Adults, Older People, Mental Health

Scrutiny 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.

The Director of Child and Adult Services commented that the view of scrutiny had been taken on board but that there may be some legal issues if we are to pay voluntary organisations, not for profit organisations or private organisations different amounts for exactly the same services e.g. residential care. When the discussions had been held with the providers on the proposal for a nil inflation rise, the providers present were actually quite relieved and understood the issues as in many cases this meant the service would still be provided with the same budget as last year and would

not necessarily result in a service being reduced.

There was concern expressed by a Cabinet Member on the attitude of some national care providers to the budget constraints of local authorities.

#### Libraries – Central, Branch and Home / Delivered Services

Scrutiny 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.

The Mayor commented that while there were some cuts in some service provision, there was a corresponding 'beefing up' of other services such as the home delivered library service to fill the gap for vulnerable users in particular.

#### Grants to Community and Voluntary Organisations

Scrutiny Members did not accept this proposed saving.

Alternative Proposals:

- (a) Scrutiny 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, Scrutiny 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.

It was indicated that there was some remaining grant funding available for this financial year. The Mayor commented that the way the council funded the voluntary sector had to change with a greater emphasis on commissioning services rather than grant funding. Cabinet Members agreed but commented that these groups did need to be supported in developing into that role.

The Scrutiny Coordinating Committee Chair commented that scrutiny would want to be involved in the development of the criteria for these contracts.

#### Sport and Health in the Community

Scrutiny 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.

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

#### Children's Contracted Services

Scrutiny 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 Fund

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

#### Schools Swimming

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

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

The Director of Regeneration and Neighbourhoods commented that this would be possible.

#### Outdoor Education Centres

Scrutiny 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.

#### Integrated Youth Service

Scrutiny 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.

The Director of Child and Adult Services commented that the government had already indicated in the Schools White Paper that an all age Information, Advice and Guidance service would be created in the future. However the indications are that the government has expressed a preference for large national organisations to provide the advice services.

#### Home to School Transport

Scrutiny 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, Scrutiny 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**

#### Proposed Corporate Pressures

#### Repayment Costs from Continuing SCRAPT Programme

Although Scrutiny Members agreed in principle to the continuation of the SCRAPT programme; in particular for the DDA works; Scrutiny Members were concerned that their involvement in the allocation of SCRAPT was limited. Scrutiny 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

#### Public Relations

Scrutiny Members were pleased to learn that the potential reduction of posts identified; in the original report to Cabinet; were now not necessary.

However, Scrutiny Members did wish to reemphasise that consideration be given to the rationalisation of marketing posts across departments.

### Scrutiny / Democratic Services

Scrutiny Members could not support the identified budget reduction at this time. Scrutiny 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. Scrutiny 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 Scrutiny 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.

The potential changes to the format of Neighbourhood Forums was raised and highlighted as one of many changes that would affect this area. Scrutiny members had indicated that they wished to see the open public scrutiny facility maintained. It was highlighted that in general, public attendance at all meetings of the authority was quite low and how the council communicated with the public needed to be examined further.

It was suggested that the Council should in the next municipal year develop the new meetings structure for the authority to be in place after the all-out elections in 2012. That would facilitate the development of an adequate Democratic services and Scrutiny structure alongside it.

### Internal Audit

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

It was highlighted by the Chair of Scrutiny Coordinating Committee that the absence of the Audit Committee Chair had restricted their debate on this area.

### Registration and Nationality Services

Scrutiny Members agreed to this reduction, but in addition Scrutiny 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 Scrutiny Members for consideration to be given to people's parking needs when using the registration services.



### Workforce Services

Scrutiny 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

Scrutiny 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. Scrutiny Members indicated that an in-house legal service was the best way of working.

### Revenues Service

Scrutiny 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, Scrutiny Members suggested the movement of the service into community settings (i.e. libraries) to deliver more generic support.

The mayor expressed his concern at the national changes to the benefits system and what affect that may have on the people of Hartlepool. The Chief Executive indicated that it was still unclear as to how the system would operate now that council tax and housing benefit were to be included in the 'universal credit' calculation. The transfer of the council tax benefit management to local authorities was also of concern as it transferred a significant piece of work when there were pressures on budgets.

### Benefit Service

Scrutiny Members agreed with this proposed saving. However, Scrutiny 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.

### Additional comments:

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. Scrutiny 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.

The Chair of the Scrutiny Coordinating Committee in referring to the additional comments above indicated that many Members did wish to have other suggestions considered as part of the budget process. The Mayor commented that these could be facilitated through the Council Working Group, though it was acknowledged that there had been no recent meeting of the group.

In response to comments made on the management structure of the authority, the Mayor indicated that the senior management review had saved over £2.5m and there was a reduction of four other Chief Officer posts through the current budget proposals. There was some concern expressed by Cabinet Members that the management structure was now in some areas quite thin.

The Mayor indicated that he had received a letter from the Hartlepool Joint Trades Union Committee (HJTUC) raising their concerns at the proposed budget reductions. These comments were expressed to Cabinet by the Secretary of the HJTUC who was present at the meeting.

The Mayor thanked the Chair and Vice Chair of the Scrutiny Coordinating Committee and the secretary of the Hartlepool Joint Trades Union Committee for their attendance and input into the meeting.

In considering the recommendations set out in the report and the proposal from CMT that Option 1 be supported, there was opposition from a cabinet Member who considered that further detailed review needed to be undertaken to ensure that those employees being made redundant were the right people to release. There were many savings that could be made before the Council had to face closing libraries and community centres. The expenditure on many outside organisations for example needed to be considered further.

Cabinet Members questioned what would be the effect of not approving option 1. The Chief Finance Officer indicated that the deficit in 2012/13 with the savings of £5.650m would be £7.556m. Without the savings being maintained, the deficit would rise to £10.4m. As the council moved forward,

the savings would have to be achieved from a continually reducing budget.

The Mayor indicated that Cabinet was not deciding today to use the transitional grant only for the purposes of meeting redundancy costs. How the grant was used needed to be flexible, meeting the costs of examining how the authority could work differently in the future. The Mayor indicated that scrutiny's suggestions and ideas had been taken on board but if there were more suggestions from Members then they needed to come forward. There were certain issues that were going to take longer to resolve, community centres and libraries being the main example.

### **Decision**

That Cabinet refers the following issues to Scrutiny Coordinating Committee;

1. That Option 1 be approved as the preferred strategy for managing the Medium Term Financial Strategy including the items not supported by Scrutiny Co-ordinating Committee totalling £0.166m.
2. That a further report be submitted in relation to Specific grants.
3. That the proposed allocation of unsupported corporate capital borrowing allocations as detailed in Appendix C to the report be approved.

## **135. Formal response to the Executive's Initial Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 Consultation Proposals** (*Scrutiny Co-ordinating Committee*)

### **Type of decision**

None – the report was for Cabinet's information only.

### **Purpose of report**

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.

### **Issue(s) for consideration by Cabinet**

The report provided 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.

The comments highlighted in the report by Scrutiny were dealt with during the consideration of the Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 as detailed in minute 134 above.

The Mayor thanked Scrutiny for its input and thanked the Chair and Vice Chair of the Scrutiny Coordinating Committee for their input into the meeting.

## **Decision**

That the report be received and noted.

### **136. Jackson's Landing Acquisition** (*Director of Regeneration and Neighbourhoods*)

#### **Type of decision**

Key Decision test i and ii apply. First Stage of Key Decision reference Number: RN41 / 10

#### **Purpose of report**

The report provided details of the potential development proposals, and outlined the legal process to secure the first stage of the potential acquisition of the property and facilitate the conclusion of a commercial feasibility study.

#### **Issue(s) for consideration by Cabinet**

The Finance and Procurement Portfolio Holder reported that Jackson's Landing was identified in the central investment framework adopted by the Council in 2008, as a prominent building on a strategic site that provided the opportunity for a transformational flagship development to be brought forward. This development would help to diversify and underpin the town's economy and increase the vibrancy of the central area. Negotiations had been taking place with the owners of the property, and a sale price had been agreed subject to a comprehensive feasibility study. Details of which set out in the Confidential Appendix to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

In order to enable a comprehensive feasibility study to be undertaken to determine the commercial viability of a scheme, a legal agreement in the form of a 'lock out' had been agreed. This provided the Council an exclusivity period of six months, to work up details of proposals reviewing, both the costs of redevelopment and assess potential demand from other public sector partners and private organisations prior to any legal obligation arising to purchase the building.

The legal agreement stated, that contracts needed to be exchanged by the 31st December 2010, at which time a deposit was payable. Completion of the sale would be scheduled to take place on the 25th March 2011. Should the Council decide not to proceed at this time, then the deposit would be repaid. Details of the deposit were included in the Confidential Appendix.

Tees Valley Unlimited, had been commissioned to consider the options for redevelopment of the site and advise that the most appropriate scheme

would be to upgrade, refurbish and convert the existing building to include both a ground and first floor.

The Mayor commented that there would no doubt be questions as to how the Council could afford this investment at this time. There was the potential for significant payback on the scheme and if the right scheme could not be devised, then the Council could get its deposit on the property returned. The Mayor looked forward to a further report on the proposal in the New Year.

#### **Decision**

That Cabinet approves the exchange of contracts, in accordance with the provisions of the “lock out agreement”, as a first stage to the purchase of Jackson’s Landing which will take place by March 2011 once Cabinet have agreed the commercial viability of the scheme.

### **137. Business Transformation – Legal, Elections and Land Charges Service Delivery Option Report** *(Chief Solicitor)*

#### **Type of decision**

Non-key.

#### **Purpose of report**

To inform Cabinet of the findings of the Legal, Elections and Local Land Charges Services, service delivery review and the options appraisal aspect of the review.

#### **Issue(s) for consideration by Cabinet**

The Legal Services Manager outlined the Options Report for the Legal, Elections and Local Land Charges Services, service delivery option review. This service delivery option review had an efficiency savings target of £58,800. It was highlighted that the area of Members Services, which formed part of this amalgamated service division, was included within the third year of the Service Delivery Option Review Programme. Further, certain posts within the division had also come within the compass of the Support Services Review.

Significantly since the commencement of this review the Local Government Boundary Commission for England has embarked on a further Electoral Review of Hartlepool Borough Council and there had also been the announcement through the Coalition Government that in May, 2011, they would also embark upon a Referendum relating to a possible change to the system of voting in Parliamentary Elections together with changes to Parliamentary boundaries. This Service Review had therefore been carefully considered.

During the course of the review the following potential shared structure frameworks, had been considered;

- (i) Joint Venture
- (ii) Outsourcing
- (iii) Shared Services through a “host” authority
- (iv) Retention of an In-house legal services division.

An options analysis for each of the above was set out in the report. The results of that analysis, which included comparator costs with other local authorities in the Tees Valley and the private sector, was that the in-house provision should be retained.

In order to meet the savings requirement of the option review, the savings set out below were proposed –

<b>Saving</b>	<b>£</b>
Deletion of Senior Legal Assistant (Environment and Development) post – Band 10	£33,351 (including salary of £27,052 and applicable “on-cost”).
The withdrawal from the “LEXIS NEXIS” electronic books and publication service from 2010/2011.	£13,000 (leaving a budget for “books and publications” of approximately £5,000).
Training	£3,500 (leaving a budget of approx. £3,000).
Managed under-spend relating to Senior Legal Assistant (Child Care) (hours previously reduced from 5 days to 4 days per week, as requested by the post-holder)	£6,300
Management spend elections and registration	£3,000
<b>Total</b>	<b>£59,151</b>

It was highlighted that the potential for a shared service agreement was being explored, though this was still at the early stages.

### **Decision**

1. That Cabinet approves the preferred option of the retention of the in-house legal service.
2. That Cabinet approves the proposals for the achievement of the £59,151 savings as reported.
3. That Cabinet notes the alternative delivery models which were set out in the report and agrees that consideration be given over the next 12-24 months of the transformation options relating to the services included in this particular service delivery review.

**138. Local Development Framework – Annual Monitoring Report 2009/10** (*Director of Regeneration and Neighbourhoods*)

**Type of decision**

Non-key.

**Purpose of report**

The report sought approval of the draft Local Development Framework Annual Monitoring Report 2009/10 for submission to the Government Office for the North East, subject to final editing to be approved by the Portfolio holder.

**Issue(s) for consideration by Cabinet**

The Mayor indicated that the Annual Monitoring Report assessed the implementation of the programme for preparation of Local Development Documents contained in the Local Development Scheme. The Annual Monitoring Report also assessed existing planning policies contained in the adopted Hartlepool Local Plan 2006. The report set out the progress of house building from 2004 and projected completions up to 2021 and compared this to the housing requirement set out in the Regional Spatial Strategy (July 2008).

**Decision**

That agreement in principle be given to the draft Annual Monitoring Report 2009/10 for submission to Government Office for the North East, subject to final editing to be approved by the Community Safety and Housing Portfolio Holder prior to submission.

**139. Children's Services Assessment 2010** (*Director of Child and Adult Services*)

**Type of decision**

**Purpose of report**

To report on the OFSTED assessment of Children's Services in Hartlepool.

**Issue(s) for consideration by Cabinet**

The Children's Services Portfolio Holder reported that the report set out a summary of the OFSTED assessment of Children's Services in Hartlepool which it concluded were performing well.

**Decision**

That the OFSTED Assessment for 2010 be noted and welcomed.

**140. Joint Strategic Needs Assessment (JSNA)** *(Director of Child and Adult Services)*

**Type of decision**

Non-key.

**Purpose of report**

The report presented the refreshed 2010/11 version of the Joint Strategic Needs Assessment (JSNA) for Cabinet's information.

**Issue(s) for consideration by Cabinet**

The Adult and Public Health Portfolio Holder reported that the Joint Strategic Needs Assessment brought together councils, National Health Service (NHS) and other partners to develop common priorities for the improvement of local health and wellbeing. The process of undertaking the JSNA encouraged partners to work together to generate a shared picture of local needs, and then design systematic interventions that will meet these needs and produce better outcomes for local health. Copies of the full document were available in the Members' Library and on the website with the agenda papers for the meeting.

**Decision**

That Cabinet notes the content of the document and endorses the use of the Joint Strategic Needs Assessment in commissioning services.

**141. The Tall Ships Races – Hartlepool 2010. Independent Evaluation and Economic Impact Assessment** *(Director of Child and Adult Services)*

**Type of decision**

Non-key.

**Purpose of report**

To present the independent evaluation report of The Tall Ships Races – Hartlepool 2010 to Members.

**Issue(s) for consideration by Cabinet**

The Mayor indicated that at the request of Cabinet Members, the report be deferred to the next meeting of Cabinet.

**Decision**

That consideration of the report be deferred to the next meeting.

The meeting concluded at 12.20 p.m.

**P J DEVLIN**  
**CHIEF SOLICITOR**

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