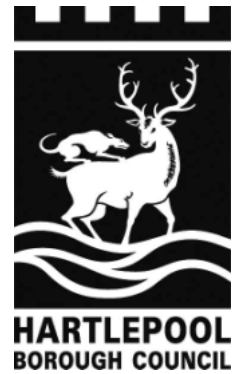


SCRUTINY COORDINATING COMMITTEE AGENDA



Friday 14th January 2011

at 2.00 pm

**in the Council Chamber,
Civic Centre, Hartlepool**

MEMBERS: SCRUTINY COORDINATING COMMITTEE:

Councillors C Akers-Belcher, S Akers-Belcher, 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

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 1st December 2010

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

- 7.1 Medium Term Financial Strategy (MFTS) 2011/12 to 2014/15 – Consultation Proposals – *Scrutiny Manager*

8. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

- 8.1 Quarter 2 – Corporate Plan and Revenue Financial Management Report 2010/11 – *Corporate Management Team*
8.2 Quarter 2 – Capital and Accountable Body Monitoring Report 2010/2011 – *Chief Finance Officer*

9. ITEMS FOR DISCUSSION

- 9.1 Scrutiny Involvement in the Service Planning Process for 2011/12 – Timetable – *Scrutiny Manager*

10. CALL-IN REQUESTS

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

- i) **Date of Next Meeting Friday 21st January 2011, commencing at 9.00am in the Chamber**

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

1 December 2010

The meeting commenced at 9.00 am in the Civic Centre, Hartlepool

Present:

Councillor: James (In the Chair)

Councillors C Akers-Belcher, S Akers-Belcher, Barclay, Cook, Cranney, Fleet, Griffin, London, Maness, A Marshall, Preece, Richardson, Rogan, Simmons, Thomas and Wells

Resident Representatives:

Christine Blakey, John Cambridge, Linda Shields and Hilda Wales

Also Present:

Councillor Hall, Adult and Public Health Portfolio Holder
Councillor Payne, Finance and Procurement Portfolio Holder

Officers:

Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Nicola Bailey, Director of Child and Adult Services
Denise Ogden, Assistant Director, Regeneration and Neighbourhoods
Grahame Frankland, Assistant Director, Regeneration and Neighbourhoods
Damien Wilson, Assistant Director, Regeneration and Neighbourhoods
Alison Mawson, Assistant Director, Regeneration and Neighbourhoods
Alastair Smith, Assistant Director, Regeneration and Neighbourhoods
John Lovatt, Acting Assistant Director, Child and Adult Services
Alastair Rae, Public Relations Manager
Joan Stevens, Scrutiny Manager
Elaine Hind, Scrutiny Support Officer
Denise Wimpenny, Principal Democratic Services Officer

102. Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Flintoff, Gibbon, Ingham, J W Marshall, Worthy, Co-opted Member Relton, Resident Representatives, Loynes and Wilcox and Cabinet Members, Hargreaves and H Thompson.

103. Declarations of interest by Members

Councillor James, A Marshall, C Akers-Belcher and S Akers-Belcher declared personal interests in Minute 109.

104. Confirmation of the minutes of the meeting held on 12 November 2010

Deferred.

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

None.

106. Consideration of request for scrutiny reviews from Council, Executive Members and Non Executive Members

None.

107. Forward Plan

None.

108. Consideration of progress reports/budget and policy framework documents

None.

109. Consideration of financial monitoring/corporate reports - Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 – Initial Consultation Proposals
Scrutiny Manager

The Scrutiny Manager introduced the report which included the Executive's initial budget consultation proposals for the Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 and the Committee's views were requested for inclusion in the formal Overview and Scrutiny response to be presented to Cabinet on 20 December 2010.

Members were advised that this was the first of a number of sessions at which presentations would be given by the relevant Directors. Members

were referred to the timetable for consideration of the budget proposals by Department, as set out in the report. With regard to approval of the scrutiny response scheduled for consideration by this Committee at 2.00 pm on Friday 10 December, Members were advised that the start time of this meeting had been changed to 1.00 pm to accommodate an additional meeting scheduled for 2.30 pm.

The Chief Finance Officer provided an overview of the Council's financial position including details of the impact of the Spending Review announcement and the impact of cuts to Formula Grant as set out in Appendix A to the report.

The Director of Regeneration and Neighbourhoods then went on to provide further information on the budget pressures for 2011/12 and the Regeneration and Neighbourhoods Departmental proposed budget reductions to which the Committee raised a number of comments/queries which included the following:-

Budget Pressures

A Member highlighted the importance of all Elected Members participating in this part of the budget process in view of the impact recent Government decisions had placed on the Council and raised concerns regarding the level of attendance from some political parties at today's meeting. The need for Elected Members to be provided with as much information on the proposed pressures and proposed budget reductions was also emphasised.

In relation to the withdrawal of funding from Housing Hartlepool for the Environmental Enforcement Officers, Members highlighted the importance of these roles to the community and suggested that services should continue to be provided by existing teams where possible. Members requested that funding for these posts be negotiated with Housing Hartlepool.

With regard to the increase in waste disposal costs, a Member pointed out the benefits to Housing Hartlepool as a result of the Council's revenue collection process and suggested that funding contributions should be explored from organisations of this type. The Director of Regeneration and Neighbourhoods reported on the benefits of continuing with the current waste disposal provider and provided details of recent discussions with the provider to address the increase in costs.

Proposed Budget Reductions

Housing (Homelessness, Advice Private Sector Team)

In relation to the proposal to delete a Housing Advice Officer post, Members raised a number of concerns regarding the implications of this proposal and Members suggested that alternative options to achieve this saving be explored. Members did not support a reduction in front line services and

were of the view that savings had not been sought across all posts in this area. A reduction of a management/supervisory post was considered a more appropriate option. The Director of Regeneration and Neighbourhoods provided details of the staffing and supervisory structure as well as the reasons for this reduction and indicated that in light of the concerns expressed this proposal would be reconsidered.

Discussion ensued in relation to the location of the Housing Advice Team in Park Towers, the cost implications of the Council funding a proportion of the rent, the need to renegotiate with Housing Hartlepool in relation to the percentage of floor space used and the benefits of the team being based in the civic centre. The Committee was advised that Members had originally made that decision on the basis of the advantages of working in partnership with other providers. In light of Members comments, the future relocation of the team would be further examined.

A member of the public commented on the impact the overspend on the Tall Ships Budget had placed on the town and, given the current budget constraints, was of the view that this money could have been utilised more effectively to maintain services and retain jobs in the town. In the discussion that followed Members shared their disappointment regarding the management of the Tall Ships budget.

Members went on to emphasise the need for savings to be achieved at senior management levels as opposed to lower levels and front line services. Members discussed the various alternative options for achieving savings to avoid compulsory redundancies which included consulting with at risk groups regarding reduced hours/job share arrangements. Members were assured that discussions in working patterns formed part of the consultation process with staff.

Public Protection

Following discussion, Members agreed the proposed saving to reduce the out of hours noise service and remove the student bursary provision.

Community Safety, ASB, DAT

Following clarification by the Director of Regeneration and Neighbourhoods in relation to this proposal, Member suggested that the funding of the mediation service provided by UNITE be reviewed. Further information in this regard was requested.

Urban and Planning Policy

Members agreed with the proposed saving to delete the post of Principal Planning Officer.

Landscape, Planning and Conservation

Whilst Members supported the proposed saving to reduce the professional fees and training budgets, the importance of maintaining adequate staff training in future was emphasised.

Building Control

Members agreed the proposed restructure and reduction from 7 posts to 6.

Economic Development

With regard to the proposal to reduce the enhancing employability post, Members raised concerns that there should not be any reduction in this area at a time when the need for such services were at their greatest.

In relation to the proposed reduction in the tourism marketing budget by £10,000, Members requested that this budget be considered in conjunction with the marketing budget held in the Child and Adult Services Department. In response to a request for clarification, the Director of Regeneration and Neighbourhoods agreed to provide confirmation of the current marketing budget.

Community Regeneration

Following a lengthy question and answer session, Members supported the proposed savings for this area. However, it was considered that the authority must not absent itself from the responsibility of job creation. The impact on the authority as a result of removal of ring fenced grants was discussed including the possibility that funding may be made available from alternative sources. The potential need to involve the private sector in funding arrangements was also discussed.

Waste Management

A lengthy discussion ensued during which a number of suggestions were made in relation to possible improvements in waste collection and disposal including the need to consider the benefits of transferring the collection of bulky waste to the voluntary sector. Concerns were expressed regarding the inappropriate use of the household waste and recycling centre and the potential increase in fly tipping as a result of this proposal. Following further debate, whilst Members largely supported the proposed budget reduction in this area, it was suggested the issue of bio-mass waste management be explored in the future. It was considered this would reduce incineration and landfill costs and may be a potential area for future income generation.

Neighbourhood Management

In relation to the proposal to delete two cleansing vacancies currently filled with agency staff, concerns were expressed regarding the impact on

standards of cleanliness in the town as a result to which the Assistant Director advised on the arrangements in place to minimise the impact of the reduction in staffing. In response to a request for a full breakdown of agency and consultancy staff across the Council, Members were advised that no agency or consultancy staff would be retained. A further discussion ensued on the intention to review the Neighbourhood Management staffing structure during which Members requested that the neighbourhood management posts should be reviewed prior to 2012/13.

Parks & Countryside

Following a lengthy debate, Members accepted the budget reductions in this regard on the basis that the potential to transfer a proportion of the Tanfield nursery site to a social enterprise be considered in the future.

Pride in Hartlepool

Members were advised that the loss of a £40,000 grant in this area would result in the deletion of one post which would be considered for redeployment. Members discussed the various methods of funding these types of projects and raised concerns regarding the impact of this proposal on the community. It was suggested that businesses in and around Hartlepool be approached for funding these types of initiatives. Members were also of the view that the voluntary and community sector be asked to explore alternative funding opportunities that may not be available to the public sector.

Beach Safety

Whilst Members expressed grave concerns regarding cuts to this area, the proposal to start the season later in the year to bring beach coverage in Hartlepool in line with other authorities in the Tees Valley resulting in a £19,000 saving was accepted. The remainder of the proposed savings in this area were not accepted.

Facilities Management

The Committee supported the proposed increased income target on capital works of £100,000 to achieve this budget reduction.

Recommended

- (i) The schedule of 2011/12 Regeneration and Neighbourhoods Budget Pressures were accepted subject to negotiations continuing with Housing Hartlepool regarding the future funding of the Environmental Enforcement Officer posts.

In relation to the following proposed budget reductions:-

- (ii) Housing (Homelessness, Advice Private Sector Team – that alternative options be explored, as outlined above, to include savings being sought across all posts in this area and a review of

- the current location of the team.
- (iii) Public Protection – accepted
 - (iv) Community Safety, ASB, DAT – funding of the mediation service provided by UNITE be reviewed and further information be awaited.
 - (v) Urban and Planning Policy – accepted.
 - (vi) Landscape Planning and Conservation – accepted.
 - (vii) Building Control – accepted
 - (viii) Economic Development - With regard to the proposal to reduce the enhancing employability post, Members recommended that there should not be any reduction in this area at a time when the need for such services were at their greatest. The Tourism and Marketing Budget be considered in conjunction with the marketing budget held in the Child and Adult Services Department.
 - (ix) Community Regeneration – accepted
 - (x) Waste Management – accepted subject to the issue of bio-mass waste management being explored in the future.
 - (xi) Neighbourhood Management – accepted subject to the commencement of a review of the neighbourhood management posts prior to 2012/13.
 - (xii) Parks and Countryside – accepted on the basis that the potential to transfer a proportion of the Tanfield nursery site to a social enterprise be considered in the future.
 - (xiii) Pride in Hartlepool – accepted on the basis that businesses in and around Hartlepool be approached for funding these types of initiatives and the voluntary and community sector be asked to explore alternative funding opportunities that may not be available to the public sector.
 - (xiv) Beach Safety – £19,000 saving accepted. The remainder of the proposed savings not accepted.
 - (xv) Facilities Management – supported proposed increase in income target for Capital Works.

110. Items for Discussion

None

111. Call-In Requests

None

The meeting stood adjourned at 12.30 pm

CHAIR

**Upon being reconvened on Wednesday 1 December 2010
at 1.00 pm in the Civic Centre, Hartlepool**

Present:

Councillor Marjorie James (in the Chair)

Councillors: Christopher Akers-Belcher, Stephen Akers-Belcher, Allan Barclay, Rob Cook, Mary Fleet, Sheila Griffin, Francis London, Ann Marshall, Arthur Preece, Carl Richardson, Trevor Rogan, Jane Shaw, Chris Simmons, Stephen Thomas and Ray Wells.

Also present:

Councillor Hall, Adult and Public Health Portfolio Holder

Resident Representatives

Christine Blakey, John Cambridge and Linda Shields

Officers:

Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Nicola Bailey, Director of Child and Adult Services
Alan Dobby, Assistant Director, Support Services
Alastair Rae, Public Relations Manager
Joan Stevens, Scrutiny Manager
Laura Stones, Scrutiny Support Officer
David Cosgrove, Principal Democratic Services Officer

112. Apologies for Absence

Councillors Flintoff, Gibbon, Ingham and Worthy and Co-opted Member Mr F D S Relton.

113. Declarations of interest by Members

Councillor Simmons declared personal interests in Minute 114.

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

The Chair opened the second session of the meeting and indicated that the meeting would move to look at the financial issues in the Child and Adult Services Department.

The Director of Child and Adult Services then went on to provide further information on the budget pressures for 2011/12 and the Child and Adult Services Department proposed budget reductions to which the Committee raised a number of comments/queries as detailed below.

Budget Pressures

The Director referred to the pressures set out in the report relating to four specific areas as follows: -

Mental Health; a pressure of £155,000 relating to the continuing care of people with complex needs.

Older People Demographics; a pressure of £190,000 arising from the aging population and increasing numbers of people with severe dementia.

Learning Disabilities; a pressure of £250,000 relating to an increase in the number of individuals with complex care needs.

Young Offenders Service (YOS) Senior Practitioner; a pressure of £50,000 to provide increased capacity to address issues raised through the external inspection of the service.

Members commented as follows on the pressures outlined.

Mental Health

Members were informed that the majority of services in this area were statutory and the services to people with complex needs were the primary issue.

Older People Demographics

Members were concerned at the divide between NHS and council services, particularly when the council focused on preventative measures that often kept people out of NHS care. The Director commented that people coming out of NHS care did come with a care package and this area was in the top 6 in the country for continuing care.

Learning Disabilities

The question of young people with learning disabilities care transferring between Child Services and Adult Services was queried. The Director commented that there was a cross-over at 18, though young people with learning disabilities were covered by the Children's Act to the age of 25.

YOS Senior Practitioner

Members questioned this additional post in the service. The director indicated that the post was for a senior social worker to deal with the most complex of cases and supervise other workers. There was a 15% cut across the service area together with a restructuring of post to ensure the correct skill-set in the staffing of the team. The Director was confident the restructuring would address some of the issues that had been the subject of criticism in the external inspection.

Budget Reductions

The Director highlighted that the reductions set out in the report and presentation were in addition to the Service Delivery Option (SDO) reports that had already been considered by Cabinet.

Community Centres

A saving of £51,000 was proposed by closing three community centres leaving four centres/community room facilities in the town. Through debate at the Business Transformation (BT) Board it was proposed that Seaton Carew, Jutland Road and West View centres would close and the Throston community centre and library would be combined. It was believed that these proposals could be achieved without any compulsory redundancies.

Members were concerned at the potential for closures of community facilities. It was indicated by the Chair that there had been discussion in the BT Board in relation to the closure of Foggy Furze Library and some small community spaces. The Director indicated that these were additional to the SDO recommendations.

Members discussed the potential of the Throston site merger and were concerned at the size issues of the buildings. Officers did indicate that one of the buildings was in poor condition. Members referred to a scheme that had been discussed to link the two buildings.

The closure of Foggy Furze Library was due to be considered as part of the SDO by Cabinet shortly. The closure was not related to usage but the condition of the building. There would be additions to the mobile library service route to ensure that the elderly for example still received a service in that area. There was also concern expressed at the meeting that of the council was considering transferring ownership of buildings to the voluntary sector, then the buildings needed to be in serviceable condition.

An alternative option was put forward for the Jutland Road centre in that the Sure Start facilities in Lealholm Road could be moved to the community centre releasing the two houses that sure start occupied back to Housing Hartlepool so they could be converted back into homes for rent. The Director indicated that this would be investigated.

The closure of West View Community Centre was seen as very detrimental

to the North of the town as it reduced dramatically facilities for groups in that area. There was concern at the reduction of facilities and services in the North area, particularly Sure Start and Connexions. The conditions surveys of buildings were also questioned and Members asked if they could receive copies of these.

Cultural Services

Savings of £94,000 were proposed including the ceasing of non-grant funded arts development work, reductions in museum, art gallery and events staff and non-staff budgets which would reduce the exhibition programme and also ceasing Tees Archaeology which was a non statutory function. Fireworks displays would also be ceased under these proposals.

There was concern expressed that these functions linked to the cuts in the economic development and tourism services and had a double effect. The Director commented that in relation to the museum and art gallery, there would not be charges imposed but the numbers of exhibitions would be reduced.

Members suggested that the staff Celebrating Success event should also be scrapped. Officers indicated that those officers still working with the authority in the months to come would be working extremely hard to maintain services to the public and there would be many that warranted celebration for their work. Members acknowledged the comment but did feel that the event would need to be scaled back.

Members commented that rather than ending well-attended festivals such as the fireworks display, the council should explore ways of making those events pay for themselves. There was concern that without the focal firework display, there would be an increase in the number of unofficial and dangerous bonfires around the town. Seeking support from other agencies such as the Fire Brigade should be explored.

Havelock and Warren Road Day Centres

A saving of £50,000 was proposed through further rationalisation and reductions within the staffing structures.

Commissioning - Working Age Adults, Older People, Mental Health

A saving of £476,000 was proposed. Services in this area were already subject to and SDO with a £1.2m target. There was concern that any higher cuts may destabilise some providers and lead to home closures and the need to move very vulnerable people. The Director commented that there would be a nil inflation uplift on social care contracts. This would apply across all areas other than foster care.

Members were concerned that this would also apply to Connected Care as these services were provided by non-profit making groups who would also be hit by the rise in VAT in the new year. The Director commented that the legal situation in relation to providing an uplift for voluntary/non-profit making groups against those provided by profit making companies would be

an issue that would need detailed consideration. Members considered this area needed further detailed debate.

Health Promotion

A saving of £77,000 was proposed by ceasing all activity in this area. The Director commented that the grant that had funded the work on Health Promotion ran out at the end of March 2011. When that happened there would be no further finance. Most staff were on fixed term contracts.

There was concern at ending a service that focused on health promotion. The Portfolio Holder commented that while this service may cease, the function itself should not cease in Hartlepool. The PCT had a budget of around £5m for health promotion.

Sport, Leisure and Recreation Facilities

A reduction of £100,000 was proposed by an increase of income from the leisure centres at the Headland and Mill House, increased income streams was in line with other authorities and preferred to cutting services in the short term, pending review in the longer term of Trust status or similar or similar options. Concessions would continue to be offered. The Director also indicated that there was an SDO looking at opening hours of the facilities.

Members questioned the interaction between sport and health in the community. The Director indicated that this area was building based where the other was service related. The increased use of the Mill House pool for school swimming lessons was queried. The Director indicated that the relocation of school swimming provision from Brinkburn to the Mill House would, through a combination of changes, lead to swimming lessons being longer allowing children more time in the pool.

Members asked what percentage increase there would be in prices and the potential affects on usage of facilities. The Director indicated that in the past when charges had risen there had been little affect on usage as many of the fees were lower in Hartlepool than neighbouring areas.

Libraries – Central, branch and Home/Delivered Services

The proposal to save £235,000 would include the closure of a branch library, cuts stocks and reduced some children's library activity and reference services including core staff. The SDO included further staff rationalisation and stock reductions including the closure of a further branch library. The Director indicated that as well as the proposal for Throston and the closure of Foggy Furze branch library, there would be two further branch closures, though the proposal was to maintain a North, Centre and South presence.

Members were concerned that if the closure of Seaton Carew branch was taken forward, the council would be closing all the community facilities in Seaton Carew in one move. The Director indicated that at this stage only options were being put forward, but the condition of buildings had to play a

part in Members decisions; options were being put forward, Members would have to decide which were to close. Some Members commented that they were against the closure of any branch libraries. The Director stated that no one saw the closure of a branch library as a preferred option. The proposals were purely based on staff running costs at this stage.

At this point in the meeting, the Chair commented that a severe weather warning had been given to her by the Director of Neighbourhood services and the Chief Executive was concerned for staff travelling home and had recommended that all staff be released early for the day. The next topic for consideration was grants to community organisations, which the Chair considered would require detailed debate. It was therefore proposed that the meeting stand adjourned to be reconvened on Friday 3 December at 2.00 p.m. when Members would move on to consider the Chief executive's Department budget. The continued consideration of the Child and Adult Services Department budget would continue at a Members Task and Finish Group on 8 December 2010 at 2.00 p.m.

The Chair thanked Members, resident representatives and the members of the public for their attendance.

Recommended

- (i) The schedule of 2011/12 Child and Adult Services Budget Pressures were accepted.
That in relation to the budget reductions proposed the following comments be noted: -
- (ii) Community Centres – Members considered that further detailed consideration was required before any community centre closures were confirmed and that the alternative option put forward for the Jutland Road centre and the Sure Start facility in Lealholm Road be explored. Members to receive a copy of the conditions surveys of buildings.
- (iii) Cultural Services – that the annual fireworks display should not be stopped and that further consideration be given to exploring ways of making such major events pay for themselves through sponsorship or in partnership with other agencies. Members also requested that the tourism marketing budget be considered in conjunction with the marketing budgets held within other departments to rationalise services.
- (iv) Havelock and Warren Road Day Centres – the proposals were accepted.
- (v) Commissioning - Working Age Adults, Older People, Mental Health – Members requested that further investigation be undertaken on the potential (and legality) of differentiating between the fees paid to voluntary, charity and other organisations.
- (vi) Health Promotion - the proposals were accepted.
- (vii) Sport, Leisure and Recreation Facilities - the proposals were accepted though Members sought details of the proposed increases in charges.
- (viii) Libraries – Central, branch and Home/Delivered Services – Members considered that further detailed consideration was required before any branch library closures were confirmed.

The meeting stood adjourned at 3.30 p.m.

**Upon being reconvened on Friday 3 December 2010
at 2.00 pm in the Civic Centre, Hartlepool**

Present:

Chair: Councillor Marjorie James

Councillors: Christopher Akers-Belcher, Rob Cook, Bob Flintoff, Sheila Griffin, Ann Marshall, Arthur Preece, Carl Richardson, Jane Shaw, Chris Simmons, Stephen Thomas and Ray Wells.

Also present:

Councillor Jonathan Brash, Portfolio Holder for Performance

Resident Representatives

Christine Blakey and John Maxwell

Officers:

Paul Walker, Chief Executive

Andrew Atkin, Assistant Chief Executive

Chris Little, Chief Finance Officer

Alastair Rae, Public Relations Manager

Angela Hunter, Principal Democratic Services Officer

115. Apologies for Absence

Apologies for absence were received from Councillors Stephen Akers-Belcher and Mary Fleet.

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

Upon reconvening, Members considered the corporate budget pressures for 2011/12 and the Chief Executive's Departmental proposed budget reductions.

Corporate Budget Pressures 2011/12

A Member questioned the length of time the repayment costs of using prudential borrowing would be repaid over. The Chief Finance Officer indicated that the length of time repayments were made depended on the life of the asset the borrowing was to be utilised for. However, it was noted that on average prudential borrowing was estimated to be repaid over an average of 25 years.

In response to a question from a Member, the Chief Finance Officer confirmed that disabled adaptations were a high priority for the Council as well as health and safety issues in relation to school kitchens and other

establishments. Once all the consultation feedback was received, Cabinet would determine exactly how these issues would be prioritised. It was noted that in the past, the Council had supplemented the capital allocation of funding for disabled adaptations from its own borrowing powers as there was not sufficient funding within the capital allocation to fund all the disabled adaptations required. However, more detail would be available on the level of funding required when the capital allocation was known. The Chief Finance Officer indicated he would confirm what level of percentage support was currently given to support this grant.

A Member questioned what the funding for Community Safety Initiatives had funded. The Chief Finance Officer responded that this had been used for a number of years to fund alley gates and other physical issues relating to community safety.

Members had several queries in relation to the SCRAPT budget and questioned the level of Members' involvement in the decision making of which programmes were funded. Clarification was sought on the last sentence relating to SCRAPT in Appendix 2; 'Detailed proposals for using the capital allocation will be developed if Cabinet approves inclusion of this revenue pressure'. The Chief Finance Officer confirmed that once Cabinet received the feedback from the budget consultation, proposals would be developed to be submitted to Council for approval. Concern was expressed by Members that once Council approved the budget, any amendments to the programmes funded by SCRAPT funded were not submitted to Council for approval. The Chief Finance Officer confirmed that any underspends on programmes funded by SCRAPT were vired through Council's virement role. However, it was acknowledged that the report on the budget as part of the Council's established budget setting process was very complex and the Chief Finance Officer indicated he would endeavour to ensure that more detail was highlighted for Members' attention in future reports.

In view of the strength of feeling of Members, it was suggested that the creation of a special council fund be explored to manage the SCRAPT budget to enable demands for additional funding to be in the gift of Council and avoid the need for in-year virement across budgets. The Portfolio Holder suggested that an additional meeting of Council ahead of the meeting to agree the budget would provide scrutiny Members with the opportunity to look at the detailed SCRAPT proposals in detail might be the way forward. In summary, although Members acknowledged the need for repayment costs arising from the capital allocation, it was suggested that any changes to the allocations of the SCRAPT budget or underspends should be submitted to Council for approval as well as the opportunity to examine the outline plan for the annual SCRAPT budget prior to final approval by Council.

Members gave consideration to the Chief Executive's Departmental Proposed Budget Reductions as follows:

Performance and Partnerships – The Assistant Chief Executive informed Members that the proposed cuts in this area would result in a reduction of two posts, one being that of a Chief Officer. In addition there would be a scaling back of work connected to the Local Strategic Partnership (LSP) and the themed groups that support it. In relation to consultation, different ways of undertaking would be examined in order to reduce the workload in that area.

A Member questioned what impact these cuts would have on senior management in view of the changes in responsibility. The Assistant Chief Executive confirmed that the statutory responsibilities around the LSP and consultation would become part of his responsibilities. However, ways of streamlining LSP and consultation activity would be examined as part of this budget reduction. In response to a question from a Member, the Assistant Chief Executive confirmed that there would be no increases in salary to any of the remaining posts as a result of these changes.

In response to a question from a member of the public, the Assistant Chief Executive confirmed that consultation would continue to be undertaken on a departmental level on specific issues in local areas with town-wide consultation carried out on a corporate level where appropriate. The Portfolio Holder added that although there was a statutory requirement to consult residents, unfortunately there would be less capacity to do over and above this in terms of maximising public involvement.

Scrutiny – This proposal significantly reduced the budgets for professional fees and other small scale budget heads.

Public Relations – The Assistant Chief Executive outlined the proposals including the self-financing production of the Council's Hartbeat magazine with no net cost to the Council as well as increasing the electronic production of Newsline for employees and Members. In addition the PR team were currently exploring ways of generating income to avoid the need for a reduction in posts.

It was noted that at the meeting to discuss the Child and Adult Services Department's budget proposals, it was suggested that the Cultural Services, PR and Event Team be looked at together with a view to the rationalisation of posts. A Member questioned the need to produce Newsline. The Assistant Chief Executive commented that Newsline was a consistent and effective way to get messages to all employees and had been proven to have a fairly high readership. It was therefore suggested that as part of this review, consideration be given to producing Newsline on a bi-monthly basis as opposed to monthly to reduce costs even further.

In response to a question from a Member, the Public Relations Manager confirmed that during the last financial year, income had outweighed the expenditure resulting in a £2k profit.

Corporate ICT – The Assistant Chief Executive informed Members that the proposed savings would result in a reduction in resources across the Team and consultation was currently being undertaken to explore the options available.

Scrutiny/Democratic Services – The Assistant Chief Executive informed Members that the proposed cuts would result in the reduction of half of a post from within each team as well as changes to the way the teams operate across the broader democratic process from a reduction in meetings.

A resident representative commented that a reduction in meetings may result in fewer but longer meetings and therefore mitigate any costs. A Member noted that the potential reduction in Councillors would not provide for the robust governance framework approach currently in place through the scrutiny process. The number of scrutiny recommendations accepted by Cabinet was testimony to these governance arrangements. The Portfolio Holder indicated that any changes would need to be looked at with a view of maximising things that add value, ie scrutiny whilst reducing areas that were not adding value, ie Members' seminars.

Members referred to the current Electoral Commission Boundary Review proposing a reduction in Councillors which in turn may result in a reduction in meetings. It was noted that this review would not be implemented until post-elections 2012 therefore the proposed reduction in the support that facilitated the current democratic process prior to this implementation was not supported. There was concern that to implement these reductions prior to the implementation of this review would be detrimental to the interface between Members and the public. However, the Portfolio Holder commented that there may be changes affecting the scrutiny function as a result of the Government's Health White Paper and reminded Members that the consideration of cuts to any services would be difficult.

It was noted that there had been some suggestions to move to a scrutiny model currently in place in Hertfordshire. However, it was highlighted that this model only allowed for a Scrutiny Overview Committee to meet quarterly with enquiries being undertaken in Working Groups that were not open to the public or resident representatives. The scrutiny arrangements in place in Hartlepool allowed for open and meaningful debate which was able to hold the Executive to account and scrutinise core services provided by this authority under the direction of the Chief Executive.

Members were mindful that a discussion paper on the democratic support arrangements had been circulated by the Portfolio Holder for Performance and it was thought presumptuous to make a decision on this particular proposal until a full discussion and debate on this paper had taken place with the view of full Council being sought.

It was suggested that this proposal be withdrawn from the proposed budget reductions until further consideration was given to the democratic

arrangements to be implemented after the Electoral Commission Boundary Review was concluded and the discussion paper circulated by the Portfolio Holder for Performance.

Internal Audit – The Chief Finance Officer confirmed that the proposed savings would be achieved through the reduction of one post.

It was noted that the Audit Committee had suggested that consideration be given to the transfer of the operation of counter fraud to the Audit Section from the Revenues and Benefits Section and the possible savings this may generate. The Chief Finance Officer commented that the operation of internal audit was more focussed and devolved from management responsibility to enable a more independent review of management functions. The suggested change would move away from this and place a reliance on external audit. However, in view of Members comments, this option would be examined further.

Corporate Finance – The Chief Finance Officer confirmed that the proposed savings in this area would result in a reduction of 5.5 posts. However there was currently 1 vacancy which would result in 4.5 posts being redundant.

A Member questioned the appointment of a Deputy Section 151 Officer from a different Division. The Chief Finance Officer indicated that having the Deputy Section 151 Officer in a different division was a positive strength due to the way finance was not split across two functions. Members were reassured that regular meetings were held with the Section 151 Officer and his deputy to ensure both officers were up to date with key issues.

Reference was made to the removal of the consultancy budget and a Member sought clarification on whether there were any other consultancy budgets within the Chief Executive's Departmental budget. The Chief Executive confirmed that there was very little consultancy work currently undertaken and what was in place was due to end very soon. However, it was noted that there were exceptions to this rule, for example should a teacher be unable to attend school, a replacement teacher would be sought from a supply teacher list.

In response to a question from a Member, the Chief Finance Officer indicated that consultation with employees likely to be affected by the proposals was underway and as yet it was unknown whether any redundancies would be voluntary or compulsory.

Diversity – The Assistant Chief Executive informed Members that this proposed saving would result in a reduction of 1 full time and 1 part time post through compulsory redundancy. The responsibility of Diversity had been devolving to departments for some time through their service/departmental planning. However, joint arrangements were being considered with other authorities or agencies in relation the level of specialist knowledge that may occasionally be required. A resident

representative questioned whether the costs of sharing services with other authorities was calculated on a pro-rata basis. The Chair responded that generally costs were done on a pro-rata basis per capita when working with other authorities in the Cleveland area, however, when working with other authorities the arrangements may be different.

The Portfolio Holder commented that the reduction in posts in this area in no way lessened the authority's commitment to diversity with this issue being embedded within departmental responsibilities.

Registration and Nationality Service – The Assistant Chief Executive highlighted that this proposed saving could be achieved through the relocation of the registration and nationality services to the Civic Centre.

In response to a question from a Member, the Assistant Chief Executive confirmed that it was likely that the staff would be located within the contact centre although the location for the provision of ceremonies had yet to be confirmed. It was suggested that as well as the actual service, the provision of a full package of support including catering be explored. The Assistant Chief Executive confirmed that the option of extending the license base to cover other facilities was being explored, with particular emphasis placed on those premises licensed to provide the full package including the Council's own premises.

A Member asked that consideration be given to the provision of a bookable car parking space at the rear of the Civic Centre for people visiting the Civic Centre to register a death.

Workforce Services/HR Business Support – The Chief Executive informed Members that two posts would be removed from the structure to achieve the savings identified. This would result in less personal HR support and more reliance on self serving through documentation available on the intranet. In addition, absence management may not be undertaken as rigorously and any review of national terms and conditions may cause other things to be delayed.

It was acknowledged that HR provided good support in dealing with sickness absences and it was suggested that additional training for Managers be put in place to ensure that this good work continued. The Chief Executive confirmed that training was available on a number of different levels to ensure that there was a broader base of knowledge. He added that the main concerns were similar to those for other services, that having the bare minimum staffing level may lead to gaps in service provision when staffing absences within the Division occur. However, discussions were ongoing with other local authorities to provide back up support through shared arrangements as and when required.

Due to the meeting becoming inquorate, the meeting was adjourned until Friday 10 December 2010 at 1.30 pm..

However, to enable a speedy conclusion to the discussions around the Chief Executive's Departmental Proposed Budget Reductions, the remaining items would be considered at the end of the Scrutiny Co-ordinating Committee - Task and Finish Group scheduled for Monday 6 December 2010 at 10.30am.

Recommended

- (i) The schedule of 2011/12 Corporate Budget Pressures was accepted. Subject to further exploration being given to the process and Members' involvement in how the budget allocations from the SCRAPT budget/underspends were approved.
- (ii) Performance and Partnerships – accepted.
- (iii) Scrutiny – accepted.
- (iv) Public Relations – that further exploration of ways to streamline the resources in Cultural Services and the Events Team within the Child and Adult Services Department and Public Relations be undertaken and that the option of producing Newsline bi-monthly be examined. The proposed budget reductions were accepted.
- (v) Corporate ICT – accepted.
- (vi) Scrutiny/Democratic Services – that the proposed budget reductions in this area be withdrawn pending consideration of the democratic arrangements following the Boundary Commission's Electoral Review and the discussion paper circulated by the Portfolio Holder for Performance.
- (vii) Internal Audit – Further examination of the transfer of the operation of counter fraud to the Audit Section be undertaken.
- (viii) Corporate Finance – accepted.
- (ix) Diversity – accepted.
- (x) Registration and Nationality Service – accepted, but with further exploration of opportunities to provide a full wedding package service as well as a bookable car parking space at the rear of the Civic Centre for people registering deaths.
- (xi) Workforce Services/HR Business Support – accepted.

The meeting stood adjourned at 4.47 pm

**Upon being reconvened on Friday 10 December 2010
at 1.00 pm in the Civic Centre, Hartlepool**

Present:

Chair: Councillor Marjorie James

Councillors: Rob Cook, Bob Flintoff, Ann Marshall, Arthur Preece, Carl Richardson, Jane Shaw, Chris Simmons, Stephen Thomas, Paul Thompson and Ray Wells.

Resident Representatives

Christine Blakey and John Maxwell

Officers:

Andrew Atkin, Assistant Chief Executive

Alastair Rae, Public Relations Manager

Steve Hilton, Public Relations Officer

James Walsh, Scrutiny Support Officer

Denise Wimpenny, Principal Democratic Services Officer

117. Apologies for Absence

Apologies for absence were received from Councillors Christopher Akers-Belcher, Stephen Akers-Belcher, Mary Fleet, Sheila Griffin and Resident Representatives Evelyn Leck, Brenda Loynes, Mary Green and Linda Shields

118. Formal Response to the Executive's Initial Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 – Consultation Proposals – Covering Report *(Scrutiny Manager)*

Upon reconvening, Members considered feedback from 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.

The initial consultation proposals had been considered through joint meetings of all Scrutiny Members held on 1 and 3 December 2010. Due to the detail of proposals considered on 1 and 3 December 2001, Task and Finish Groups were arranged for 6 and 8 December to consider the remaining budget proposals that had not been covered on 1 and 3 December. Attached at Appendix A was a draft report to Cabinet containing the Committee's formal response in relation to the Executive's Initial medium Term Financial Strategy (MTFS) 2011/12 to 2014/15 with the exception of the Task and Finish Groups feedback, details of which were tabled at the meeting.

The Committee agreed the Committee's formal response as set out in

Appendix A to the report together with the additional information tabled at the meeting.

In the discussion that followed a number of issues were raised in relation to the formal response which included the following:-

- (i) A resident representative sought clarification regarding the responsibility of the Council in terms of beach safety and in the event of any accidents to which the Assistant Chief Executive agreed to provide further details under separate cover following the meeting.
- (ii) In response to a Resident Representative's concerns regarding the withdrawal of the Dial a Ride Service, the Chair provided background information to the recommendation and stated that the recommendation to withdraw the service had been taken reluctantly as an alternative option to introducing a £10.00 charge to users and to allow other providers to deliver the service. A Member explained the difficulties disabled people experienced in obtaining transport in the evening and suggested that taxi firms be approached to encourage assistance in this regard.
- (iii) Following a query regarding the options available for transporting patients to North Tees and James Cook hospitals, the Chair agreed to explore this issue and provide clarification following the meeting.
- (iv) The Committee discussed the implications of the recommendation to withdraw subsidy for the bus services.

The Assistant Chief Executive reported that alternative proposals suggested at the scrutiny budget consultation meetings would be explored by the Corporate Management Team, the outcome of which would be reported in due course.

Recommended

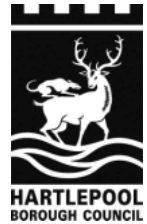
That the proposed feedback as set out in Appendix A to the report together with the additional information tabled at the meeting from the Task and Finish Groups held on 6 and 8 December 2010 be approved as the formal response in relation to the Executive's Medium Term Financial Strategy 2011/12 to 2014/15 consultation proposals to be presented to Cabinet on 20 December 2010.

The meeting concluded at 2.05 pm.

Chair

SCRUTINY CO-ORDINATING COMMITTEE

14 January 2011



Report of: Scrutiny Manager

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

1. PURPOSE OF REPORT

1.1 To:-

- i) Provide details of Executive's response to Scrutiny views / comments in relation to the initial proposals put forward for the Medium Term Financial Strategy (2011/12 to 2014/15); and
- ii) Seek consideration of the Executive's proposals for the Medium Term Financial Strategy (2011/12 to 2014/15) following receipt of confirmation of changes to Specific Grants.

2. BACKGROUND INFORMATION

2.1 In accordance with the requirements of the Council's Constitution the Executive is required to consult on the draft Budget and Policy Framework for the coming year. In accordance with this requirement, successful practice in previous year had been that each Standing Scrutiny Forum explored proposals in relation to the service areas within its remit. However, the tight timescale of this year's budget consultation process required the revision of the process and timetable for consideration of the Executive's initial proposals for the Medium Term Financial Strategy (2011/12 to 2014/15).

2.2 The Scrutiny Co-ordinating Committee (at its meeting on the 15 October 2010), subsequently approved consideration of the proposals in their entirety by the Scrutiny Co-ordinating Committee. In order to facilitate this and enable the proposals for each Department to continued to be looked at in detail, the following sessions were held:-

1 December 2010 - Regeneration and Neighbourhoods Department Budget / Child and Adult Services Department Budget (full day).

3 December 2010 - Chief Executive's Department Budget

6 December 2010 - Regeneration and Neighbourhoods Department Budget / Chief Executive's Department Budget (Task and Finish Group).

8 December 2010 - Child and Adult Services Department Budget (Task and Finish Group).

- 2.3 The revised process resulted in the successful formulation of a scrutiny response to the initial proposals put forward for the Medium Term Financial Strategy (2011/12 to 2014/15). This response was approved by the Scrutiny Co-ordinating Committee, at its meeting on the 10 December 2010, and went on to be considered by the Executive on the 20 December 2010.
- 2.4 Attached at **Appendix 1** for Members information is a copy of the report considered by the Executive on the 20 December 2010 (from which Option 1 was selected as the preferred way forward) and the relevant minute extract detailing the Executive's response to Scrutiny's views, comments and alternative suggestions (**Appendix 2**). Members will see from the information provided, that the Executive received a detailed (tabular) breakdown of the questions and suggestions raised in relation to the proposals. An updated table (**Appendix 3**) detailing responses to these questions, and the requested additional information, is in the process of being produced. This additional information was unfortunately unavailable in time for despatch with this report and as such will be circulated under separate cover prior to today's meeting.
- 2.5 Following consideration of Scrutiny's response to the initial budget proposals the Executive will on the 10 January 2011 be considering further details of changes to Specific Grants (details of which were received in late December) and determine a proposed strategy for managing these changes. A detailed assessment of the changes for consideration by the Executive is currently being undertaken the Corporate Management Team. However, given that this assessment, and the outcome of the Cabinet meeting on the 10 January 2011, was not known at the time of circulation of this agenda it will be necessary to circulate the following information for Members consideration under separate cover prior to today's meeting:
- The impact assessment of Specific Grants changes (**Appendix 4**); and

- The Executive's proposed strategy for managing cuts and changes in Specific Grants (**Appendix 5**).

2.6 In light of the continuing tight timescale for finalisation of the Medium Term Financial Strategy (2011/12 to 2014/15), the Scrutiny Co-ordinating Committee is today being asked to consider its response to the Executives proposed strategy, with particular views sought in relation to:

i) Option 1 (selected by Cabinet as the preferred way forward – as outlined in Appendix 1); and

ii) The proposed strategy for managing cuts and changes in Specific Grants (to be circulated under separate cover).

2.7 In order to meet the required timescale, the response from Scrutiny will need to be finalised for consideration by Cabinet on the 24 January 2011. Input / views from Scrutiny will then be considered by Cabinet in the preparation of its finalised budget proposal for consideration by Council on the 10 February 2011.

3. RECOMMENDATION

3.1 That the Scrutiny Co-ordinating Committee notes the report and considers the formulation of a response to the proposed Medium Term Financial Strategy (2011/12 to 2014/15) for consideration by the Executive on the 24 January 2011.

4. BACKGROUND PAPERS

No background papers were used in production of this report.

5. CONTACT OFFICER

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CABINET REPORT

20 December 2010



Report of: Corporate Management Team

Subject: Medium Term Financial Strategy (MTFS)
2011/12 to 2014/15 – Supplementary Report

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to provide information on the provisional Local Government Finance Settlement announced on the 13 December 2010 and the impact on the Council's MTFS.

2. SCRUTINY CO-ORDINATING COMMITTEE FEEDBACK ON BUDGET CONSULTATION PROPOSALS

- 2.1. Scrutiny Co-ordinating Committee feedback on Cabinet's initial consultation proposals is detailed in a separate report on today's agenda. For Members convenience these comments have been added to the schedule of proposed cuts as detailed in **Appendix A**. In summary Scrutiny Co-ordinating Committee have indicated that they reluctantly support the majority of Cabinet's proposals. They have also identified where they require more information and proposals which they do not support. These issues are summarised in the following table;

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

- 2.2. Scrutiny Co-ordinating Committee also asked a number of specific questions as detailed in **Appendix B**. Responses to these questions will be reported to Scrutiny Co-ordinating Committee in January 2011.

3. PROVISIONAL 2011/12 and 2012/13 GRANT ALLOCATION

- 3.1. The Council's Medium Term Financial Strategy covers a 4 year period and the report to Cabinet on 29th November outlined forecast deficits

based on the national grant reductions announced in the Governments Spending Review in October.

- 3.2. Details of the provisional Grant allocations were announced by the Secretary of State for Communities and Local Government on 13th December 2010. As anticipated the detailed Grant allocations only cover 2011/12 and 2012/13.
- 3.3. The Secretary of State for Communities and Local Government has stated that councils will face an average cut of 4.4% and no local authorities will experience a decrease of more than 8.9% as a result of grant reductions. However, these comparative figures related to local authority “revenue spending power” – a new definition used by the government, which encompasses an individual authority’s:
- Council Tax requirement;
 - Formula Grant;
 - Specific Grants within Aggregate External Finance; and
 - NHS funding for social care.
- 3.4. This report will concentrate on actual cash reductions in grants and these are the issues Members will need to address when setting next years budget. The cuts in revenue spending power measure reductions in grants as a percentage of total resources, and is a measure which results in an apparent lower percentage reduction.
- 3.5. The detailed announcement includes a number of key announcements:
- Confirmation that significant numbers of specific grants have been transferred into the Formula Grant. These transfers were made before the Formula Grant was cut, therefore these areas are effectively subject to the same percentage reductions as the ‘core’ Formula Grant;
 - Announcement of a specific “Transitional Grant” to ensure no local authority has its “Revenue Spending Power” reduced by more than 8.9% for 2011/12 and 2012/13. The aim of this grant is to assist authorities manage reductions in Revenue Spending Power over a longer period than one financial year.
- 3.6. In 2011/12 only 34 authorities will be eligible for this funding.
- 3.7. Hartlepool will receive this funding in 2011/12, but not 2012/13, which illustrates the scale of the grant reduction the Council is facing next year.

4. IMPACT ON PROVISIONAL SETTLEMENT ON BUDGET FORECASTS

4.1. The provisional settlement transfers a number of specific grants into the Formula Grant. As Cabinet have previously considered reductions to the Formula Grant and specific grants separately the Formula Grant for 2011/12 has been broken down into these two components. These issues are considered in the following paragraphs;

4.2. Core Formula Grant

4.3. The Formula Grant cut is less than forecast following the Spending Review. However, the cut is at the maximum level for Unitary Council's and amongst the highest in the North East.

4.4. In cash terms the provisional settlement reduces the core Formula Grant cut for 2011/12 by £2.7 million. This consists of a temporary (one year) benefit of £1.7million, which is funded from the specific 'Transitional Grant' allocated to Council's in the next two years. For Hartlepool this grant will only be paid in 2011/12 and no 'Transitional Grant' will be paid in 2012/13. The second element consists of a permanent reduction in Core Formula Grant cut of £1.0million in 2011/12.

4.5. At the time of preparing this report it has not been possible to identify how the new Personal Social Services grant will be paid, whether it is already included in the Formula Grant or will be subject to a separate announcement. An update will be provided to Cabinet when more information is available.

4.6. For 2012/13 the Core Formula Grant cut is 8.2%, which is broadly in line with the planning estimate of 9%.

4.7. In terms of the impact on the Medium Term Financial Strategy the overall grant cut for the next 3 years is broadly in line with expectations. Any alteration from the current strategy would significantly increase the deficit in 2012/13.

4.8. To enable Members to consider the impact on the MFTS and to determine a strategy for managing the budget over more than one financial year it is suggested that members consider the following options:-

4.8.1. 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 avoids a significantly higher deficit in 2012/13, which will be the case if cuts are deferred.

4.8.2. 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.

In summary the impact of the above options on the budget deficit for the next four years are shown in the following table, together with the planning figures reported in November.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Planning forecasts 29.11.10 (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

4.9. Specific Grants Transferred in the Formula Grant

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

5. RESPONSE TO PROVISIONAL SETTLEMENT

- 5.1. The consultation period ends on 17 January 2011 and individual councils can either request a meeting with ministers or provide a written submission. The Government has indicated that written submissions carry as much weight as meetings with ministers. It is suggested that a written response is prepared and the Councils response puts forward a case for extending the period covered by the transitional grant.
- 5.2. As Cabinet will be aware the Council has been penalised for many years from the old floor dampening system, which is affectively a form of transitional grant. The Council should therefore be arguing for an

extension of the new transitional grant arrangement to cover, as a minimum, the next 4 years.

5.3. UNSUPPORTED CORPORATE CAPITAL BORROWING ALLOCATION

5.4. 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 have been identified. This Allocation has been reduced from £1.556 million in 2010/11.

5.5. In order to prioritise projects there is a need to agree assessment criteria. A categorisation methodology is suggested as follows;

Category A – Statutory / Essential
Category B – Supporting Category A
Category C – Desirable

5.6. In terms of Capital Funding prioritisation the criteria are proposed as follows:-

Category A

- Works / activities of an essential or health and safety nature
- Works of a priority nature to ensure assets are fit for purpose to deliver services.
- Statutory requirement
- Disability Discrimination Act related
- Disabled Facilities Grants
- Urgent Security Works
- Works / Activities that relate to project continuation / further phases of a statutory / essential nature.

Category B

- Works / activities of a nature to support Category A
- Works / activities with substantial match funding in place that deliver Council priorities eg Regeneration and Housing
- Works / activities that require match funding to bid for and / or deliver Council priorities e.g. regeneration schemes.
- Works / activities that will deliver sustainable savings / income generation / employment opportunities
- Works to assets of a nature that are not an immediate priority but will require attention with 2 – 3 years.
- Works / activities that relate to continuation / further phases of a priority nature (but not essential)
- Priority (but not essential) security works

Category C

- Works / activities that are desirable but not essential
- Neighbourhood Consultative Forums
- Match funding for desirable projects

5.7. In order to ensure bids for works / activities are prioritised it is suggested they should be judged against the categories outlined above.

5.8. In addition, to provide fair access to funding it is suggested that an allocation of funding is made on a weighted basis to each of the categories. Also there may be a need to specifically identify allocated (although reduced in line with overall capital programme reductions) funding for Neighbourhood Consultative Forums.

Category A	£850,000
Category B	£200,000
Category C	£75,000 (general)
	£75,000 (Forums - £25k each)
Total	<u>£1,200,000</u>

5.9. Funding allocations proposed by SCRAPT are attached as **Appendix C**.

6. CONCLUSION

6.1. Cabinet needs to determine detailed proposals it wishes to refer to Scrutiny Co-ordinating Committee for formal consultation. This will enable the remaining stages of the budget process to proceed as follows:

14 and 21 January 2011 Scrutiny Co-ordinating Committee considers Cabinets formal budget proposals

January 2011 Cabinet alongside Scrutiny Co-ordinating Committee feedback on budget process

7 February 2011 Cabinet determines budget proposals to be referred to Council

10 February 2011 Council consider Cabinet's budget proposals

6.2. The provisional settlements for 2011/12 and 2012/13 will require the Council to reduce its budget. Further significant cuts will be required in 2013/14 and 2014/15. There is 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.

- 6.3. In terms of 2011/12 and 2012/13 the key issue is the phasing of cuts in services. Two options are detailed in the report for Member consideration.
- 6.4. It is recommended by CMT that Cabinet adopts Option 1 and implements the planned 2011/12 cuts of £5.6m. This option provides the greatest flexibility over the next two years for a number of reasons:
- It delivers sustainable budget reductions in a period of ongoing grant cuts;
 - The proposed budget reductions whilst difficult are broadly (all be it reluctantly) supported by Scrutiny Co-ordinating Committee;
 - It provides one off resources of £2.7m to fund redundancy costs in 2012/13 and to resource any plans and developments needed in advance of the 2013/14 budget.

7. RECOMMENDATIONS

- 7.1. It is recommended that Cabinet refer the following issues to Scrutiny Co-ordinating Committee;
- 7.1.1. Approve Option 1 as their preferred strategy for managing the Medium Term Financial Strategy and determine if they wish to include the items not supported by Scrutiny Co-ordinating Committee totalling £0.166 m (as detailed in **Appendix A**).
- 7.1.2. Note that a further report will be submitted in relation to Specific grants.
- 7.1.3. Approve the proposed allocation of unsupported corporate capital borrowing allocations as detailed in **Appendix C**.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Performance and Partnerships	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			Members agreed with the proposed saving.
Scrutiny	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			Members agreed with the proposed saving.
Public Relations	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			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	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			Members agreed with the proposed saving.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Scrutiny / Democratic Services	Reduction of the resources over two teams. This may be achieved by a range of measures but is dependant upon a reduction in meetings .	0		34	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	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			Although Members in principal supported this reduction, they wished further investigation be made into savings that may materialise from the management of counter fraud.

7.1 Appendix 1/A

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Corporate Finance	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			Members agreed with the proposed saving.
Diversity	Reduce corporate support, placing more emphasis on departmental responsibilities. Possible shared arrangement with other local authorities for advice, guidance and consultation.	40			Members agreed with the proposed saving.
Registration & Nationality Service	Relocate Registration and Nationality Services to Civic Centre.	28.5			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.
Workforce Services/HR Business Support	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			Members agreed with the proposed saving.
Legal Services	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			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.

* denotes where two comments have been amalgamated together.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Revenues Service	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			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	Reduce resources impacting on customer service standard e.g. reduced support, increased waiting times, increasing processing times, etc.	24			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	Reduce resources impacting on customer services standards e.g. increased waiting time, reduced opening hours, etc.	24			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.
TOTAL CHIEF EXECUTIVES DEPARTMENT		707	0	34	

REGENERATION AND NEIGHBOURHOODS DEPARTMENT - PROPOSED BUDGET

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
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.	0		29	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	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			Members agreed with the proposed saving.
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		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	Delete Principal Planning Officer (split between SDO).	20			Members agreed with the proposed saving.
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			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	Restructure service - reduce from 7 posts to 6.	40			Members agreed with the proposed saving.
Economic Development	Delete enhancing employability post. *Reduce tourism marketing budget by £10,000. Reduce Economic Development General budget £15k.		55		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.

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
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			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	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			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	Neighbourhood Management functions - 2 cleansing vacancies currently filled with agency. Buildings budget. *Remove Derelict	70			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	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			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	Absorption of full Pride in Hartlepool function into Neighbourhood Management.		70		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	Scaleable reduction in service.	19		31	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	Increased income target on Capital works.	100			Members agreed with the proposed saving.

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Property Services	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			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	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			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)	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			Members agreed with the proposed saving.
Dial a Ride	Discontinuation of whole service.	209			Members reluctantly accepted the proposed saving.
Hospital Service	Cease the Supported bus H1 hospital service.	85			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	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			Members agreed with the proposed savings.
Street Nameplates	This budget is used to maintain the existing street nameplate assets when damaged.	23			Members agreed with the proposed saving

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Traffic Signs and Bollards	This budget is used to maintain traffic signs and bollards when damaged.	15			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	Stop Supported Buses Service. (excluding Scholar Service).	287			Members agreed with the proposed saving.
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			Members agreed with the proposed saving.
	TOTAL REGENERATION & NEIGHBOURHOODS DEPARTMENT	1,495	180	60	

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Community Centres x 7 Establishments	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			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	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			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 & Warren Road Day Centres	Further rationalisation of staffing structure	50			Members agreed with this proposed saving

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Commissioning - Working Age Adults, Older People, Mental Health	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			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	Cease Activity	77			Members agreed with this proposed saving.
Sport, Leisure & Recreation Facilities	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			Members agreed with this proposed saving.
Libraries - Central, Branch and Home/Delivered 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			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.
Grants to Community & Vol Organisations	30% cut to Community Pool budget. Remaining funds would increasingly be linked to commissioning of services.	62		72	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 & PA Support	Delete one Chief Officer Post	98			Members agreed with this proposed saving.

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Sport & Health in the Community	Reduction of staffing and projects, based on savings options above the original SDO target.	125			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 & Finance Team	Reduce support staff through efficiencies. Income levels may be at risk as a result.	20			Members agreed with this proposed saving.
Departmental Running Costs	Delete Directors Initiatives budget and reduce general expenditure	138			Members agreed with this proposed saving.
Performance Management Team	Reduction of 2 posts	40			Members agreed with this proposed saving.
Administration Team	Delete four posts. Reduce support to operational teams.	95			Members agreed with this proposed saving.
Workforce Planning & Development Team	Delete two posts. Scale back/reorganise training programmes.	110			Members agreed with this proposed saving.
Adults Complaints, Investigations & Public Information Team	Delete one post.	25			Members agreed with this proposed saving.
Pupil Support (Outdoor Facilities)	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			Members agreed with this proposed saving.
Children's Contracted Services	Negotiate no inflation on all contracts. Also cease providing sponsored day care for children as part of support plan	38			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)	Negotiate no inflation on placements cost (excluding Fostering Allowances)	70			Members agreed with this proposed saving.

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Promoting Outcomes for Looked After Children	20% overall reduction in the budget - would involve scaling back provision for children and young people who are looked after	12			Members agreed with this proposed saving.
Family Resource Services (Children's Social Care)	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			Members agreed with this proposed saving.
Children's Fund	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		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	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			Members agreed with this proposed saving.
Community Facilities in schools (Contingency for Sustainability)	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			Members agreed with this proposed saving.
School Swimming	Relocation of primary school swimming to MHLIC, includes plan for fewer but longer swim sessions for curriculum and performance benefit	76			Members agreed with this proposed saving on the caveat that:- (a) 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.
Parenting Support Strategy	20% Overall Reduction in the budget, which will have an impact on the support for parents.	3			Members agreed with this proposed saving.
Improving Educational Outcomes for Pupils	20% reduction in mainstream funding. Will reduce the capacity to improve children's education and prospects.	77			Members reluctantly agreed with this proposed saving.

* denotes where two comments have been amalgamated together.

<u>Service Area</u>	<u>Description of Reduction</u>	Value of Reduction Supported by SCC £'000	Value of Reduction where SCC require further information £'000	Value of Reduction <u>not</u> Supported by SCC £'000	SCC comment
Outdoor Education Centres	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			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 to generate income.
Special Educational Needs Services	Reduction of 1 Educational Psychologist	60			Members agreed with this proposed saving.
ICT Licences & Development	Withdraw capacity for ICT Development	29			Members agreed with this proposed saving.
Youth Offending Service	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			Members agreed with this proposed saving.
Integrated Youth 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			Members agreed with this proposed saving and requested that a wider review of the information / support / guidance services provided by the Council be undertaken, which may result in additional savings.
Home to School Transport	Reduction in services & costs/potential income generation	50			Members agreed with this proposed saving on the condition that the number of schools buses did not decrease.
Family Intervention Project and similar prevention initiatives	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			Members agreed with this proposed saving.
	TOTAL CHILD AND ADULT SERVICES DEPARTMENT	2,923	43	72	0

Budget QuestionsChild and Adult Services

Service Area	Question
Commissioning – Working Age Adults, Older People, Mental Health Children's Contracted Services	Nil inflationary increase – what proportion of organisations are private compared to voluntary?
Sport, Leisure and Recreation Facilities	What is the increase in fees for sport / leisure / recreational facilities?
Libraries – Central, Branch and Home / Delivered Services	Comments / views of library staff on the proposals to close libraries
Libraries – Central, Branch and Home / Delivered Services	Details requested on the survey carried out into library usage
Cultural Services	Can the tickets for the theatre be ordered online?
Sport and Health in the Community	How were the vacant Sports and Development Officer posts, recently advertised, funded?
Health Promotion	Query re: health promotion / fruit and veg initiative

Regeneration and Neighbourhoods

Service Area	Question
Community Safety, ABS, DAT	Unite Service - how often has it been accessed over last 12 months and what were the outcomes of intervention? (Director circulated information following the meeting)
Waste Management	Bulky Waste – Confirmation of figures requested

General or Cross Cutting Queries

General Questions
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.
Members questioned whether there were opportunities for consideration to be given to the potential consolidation of activities relating to marketing, public relations and other associated activities.
Members questioned whether there was an opportunity to consider the consolidation of activity around advice, guidance and other related activities.

7.1 Appendix 1/C

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
Mill House Roof (£30k 2010 / 11 – 1 st phase commencement)	Continuation of roofing renewal to changing areas to extend life of key area of facility	£50k (2 nd phase)	Regeneration Match Funding (Innovation and Skills Quarter / HMR / Crown House / Housing general (including empty homes)	To provide a “kickstart” in match funding and feasibility studies for regeneration and housing projects	£160k	Neighbourhood Consultative Forums	Neighbourhood Consultative Forums - minor works projects	£75k (£25k per Forum)
Mill House Boiler <i>* Combined with £70k in planned maintenance programme</i>	Renewal of Boilers and associated Heating/Hot Water systems to extend life of key operational infrastructure and increase energy efficiency	£95k	Stranton Nursery Lodge / Café development (£50k 2010 / 11 – 1 st phase)	Major refurbishments and improvement that extends the life and value of Stranton Lodge asset. Associated remodelling of Lodge to make it fit-for-purpose as an income generating Cafe facility with a key role within the overall Stranton Nursery site remodelling exercise.	£25k	Energy Invest to Save	Installation of new advanced controls or modifications and enhancement to existing mechanical and electrical systems in order to achieve longer term savings and CO2 reductions.	£25k
Essential School and Civic Kitchen Works	The kitchens will be modernised to bring them up to current standards. This will comprise replacement equipment, fittings and fixtures. New ventilation and gas installations to comply with current gas regulations will be installed as required. Replacement lighting and power to current standards will be installed as required. Includes associated repairs to	£350k	Newburn Bridge Security Improvements	Improvements to the Newburn Bridge Industrial Estate of leased units so maximising occupancy and income generation	£15k	Parton Street Environmental Improvements	Match funding to associated improvement works and linked to the HMR project in the surrounding areas.	£50k

7.1 Appendix 1/C

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
	building fabric.							
Borough Hall Boiler Replacement	Install new Direct Hot Water boiler to upgrade and increase energy efficiency	£15k						
Disability Discrimination Act (DDA) works	DDA Projects to address barriers to physical access	£50k						
Disabled Facilities Grants (DFG's)	The Authority has a mandatory responsibility to provide DFGs and adaptations to those households who qualify for this assistance. The authority does not give discretionary grants .The funding which is provided by central government grant only finances 50 to 60 percent of the annual requirements in the Town. This funding increases the number of grants and reduces waiting lists.	£200k						
Carlton Camp Improvements	Essential canopy replacement and electrical works to enhance facility.	£15k						
Warren Road Boilers replacement (PCT contribution – 50% included)	Renewal of Boilers and associated Heating systems to upgrade and increase energy efficiency	£35 (Part PCT funding)						
Rossmere Youth Centre lighting	Lighting upgrade to Sports Hall to improve performance and increase energy efficiency	£20k						

7.1 Appendix 1/C

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
Register Office Roof Improvements	Roof improvement to extend life of building for an alternative use with a view to retention over time (The disposal strategy will be to release an alternative building, probably Brooklyn which is a more marketable property, to achieve the required rationalisation)	£20k						
TOTAL		£850k			£200k			£150k

CABINET

MINUTES AND DECISION RECORD EXTRACT

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),

134. Medium Term Financial Strategy (MFTS) 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;

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

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 ReductionsCommunity 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' 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 (MFTS) 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

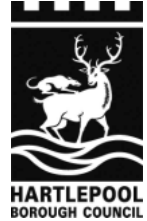
That the report be received and noted.

P J DEVLIN
CHIEF SOLICITOR

PUBLICATION DATE: 24 DECEMBER 2010

SCRUTINY CO-ORDINATING COMMITTEE

14 January 2011



Report of: Chief Finance Officer / Scrutiny Manager

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

1. PURPOSE OF REPORT

1.1 To:-

- i) Provide additional / supplementary information to the report previously circulated, at item 7.1, on the agenda for the Scrutiny Co-ordinating Committee meeting on the 14 January 2011;
- ii) Clarify the areas / issues upon which a response is being sought from Scrutiny as part of the final stage of the consultation process in relation to the development of the Council's Medium Term Financial Strategy (2011/12 to 2014/15); and
- iii) Clarify the proposed process for consideration of the item at today's meeting.

2. BACKGROUND INFORMATION

2.1 Members, as part of the agenda for the Scrutiny Co-ordinating meeting on the 14 January 2011 (item 7.1), received a report in relation to the next stage of the consultation process for the development of the Council's Medium Term Financial Strategy (2011/12 to 2014/15). Within this report attention was drawn to:-

- i) The report considered by the Executive on the 20 December 2010 (circulated at **Appendix 1** to the original report);

From this report, Cabinet selected Option 1 as the preferred way forward. In making this decision, Cabinet:-

- a) Took into consideration that the estimated cost of redundancies and pension payments for those staff eligible for payment of pension upon redundancy is £1.6m. The number of staff eligible for payment of pension upon redundancy has reduced from previous years owing to changes in pension regulations which

came into effect on 1st April 2010. Therefore, the majority of this cost relates to redundancy payments and the maximum redundancy payment is limited to 30 weeks pay. On this basis if Members adopt Option 2 and determine to defer budget reductions until 2012/13 the available Transitional Funding of £1.7m will only be sufficient to keep people at risk of redundancy employed for a maximum of 30 weeks in 2011/12. To keep people employed for all of 2011/12 will cost in the order of £3.5m (including employers national insurance and pension costs) – which is £1.8m more than the Transitional grant. These forecasts are based on all employees receiving the maximum 30 weeks redundancy pay. In practice the majority of staff affected by the proposed 2011/12 budget reductions will not be eligible for the maximum of 30 weeks redundancy owing to length of service. Therefore, the cost of extending employment for the whole of 2011/12 will be higher than the estimate of £3.5m. Work is ongoing to estimate this cost, although a final figure will not be known until a decision on which budget reductions will be implemented is known and redundancy selection criteria have been applied in the areas affected. At this stage a planning figure of £3.5m is therefore appropriate.

b) Reconsidered the original £31,000 beach safety saving proposal and identified a range of alternative savings to replace this item. These, alternative savings covered the following items:

- Removal of 'old mayoral' and 'deputy mayoral' allowance paid to Chair and Vice Chair of Council of respectively. (Saving provides funding for a small Special Responsibility allowance for the Vice Chair if this is recommended by the Independent Remuneration Panel) – proposed saving £11k;
- Removal of Mayor and Chairman's hospitality budgets and residual balance of Cabinet contingency budget – proposed saving £13k;
- Saving from Ward Support budgets – proposed saving £2k; and
- Registration service – deletion of overtime budgets – proposed saving £5k.

ii) The relevant minute from the meeting on the 20 December 2010 detailing the Executive's response to Scrutiny's views, comments and alternative suggestions (circulated at **Appendix 2** to the original report);

iii) A detailed (tabular) breakdown of the response to questions and suggestions raised by Members during the initial consultation process. Whilst this table was not available at the time of circulation of the papers it is now attached as **Appendix 3** for Members attention;

- iv) The impact assessment of Specific Grants changes/cuts (details of which were received in late December) which was to be considered by the Executive on the 10 January 2011. Whilst this assessment was not available at the time of circulation of the papers it is now attached as **Appendix 4** for Members attention; and
- v) The strategy for managing cuts and changes in Specific Grants, as proposed by the Executive on the 10 January 2011 (as outlined in **Appendices 4a and 4b**).

2.2 The Scrutiny Co-ordinating Committee is today being asked to:-

- i) Consider the responses provided to the views, comments and alternative suggestions raised by Scrutiny as part of the initial consultation process.
- ii) Formulate a response, for consideration by Cabinet on the 24 January 2011, in relation to:
 - The selection of Option 1 as the way forward for preparation of the Council's Medium Term Financial Strategy (2011/12 to 2014/15) (as outlined in Appendix 1);
 - The proposed strategy for the allocation of unsupported corporate capital borrowing allocations (as outlined in section 5.3 of Appendix 1);
 - The proposed alternatives identified by Cabinet to replace the original £31,000 beach safety saving proposal (as detailed in Section 2.1 (ib) of this report); and
 - Cabinet's proposed strategy for managing cuts and changes in Specific Grants (as outlined in Appendices 4a and 4b).

2.3 Members of the Executive, the Chief Executive and Directors have been invited to attend today's meeting and subject to availability will be in attendance to participate in discussions and answer any questions that may arise.

3. RECOMMENDATION

- 3.1 That the Scrutiny Co-ordinating Committee formulates a response, for consideration to Cabinet on the 24 January 2011, in relation to:
 - Option 1 as the way forward for preparation of the Council's Medium Term Financial Strategy (2011/12 to 2014/15) *(as outlined in Section 4.8.1 of Appendix 1)*;
 - The proposed strategy for the allocation of unsupported corporate capital borrowing allocations *(as outlined in Section 5.3 of Appendix 1)*;

- The proposed alternatives identified by Cabinet to replace the original £31,000 beach safety saving proposal (*as detailed in Section 2.1 (ib) of this report*); and
- Cabinet's proposed strategy for managing cuts and changes in Specific Grants (*as outlined in Appendices 4a and 4b*).

4. BACKGROUND PAPERS

No background papers were used in production of this report.

5. CONTACT OFFICER

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

Budget QuestionsChief Executive's

Service Area	Question	Answers
Internal Audit	Members wished further investigation to be made into savings that may materialise from the management of counter fraud.	The Government have recently indicated that by 2013 they intend to establish a national integrated fraud investigation service to investigate welfare fraud across DWP (including benefits currently administered by councils) and Revenues and Customs. Until the national position becomes clearer it would not be appropriate to change existing local arrangements. This issue can be explored if national changes leave fraud investigation work with councils.
Registration & Nationality Service	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.	As indicated at Scrutiny Co-ordinating Committee this issue can be explored further and details will be reported back to members at a future date.
Benefit Service	Members wanted reassurance that the reduction in the checking of benefit applications would not be detrimental to the claimant or the tax payer.	The post to be deleted as part of the budget proposals will not adversely impact on service standards or claimants.

Child and Adult Services

Service Area	Question	Answers
Commissioning – Working Age Adults, Older People, Mental Health	Nil inflationary increase – what proportion of organisations are private compared to voluntary?	<u>Adults Commissioning</u> 35% of expenditure incurred within these budgets (total expenditure budget £15,800,000) is with voluntary organisations and registered charities. This equates to £166K of the proposed £476K saving. Should this differential rate be applied we would face significant

Children's Contracted Services		<p>challenges from providers of residential care where an agreed cost of care exercise has identified a reduction in the level of fees and this would lead to providers being paid different values for provision of the same service.</p> <p>Providers have been made aware of the financial position the Council faces and the unprecedented level of cuts and that this is likely to have an impact on the level of fees and contracts going forward.</p> <p><u>Children's Contracted Services</u> 22% of expenditure incurred within these budgets (total expenditure budget £451,000) is with voluntary organisations and registered charities. This equates to £8K of the proposed £38K saving. Providers' expectations are a nil increase owing to the current financial position.</p>
Sport, Leisure and Recreation Facilities	What is the increase in fees for sport / leisure / recreational facilities?	<p>Annual review of fees and charges will take into account the need to achieve additional income as outlined in the SDO review, these average between 11 -17%. The increases take account of incorporation of locker charges where appropriate and the full range allow for concessionary and beneficial member rates for regular users. All price increases are also benchmarked against comparable services in neighbouring and NE local authorities. For example, Adult swim (casual) £2.80 to £3.30, Adult swim (member) £2.20 to £2.60 and Adult (concessions) £1.45 to £1.65. Over 60's and child swim prices are appreciably lower in all categories.</p>
Libraries – Central, Branch and Home / Delivered Services	Comments / views of library staff on the proposals to close libraries	<p>To summarise: Staff dedication to providing a quality service continued to show through and a belief that if the level of savings required have to be made then the</p>

		proposals of SDO/CSR are the right ones. All staff were consulted and comments are available should that be required via the attached web link.
Libraries – Central, Branch and Home / Delivered Services	Details requested on the survey carried out into library usage	<p>A sample week Oct 2009 (Oct is CIPFA collection month) is available which provides daily visitor no's. The following are 'visitors per week';-</p> <p>Central (6907), Foggy Furze (822), Headland (433), Owton Manor (846), Seaton Carew (624), Throston (693), West View (319).</p> <p>On a purely usage based analysis you would close West View in preference to closing another service. In respect of loss of service to the community, alternative options have potential from including within the mobile service, home visits for housebound and working with the 3rd sector/other partners in relation to the future of the library and community centre building.</p>
Cultural Services	Can the tickets for the theatre be ordered online?	Tickets will be able to be ordered on line in the near future once we have a new theatre booking system installed. This will give new opportunities for direct marketing too.
Sport and Health in the Community	How were the vacant Sports and Development Officer posts, recently advertised, funded?	<p>The Senior Sports Development Officer and the Sports Development Officer posts are funded from mainstream council revenue budgets. The third post, a trainee sports devt officer post is funded externally by Sport England and is a fixed term post for just over 5 months, this will cease at the beginning of June 2011. If this post had not been filled then the funding would have reverted back to Sport England and the opportunity (albeit limited) for an individual to gain valuable experience in a challenging jobs market would have been lost.</p> <p>A fourth vacancy within the staffing structure, a second trainee sports devt officer, was not submitted to be</p>

		<p>approved and the post remains vacant. If the junior posts had been vacant then they would have been offered up as savings or for potential redeployment. However the senior posts were essential to enable continued sports development activity, The experience and skills required has given the section an enviable record at identifying external funding sources and has achieved over £600k in the last 3 years. This work is the core activity of the senior Sports Development staff who are now working strategically to foster partnerships to ensure the Council is doing less and less hands on delivery but securing funding opportunities and developing specific skills activity to enable others to deliver. This includes work with disabled adults, schools, pupil referral unit and youth services. We have Quest accreditation and two LOCOG Inspire Mark programmes that we need to maintain to secure existing partner funding and also to avoid the withdrawal of funding or the loss of accreditation for the service.</p>
Health Promotion	Query re: health promotion / fruit and veg initiative	<p>There are currently 10 schemes run from 5 community centre and 2 day nurseries and 1 school and 1 child centre. Health Dev team promote the scheme and it is then self running i.e. the CC, school etc collect the money from buyers and pay the fruiterer weekly cash on delivery. Team periodically promote the schemes in other venues. We will ensure that the Health trainers (PCT staff) will continue to promote this promotional work.</p>
Cultural Services	<p>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.</p> <p>b) Members requested that the tourism marketing budget be</p>	<p>There are further opportunities to consider the consolidation of these activities. Whilst initial consideration has commenced any changes required will require further analysis and understanding of the requirements and resources in place and the most</p>

	considered in conjunction with the marketing budgets held within other departments to rationalise services.	effective manner in which they could be reconfigured if this is assessed as being beneficial. This consideration will take place in the early part of the next municipal year as part of the strategy for addressing the budget gap for 2012/13.
Integrated Youth Service	Members agreed with this proposed saving and requested that a wider review of the information / support / guidance services provided by the Council be undertaken, which may result in additional savings.	There are further opportunities to consider, review and consolidate these services and the proposal for an all age advice service is highlighted within the Schools white paper recently. Whilst initial consideration has begun any changes will require further analysis and understanding of the requirements and resources in place currently, the funding in the new specific grant, i.e. the Early Intervention Grant and the direction given nationally to the future of this type of service. However as part of this budget proposal and an earlier SDO a review was undertaken focussing on the wider integrated youth service which incorporates IAG This further consideration will take place in the early part of the next municipal year as part of the strategy for addressing the budget gap for 2012/13

Regeneration and Neighbourhoods

Service Area	Question	Answers
Community Safety, ABS, DAT	Unite Service - how often has it been accessed over last 12 months and what were the outcomes of intervention? (Director circulated information following the meeting)	Funding from increased grant and a part saving on the post of Crime and Disorder Manager removes the need for a job loss in this area.
Waste Management	Bulky Waste – Confirmation of figures requested	The agreement through the S.D.O. review to introduce

		<p>charges for the collection of bulky waste took into account reductions brought about by the recession but still required an income of £110K.</p> <p>Further analysis of the figures showed a heightened risk of not achieving the full £110K based on the average take up of 50% with half of that 50% being charged at the concessionary rate which is half price.</p> <p>This will achieve approx. £60K income leaving a shortfall of £50K.</p> <p>This shortfall is being made up by the reduction of one round and with the percentages outlined above this will still provide an acceptable service.</p>
Housing (homelessness, advice, private sector team)	<p>Members suggested that</p> <p>a) required savings should be sought across all posts in this area.</p> <p>b) Rent of Park Towers is re-negotiated with Housing Hartlepool in relation to the percentage of floor space used.</p>	<p>Park Towers rental is being renegotiated but it is not believed that further savings across all posts is feasible.</p>
Economic Development	<p>Members requested that the tourism marketing budget was considered in conjunction with the marketing budget held in the Child and Adult Services Department.</p>	<p>There are further opportunities to consider the consolidation of these activities. Whilst initial consideration has commenced any changes required will require further analysis and understanding of the requirements and resources in place and the most effective manner in which they could be reconfigured if this is assessed as being beneficial. This consideration will take place in the early part of the next municipal year as part of the strategy for addressing the budget gap for 2012/13.</p>
Pride in Hartlepool	<p>Alternative proposal –</p> <p>a) Members would like businesses in and around Hartlepool to be approached for further funding for this initiative.</p> <p>b) Members would like the VCS to be considered in this area to open up further funding opportunities not available to the public sector.</p>	<p>Discussions with businesses and the VCS are on-going in a difficult economic climate.</p>

General or Cross Cutting Queries

General Questions	
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.	See Appendices 1a, 1b and 1c
Members questioned whether there were opportunities for consideration to be given to the potential consolidation of activities relating to marketing, public relations and other associated activities.	There are further opportunities to consider the consolidation of these activities. Whilst initial consideration has commenced any changes required will require further analysis and understanding of the requirements and resources in place and the most effective manner in which they could be reconfigured if this is assessed as being beneficial. This consideration will take place in the early part of the next municipal year as part of the strategy for addressing the budget gap for 2012/13.
Members questioned whether there was an opportunity to consider the consolidation of activity around advice, guidance and other related activities.	There are further opportunities to consider the consolidation of these activities. Whilst initial consideration has commenced any changes required will require further analysis and understanding of the requirements and resources in place and the most effective manner in which they could be reconfigured if this is assessed as being beneficial. This consideration will take place in the early part of the next municipal year as part of the strategy for addressing the budget gap for 2012/13

Note For Scrutiny Co-ordinating Committee, 14 January 2011**Response to question asked of the Chief Executive in SCC paper presented to Cabinet on 20 December 2010**

The comment presented by the Chair of the Scrutiny Co-ordinating Committee to Cabinet on 20 December 2010, was as follows:

In addition 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.

As I've never previously heard of the term 'Directorship' in this context, nor am I aware of any indirectly appointed Chief Executives and/or Assistant Chief Executives (some confusion with Directly Elected Mayors?), I sought clarification from the Chair of Scrutiny Co-ordinating Committee. Unfortunately none was forthcoming, therefore for the purposes of this paper I've worked to the following assumptions:

Scrutiny Co-ordinating Committee require that I examine a senior management structure whereby the post of Assistant Chief Executive is deleted and replaced by a Director of Resources (taking the current workload across to the new post). The post of Chief Executive is deleted, with the workload being allocated across the now three Director posts – Child and Adult, Regeneration and Neighbourhoods and Resources.

I've taken "corporate services" to mean the corporate management team plus the following four service areas – Assistant Chief Executive; Finance; Legal; Customer and Workforce Services.

Background

The senior management structure of the Council is constantly kept under review.

As a consequence of the Local Government Act 2000, and the introduction of a Directly Elected Mayor, your previous Chief Executive reviewed and streamlined the structure. At 1 April 2002, the senior management structure was as set out in Appendix 1.

If Cabinet's Budget proposals for 2011/12 are approved, the senior management structure at 1 April 2011 will be as set out in Appendix 2.

You will note that in 2002 there were 31 senior management posts for which, at current prices, the total salary cost would be in the region of £3.3 Million per annum. By April 2011 we will have only 19 posts (50% of one is funded by the PCT) with a salary cost of around £2.0 Million per annum.

Senior management posts have been reduced in number by 12 (39%), with a consequent reduction of £1.3 Million (39%) in the annual paybill.

In so far as the posts under consideration in this paper are concerned – Chief Executive, Directors, “Assistant Directors” and other chief officers in corporate services – from April 2002 to April 2011 the number of posts will have reduced from 14 to 9 (36% reduction) and the annual paybill (at current prices) from £1.6 Million to £1.1 Million (31% reduction).

The changes to these corporate posts will be shown on a chart to be handed out at the Scrutiny Coordinating Committee meeting.

In June 2008 I presented a report to Cabinet recommending a review of the authority’s overall departmental structure, as a consequence of the need to make 3% cashable efficiency savings for each of the following three years. Cabinet determined that Scrutiny Co-ordinating Committee’s views be sought. SCC subsequently arranged for a series of 6 or 7 Scrutiny Forums to be held on this topic, and then reported back to Cabinet.

The comments relevant to this paper, as recorded in Scrutiny Co-ordinating Committee’s formal response to Cabinet on 28 September 2008, are as follows:

1. Members are not, in principle, against an efficiency saving proposal at director level but feel the timing of this particular proposal is inappropriate in view of the Business Transformation Programme being in its early stages. Whilst the Committee strongly recognises the need to make efficiency savings, it is felt that the projected savings to be generated in year three are unlikely to materialise;
2. Members are of the opinion that reviewing the Directors’ posts in isolation could lead to an increase in the salaries of the Assistant Directors due to their potentially increased responsibilities: this does not appear to have been factored into the Chief Executive’s proposal;
3. Members regret that a review of top tier of management was not included in the current business transformation programme undertaken by KPMG. The committee are of the view that any future review of the Council’s top management structure should be undertaken by an independent body to remove the pecuniary interest of key individuals;
4. Members were concerned that to instigate two transformation programmes one at director level and one across the Council, using different methodology could result in neither programme achieving their full potential;
5. That overall the proposals put forward by the Chief Executive have not proved sufficiently persuasive to receive the support of the Scrutiny process.

Cabinet were not convinced that there was substance to SCC’s comments and therefore approved the implementation of the Management Structure Review and Business Transformation Programme. Subsequently all financial targets have been exceeded.

Our remaining directors and chief officers should be commended for their flexible approach, the additional work they have all taken on, and the high quality of the services they have continued to provide.

Scrutiny Proposal

The Assistant Chief Executive post be deleted from the establishment, but with the creation of a Director of Resources post which would take on all the duties and responsibilities of the Assistant Chief Executive post, but with the addition of the line management responsibilities for finance, legal, and Customer and Workforce Services, currently part of the Chief Executive role.

Although a substantial part of the new director role would consist of the workload of the Assistant Chief Executive, our policies and procedures do not allow for the current post holder to be slotted-in to the Director post, as it would be on a higher grade. However, it would be possible to regrade and redesignate the Assistant Chief Executive post, and postholder, which would provide the desired outcome, but this could be challenged by other chief officers who may consider they are eligible for consideration.

Advantages: Reduce the workload of the Chief Executive.

Disadvantages: The Assistant Chief Executive already has a heavy workload. It is not feasible to add to that workload without providing additional support below director level. We are currently reducing support at that level.

Additional cost of a Director as opposed to an Assistant Chief Executive, plus additional support costs. Requires Job Evaluation but, say, £100,000 (including oncosts) in total?

I don't consider it feasible to implement this proposal.

Delete the post of Chief Executive and share the work amongst three directors. This assumes the Director of Resources role, and the necessary additional support, has been put in place, and that the three directors are willing to take on this increased workload and level of responsibility.

One director will have to be appointed to the statutory position of Head of Paid Service. As the Head of Human Resources is the primary source of advice and support to the Head of Paid Service, logically the Director of Resources should take on that role. The remaining work of the Chief Executive would then be allocated to the other two directors.

Advantages: Savings will be achieved. Job Evaluation required but, say, £150,000 saving, after salary increases for directors. (The costs of the Director of Resources proposal, £100,000, would then be netted off giving a net saving of £50,000.)

Disadvantages: Lack of clear responsibility (who's in charge?)
It is not possible to keep piling more and more work on to fewer staff.
Quality and standards will fall.
Service provision will suffer.
Potential problems with contracts of employment.
Redundancy costs.

I don't consider it feasible to implement this proposal.

Alternative Proposals

Option 1 Schedule 2 of the Localism Bill currently going through Parliament provides that a Directly Elected Mayor may propose to their Council that they should be the chief executive, and that the Head of Paid Service should report directly to the Mayor. If an Elected Mayor makes this proposal, Council must vote on it, and it can only be overturned by a two-thirds majority. It is proposed that this power be introduced from April 2012.

Later in the Localism Bill the Secretary of State has created the power for him/her to designate Directly Elected Mayors as Head of Paid Service.

Option 2 The Secretary of State for Communities and Local Government has been quoted as saying:

“If we are to retain chief executives, they are going to have to do something better than just being a single chief executive of a local authority. If they take on other local authorities, then maybe they have a future.”

Currently a handful of chief executives are leading/managing two district councils each; Essex County Council Chief Executive is also Braintree District Council's Chief Executive, and Rugby District Council in theory has made the Leader of the Council their Chief Executive, but in practice, when their chief executive left they did not replace him but allocated his duties to his 2 assistant chief executives (Directors).

Whilst no “all purpose” authorities have yet appointed a joint chief executive, it is not out of the question, as long as there are two willing participant councils.

Conclusions

The Scrutiny Co-ordinating Committee proposal is unworkable.

Option 1 is reactive and is dependent upon the Mayor being willing to assume the role of chief executive, and Council supporting that approach.

Option 2 is pro-active, feasible and worthy of examination, however, given Comment 3 above, and the more explicit comment of Scrutiny Co-ordinating Committee on 19 September 2008, that:

“It was suggested that an independent organisation be procured to provide a more objective view. Members were of the opinion that the proposals could be challenged in relation to the degree of self interest of the Chief Executive and added that a ‘gamekeeper/poacher’ principle (whatever that means!) would not be tolerated.”

It is clear that I should not be the person to carry out such an examination.

Recommendation

Scrutiny Co-ordinating Committee recommends to Cabinet that they procure an independent organisation to produce a report on the feasibility of merging the role of chief executive, and senior managers, with those of another suitable unitary authority.

Paul Walker
14 January 2011

CHIEF OFFICER MANAGEMENT STRUCTURE

April 2002

Appendix 3 (1b)

CHIEF EXECUTIVE
(Brian Dinsdale)

Corporate Management Group

Chief Financial
Officer
(Bert
Emmerson)

Chief Personnel
Services Officer
(Linda Maughan)

Chief
Solicitor
(Tony Brown)

Assistant Chief
Executive
(Jan Richmond)

Director of
Education
(Jeremy Fitt)

Director of
Neighbourhood
Services
(Bernard
Williams)

Director of
Reg' and
Planning
(Tim White)

Director of
Community
Services
(Janet
Barker)

Director of
Social
Services
(Sallyanne
Johnson)

AD AD AD

Deputy

Chief Executive's Management Team

Assistant Director
(Resources and
Support Services
(Gill Rollings)

Assistant Director
(Educational
Achievement)
(John Collings)

Assistant Director
(Policy, Planning
and Children's
Services)
(Adrienne Simcock)

John Polson
(Head of Scrutiny
and Support)

Assistant Director
(Resources and
Review)
(Alan Dobby)

Senior Assistant
Director/Deputy
(Adult Services)
(Ian McMillan)

Assistant Director
(Children and
Families)
(Peter Seller)

Education Management Team

Social Services Management Team

Head of Strategic
Property and Land
Management
(Roosje Barr)

Head of Public
Protection and
Housing
(Ralph Harrison)

Head of
Environmental
Services
(Dave Stubbs)

Head of Technical
Services
(Ian Parker)

Head of Planning
and Economic
Development
(Stuart Green)

Head of
Regeneration
(Peter Scott)

Regeneration and Planning Management Team

Chief Tenants'
Services Officer
(Cath Purdy)

Head of Support
Services
(Keith Smith)

Cleveland
Chief Emergency
Planning Officer
(Denis Hampson)

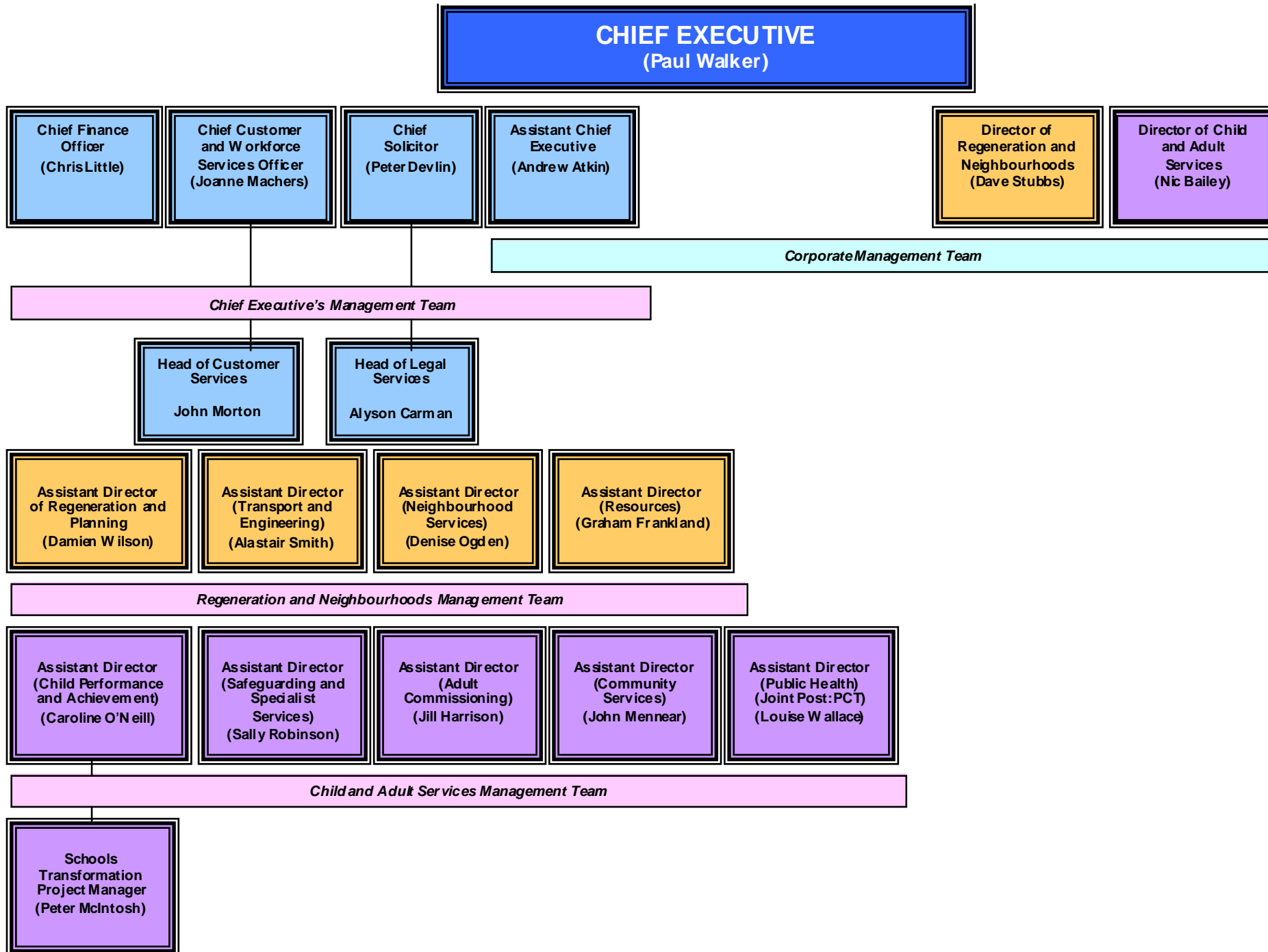
Assistant Director
(Oliver Sherratt)

Neighbourhood Services Management Team

Community Services Management Team

CHIEF OFFICER MANAGEMENT STRUCTURE
PROPOSED APRIL 2011

Appendix 3 (1c)



CABINET REPORT

10 January 2011



Report of: Corporate Management Team

Subject: Medium Term Financial Strategy (MTFS)
2011/12 to 2014/15 – Specific Grant Issues

SUMMARY

1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) to provide details of the changes to Specific Grants and
- ii) to enable Members to determine a proposed strategy for managing these changes.

2. SUMMARY OF CONTENTS

2.1 The report provides details of changes and cuts to specific grants.

3. RELEVANCE TO CABINET

3.1 The report enables Cabinet to assess the impact of changes to Specific Grants.

4. TYPE OF DECISION

4.1 Budget and Policy Framework.

5. DECISION MAKING ROUTE

5.1 Cabinet 10 January 2011, Cabinet 7 February 2011 and Council 12 February 2011.

6. DECISION(S) REQUIRED

6.1 Cabinet will be required to determine a strategy for managing cuts in Specific Grants.

Report of: Corporate Management Team

Subject: Medium Term Financial Strategy (MTFS)
2011/11 to 2014/15 - Specific Grant Issues

1. PURPOSE OF REPORT

1.2 The purposes of the report are to:

- i) to provide details of the changes to Specific Grants and
- ii) to enable Members to determine a proposed strategy for managing these changes.

2. SPECIFIC GRANT ISSUES

2.1 As reported to Cabinet on 20 December a number of Specific Grants have been transferred into the Formula Grant. It is expected that these changes will require the Council to implement further reductions in expenditure owing to the cuts in Grant Funding. A detailed assessment of these changes is currently being undertaken and these details will be reported at your meeting on 10 January 2011.

2.2 The detailed assessment of these changes will enable Cabinet to determine a proposed strategy for managing these changes. These proposals can then be referred to Scrutiny Co-ordinating Committee in January as part of the formal budget consultation process.

3. RECOMMENDATION

3.1 Cabinet will be required to determine a strategy for managing cuts in Specific Grants.

CABINET REPORT

10 January 2011



Report of: Corporate Management Team

Subject: Medium Term Financial Strategy (MTFS)
2011/12 to 2014/15 – Specific Grant Issues –
Supplementary Information

1. SUPPLEMENTARY INFORMATION

- 1.1. As indicated in the report issued with the main agenda a number of changes have been made to Specific Grants and grants previously allocated via the Area Based Grant
- 1.2. A detailed assessment of these changes has now been completed and the key issues are detailed in the following paragraphs, together with a proposed strategy for managing these changes.

2. GRANTS TRANSFERRED INTO THE FORMULA GRANT

- 2.1. A number of specific grants and grants previously paid via the Area Based Grant have been transferred into the Formula grant at a national level. These amounts have been top sliced, mainly for the Academies programme, before the Government reduced the level of grant funding. The reductions in these grants have, as is the case with the core Formula Grant, been front loaded over the next two years. The greatest reductions will be made in 2011/12.
- 2.2. For Hartlepool the top slice totals £0.323m, a 4.3% cut in the current overall level of grant funding. Hartlepool's grants have then been reduced from £7.515m in 2010/11 to £6.621m in 2011/12, a reduction of 11.9%.
- 2.3. There will be a further reduction to £6.210m in 2012/13, which brings the total reduction from 2010/12 (including the top slicing reduction) to approximately 21% over a 2 year period.
- 2.4. Further reductions are likely in 2013/14 and 2014/15 as the Government still needs to achieve the budget reductions detailed in the Spending Review. Once these reductions are known it is anticipated that the total reductions will be around 30%, which is the planning assumption for the 4 years commencing 2011/12 we have been working to.

- 2.5. The reduction in these grants will require a range of programmes to be scaled back. Details of proposed allocations for areas affected are set out in Appendix A. The main reduction relates to Supporting People services. This reduction was anticipated and negotiations have been ongoing for some time with providers to address reductions in this area.

3. GRANTS TRANSFERRED INTO NEW 'EARLY INTERVENTION GRANT' (EIG)

- 3.1 A number of specific grants and grants previously paid via the Area Based Grant have been transferred into the new Early Intervention grant. These grants have been reduced significantly by the Government in 2011/12. This grant then increases slightly in 2012/13, although the increase is likely to be less than inflation for 2012/13.
- 3.2 Hartlepool's grants have been reduced from £8.875m in 2010/11 to £6.935m in 2011/12 – a reduction of 21.9%.
- 3.3 For 2012/13 the Council has been given an indicative allocation of £7.062m – an increase of 1.8% on 2011/12. Despite this small increase over the next two these areas will face a funding reduction of nearly 21%.
- 3.4 The reduction in these grants will require a range of programmes to be scaled back. Details of proposed allocations for areas affected are set out in Appendix B. These are indicative allocations as there will need to be a degree of flexibility to transfer resources between individual areas to manage such a large in year reduction in funding.

4. UPDATE ON IMPACT OF PROVISIONAL SETTLEMENT ON BUDGET FORECASTS

- 4.1 It was report to Cabinet on 20th December 2010 that it was anticipated the budget strategy would gain £1.7m from Transitional funding and £1.0m from the new Personal Social Services grant in 2011/12. On this basis the report identified 2 options for the 2011/12 budget and the implications for future years as follows:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Planning forecasts 29.11.10 (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
<u>Report 20.12.10</u>					
Option 1 - Revised Deficits if 2011/12 maintained at £5.650m	5,650	7,556	2,400	4,600	20,206
Option 2 - Revised Deficits if minimum savings made in 2011/12	2,806	10,400	2,400	4,600	20,206

- 4.2 The December report advised Cabinet that it had not been possible to identify whether the new Personal Social Services grant would be included in the core Formula Grant, or would be paid as a specific grant. This issue was therefore a budget risk.
- 4.3 It has now been established that the new Social Service grant has already been included in the main Formula Grant, so this benefit does not exist. Therefore, the only flexibility for managing the 2011/12 budget is the Transitional grant of £1.7m.
- 4.4 Clarification of the position on the new Social Service grant means that the saving required under option 2 for 2011/12 increase from £2.806m to £3.806m.
- 4.5 The December report advised Members that option 1 provided one-off funding of up to £2.7m for 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 one-off funding has now reduced to £1.7m. The latest estimate of redundancy costs for 2011/12 is £1.6m, which would commit the majority of this funding.
- 4.6 Option 2 provides no funding for redundancy or other one-off costs as the available one-off resources would be committed to delaying cuts until 2012/13. This option therefore increases the cuts which will need to be made in 2012/13 and also defers an unfunded redundancy costs liability from delaying cuts. This will increase the level of cuts in 2012/13 as no further Transitional funding will be paid by the Government in 2012/13.

5. CONCLUSION

- 5.1. The report indicates that there have been significant changes in how some Specific Grants and grants previously allocated through the Area Based Grant will be allocated from 2011/12. The amount of funding allocated to individual councils will also reduce significantly.
- 5.2. The report outlines proposed allocations for using the grants transferred into the Formula grant and the new EIG, which will enable service reductions to be managed with significantly reduced funding.
- 5.3. In Hartlepool's case these reductions are on top of the reduction to the core Formula Grant. The current level of grant reductions is £9.288m, for 2011/12 which consist of the following amounts

• Core Formula Grant reduction	£6.131m
• Grant Transferred into Formula Grant reduction	£1.217m
• Grants transferred into EIG reduction	<u>£1.940m</u>
• Total Grant reduction	<u>£9.288m</u>

- 5.4. The final reduction in grant funding will be higher than indicated above, once account is taken of reductions in specific grants.
- 5.5 The report also advises Members that the position on the new Social Service grant has been clarified. This funding has been included in the core Formula Grant, which means the Council's flexibility to manage the 2011/12 budget has reduced from £2.7m to £1.7m. This reduced amount will be needed to meet 2011/12 redundancy costs which are estimated to be £1.6m.

6. RECOMMENDATION

- 6.1. It is recommended that Cabinet approves the proposed allocations detailed in Appendices A and B and refers this issue to Scrutiny Co-ordinating Committee as part of the budget process.

Formula Grant Adjusted Baseline

	Specific grant or ABG	ABG and Specific Grants transferred into Formula Grant £'000
Formula Grant		
Concessionary Travel	Specific	582
Child Death Review Processes	ABG	18
Care Matters White Paper	ABG	116
Economic Assessment Duty	ABG	65
Adult Social Care Workforce	ABG	297
Carers - Adult	ABG	436
Carers - Child	ABG	109
Child & Adolescent Mental Health	ABG	234
Learning & Disability Development Fund	ABG	106
Local Involvement Networks	ABG	99
Mental Capacity Act & Independent Mental Capacity	ABG	63
Mental Health	ABG	373
Stroke Services	Specific	87
Social Care Reform Grant	Specific	440
Social Care Reform Grant	Specific	63
Social Care Reform Grant - Extra Care Specific	Specific	20
Aids	Specific	7
Private Sewers		-39
Planning Inspectorate SUDs Appeals Costs		-2
Academies		-282
Local Transport Services	Specific	118
Supporting People	ABG	3985
Housing Strategy for Older People	ABG	70
LSC Staff Transfer	ABG	275
Preserved Rights	Specific	270
Animal Health & Welfare		5
Adjusted Formula Grant		7515

7.1 Appendix 4a

2011/12 Proposed allocation £'000	Reducton in Funding £'000
350	0
16	2
100	16
56	9
257	40
377	59
94	15
202	32
92	14
86	13
54	9
322	51
75	12
380	60
54	9
17	3
6	1
0	0
0	0
0	0
102	16
3443	542
61	9
238	37
	37
233	
4	1
6621	985

2012/13 Proposed allocation 21.12.10 £'000	Reducton in Funding £'000
350	0
15	1
94	7
53	4
240	17
352	25
88	6
189	13
86	6
80	6
51	4
301	21
70	5
355	25
51	4
16	1
6	0
0	0
0	0
0	0
95	7
3218	226
57	4
222	16
	15
218	
4	0
6210	411

7.1 Appendix 4b

Early Intervention Grant

	ABG & Specific Grants transferred into Early Intervention Grant	2011/12 Proposed Budget allocation	Reduction in Funding
	£	£	£
ABG Grants			
Connexions - utilised by Child and Adults Services	1,117,729	879,788	237,941
Connexions - utilised by Local Authority	166,814	131,303	35,511
Children's Fund	394,991	310,906	84,085
Positive Activities For Young People - utilised by Child and Adult Services	474,000	373,095	100,905
Positive Activities For Young People - utilised by Local Authority	32,508	25,588	6,920
Teenage Pregnancy	144,000	113,345	30,655
Youth Substance Misuse - only DFE element	13,174	10,370	2,804
January Guarantee	12,208	9,609	2,599
Child Trust Fund	2,378	1,872	506
Children's Social Care Workforce	41,495	32,662	8,833
ABG Total	2,399,297	1,888,536	510,761
Specific Grants			
Children's Centres	3,260,350	2,566,289	694,061
Early Years Sustainability	623,717	490,941	132,776
Early Years Workforce	359,135	282,683	76,452
Two Year Old Offer Early Learning and Childcare	215,990	170,010	45,980
Think Family Grant	969,706	763,276	206,430
Short Breaks for Disabled Children	381,630	300,389	81,241
Foundation Learning	22,620	17,805	4,815
Targeted Mental Health in Schools	222,500	175,134	47,366
Contact Point	64,266	0	64,266
Youth Crime Action Plan	175,000	137,746	37,254
Youth Opportunity Fund	181,100	142,548	38,552
Specific Grants Total	6,476,014	5,046,820	1,429,194
TOTAL	8,875,311	6,935,356	1,939,955

SCRUTINY CO-ORDINATING COMMITTEE

14th January, 2011



Report of: Corporate Management Team

Subject: QUARTER 2 – CORPORATE PLAN AND
REVENUE FINANCIAL MANAGEMENT
REPORT 2010/2011

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide details of progress against the Council's overall revenue budget for 2010/2011.

2. CONSIDERATION OF ISSUES

- 2.1 A separate report has not been prepared for your Committee as a comprehensive report was submitted to Cabinet on 22nd November, 2010 (**Appendix 1**). This report sets out the key issues to bring to your attention.
- 2.2 In line with previous monitoring reports, the attached report provides an overall picture of performance and progress against the approved 2010/2011 revenue budget.

3. RECOMMENDATIONS

- 3.1 Members consider the report.

CABINET REPORT

22nd November, 2010



Report of: Corporate Management Team

Subject: QUARTER 2 – CORPORATE PLAN AND
REVENUE FINANCIAL MANAGEMENT
REPORT 2010/2011

SUMMARY

1. PURPOSE OF REPORT

1.1 To inform Cabinet of: -

- The progress made towards achieving the Corporate Plan Actions in order to provide timely information and allow any necessary decisions to be taken;
- To provide details of progress against the Council's overall revenue budget for 2010/2011.

2. SUMMARY OF CONTENTS

2.1 The report describes progress towards achieving the actions within the Corporate Plan using the traffic light system of Green, Amber and Red. The report provides an overview of Council performance, with separate sections providing more detailed information for each Portfolio Holder to consider.

2.2 The Revenue Budget Monitoring report covers the following areas:

3. RELEVANCE TO CABINET

Cabinet has overall responsibility for the monitoring of the Council's Corporate Plan and the Revenue budget.

4. TYPE OF DECISION

None.

5. DECISION MAKING ROUTE

Cabinet 22nd November, 2010.

6. DECISION(S) REQUIRED

Cabinet is asked to: -

- Note the current position with regard to performance and revenue monitoring;

Report of: Corporate Management Team

Subject: QUARTER 2 – CORPORATE PLAN AND
REVENUE FINANCIAL MANAGEMENT
REPORT 2010/2011

1 PURPOSE OF REPORT

- 1.1 To inform Cabinet of the progress made towards achieving the Corporate Plan outcomes through identified actions and of progress against the Council's own 2010/2011 Revenue Budget, for the period to 30th September, 2010.

2 BACKGROUND

- 2.1 In line with previous monitoring reports, this report is an integrated document that is page numbered, thus allowing Members easier navigation around the report. (See contents table below). The report firstly provides an overall picture of performance and progress against the approved 2010/2011 revenue budget.

Section	Heading	Page
3.	Overall Performance and Progress on Actions and Performance Indicators	5
	Detailed Performance Monitoring Sections	
4.	Adult and Public Health Portfolio	5
5.	Children's Services Portfolio	6
6.	Culture, Leisure and Tourism Portfolio	8
7.	Performance Portfolio	8
8.	Finance and Procurement Portfolio	9
9.	Transport and Neighbourhoods Portfolio	10
10.	Regeneration and Economic Development Portfolio	11
11.	Community Safety and Housing	13
12.	Revenue Financial Management Information	16
13.	Conclusions	21
14.	Recommendations	21

- 2.2 This report will be submitted to Scrutiny Co-ordinating Committee on 3rd December, 2010.

3 OVERALL PERFORMANCE AND PROGRESS ON ACTIONS AND PERFORMANCE INDICATORS

3.1 The Council identified 108 actions with specific completion dates and 121 performance indicators (PIs) as measures of success in the 2010/2011 Corporate Plan. Overall performance is good, and in line with expectations with 97% of actions and 87% of the PIs (when annually reported PIs have been removed) judged to be either on or above targets. An explanation of the traffic lights can be found below. Tables 1 and 2 below summarise officers' views on progress as at 30th September, 2010, for each Portfolio Holder's responsibilities: -



Action has not been completed or PI target not achieved



Action/PI where intervention is required as not progressing well



Action/PI progress is acceptable



Action/PI on track to achieve



Action/PI completed or target achieved

Table 1 – Progress on Actions within the Corporate Plan

Portfolio	Actions by Traffic Light					
	Green (on track or achieved)		Amber (progress acceptable)		Red (not achieved or intervention required)	
	No.	%	No.	%	No.	%
Adult Services and Public Health	10	100	0	0	0	0
Children's Services	26	90	2	7	1	3
Culture, Leisure and Tourism	5	100	0	0	0	0
Performance	19	76	6	24	0	0
Finance and Procurement	8	80	2	20	0	0
Transport and Neighbourhoods	10	91	1	9	0	0
Regeneration and Economic Development	7	80	0	0	1	20
Community Safety and Housing	6	60	3	30	1	10
Total	91	85	14	13	3	2

Table 2 – Progress on Performance Indicators

Portfolio	PIs by Traffic Light					
	Green (on track or achieved)		Amber (progress acceptable)		Red (not achieved or intervention required)	
	No.	%	No.	%	No.	%
Adult Services and Public Health	5	83	1	17	0	0
Children's Services	3	100	0	0	0	0
Culture, Leisure and Tourism	1	100	0	0	0	0
Performance	0	0	0	0	0	0
Finance and Procurement	1	100	0	0	0	0
Transport and Neighbourhoods	9	82	1	9	1	9
Regeneration and Economic Development	5	50	1	10	4	40
Community Safety and Housing	8	57	5	36	1	7
Total	32	70	8	6	6	13

*figure may not always add to 100% due to rounding

DETAILED PERFORMANCE MONITORING SECTIONS

4 ADULT AND PUBLIC HEALTH PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 4.1 Within the Adult and Public Health Portfolio there are a total of 10 actions identified in the 2010/2011 Corporate Plan. All 10 actions have been assessed as being on target for completion within the timescale. No actions required intervention at this point in the year.
- 4.2 With regards to PIs within the Corporate Plan, 2 have already achieved their target with are further 4 being on track or achieving acceptable progress.
- 4.3 Key areas of progress made to date in the Adult and Public Health Portfolio include: -
- Hartlepool Stop Smoking service exceeded 4 week target in 2009/2010. This service is top performing in the country. The Smoke Free Alliance continues to work with FRESH to reduce illicit tobacco sales.
 - The Obesity Partnership has now been re-launched as the Healthy Weight Healthy Life partnership with new terms of reference and strengthened membership and is overseeing implementation of a range of healthy eating indicatives.
 - The proportion of eligible people receiving a personal budget continues to increase and the position at 30th August, 2010 was 63.6% (an increase from 58.6% in April, 2010). The Personal Health Budgets pilot is now operational and recruiting patients, and has recently been given the power to

offer health direct payments to people with continuing health care needs.

- The Mental Health Local Implementation team highlighted that due to Government changes it is acknowledged that New Horizons is an old Government policy. While it is felt that the principles and commitment will remain the same, we await the new Government's direction. A meeting will be held with the main providers across the town to ensure good working practices continue (Sept). Community Consultation Group has reformed with new Chair (Stefan Wright) meeting arranged to discuss communication channels to enable sharing of information.

5 CHILDREN'S SERVICES PORTFOLIO - Performance Update for the Period ending 30th September, 2010

- 5.1 Within the Children's Services Portfolio there are 29 actions identified in the 2010/2011 Corporate Plan. A total of 23 of these actions are on target for completion, 2 are making acceptable progress and 3 have been completed. One action requires intervention:

Actions assessed as requiring intervention

Outcome: Be Healthy			
Code	Action	Due Date	Note
CADHW017	Work with partner agencies, young people, schools and families to reduce under 18 conception rates by 55% from 1998 baseline and improve sexual health	31/03/2011	<p>Recently published under 18 conception rates show a slight reduction in the under 18 conception rate for Hartlepool 65.9% per 1000 females aged 15 - 17 years. This demonstrates a 12.9% change in the rate from the baseline in 1998 which was 75.6%.</p> <p>The Teenage Pregnancy Partnership Board has agreed the multi agency Teenage Pregnancy action plan for implementation during 2010/11. Current priorities include:</p> <ul style="list-style-type: none"> • Reducing 2nd under 18 conceptions by implementing a contraceptive pathway for young women who have had an abortion or become a young mother • Embedding a risk and resilience programme into secondary schools this will replace traditional sex & drug education by combining risk taking behaviour and under pinning with emotional

			<p>resilience.</p> <ul style="list-style-type: none"> • Early identification of young people at risk of teenage pregnancy by utilising the learning from the North East Improvement and Efficiency Partnership (NEIEP) Outcome Based Planning project.
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5.2 All but three PIs in the Corporate Plan are measure on an annual basis but these three quarterly PIs have achieved their targets.

5.3 Key areas of progress made to date in the Children's Services Portfolio include: -

- Percentage of young people NEET is 6.5% against a target of 7.6%. The team will be participating in NEET Reduction Activity (solely) for the duration of week commencing 25th October, 2010 to 29th October, 2010. The focus of the Week will be based on the Not Known Cohort. The Not Known figure is currently 5.6%. Addressing the Not Known cohort will give a clearer reflection of the NEET figure and support planned engagement between November and January. The team will be working to a plan during this period to best support meeting the NEET Target. The introduction of Foundation Learning at present has not impacted on the NEET figure however this may change over the Christmas period as young people review their situation.
- A rewrite of the local Participation Strategy is underway. In the interim the Integrated Youth Support Service continues to ensure that young people locally have opportunities to participate in local decision making processes and shape local service delivery. Key activities over the quarter have been the coming together of Secondary School Forums, Youth Parliament activities, participation in Children's Services Scrutiny Forum and continued development of the Children's Trust User Group and the support of the Grant Givers group who are now allocating monies to local projects who wish to extend their services to young people locally.
- The action of developing preventative and early intervention services and support to avoid the need for more intensive intervention from statutory services is underway. However, the process in the North of Hartlepool has been delayed due to a lack of clarity regarding funding for services in 2011/2012. This process will now be established later in the year after the government spending review. The team around the school continues to raise regional and national interest with Hartlepool Officers being invited to do presentations across the country.

6 CULTURE, LEISURE AND TOURISM PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 6.1 Within the Culture, Leisure and Tourism Portfolio there are a total of 5 actions that were identified in the 2010/2011 Corporate Plan. All of these actions have been assessed as being on target for completion by the agreed date.
- 6.2 Only one performance indicators is measured on a quarterly basis and this PI is on track to achieve its target. The remaining PIs are measured annually
- 6.3 Key areas of progress made to date in the Culture, Leisure and Tourism Portfolio include: -
- The Hartlepool Civic Society in October awarded the Seaton Playbuilder Scheme with a Certificate of merit for its innovative environmental enhancement to facilities in the park. Members of the project team were present at the annual evening event to receive the award and say a few words about the important contribution made by local communities and the children of Hartlepool that ensured all nine year one schemes were a success.
 - The first draft for Sports and activity strategy is expected to be presented to the Community Activities Network steering group on the 13th October for discussion before going out for public consultation. All members of the steering group, key partners, sports clubs and youth clubs have been consulted with to date. Six bids have been submitted to the October funding sub group. Four have been put forward for recommendation to the CAN, one bid deferred and one declined

7 PERFORMANCE PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 7.1 Within the Performance Portfolio there are a total of 25 actions within the 2010/2011 Corporate Plan. A total of 19 of these actions have been assessed as having been completed or on target to be completed by the agreed date. A further 6 actions are performing at an acceptable level.
- 7.2 There are no PIs reported on a quarterly basis for the Performance Portfolio, all are measured on an annual basis.
- 7.3 Key areas of progress made to date in the Performance Portfolio include: -
- There have been no announcements on the future of LAAs from central government however it is anticipated that local

areas will be expected to prepare their own partnership performance management framework. Planning work is currently underway and a review of the outcome framework has begun. It is intended that the outcome framework will be agreed by Cabinet in December and by the Hartlepool Partnership in January

- Additional services transferred this quarter to Hartlepool Connect include Revenues & Benefits Counter Team, Scanning Team, Parking Services. Corporate booking system being implemented in Registrars service. CRM now using intelligent scripting
- A number of consultation projects have been completed. The budget consultation is the most significant - this has involved the public, staff, community and business representatives and young people. This information is being used in the budget making process and results are being fed back to participants. Other consultation projects have examined views of leisure centres users, contacting the council to make a complaint and Hartbeat
- The Scrutiny Work Programmes were approved by SCC on the 23rd July, 2010. Scoping and Setting the Scene report prepared and considered by all Forum/SCC and investigations now well underway with evidence being received from the relevant Portfolio Holders and the Town's MP. Project Plans in place for all investigations with clearly defined timescales and completion dates. All investigations are on track for completion in accordance with the agreed timescales and the deadline for completion of the overall Scrutiny Work Programme by the end of the Municipal year

8 FINANCE AND PROCUREMENT PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 8.1 Within the Finance and Procurement Portfolio a total of 10 actions were identified in the 2010/2011 Corporate Plan. A total of 8 actions are on track and 2 actions are at an acceptable level.
- 8.2 There is just one PI under the Finance and Procurement Portfolio that is measured on a quarterly basis and this is on track to achieve its target.
- 8.3 Key areas of progress made to date in the Finance and Procurement Portfolio include: -
- Review of 5 year Procurement Plan Category plans has been completed and these have been developed into action plans. These plans are currently being reviewed to ensure that they reflect not only the Category Management activities but also the activities related to ongoing Departmental support and

targeted savings. Contracts are being reviewed in this process.

Proposed date change

- 8.4 The following action have been identified by the department as an action which needs to have its target date changed and Cabinet is asked to approve these date changes.

Code	Action	Initial Due Date	Proposed due date	Comment
RND OD002	Agree a regional, sub-regional and local strategy in collaborative procurement	31 Jul 2010	31 Oct 2010	The required respond by date in relation to the Regional Collaborative Procurement Business Case is the end of October 2010. All efforts in this area will be focused on achieving this date.

9 TRANSPORT AND NEIGHBOURHOODS PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 9.1 Within the Transport and Neighbourhoods Portfolio there are a total of 11 actions within the 2010/2011 Corporate Plan. All of these actions have been identified as being on target to be completed by the agreed date.
- 9.2 There are a total of 11 performance indicators that have been identified as measures of success that are not reported only on an annual basis. Five of these indicators have been assessed as being expected to achieve their target by year end with a further 5 already having achieved their target, just 1 PI has not achieved target this quarter:

Performance Indicators not achieving target

PI	Indicator	Target 10/11	2 nd Qtr Outturn	Comment
NI 193	Percentage amount of municipal waste land filled	6%	16.6%	Following the shutdowns of the energy from waste plant in April, May, June and a further shutdown in July has led to waste being landfilled. There are planned shutdowns in the final quarter, which will impact again on the amount of waste to landfill.

- 9.3 Key areas of progress made to date in the Transport and Neighbourhoods Portfolio include: -

- A report was presented to Cabinet in September where it was agreed to revise and reconsult on the Core Strategy Preferred Options following consideration of consultation feedback and

changes in national policy. The revised document will be presented to Cabinet in November and consultation will take place for a 10 week period after this. Work is progressing on SPD's for the Town Centre and Planning Obligations although the latter may be affected by changes in Government policy

- Initiatives continue with domestic household waste collections, and at the Household Waste Recycling Centre, in order to reduce residual waste tonnages and increase the levels of materials being recycled/re-used. First-quarter results were encouraging with overall re-cycling levels at 45.2%; this trend has been maintained into the second quarter with overall recycling standing at 44.7%. Further work/initiatives will seek to maintain these levels over the remainder of the year, despite seasonal trends usually showing a significant reduction in green waste and an increase in residual tonnages following the Christmas period

10 REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO Performance Update for the Period Ending 30th September, 2010

- 10.1 Within the Regeneration and Economic Development Portfolio there are a total of 8 actions identified in the 2010/2011 Corporate Plan, with 7 being assessed as expected to be completed by the agreed date or already completed and the remaining action requires intervention.

Actions assessed as requiring intervention

Outcome:			
Code	Action	Due Date	Note
RND JE002	Jacksons Landing – Facilitate the reuse of the building through a range of partners	30 Jun 2010	Date change request - From June 2010 to March 2011. Reason: Delays due to complicated negotiations partly as a result of the severe economic conditions.

- 10.2 There are 10 indicators within the Corporate Plan for the Regeneration and Economic Development Portfolio which are not reported on a quarterly basis, 6 of which are either on track or acceptable progress is being made with one PI missing its target

Performance Indicators not achieving target

PI	Indicator	Target 010/11	2 nd Qtr Outturn	Comment
RPD P045	Employment Rate (16-24)	54.1	54.4	Youth employment rate whilst continuing to be low has shown slight improvement which is in contrast to Darlington , Middlesbrough, Redcar , North East and GB which have all shown reductions

PI	Indicator	Target 010/11	2 nd Qtr Outturn	Comment
				over the same time period. The long term trend is mirrored in all areas and is likely to be a combination of more young people staying on in education and reduced employment opportunities due to the current economic climate
NI 151	Overall Employment rate (working-age)	68.8	60.9	Data refers to March 2010. Outturn has shown some improvement whilst most other areas has seen a reduction in employment rate. Disappointing reduction in employment rate which mirrors employment rate changes across the UK largely due to poor national and local economic performance. It is likely that the rate will reduce further as a result of reduced public sector funding and spend in the local economy
NI 152	Working age people on out of work benefits	18.7%	22.3%	As more residents are economically inactive the direct result is an increase in the take up of out of work a benefit which mirrors performance elsewhere in the UK. It is highly likely that this performance indicator will continue on a negative trend particularly in light of public spending cuts and reductions in spend within the local economy. Information refers to May 10
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods	26.0%	34.2%	The increased take up of benefits is a direct result of greater levels of worklessness and this mirrors performance elsewhere in the UK. It is highly likely that the performance in this area will continue on a negative trend and the reduction in public sector funding and spend in the local economy will impact negatively on this indicator

Proposed date change

- 10.3 The following action have been identified by the department as an action which needs to have its target date changed and Cabinet is asked to approve these date changes.

Code	Action	Initial Due Date	Proposed due date	Comment
RND JE002	Jacksons Landing – Facilitate the reuse of the building through a	30 Jun 2010	31 March 2011	DATE CHANGE REQUEST - From June 2010 to march 2011. Reason: Delays due to complicated negotiations partly

	range of partners			as a result of the severe economic conditions.
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10.4 Key areas of progress made to date in the Regeneration and the Economic Development Portfolio include: -

- ISQ Gateway master plan nearing completion following discussion with local stakeholders and costings being prepared. ONE North East have confirmed that Single Programme funding would not be available in future to support the scheme and alternative sources will be investigated including Regional Growth Fund and Council capital resources. Crown House has been demolished and funding is being sought to progress design and feasibility work in relation to a new incubator facility
- Continuing to develop growth sector skills initiatives with key stakeholders in Hartlepool and Tees Valley particularly around the renewable sector, including wind and sea turbine developments. HCFE, Redcar College and Northumberland have training partnership to provide specialist skills training for the sector. Hartlepool Econ Dev working to develop an entry level pilot for unemployed to gain entry to skills
- Exercise undertaken as part of the regular NAP Officers Group on 11th August, 2010. Assessed CVI information alongside the IMD and agreed not to change the NRS area/priority neighbourhoods at this stage. Work on NAP Forum coverage ceased as a result of this. All of the options considered have been fed into the SDO Review and subject to agreement of the Programme Board further work will be undertaken after the Autumn Spending Review and the Localism Bill in November
- GONE has indicated that it is to sign off the NDC Succession Strategy in Q3 with a caveat relating to claw back on the Dalton Street Car Park. Support also continues to be provided in relation to archiving and attendance at the Steering Group and Personnel Sub Group. Applications also drafted for key buildings/flexible grant pot and Voluntary Sector Premises Pool projects for the Council's SCRAPT budget. At the present time, these have not been taken forward for consideration, but will be kept as reserve projects should those being prepared not be put forward to the SCRAPT group

11 COMMUNITY SAFETY AND HOUSING PORTFOLIO - Performance Update for the Period Ending 30th September, 2010

- 11.1 Within the Community Safety and Housing Portfolio there are a total of 10 actions within the 2010/2011 Corporate Plan. Six of the actions have been assessed as completed or on target for completion, with a further 3 actions having acceptable progress. The remaining action requires some intervention:

Actions assessed as requiring intervention

Outcome: HO 27 - Access to Housing			
Code	Action	Due Date	Note
RND HO010	Implement changes to Common Allocations Policy approved from review	30 Sep 2010	25 Oct 2010 DATE CHANGE REQUEST - From September 2010 to April 2011. Reason: Final approval to Policy changes needs to be agreed by all 9 partners via each of their governing bodies which could take until 31.3.2011, following this software provider will need to make amendments to software provided before implementation can be completed

- 11.2 There are 14 performance indicators (PIs) included in the Corporate Plan as measures of success that are not reported on an annual basis, 8 of which have been assessed as achieving its target or being on track to achieve target and a further 5 progress at an acceptable level. The final PI is currently not achieving its target.

Performance Indicators not achieving target

PI	Indicator	Target 10/11	2nd Qtr Outturn	Comment
NI 20	Assault with injury crime rate	7.14	4.56	Recorded crimes = 417 April – September 2010. This indicator is measuring less serious assaults, but continues at a rate above target, albeit at slightly lower gap between target and actual than in Q1. The Council and partners, through Safer Hartlepool partnership activity, continue to focus on reducing this crime level, and several new activities have been introduced during quarter 2 - for example, taxi marshalling after midnight in church street. Other initiatives are planned, for example possible alley gates to close off troublesome back alleys

Proposed date change

- 11.3 The following action have been identified by the department as an action which needs to have its target date changed and Cabinet is asked to approve these date changes.

Code	Action	Initial Due Date	Proposed due date	Comment
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RND CS003	Assess supported Panel / Vulnerable Housing process to increase access to housing for substance mis users and offenders	31 Jul 2010	31 March 2011	Date change proposed to 31 March 2011 reason: 'Changes have been made but there is need to allow time to assess if embedded and realising improved results.' Treatment and criminal justice process altered. Workers receiving information and liaising with housing to improve effectiveness. Additional facilities to be negotiated and included in operation
RND CS009	Create and deliver communications strategy to target those areas where perceptions of anti social behaviour is 20% or higher	30 Sep 2010	31 March 2011	DATE CHANGE REQUEST - From Sept 2010 to March 2011. Reason: Whilst the Place survey is discontinued, regular meetings are held with Avanticom to ensure continuous promotion of the work that is being done to counter anti-social behaviour. Revised due date due to the fact that communications is an on-going activity
RND HO010	Implement changes to Common Allocations Policy approved from review	30 Sep 2010	31 April 2011	From September 2010 to April 2011. Reason: Final approval to Policy changes needs to be agreed by all 9 partners via each of their governing bodies which could take until 31.3.2011, following this software provider will need to make amendments to software provided before implementation can be completed

11.4 Key areas of progress made to date in the Community Safety and Housing Portfolio includes: -

- Review of needs assessment and priorities completed including consideration of issues through Health Scrutiny. Self Assessment and Draft Strategy circulated and nearing completion. NHS/NST Alcohol report will inform final Strategy and action plan. Scheduled activity includes reporting to Cabinet and LSP by end of January, 2011.
- The development of affordable housing is underway on the Seaton Lane, Charles Street and Kipling Road sites. Some completions on the Seaton Lane and Charles Street sites have already taken place and all sites are on track to be completed before the end of the financial year.
- Growth Point funding at Seaton Lane and Belle Vue at the agreed level has been confirmed for 2010/2011. Current spend for 2010/2011 is on track, including purchased at Belle Vue and is expected to be completed by March, 2011.

12 REVENUE FINANCIAL MANAGEMENT 2010/2011 - OVERVIEW

12.1 This section provides details covering the following areas: -

- Overview of Financial Position;
- Review of High Risk Budget Areas;
- Performance against Budget Pressures treated as Contingency Items;
- Progress against Departmental Salary Turnover Targets;
- Progress against Area Based Grants
- Key Balance Sheet information.

12.2 Overview of Financial Position

12.3 At an overall level the Council's budget is managed on a departmental basis and the overall position is summarised at **Appendix A**.

12.4 **Appendix A** is supported by detailed Financial Management statements for each Portfolio, which includes comments on material variances as set out below:

- Appendix C - Adult and Public Health
- Appendix D - Children's Services
- Appendix E - Community Safety & Housing
- Appendix F - Culture Leisure & Tourism
- Appendix G - Finance & Procurement
- Appendix H - Regeneration & Economic Development
- Appendix J - Performance

12.5 In relation to corporate budgets these forecasts confirm the initial position reported in September of a £0.9m underspend on centralised estimates. This is to be utilised £0.5m to support the in year grant cuts and £0.4 to support the Tall Ships programme.

12.6 Detailed outturns for departmental budgets had not previously been prepared as it is difficult to determine trends based on the first quarters results. Forecast outturns have now been prepared and are detailed in **Appendix A** and in broad terms there is expected to be an overspend on departmental budgets of £0.375m, inclusive of forecast income shortfalls.

12.7 In relation to the detailed departmental forecasts there are a number of income shortfalls which need to be funded from reserves set aside to manage these risks. These adverse income levels are greater than anticipated and commit the whole of the

resources allocated to manage this risk in 2010/2011 and 2011/2012. When account is taken of these reserves there is a net underspend of £0.07m as summarised in the table below. It is suggested this amount is transferred to the Strategic Risk Reserve to manage continuing income risks. Detailed comments on the key variances are provided in Appendices C-J.

	Forecast Outturn		
	Gross Adverse/ (Favourable) Variance £'000	Funding Allocated for Income Shortfall £'000	Net Adverse/ (Favourable) Variance £'000
Child and Adult Services	(345)		(345)
Regeneration and Neighbourhood Services	417	(200)	217
Chief Executives Department	303	(246)	57
Net Outturn Variance - All Departments	375	(446)	(71)

- Child and Adult Services – net underspend £345,000

This variance is mainly owing to savings arising from vacant posts in various areas of educational services and lower costs for Looked After Children. Looked After Children is a volatile area and specific reserves are being created to manage the risk in future years through the Medium Term Financial strategy.

- Regeneration and Neighbourhoods – net overspend £217,000

There are two distinct areas of overspend within the department, Car Parking income anticipates a shortfall of £264,000 as detailed in the table above income has been allocated from the Strategic Risk reserves to cover the estimated value of this shortfall. Cabinet approved an increase in Car Parking charges on 6th September of 10p per hour, this expected to generate an additional £150,000 per annum. In addition to this the department is conducting a full review on costs associated with Car Parking and will seek to address any further budget pressures from within the overall departmental budget.

Building Control and Planning income is expected to have a shortfall of approximately £140,000. This area in particular has been impacted upon by the economic downturn.

- Chief Executives Department – net overspend £57,000

The department has a gross overspend of £303,000 owing to a shortfall in the main of Shopping Centre income and Land Charges.

These income shortfall trends were anticipated and as detailed in the table above income has been allocated from Strategic Risk reserves to partly cover these shortfalls. This reserve is now depleted and therefore should the trends continue there will be a budget pressure in the coming financial years.

- 12.8 The forecast outturns do not yet include potential benefits of advance Service Delivery Option savings being achieved earlier than anticipated in the Medium Term financial strategy. These details will reported to your next meeting as part of the 2011/2012 budget report.

12.9 **Review of High Risk Budget Areas**

- 12.10 High risk budget areas were identified as part of the budget setting report, submitted to Cabinet in February. These issues are explicitly managed and reported to ensure any problem areas are identified at an earlier stage, to enable appropriate corrective action to be taken. The areas identified as high risk budgets are attached at **Appendix B**, which explains how these items were identified and indicates that there are currently variances on a number of budgets.

The main adverse variances relate Car Parking. The Car Parking variance is owing to income collected being lower than budgeted levels. Work is ongoing to review the Car Parking income budget with a view to addressing the long term budget gap in this area. Reserves will be used to manage the short term position for 2010/2011.

Further details are included in **Appendices C to J**.

12.11 **Performance against Budget Pressures treated as Contingency Items**

- 12.12 Members will recall that as part of the review of budget pressures for 2010/2011, it was determined that a number of pressures are not certain to arise, or the value of the pressure is not certain. These items were therefore classified as “contingency” items and a budget provision was made to underwrite these risks.

- 12.13 **Appendix K** provides a schedule of these items.

12.14 **Progress against Departmental Salary Turnover Targets**

- 12.15 An assumed saving from staff turnover is included within salary budgets. Details of individual department's targets are summarised in the table below.

Department	2010/11 Turnover Target £'000	Expected to 30.09.10 £'000	Actual to 30.09.10 £'000	Variance from Target £'000
Adult & Community Services	522.4	255.4	356.5	(101.1)
Chief Executives	237.6	119.0	129.0	(10.0)
Children's Services (excluding Schools)	281.0	240.0	240.0	0.0
Regeneration & Neighbourhoods	302.0	151.0	151.0	0.0
				0.0
	1,343.0	765.4	876.5	(111.1)

- 12.16 The above figures are included within the variances reported for each department at a detailed level.

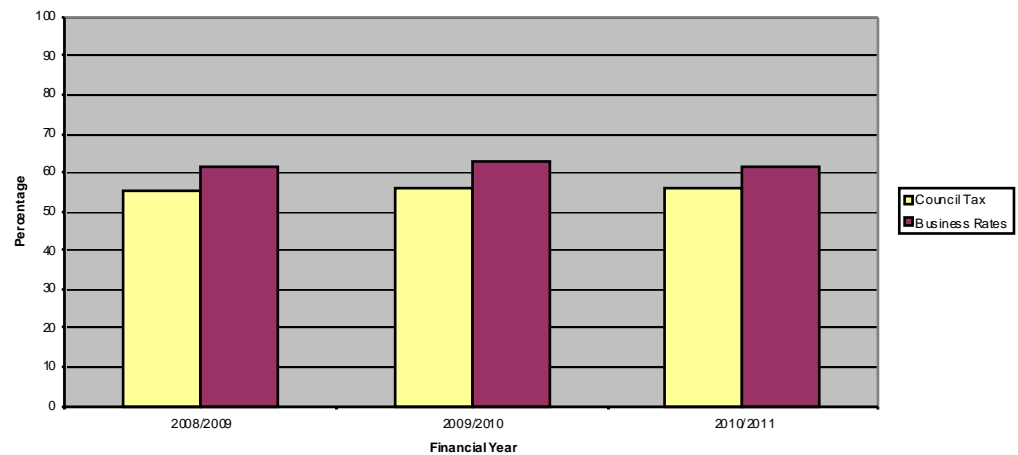
12.17 Key Balance Sheet Information

- 12.18 A Balance Sheet provides details of an organisation's assets and liabilities at a fixed point in time, for example, the end of the financial year or other fixed accounting periods. Traditionally local authorities have only produced a Balance Sheet on an annual basis and have managed key Balance Sheet issues through other more appropriate methods. However, under CAA arrangements there is a greater emphasis on demonstrating effective management of the balance sheet. The Audit Commission's preferred option is the production of interim balance sheets throughout the year. In my opinion the option is neither practical nor beneficial as a Local Authority Balance Sheet includes a large number of notional valuations for the Authority's fixed assets and pension liabilities. It is therefore more appropriate to monitor the key cash balance sheet items and these are summarised below:-

- Debtors

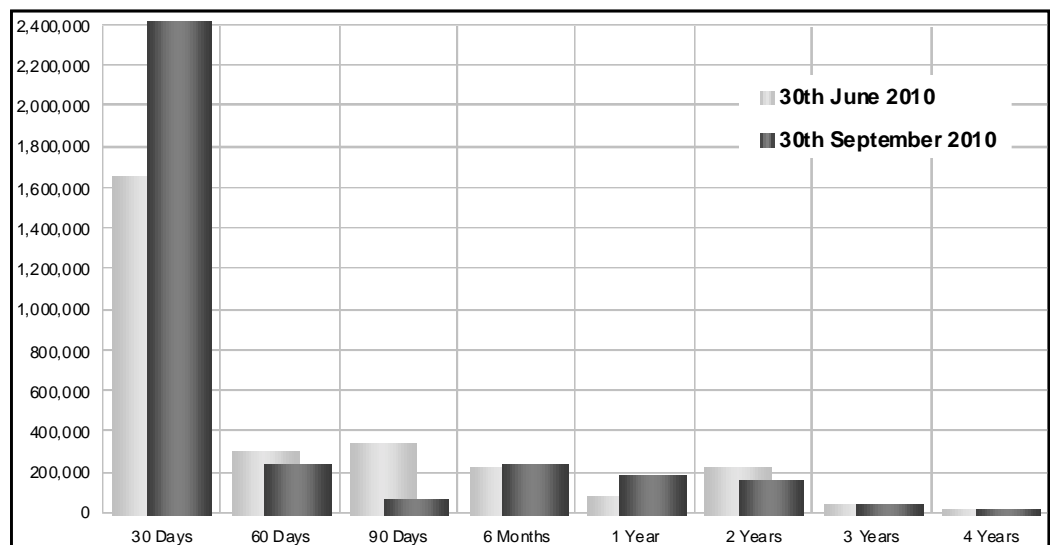
The Council's key debtors arise from the non payment of Council Tax, Business Rates and Sundry Debtors. These areas are therefore subject to detailed monitoring throughout the year. The position on Council Tax and Business rates are summarised below:-

Percentage of Debt Collected at 30th September



The Council Tax collection rate is up slightly by 0.06% and the NNDR collection rate is slightly up by 0.83% when compared to the same period last financial year. In-year collection rates are affected by the timing of week/month ends.

The position in relation to Sundry Debtors is summarised below:



At the start of the current financial year the Council had outstanding sundry debts of £3.137m. During the period 1st April, 2010 to 30th September, 2010, the Council issued approximately 8,697 invoices with a value of £12.447m. As at the 30th September, 2010, the Council had collected £8.912m, leaving £3.535m outstanding, which consists of: -

- Current Debt - £2.976m

With regard to current outstanding debt, this totals £2.976m at 30th September, 2010, inclusive of approximately £2.423m of debt less than thirty days old.

- Previous Years Debt - £0.433m

These debts relate to the more difficult cases where court action or other recovery procedures are being implemented. At the 30th September, 2010, debts older than one year totalled £0.433m.

- Borrowing Requirement and Investments

The Council's borrowing requirement and investments are the most significant Balance Sheet items. Decisions in relation to the Council's borrowing requirements and investments are taken in accordance with the approved Treasury Management Strategy.

13 CONCLUSIONS

- 13.1 The report details progress towards achieving the Corporate Plan outcomes and progress against the Council's own 2010/2011 Revenue Budget for the period to 30th September, 2010.

14 RECOMMENDATION

- 14.1 Cabinet is asked to: -
- Note the current position with regard to performance and revenue monitoring.
 - And approve date changes in paragraphs 8.4, 10.3 and 11.3.

GENERAL FUND - REVENUE MONITORING REPORT TO 30th September 2010

Line No	Actual Position 30/09/10			Description of Expenditure	Projected Outturn Position 30/09/10		
	Expected Expenditure/ (Income)	Actual Expenditure/ (Income)	Variance Adverse/ (Favourable)		Latest Budget	Projected Outturn	Projected Variance: Adverse/ (Favourable)
Col. A	Col. D	Col. E	Col. F (D=C-B)	Col. C	Col. B	Col. G	Col. H (H=G-F)
	£'000	£'000	£'000		£'000	£'000	£'000
				TABLE 1 - Departmental Expenditure			
1	30,937	30,272	(665)	Child and Adult Services	59,825	59,480	(345)
2	18,153	18,306	153	Regeneration and Neighbourhood Services	25,546	25,963	417
3	(1,246)	(1,184)	62	Chief Executives	9,182	9,485	303
4	47,844	47,394	(450)	Total Departmental Expenditure	94,552	94,927	375
				TABLE 2 - Corporate Costs			
				EXTERNAL REQUIREMENTS			
5	56	41	(15)	Magistrates, Probation and Coroners Court	192	192	0
6	25	25	0	North Eastern Sea Fisheries Levy	25	25	0
7	16	33	17	Flood Defence Levy	31	31	0
8	0	(59)	(59)	Discretionary NNDR Relief	85	85	0
				CORPORATE COMMITMENTS			
9	1,348	73	(1,275)	I.T.	2,695	2,695	0
10	182	38	(144)	Audit Fees	365	365	0
11	3,423	2,923	(500)	Centralised Estimates	6,845	5,945	(900)
12	0	0	0	Insurances	182	182	0
13	0	(31)	(31)	Designated Authority Costs	90	90	0
14	285	253	(32)	Pensions	362	362	0
15	182	191	9	Members Allowances	364	364	0
16	39	31	(8)	Mayoral Allowance	79	79	0
17	(185)	(178)	7	Emergency Planning	92	92	0
				NEW PRESSURES			
18	0	0	0	Contingency General	24	24	0
19	0	0	0	NNDR Holding Code	35	35	0
20	0	0	0	Planning Delivery Grant terminated	121	121	0
21	53	76	23	Business Transformation Programme	0	0	0
22	0	15	15	Members ICT	15	15	0
23	0	7	7	Secure Remand - Corporate	0	0	0
24	23	0	(23)	Climate Change Initiatives (Area Based Grant Funded)	23	23	0
25	0	0	0	Strategic Contingency	305	305	0
26	0	0	0	Waste Disposal Pressure	130	130	0
27	0	0	0	2006/07 Final Council Commitments	15	15	0
28	25	0	(25)	2007/08 Provision for Grants/Pressures/Priorities	23	23	0
29	0	0	0	Provision for Cabinet projects	53	53	0
30	0	0	0	Job Evaluation	803	803	0
31	0	0	0	Contribution to one-off BTP costs	450	450	0
32	0	0	0	2010/11 Pressures and Contingency	120	120	0
33	0	0	0	2009/10 Pressures Year 2 and 3 additional costs	100	100	0
34	0	0	0	LATS Income	(250)	(250)	0
35	0	0	0	Removal of Revenue Funding and Replace with Capitalisation	(500)	(500)	0
36	0	0	0	Benefit Subsidy income	(300)	(300)	0
37	26	26	0	PARISH PRECEPTS	26	26	0
38	0	0	0	CONTRIBUTION FROM BUDGET SUPPORT FUND AND OTHER RESERVES	(1,474)	(1,474)	0
39	0	0	0	Children's Services DSG Funding - LA Element Only	229	229	0
40	53,342	50,858	(2,484)	Total General Fund Expenditure	105,907	105,382	(525)
41				Centralised Estimates utilised to support in year grant cuts			500
42				Centralised Estimates utilised to support Tall Ships Programme			400
43				Funding Allocated for Income shortfalls			(446)
44				Forecast Outturn	117,262	115,837	(71)

Risk Rating

A simplified version of the Risk Assessment criteria used in the Council's Risk Management Strategy has been used to rank budget risks. This assessment rates risk using the convention of green/amber/red, as defined below, although different levels of risk within each category have not been defined. The risk assessment helps inform the Council's budget monitoring process as it identifies areas that need to be monitored more closely than other budgets. These procedures help ensure that departments can manage budgets and services within the overall departmental resource allocation and the Council's overall financial management framework, which enable departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

The value of expenditure/income on individual areas, together with the percentage of the authority's net budget, are shown in the table below to highlight the potential impact on the Council's overall financial position.

Green - these are unlikely events which would have a low financial impact

Amber - these are possible events which would have a noticeable financial impact.

Red - these are almost certain to occur and would have a very significant impact. Provision would need to be made for such events in the budgets.

CORPORATE RISKS

Financial Risk	Risk Rating	2010/11 Base Budget £'000	Variance to 30th September (Favourable)/ Adverse £'000	Projected Outturn Variance £'000
Pay costs - Single Status and costs of living pay award	Amber	50,470	0	0
Higher costs of borrowing and/or lower investment returns	Green	6,845	(500)	(900)
IT.	Green	2,695	0	0
Planned Maintenance Budget	Amber	232	232	0

CHILD & ADULT SERVICES

Financial Risk	Risk Rating	2010/11 Base Budget £'000	Variance to 30th September (Favourable)/ Adverse £'000	Projected Outturn Variance £'000
Individual School Budget	Amber	56,977	0	0
Individual Pupils Budget allocated during the year to schools for high level SEN pupils	Green	1,453	0	36
Home to School Transport Costs	Amber	1,700	9	(16)
Building Schools for the Future	Amber	0	(47)	(158)
Carlton Outdoor Education Centre	Red	0	45	90
Increased demand in places at independent schools for pupils with high level of SEN	Amber	528	7	23
Increased Demand for Looked After Children Placements	Red	5,464	0	(189)
Schools Buy-Back Income	Amber	(610)	21	20
Demographic changes in Older People	Amber	15,775	23	0
Demographic changes in Working Age Adults	Amber	8,921	32	(123)
Loss of Income - Tall Ships	Red	0	0	£0
Non-achievement of income targets - Community Services	Amber	(1,317)	(226)	0
Non-achievement of income targets - Social Care	Amber	(9,904)	(299)	(90)

REGENERATION & NEIGHBOURHOODS

Financial Risk	Risk Rating	2010/11 Base Budget £'000	Variance to 30th September (Favourable)/ Adverse £'000	Projected Outturn Variance £'000
Car Parking	Amber	(1,806)	159	264
Fee Income - Planning & Building Control	Amber	(686)	67	140
Rent Income - Economic Development Service	Green	(200)	0	0

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual to 30/09/10 £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
58	Environmental Protection	10	14	5	0	
(59)	Environmental Standards	(49)	(31)	18	39	The adverse variance relates mainly to lower than budgeted income for Outdoor Markets.
44	Adult Education	554	555	1	0	
4,271	Assessment, Care Management & Provision 1	2,041	1,993	(48)	(78)	The favourable variance relates to staffing underspends owing to vacancies being held in anticipation of SDO restructuring, this is offset by overspends for transport which is reflected in the outturn position.
2,680	Assessment, Care Management & Provision 2	1,225	1,139	(86)	(70)	The favourable variance relates to staffing underspends owing to vacancies being held in anticipation of SDO restructuring.
400	Carers & Assistive Technology	82	47	(35)	0	
5,021	Commissioning - Adults	2,253	2,241	(12)	(33)	
1,323	Commissioning - Mental Health	627	646	19	101	The adverse outturn variance in this area is owing to an anticipated overspend on residential and community based support of approximately £100K. This is a continuing trend and a pressure is identified in the 11/12 budget strategy.
9,415	Commissioning - Older People	4,372	4,326	(46)	0	
5,806	Commissioning - Working Age Adults	2,095	1,988	(107)	(123)	The favourable variance in this area relates to a reduction in expenditure on residential care for individuals with a physical disability and the projected outturn reflects this.
305	Service Strategy and Regulation	(290)	(346)	(56)	17	
1,916	Support Services	1,076	1,036	(40)	19	
205	Working Neighbourhood Fund	159	164	5	5	
	Contribution to Reserves - Trf Tall Ships				120	Reserve to be created from one off income streams within Adult Social Care to support the budget position within Tall Ships.
31,385	TOTAL	14,155	13,772	(382)	(3)	

USE OF RESERVES

The above figures include the 2010/2011 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Description of Best Value Unit	Approved 2010/2011 Budget £'000	Planned Usage 2010/11 £'000	Variance Over/ (Under) £'000
Assessment, Care Management & Provision - Stroke Care	12	12	0
Commissioning - Older People	20	20	0
Commissioning Adults - Tobacco Control	28	28	0
Commissioning Mental Health - Mental Capacity Act	27	27	0
Commissioning Working Age Adults - Respite Provision for Autism	80	80	0
Service Strategy & Regulation - Social Care Reform Grant	50	50	0
Working Neighbourhoods Fund - Adults	6	6	0
	223	223	0

Director's Explanation of Variance

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual to 30/09/10 £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
1,901	Access to Education	1,147	1,150	3	(15)	The favourable outturn variance is owing to underspends against Home to School Transport owing to a review of bus routes and staff vacancies within Service. A pressure does exist in Supported Bus routes which will be absorbed in year from savings in the Dyke House decant budget. Future years additional costs will need to be funded from savings elsewhere within the Independent Transport Unit otherwise this has the potential of being an unfunded pressure in 2011/12.
825	Central Support Services	24	24	0	0	
582	Children's Fund	737	710	(27)	(293)	The favourable variance is projected by reducing activities ensuring more focussed family intervention within this current year to create a reserve to extend the life of the project in 11/12.
12,295	Children & Families	6,090	6,119	29	(175)	Demand for the external placement of Looked After Children is currently stable and is being carefully monitored throughout the year. The pressure on the Fostering and support budgets has been managed within the base budget. There is expected to be a balance of approximately £145K anticipated at year end, this underspend is to contribute to the Medium Term Financial Strategy for 11/12.
54	Early Years	358	381	23	0	
207	Information Sharing & Assessment	93	84	(9)	(28)	Savings relate to reduction in costs relating to the Children's Trust due to the removal of its role as a statutory function
2,428	Other School Related Expenditure	1,263	1,233	(29)	(114)	Staff vacancies and lower service costs within Connexions account for the majority of the underspend. In addition, the transfer of LSC responsibilities to the local authority has been absorbed by existing staff accounting for additional savings. Savings have also been achieved by reduced premature retirement costs which offsets pressures on Delegated Swimming achieving lower buy back income from Schools and higher licence costs.
112	Play & Care of Children	56	39	(17)	(10)	Savings due to maternity leave
2,404	Raising Educational Achievement	1,597	1,438	(158)	(253)	Savings arise from vacant posts within the Advisory Service, and allocation of funding from the LSC for the transfer of staff. This is used to offset pressure of broadband charges and the loss of buy back income from schools for ICT support. The Carlton Outdoor Centre budget projected to overspend by approximately £90K and therefore a contribution to reserves from this overall service area is required of £70K.
506	Special Educational Needs	1,061	1,012	(48)	(136)	Savings relate to lower placement costs of pupils placed with other local authorities and in Independent Schools, lower than expected demand for Home and Hospital Teaching and reduced operating costs of the Pupil Referral Unit. This offsets the in-year pressure for statemented pupil requiring additional support, which is being partly funded by the £239,000 DSG carry forward, as approved by the Schools Forum.

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual to 30/09/10 £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
995	Strategic Management	663	576	(87)	(128)	Savings arisen owing to lower Central Training costs and salary abatement for DSG funded Services
189	WNF	144	144	0	0	
146	Youth Justice	66	58	(8)	(2)	
467	Youth Offending Team	538	543	5	0	
909	Youth Service	481	496	15	(81)	Projected favourable variance owing to more targetted activities this financial year in order to create a reserve to support Positive Activities for Young People 11/12.
0	Dedicated Schools Grant - Trfr to Ring-Fenced DSG Reserve		148	148	271	Within the variances described above are forecast net savings on DSG funded services totalling £271k. These mainly arise from savings on Home to Hospital Teaching, Pupil Referral Unit, staff vacancies and the DSG contingency budget. This saving is ring fenced and will be automatically carried forward to be utilised in 2011/12 subject to consultation with the Schools Forum.
	Placement budget Trf to Ring Fenced Reserve				250	Agreed within Medium Term Financial Strategy
	Creation of Reserve for Positive Activities for Young People				77	Created from underspends within the Youth Service to ensure continued service provision in 11/12 and agreed with Director and Chief Financial Officer.
	Creation of Reserve for Think Family Intervention Programme				293	Created from underspends within in year intervention activities to extend the project into 11/12 and agreed with Director and Chief Financial Officer
	Creation of Reserve for Carlton Outdoor Education Centre				70	Created from underspends within Educational Achievement service area to ensure costs are met in 10/11 and agreed with Director and Chief Financial Officer
24,021	TOTAL	14,317	14,156	(161)	(273)	

USE OF RESERVES

The above figures include the 2010/2011 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Description of Best Value Unit	Approved 2010/2011 Budget £'000	Planned Usage 2010/11 £'000	Variance to Date Over/ (Under) £'000	Director's Explanation of Variance
School Transformation Team (BSF)	(876)	(688)	(188)	Owing to the national changes to the BSF programme then there will be a reduction in running costs arising from savings on planning, design and consultancy.
2009/10 DSG c/f	(292)	(292)	0	The Schools Forum have approved the usage of this carry forward. £60k will be transferred to capital via RCCO towards the Catcote temporary classroom, with the balance being used to offset the in-year overspend on the Individual Pupil Support Budget

Carlton Outdoor Centre	(22)	(90)	68
Education Health Partnerships	(15)	(15)	0
Local Safeguarding Children's Board	(29)	(29)	0
ContactPoint	(6)	(6)	0
Teen / Early Years Lifecheck	(12)	(12)	0
Youth Opportunity Func	(8)	(8)	0
Learning & Activities Project	(1)	(1)	0
Transition Protocol - Disability Team	(18)	(18)	0
Youth Justice - Crime Prevention	(55)	(55)	0
Playing for Success	(14)	0	(14)
Parenting Support	(20)	(20)	0
Promotion of Breast Feeding	(44)	(44)	0
	(1,412)	(1,278)	(134)

As stated in the comment above for 'Raising Educational Achievement' it is currently forecast that this Reserve will be overcommitted.
PfS have not purchased a hospitality box this season at Hartlepool United Football Club with the reserve to be used next year towards continuation of the PfS programme.

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
839	Consumer Services	310	268	(42)	0	
1,297	Crime & Disorder	898	877	(21)	0	
148	Drugs & Alcohol	(14)	(8)	6	0	
153	Housing Regeneration & Policy	75	48	(27)	0	
334	Landscape Planning & Conservation	154	138	(16)	0	
2,260	Neighbourhood Management	1,300	1,280	(20)	0	
303	Private Sector Housing and Special Needs	182	168	(14)	0	
169	Safety Cameras	85	81	(4)	0	
713	Social Behaviour & Housing	332	338	6	0	
6,216	TOTAL	3,322	3,190	(132)	0	

USE OF RESERVES

The above figures include the 2009/2010 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Description of Best Value Unit	Approved 2009/2010 Budget £'000	Planned Usage 2009/10 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Anti Social Behaviour Team Reserve	9	9	0	
Housing System Reserve	22	22	0	
	31	31	0	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
37	Archaeology	40	35	(5)	0	
417	Community Regeneration	215	205	(10)	0	
2,486	Parks & Countryside	2,528	2,572	44	0	
686	Community Support	341	319	(22)	(5)	
1,649	Libraries	794	754	(40)	(31)	The favourable variance relates to staffing underspends owing to vacancies being held in anticipation of SDO restructuring.
0	Maintenance			0		
695	Museums & Heritage	448	439	(9)	0	
1,212	Sports & Physical Recreation	452	426	(26)	0	The favourable variance in this area relates to income and owing to the seasonal nature of the service the outturn reflects a balanced position at year end
139	Strategic Arts	136	149	13	6	
7,321	TOTAL	4,954	4,899	(55)	(30)	

USE OF RESERVES

The above figures include the 2009/2010 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Description of Best Value Unit	Approved 2010/2011 Budget £'000	Planned Usage 2010/11 £'000	Variance Over/ (Under) £'000
Archaeology	8	8	0
Community Grants Pool	51	51	0
Libraries - LPSA	1	1	0
Museums & Heritage - Culture Shock	2	2	0
Museums & Heritage - Renaissance in the Regions	15	15	0
Sport & Recreation - Grayfields Pitch Improvements	21	21	0
Sport & Recreation - LPSA	12	12	0
Sport & Recreation - Mill House	173	173	0
Sport & Recreation Specific Grants	13	13	0
Tall Ships	919	919	0
	1,215	1,215	0

Director's Explanation of Variance

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
(86)	Property Services	359	428	69	0	Based on the current programme of work, the Building Consultancy is on target to achieve the expected level of income. However, this is on the condition that all projects proceed this financial year and are not cancelled. The cancellation of Building Schools for the Future projects will impact on potential income for the team and the implications of this are currently being reviewed. There have been some key projects where fees have not been taken and this has adversely affected income. The loss of the Energy SLA with Housing Hartlepool has also had an adverse effect.
(941)	Car Parking	(407)	(249)	159	264	The forecast outturn variance of £264k is being mostly offset by funding from the corporate strategic risk reserve. The remaining variance relates higher costs in relation to IT Licenses and various accommodation costs. The high expected budget variance is owing to car parking income being less than planned at the half year point. Actions taken such as Increased charges from November should reduce the outturn and the department is undertaking a full review of costs associated to address any further budget pressures.
5	Central Admin	5	5	0	(5)	
553	Engineering Consultancy	171	172	1	0	
298	Facilities Management	1,147	1,108	(39)	0	Included within this service area is School Catering which is showing a potential adverse variance of £150k owing to an increase in the number of free school meals, reduced pupil numbers and increased costs. This is being offset by an equivalent favourable variance on building maintenance as a result of extra fee generating work.
1,491	Highway Maintenance	1,224	1,190	(34)	0	
629	Highways Liability	0	0	0	0	
(170)	Highways Trading	582	544	(37)	0	Note the expected budget and actual includes recharge costs relating to the whole year. The actual figure has been adjusted to include Work in Progress.
578	Highways Traffic & Transportation Management	291	356	65	0	It is anticipated that the current adverse variance will be covered within the overall Highways and Transportation budget through TOS, where schemes have not yet started.
(200)	ITU Vehicle Fleet	(100)	(100)	0	0	
1	Logistics	283	280	(2)	0	
154	Procurement	57	63	6	0	
(302)	Regen & Neighbourhoods Salary Turnover Target	(151)	(151)	0	0	
(108)	Section 38's - New Developments	(273)	(273)	0	0	
1,096	Strategic Management & Admin	722	722	0	0	
14	Traffic Management	7	12	5	0	
5,098	Waste & Environmental Services	3,231	3,233	1	0	Due to extensive improvement works at the incinerator on the SITA site, there is a strong possibility that there will be an increase in the need to landfill. This could result in a budget pressure in this Service area.
9	Finance Miscellaneous	9	17	8	0	

Approved 2010/2011 Budget	Description of Best Value Unit	Expected Budget	Actual	Variance to Date - Over/ (Under) spend	Projected Outturn Variance	Director's Explanation of Variance
£'000		£'000	£'000	£'000	£'000	
(915)	Shopping Centre Income	(458)	(298)	160	194	Current projections for the Middleton Grange Shopping Centre income outturn is £194,000 adverse, owing to tenant failures and voids in relation to administrations. A reserve of £146,000 is available to cover a possible shortfall of rental income but this will still leave an adverse variance in the current year of £48,000.
94	Registration of Electors	27	30	3	0	
98	Municipal & Parliamentary Elections	86	104	18	0	
(1,425)	Central Administration	266	267	1	0	
0	Single Status	0	0	0	0	
50	HR Payroll System	62	71	9	0	
3,875	Accommodation	2,279	2,212	(67)	0	The current variance is mainly owing to the timing of cyclical and responsive maintenance. This work will be carried out later in the year, therefore the budget outturn forecast is expected to be on target by the financial year end. Officers are monitoring this situation closely.
752	Accountancy	439	440	1	0	
235	Internal Audit	137	117	(20)	(6)	
561	Legal Services	306	269	(37)	0	The current variance is owing to additional income being received from the Transport Interchange Project. It is expected that there will be an income shortfall later in the financial year due to reduced property transactions, therefore, the budget outturn forecast is expected to be on target by the financial year end.
124	Support to Members	62	60	(2)	0	
11,568	TOTAL	10,363	10,629	268	447	

USE OF RESERVES

The above figures include the 2010/2011 approved budget along with the planned use of Departmental Reserves created in previous years. The details below provide a breakdown of these reserves

<u>Description of Best Value Unit</u>	Approved 2010/2011 Budget	Planned Usage 2010/11	Variance Over/ (Under)
	£'000	£'000	£'000
Registration and Members	2	2	0
Election Services	8	8	0
Finance - Audit Section	35	35	0
Finance - Accountancy	34	34	0
Finance - IT Investment	62	62	0
Finance - Working from Home	23	23	0
Corporate - Social Inclusion	100	100	0
Corporate - Shopping Centre	146	146	0
Corporate - Accommodation	26	26	0
	436	436	0

[illegible]

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
42	Building Control	15	44	29	60	Inspection fee income is below expected levels as a result of the economic downturn and some work has been lost to private inspectors in the competitive market that exists.
78	CADCAM	78	80	2	0	
(13)	Development Control	(4)	35	39	80	Planning fee income is forecast to be less less as a result of the economic downturn and government spending cuts.
1,162	Economic Development	1,650	1,662	13	0	Note the profile of expected budget is owing to the timing differences of expenditure and subsequent receipt of grant funding.
273	ITU Passenger Transport	138	138	0	0	
359	ITU Road Safety	179	186	7	10	
44	ITU Strategic Management	75	70	(5)	0	
1,213	Network Infrastructure	571	545	(26)	0	
50	Sustainable Development	25	21	(4)	0	
2,200	Sustainable Transport	182	168	(14)	(31)	
444	Urban & Planning Policy	253	255	2	0	
2,466	Working Neighbourhood Fund	1,817	1,812	(6)	0	
8,318	TOTAL	4,979	5,016	37	119	

USE OF RESERVES

The above figures include the 2009/2010 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

<u>Description of Best Value Unit</u>	<u>Approved 2009/2010 Budget £'000</u>	<u>Planned Usage 2009/10 £'000</u>	<u>Variance Over/ (Under) £'000</u>	Director's Explanation of Variance
Regeneration & Neighbourhoods Grants	368	368	0	
Economic Development	62	62	0	
Regeneration MRU	70	70	0	
	500	500	0	

PERFORMANCE

8.1 Appendix 1/J

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2010/2011

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
203	Performance & Consultation	103	93	(10)	(10)	Favourable variance owing to planned underspend on Place survey.
67	Council Tax & Housing Benefit Subsidy	(8,041)	(8,041)	0	0	
151	Community Partnerships	75	69	(6)	(10)	Favourable variance owing to planned reduction in support costs.
216	Community Partnerships - WNF	230	227	(3)	0	Favourable variance owing to planned reduction in support costs.
453	Shared Services Unit	347	387	40	10	Implementation of the HR/Payroll system has required the use of overtime payments. The overspending in this section will be offset by underspending in other areas of the Chief Executives department.
114	Performance Management Misc	78	81	3	0	
(3)	Benefits	(49)	(75)	(26)	0	Allocation across all Revenue and Benefits codes at year end to ensure all budgets are within budget.
123	Fraud	120	117	(3)	0	Allocation across all Revenue and Benefits codes at year end to ensure all budgets are within budge
1,113	Revenues	541	546	5	0	Allocation across all Revenue and Benefits codes at year end to ensure all budgets are within budget
(158)	Revenues & Benefits Central	200	243	43	0	Allocation across all Revenue and Benefits codes at year end to ensure all budgets are within budget.
619	Contact Centre	429	421	(8)	0	
551	Corporate ICT	389	348	(41)	0	Current favourable variance on employee costs relates to savings made as a result of restructure. There is also a small underspend relating to a temporary post which is currently vacant and is not intended to be filled
651	Corporate Strategy	322	299	(23)	(10)	Projected favourable variance owing to vacant posts, with budgets being transferred to support services team by financial year end.
234	Democratic	115	114	(1)	0	
779	HR Health and Safety	328	306	(22)	0	

Approved 2010/2011 Budget £'000	Description of Best Value Unit	Expected Budget £'000	Actual £'000	Variance to Date - Over/ (Under) spend £'000	Projected Outturn Variance £'000	Director's Explanation of Variance
(62)	Other Office Services	(21)	34	55	145	Current projections for the Land Search income outturn is £145,000 adverse, a corporate reserve of £100,000 is available to cover a possible shortfall but this will still leave an adverse variance in the current year of £45,000
157	Scrutiny	76	65	(11)	(10)	Favourable variance owing to reduction in Scrutiny Support costs.
141	Public Relations	77	79	2	0	
64	Registration Services	28	17	(11)	0	
311	Training & Equality	192	197	5	0	
5,724	TOTAL	(4,461)	(4,473)	(12)	115	

USE OF RESERVES

The above figures include the 2010/2011 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Description of Best Value Unit	Approved 2010/2011 Budget	Planned Usage 2010/11	Variance Over/ (Under)
	£'000	£'000	£'000
Ring Fenced Grants	193	193	0
Corporate Strategy - Corporate Consultation	15	15	0
Corporate Strategy - Divisional costs	46	46	0
Corporate Strategy - Council Profile	15	15	0
Corporate Strategy - ICT System Development	61	61	0
Corporate Strategy - ICT Project Development	90	90	0
Corporate Strategy - Encryption costs	35	35	0
Corporate Strategy - Performance Management	10	10	0
Corporate Strategy - ICT Contract Review	25	25	0
Registrars	35	20	(15)
People Framework Development	18	5	(13)
Contact Centre	51	34	(17)
HR Resource Investment	3	3	0
HR Support to Members	27	27	0
Revenues & Benefits - IT Developments	41	19	(22)
Revenues & Benefits	64	20	(44)
Revenues & Benefits - Internal Bailiff Development	16	0	(16)

Director's Explanation of Variance
Balance transferred into future years.
Balance transferred into future years.
Balance transferred into future years.
Balance transferred into future years.
Balance transferred into future years.
Balance transferred into future years.

<u>Description of Best Value Unit</u>	<u>Approved 2010/2011 Budget</u>	<u>Planned Usage 2010/11</u>	<u>Variance Over/ (Under)</u>
	£'000	£'000	£'000
Revenues & Benefits - Intercept Software	6	6	0
Revenues & Benefits - Financial Inclusion Programme	50	28	(22)
Revenues & Benefits - New Scanner	15	13	(2)
Revenues & Benefits - FSM Software	15	12	(3)
Revenues & Benefits - e-form Development	20	20	0
	851	697	(154)

Director's Explanation of Variance
Balance transferred into future years.
Balance transferred into future years.
Balance transferred into future years.

CONTINGENCY ITEMS 2010/2011**8.1 Appendix 1/K**

Financial Risk	2010/2011 Budget £'000	Use of Contingency to 30th September 2010 £'000	Projected use of Contingency £'000
<u>Child & Adult Services</u>			
Additional funding in respect of Safeguarding Children to provide staffing capacity to address issues raised by Ofsted.	100	(40)	90
<u>Corporate</u>			
Repayment of 2008/2009 and 2009/2010 severance costs over a period of up to 5 years.	120	0	120
Potential increase in discretionary Business Rates relief costs during the recession.	50	0	50
Potential increases in energy costs from April, 2010, which NEPO (North East Purchasing Organisation) have indicated could be around 10% for both gas and electricity.	150	0	150
Fire Safety Risk Management	30	(14)	30
Total	450	(54)	440

SCRUTINY CO-ORDINATING COMMITTEE

14th January, 2011



Report of: Chief Finance Officer

Subject: QUARTER 2 - CAPITAL & ACCOUNTABLE
BODY PROGRAMME MONITORING REPORT
2010/2011

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide details of progress against the Council's overall Capital budget for 2010/2011 the Spending Programme where the Council acts as the Accountable Body.

2. CONSIDERATION OF ISSUES

- 2.1 A separate report has not been prepared for your Committee as a comprehensive report was submitted to Cabinet on 22nd November, 2010 (**Appendix 1**). This report sets out the key issues to bring to your attention.

3. RECOMMENDATIONS

- 3.1 Members consider the report.

CABINET REPORT

22nd November, 2010



Report of: Chief Finance Officer

Subject: QUARTER 2 – CAPITAL AND ACCOUNTABLE
BODY PROGRAMME MONITORING REPORT
2010/2011

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide details of progress against the Council's overall Capital budget for 2010/2011 and the spending programmes where the Council acts as the Accountable Body for the period to 30th September, 2010.
- 1.2 The report considers the following areas: -
- Capital Monitoring
 - Accountable Body Programme Monitoring

2. SUMMARY OF CONTENTS

- 2.1 The report provides detailed monitoring information for each Portfolio up to 30th September, 2010.

3. RELEVANCE TO CABINET

- 3.1 Cabinet has overall responsibility for the monitoring of the Council's budgets.

4. TYPE OF DECISION

- 4.1 None.

5. DECISION MAKING ROUTE

- 5.1 Cabinet 22nd November, 2010.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is asked to note the report.

Report of: Chief Finance Officer

Subject: QUARTER 2 – CAPITAL AND ACCOUNTABLE
BODY PROGRAMME MONITORING REPORT
2010/2011

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide details of progress against the Council's overall Capital budget for 2010/2011 and the spending programmes where the Council acts as the Accountable Body for the period to 30th September, 2010.
- 1.2 The report considers the following areas: -
- Capital Monitoring
 - Accountable Body Programme Monitoring

2. SUMMARY OF CONTENTS

- 2.1 The report provides detailed monitoring information for each Portfolio up to 30th September, 2010.

3. RELEVANCE TO CABINET

- 3.1 Cabinet has overall responsibility for the monitoring of the Council's budgets.

4. TYPE OF DECISION

- 4.1 None.

5. DECISION MAKING ROUTE

- 5.1 Cabinet 22nd November, 2010.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is asked to note the report.

Report of: Chief Finance Officer

Subject: QUARTER 2 – CAPITAL AND ACCOUNTABLE
BODY PROGRAMME MONITORING REPORT
2010/2011

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of progress against the Council's own 2010/2011 Capital budget and the spending programmes where the Council acts as the Accountable Body for the period to 30th September, 2010.
- 1.2 This report considers the following areas: -
- Capital Monitoring;
 - Accountable Body Programme Monitoring.

2. BACKGROUND

- 2.1 In line with previous monitoring reports, this document is an integrated comprehensive document that is page numbered, thus allowing Members easier navigation around the report. (See contents table below). The report provides a summary with the appendices providing detailed information for each portfolio.

Section	Heading	Page
3.	Capital Monitoring 2010/2011	4
4.	Accountable Body Programme	6
5.	Recommendations	6
Appendices A-G	Detailed Spend by Portfolio	7
Appendix H	Accountable Body Monitoring Summary	19
Appendix I	Accountable Body Revenue Monitoring	20

- 2.2 This report will be submitted to Scrutiny Co-ordinating Committee for review at the earliest opportunity.

3. CAPITAL MONITORING 2010/2011

- 3.1 Expenditure for all Portfolios is summarised below. Actual expenditure to 30th September, 2010, totals £15,703,000, compared to the approved budget of £51,937,000, leaving £28,681,000 remaining expenditure expected to be spent in 2010/2011. This is not unusual for this time of year as there is a lead in time for individual capital schemes.

- 3.2 It is currently anticipated that £7,592,000 will be rephased into 2011/2012. This expenditure relates to a variety of Schools projects totalling £5,681,000 including £2,328,000 for Jesmond Road School and £1,500,000 for North/Central Housing renewal which is part of the Community Safety and Housing Capital Programme.
- 3.3 The table shows an adverse variance in Culture, Leisure and Tourism mainly owing to additional expenditure within the Mill House refurbishment scheme and expenditure on Wingfield Castle. The amount will be funded from Revenue Contribution of £55,000, which was included in the revenue report brought to your last meeting

Portfolio	2010/2011 Budget	2010/2011 Actual to 30/09/2010	2010/2011 Expenditure Remaining	2010/2011 Expenditure Rephased to 2011/2012	2010/2011 Expenditure	2010/2011 Variance from budget Adverse/ (Favourable)
	£'000	£'000	£'000	£'000	£'000	£'000
Adult & Public Health Services	1,785	234	1,552	0	1,786	0
Children's Services	21,477	4,264	11,508	5,681	21,453	-24
Community Safety & Housing	14,975	6,396	7,040	1,540	14,976	1
Culture, Leisure & Tourism	2,361	804	1,612	0	2,416	55
Finance & Procurement	6,590	2,850	3,745	0	6,595	5
Performance	592	18	574	0	592	0
Regeneration & Economic Development	4,157	1,137	2,650	371	4,158	1
Total Capital Expenditure	51,937	15,703	28,681	7,592	51,976	38

- 3.4 The above table is supported by individual detailed statements by Portfolio, as set out below.

Appendix A - Adult & Public Health Services
 Appendix B - Children's Service
 Appendix C - Community Safety & Housing
 Appendix D - Culture, Leisure & Tourism
 Appendix E - Regeneration & Economic Development
 Appendix F - Finance & Procurement
 Appendix G - Performance

- 3.5 The format of the appendices shows details of anticipated and actual capital expenditure as at 30th September, 2010 and shows:

Column A - Scheme Title
 Column B - Budget for Year
 Column C - Actual expenditure to 30th September, 2010
 Column D - Expected remaining expenditure to be incurred in the period April to September, 2010

Column E - Expenditure Rephased into 2011/2012
Column F - 2010/2011 Total Expenditure
Column G - Variance from Budget
Column H - Type of financing

- 3.6 Detailed analysis of all schemes on each appendix is on deposit in the Members' Library.

4. ACCOUNTABLE BODY PROGRAMME

- 4.1 The Council acts as Accountable Body for the Hartlepool New Deal for Communities (NDC). As part of its role as Accountable Body the Council needs to be satisfied that expenditure is properly incurred and is progressing as planned.

New Deal for Communities (NDC)

The programme is currently forecasting to fully spend the current years NDC allocation of £1,188,000. There is also another £1,100,000 expenditure forecast which is funded through other grants, giving a total budget of £2,288,000 for the current financial year as shown in **Appendix H**.

Appendix F Table 2 and **Appendix I** show the latest budget allocations against this target and expenditure as at 30th September, 2010.

- 4.2 There are no major items to bring to Portfolio Holder's attention and expenditure is expected to be on target at year-end

5. RECOMMENDATIONS

- 5.1 It is recommended that Cabinet notes the contents of the report.

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
	Scheme Title	2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7229	Stranton Cemetery Flooding Works	13	0	13	0	13	0	UDPB	
7234	Chronically Sick & Disabled Adaptations	126	9	117	0	126	0	MIX	
7389	Mental Health Projects	490	0	490	0	490	0	SCE(R)	
7441	Adult Education - Neighbourhood Learning in Deprived Communities Fund	4	0	4	0	4	0	GRANT	
7481	Improving Information Management (IIM) - IT Infrastructure	45	21	24	0	45	0	GRANT	
7531	Adult Education - Office Accommodation	14	13	1	0	14	0	GRANT	
7578	Lynn Street ATC Demolition	11	0	11	0	11	0	RCCO	
7622	Adult Education- Capital Equipment Replacement	37	0	37	0	37	0	GRANT	
7723	Resettlement/ Campus Works - Capital Grant	430	0	430	0	430	0	GRANT	
7983	Blakelock Day Centre Demolition	85	7	78	0	85	0	CAPREC	
8091	North Cemetery - Improvements to Entrance	26	7	19	0	26	0	UCPB	
8100	North Cemetery - Structural Refurbishment to Wall	60	0	60	0	60	0	UDPB	
8108	Havelock Centre for Independent Living	370	123	247	0	370	0	UCPB	
8115	Havelock Day Centre - Window Replacement.	65	54	11	0	65	0	UCPB	
8217	Waverley Terrace Community Allotments - Composting Toilets	10	0	10	0	10	0	RCCO	
		1,785	234	1,552	0	1,786	0		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7027	Harnessing Technology Grant	372	50	322	0	372	0	Grant	
7032	Carlton Outdoor Centre - Purchase of Minibus	2	0	2	0	2	0	Grant	Mini-Bus purchased in 2009/10 - remaining balance to be transferred to Carlton (7863)
7088	Jesmond Road - Build New School (Primary Capital Programme)	6,597	927	3,342	2,328	6,597	0	Mix	Expenditure reflects phasing of works
7088	Rossmere - Remodel School (Primary Capital Programme)	1,360	23	970	367	1,360	0	Mix	Expenditure reflects phasing of works
7108	EDC Alterations to Accommodate PRU	0	3	3	0	6	6	Grant	Unbudgeted Costs slipped into 2010/11 for retentions - to be funded from Contingency/Unallocated
7109	Brierton - Alterations re Dyke House Decant	750	270	480	0	750	0	MIX	
7121	EDC/PRU - Paving and Lighting Replacement	5	1	4	0	5	0	Grant	Note 1
7122	EDC/PRU - Installation of Porch/Canopy	4	0	4	0	4	0	Grant	Note 1
7124	Rossmere - Replace Nursery Roof	12	0	12	0	12	0	Grant	
7125	Clavering - Install Security Fencing	8	0	8	0	8	0	Grant	
7344	Brinkburn Pool - Reinstatement of Pool after Fire	1	0	1	0	1	0	Mix	
7384	Devolved Formula Capital - Various Misc Individual School Projects	904	306	248	350	904	0	Grant	Some slippage expected as schools have identified funding towards proposed projects in 2011/12
7388	Sure Start Central - Improvement Works at Lowthian Road	2	0	2	0	2	0	Mix	
7421	School Travel Plans - Develop Cycle Storage at Various Schools	66	0	25	41	66	0	Mix	
7437	Playing for Success - Develop New Classroom at Hartlepool United	1	0	0	1	1	0	Mix	
7463	Youth Capital Fund - Spend to be determined by Young People	20	0	20	0	20	0	Grant	Balance to be used towards refurbishment of toilets & showers at Rossmere Youth Centre
7469	Kingsley - Extension to School for Children's Centre	14	0	14	0	14	0	Grant	
7469	Unallocated - Children's Centre Grant	8	0	8	0	8	0	Grant	
7500	High Tunstall - Refurbish Classrooms / Equipment Purchase	28	0	28	0	28	0	Grant	
7533	Jesmond Rd - Relocate Nursery to form Foundation Unit, installation of ramps & internal works	6	0	6	0	6	0	Mix	
7575	Dyke House ICT Equipment Purchase	72	72	0	0	72	0	RCCO	
7586	City Learning Centre Equipment Purchase	299	110	189	0	299	0	Grant	
7597	St John Vianney Starfish Daycare Outside Play Area	4	0	4	0	4	0	Mix	
7598	West View - Improve / Refurbish Nursery & Reception	11	0	0	0	0	-11	Grant	Scheme completed in 2008/09 - Funding remaining is Children's Centre Grant so will transfer balance into 7469 - Unallocated Children's Centre Grant.
7664	Clavering - Create New Foundation Stage Unit	2	0	2	0	2	0	Grant	
7763	Stranton - Replace Windows (07/08)	4	0	0	0	0	-4	Grant	Scheme completed in 2007/08 - no further payments due; balance to be transferred to Unallocated/Contingency
7853	Rossmere Youth Centre - Boiler Replacement	55	56	0	0	56	1	UCPB	This project along with 8055 and 8089 were funded from 2009/10 Corporate Health & Safety funds; there is an overall net underspend of £24k which will be transferred back to Corporate Health & Safety.
7858	Computers for Pupils - Schools Initiative	7	0	7	0	7	0	Grant	
7863	Carlton Outdoor Centre - Redevelopment (Works to be determined)	90	2	88	0	90	0	Mix	Urgent health and safety works to the LP gas storage installation and supply are being progressed. This in turn will require Kitchen refurbishment works as well as modifications to the electrical supply
7888	Stranton - Purchase & Install CCTV	2	0	2	0	2	0	RCCO	
7912	Manor - Replace External Doors to Improve Security	3	0	0	0	0	-3	Mix	Scheme completed in 2009/10 - no further costs outstanding; balance to be transferred to Unallocated/Contingency
7922	Golden Flatts - Heating Distribution system	60	45	15	0	60	0	Grant	
7979	Children's Centres - General Building Improvements	16	4	12	0	16	0	Grant	
7997	St Hilds - Build Space to Learn	862	833	33	0	866	4	Grant	Slight overspend to be funded from Unallocated/Contingency
8001	Capital Grants to External Nurseries (Early Years)	190	190	0	0	190	0	Grant	
8023	Sure Start Central (Chatham Hse) - Café Ext to Community Facilities	18	0	18	0	18	0	Grant	
8023	Sure Start North (Hindpool Cl) - Café Ext to Community Facilities	62	63	0	0	63	1	Grant	To be funded from Children's Centre Grant
8055	Education Development Centre - Window Replacement	7	1	0	0	1	-6	UCPB	This project along with 7853 and 8089 were funded from 2009/10 Corporate Health & Safety funds; there is an overall net underspend of £24k which will be transferred back to Corporate Health & Safety.

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
8056	Eldon Grove - Creation of Additional Teaching Space	500	0	0	500	500	0	Mix	
8059	Hart - Create Multi-purpose Studio	119	0	30	89	119	0	Grant	
8060	Rift House - Annexe 2 Heating	17	0	17	0	17	0	Grant	
8065	Emergency Response - Contingency	20	0	20	0	20	0	Mix	
8066	Brougham - Replacement of Gas Interlocks	5	0	5	0	5	0	SCE R	
8066	Eldon Grove - Replacement of Gas Interlocks	5	0	5	0	5	0	SCE R	
8066	Hart - Replacement of Gas Interlocks	5	0	5	0	5	0	SCE R	
8066	Lynnfield - Replacement of Gas Interlocks	6	0	6	0	6	0	SCE R	
8066	Rift House - Replacement of Gas Interlocks	7	0	7	0	7	0	SCE R	
8066	Throston - Replacement of Gas Interlocks	5	0	5	0	5	0	SCE R	
8067	Ward Jackson - Creation of Quiet Room	5	2	3	0	5	0	Mix	
8068	Hart - Replace Fire Alarm System	20	11	9	0	20	0	Grant	
8069	Springwell - Replace Pool	11	17	0	0	17	6	Mix	Overspend to be funded from Unallocated/Contingency
8070	Brinkburn Pool - Motorised Pool Cover	1	0	1	0	1	0	RCCO	
8072	Integrated Children's System Case Management Improvement	45	0	0	45	45	0	Grant	
8075	Aiming High for Disabled Children - Capital Grant for various Works	110	6	104	0	110	0	Grant	
8082	Golden Flatts - Resource Learning Centre	15	9	6	0	15	0	Grant	
8089	Education Development Centre - Roof Replacement with enhanced roofing system	23	4	0	0	4	-19	UCPB	This project along with 8055 and 7853 were funded from 2009/10 Corporate Health & Safety funds; there is an overall net underspend of £24k which will be transferred back to Corporate Health & Safety.
8092	Fens - Outdoor Educational Area for Foundation Unit	14	0	14	0	14	0	Grant	
8093	Golden Flatts - Establish Nurture Area	6	0	6	0	6	0	Grant	
8096	Throston - DDA Access Ramps	0	1	0	0	1	1	Grant	Final Payment for 2009/10 scheme to be funded from Unallocated/Contingency
8097	Early Years (General Sure Start Grant) Unallocated	6	0	6	0	6	0	Grant	
8103	Brinkburn Pool - Access and Hoist	65	3	0	62	65	0	RCCO	The scheme has been postponed this year and is subject to the outcome of a service review focusing on primary school swimming lesson provision
8116	Springwell - Covered Link Way	22	0	22	0	22	0	Mix	
8118	Holy Trinity - Outdoor Area	25	25	0	0	25	0	Mix	
8119	Rift House - Internal Reorganisation	100	0	25	75	100	0	Mix	
8120	Lynnfield - Improve Teaching Space	120	0	30	90	120	0	Grant	
8125	Stranton - Replace Floor Caretaker's Bungalow	14	8	6	0	14	0	Mix	
8138	BSF- ICT Contract	1,500	0	743	757	1,500	0	Grant	
8139	BSF- Dyke House	4,368	996	3,372	0	4,368	0	Grant	
8158	Children's Centre (Rossmere) - Install New Kitchen	27	23	4	0	27	0	Grant	
8159	Sure Start Central - Outside Classroom	7	6	1	0	7	0	Grant	
8160	St John Vianney Starfish Daycare New entrance / Buggy Area	35	1	34	0	35	0	Mix	
8169	Sure Start North - Install Conservatory	40	0	40	0	40	0	Grant	
8174	Barnard Grove - KS1 Fire Alarm Installation	25	1	24	0	25	0	Grant	Note 1
8175	Barnard Grove - Heating Connect Annexe to KS2	24	0	24	0	24	0	Grant	Note 1
8176	Barnard Grove - Replace Bungalow Floor	15	0	15	0	15	0	Grant	
8177	Barnard Grove - Replace KS2 Roof	60	0	60	0	60	0	Grant	Note 1
8178	Brougham - Replace Boiler (Phase 2 10/11)	105	52	53	0	105	0	Grant	Note 1
8179	Catcote - Replace Boiler	65	0	65	0	65	0	Mix	
8180	Clavering - Replace Bungalow Heating	5	0	5	0	5	0	Grant	
8181	Clavering - Replace Boiler House Roof	14	0	14	0	14	0	Grant	Note 1
8182	Eldon Grove - Replace Boiler and distribution system	89	53	36	0	89	0	Grant	Note 1
8183	Grange - Annexe Fire Alarm Installation	5	0	0	5	5	0	Grant	
8184	Hart - Replace Fence	15	0	0	15	15	0	Grant	Note 1
8185	Kingsley - Replace Kitchen	40	0	40	0	40	0	Grant	Note 1
8186	Kingsley - Replace 1st floor windows	22	0	22	0	22	0	Mix	Note 1

Project Code	A	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
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	Scheme Title	2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
8187	Owton Manor - Replace 1st floor windows	75	0	75	0	75	0	Grant	
8188	Rossmere - Replace KS2 Toilets	30	0	30	0	30	0	Grant	
8189	Springwell - Roof replacement	28	0	28	0	28	0	Grant	Note 1
8190	Stranton - KS1 Replacement wiring	24	17	7	0	24	0	Mix	Note 1
8191	Stranton - Replace KS1 Windows	34	26	8	0	34	0	Grant	Note 1
8192	St Helens - Replace Corner Posts	25	4	21	0	25	0	Mix	
8193	Throston - Window replacement	88	2	86	0	88	0	Grant	Note 1
8194	Ward Jackson - Window replacement	29	21	8	0	29	0	Grant	Note 1
8195	West Park - Heating distribution Ph 2	20	0	20	0	20	0	Mix	Note 1
8196	West Park - Bungalow Access works	7	0	7	0	7	0	Grant	
8197	West Park - Roof Replacement	17	0	17	0	17	0	Grant	Note 1
8198	West View - Replace Heating Distribution System	78	0	78	0	78	0	Mix	
8199	West View - Kitchen Replacement	56	0	56	0	56	0	Mix	Note 1
8200	West View - KS1 & KS2 Window replacement	70	4	66	0	70	0	Mix	
8201	Brougham - Improve Internal Access	50	0	50	0	50	0	Grant	
8202	Grange - Replace Classroom Annexe	400	0	0	400	400	0	Mix	
8203	Owton Manor - Improve Foundation Stage Outdoor area	50	0	13	37	50	0	Grant	
8205	Springwell - Create Enterprise area and Cyber Café	60	0	15	45	60	0	Mix	
8206	St Helens - Interior Remodel	157	0	39	118	157	0	Mix	Note 1
8207	Stranton - Improve Outdoor Learning Area	22	0	22	0	22	0	Grant	
8208	Ward Jackson -Create Foundation Unit	60	0	15	45	60	0	Grant	
8209	West Park - Improve Reception class toilet area	10	0	10	0	10	0	Grant	
8218	Youth Service - Purchase Portable MUGA & Trailer	23	16	7	0	23	0	Mix	
8281	Catcote - Purchase & Install Temporary Classroom	60	0	60	0	60	0	Grant	
8283	Springwell - Install Ventilation System in Pool Area	5	0	5	0	5	0	Mix	
9004	Contingency Funding (Modernisation, Access, RCCO) Currently Unallocated	311	0	0	311	311	0	Mix	
New	Brougham - Install Security Fencing	12	0	12	0	12	0	Grant	
		21,477	4,264	11,508	5,681	21,453	(24)		

NOTES

Note 1 The 2010/11 Schools Capital Programme was approved by the Children's Services Portfolio Holder on 13th April 2010. The approved programme of work was over-committed as a number of costs were indicative allocations only and the contributions from schools assumed the minimum 10% contribution. In many cases school contributions (from their Devolved Formula Capital and/or revenue budgets) have been confirmed as significantly higher than the minimum 10%. In addition, tendered/confirmed prices have been finalised for all of the schemes identified above and this confirmed price is shown above as the budgeted cost against which actual expenditure will be monitored. The effect of both increased school contributions and lower overall costs has been that the 2010/11 programme is now within budget and the Contingency budget (9004) has increased from the approved £200k.

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7206	Community Safety Social Lighting Programme	7	0	7	0	7	0	UCPB	
7207	Car Parking Security/CCTV	238	18	180	40	238	0	SPB	
7222	Minor Works - North Area	78	4	74	0	78	0	MIX	
7223	Minor Works - South Area	106	0	106	0	106	0	MIX	
7224	Minor Works - Central Area	38	17	21	0	38	0	MIX	
7252	Safer Streets Initiative	27	8	19	0	27	0	GRANT	
7821	Waste Performance Efficiency - Amenity Site	88	39	50	0	89	1	MIX	
8079	Household Waste Recycling Centre	18	5	13	0	18	0	UDPB	
8127	Community Housing - Charles St	4,412	2,200	2,211	0	4,411	(1)	UDPB	
8128	Community Housing - Seaton Lane	2,431	1,876	556	0	2,432	1	UDPB	
8130	Community Housing - Kipling Road	1,895	310	1,585	0	1,895	0	UDPB	
7083	Hartlepool Business Security Fund	33	28	5	0	33	0	UCPB	
7107	Growth Point Funded Housing Projects	413	6	407	0	413	0	GRANT	
7218	Mandatory Disabled Facilities Grant	640	246	394	0	640	0	GRANT	
7219	Minor Works Grant	70	33	37	0	70	0	GRANT	
7220	Discretionary Renovations Grant	367	31	336	0	367	0	GRANT	
7230	North/Central - Housing Market Renewal	3,479	1,483	496	1,500	3,479	0	GRANT	The rephased element relates to the estimated amount to be carried forward to finance compulsory purchase order (CPO) houseacquisitions in 2011/12.
7231	Thermal Housing Efficiency Measures	79	60	19	0	79	0	GRANT	
7368	Building Safer Communities	3	0	3	0	3	0	GRANT	
7404	Housing Revenue Account (HRA) Residual Expenditure	4	0	4	0	4	0	RCCO	
7431	Community Safety Strategy	151	0	151	0	151	0	UCPB	
7878	Community Safety CCTV Upgrade	64	32	32	0	64	0	MIX	
8083	Drug Action Team - CCTV	0	0	0	0	0	0	UCPB	
8101	Church Street - Integrated Offender Magement Unit Refurbishment	0	0	0	0	0	0	UCPB	
8155	Preventing Repossession Fund	29	0	29	0	29	0	GRANT	
8170	SCRAPT Voluntary Sector Premises Pool	25	0	25	0	25	0	UCPB	
8210	SCRAPT Key Vacant Buildings Grant Scheme	0	0	0	0	0	0	UCPB	
8284	Drugs Action Team (DAT) Tier 4 Accomodation	280	0	280	0	280	0	GRANT	
		14,975	6,396	7,040	1,540	14,976	1		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
	Scheme Title	2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7046	Central Library - Revolving Door	4	4	0	0	4	0	UCPB	Scheme complete. Budget increased to cover final payment. Funded by Libraries LPSA reward grant reserve and transfer of other central library scheme underspend from 8073.
7047	Mill House Leisure Centre - Changing Village	223	223	47	0	270	47	MIX	Scheme value increased to carry out approved additional works. Budget increased for funding obtained from Learning Disability Development Fund (£5k), Aiming High (£15k) and specific reserves (£75k). It is proposed to fund the remaining shortfall from Hartlepool PCT Income and managed revenue underspends within Sport & Recreation.
7110	Playbuilder - Grant to be allocated	564	0	599	0	599	35	GRANT	Awaiting central government confirmation of how much this grant will be cut.
7110	Brougham Play Area - Playbuilder	49	5	0	0	5	(44)	GRANT	
7110	Burbank Play Area	11	8	0	0	8	(3)	GRANT	
7110	Burn Valley Gardens (Playbuilder)	4	36	0	0	36	32	GRANT	
7110	Clavering Play Area (Playbuilder)	24	6	0	0	6	(18)	GRANT	
7110	Jutland Road Play Area	23	0	0	0	0	(23)	GRANT	
7110	King George V Play Area	53	43	0	0	43	(10)	GRANT	
7110	Oxford Road Play Area	3	6	0	0	6	3	GRANT	
7110	Rossmere Play Area (Playbuilder)	22	6	0	0	6	(16)	GRANT	
7110	Seaton Carew Play Area, Seaton Park (Playbuilder)	13	23	0	0	23	10	GRANT	
7110	Town Moor Play Area (Playbuilder)	1	6	0	0	6	5	GRANT	
7110	Headland Play Area	0	0	0	0	0	0	GRANT	
7110	Playbuilder Equipment purchased in advance	0	18	0	0	18	18	GRANT	
7110	King Owsy Play Area	0	0	0	0	0	0	GRANT	
7110	Lanark Road Play Area	0	0	0	0	0	0	GRANT	
7375	Countryside Development Works	14	0	14	0	14	0	MIX	
7382	Greatham Play Area Equipment	9	0	9	0	9	0	MIX	
7414	Jutland Road Play Area Upgrade	68	68	0	0	68	0	MIX	
7651	Burn Valley Park Beck	114	0	114	0	114	0	MIX	
7831	Jutland Road Community Centre - Internal Alterations	1	1	0	0	1	0	MIX	
7844	Town Moor - Develop Multi Use Games Area	0	0	0	0	0	0	MIX	
7853	Owton Manor Community Centre - Replace Boiler	35	0	35	0	35	0	UCPB	
7864	Foreshore - Replacement Lifeguard Vehicle	0	0	0	0	0	0	RCCO	
7887	Nicholson Fields Allotments	0	0	0	0	0	0	RCCO	
7890	Rossmere MUGA	0	4	0	0	4	4	GRANT	
7893	New Play Equipment	0	7	0	0	7	7	GRANT	
7990	Ward Jackson Park Bandstand Shutters	4	0	4	0	4	0	MIX	
7991	St Patrick's Shops Multi Use Games Area (MUGA)	0	0	0	0	0	0	RCCO	
7992	Grayfields Sports Junior Pitches	97	90	7	0	97	0	MIX	Budget increased by £21,000 for the utilisation of specific grayfields reserve created in 2009/10 for this purpose.
8009	Throston Allotments Fencing	0	0	0	0	0	0	GRANT	
8010	Ward Jackson Park CCTV & Lights	0	0	0	0	0	0	UCPB	
8011	Summerhill CCTV	14	9	5	0	14	0	MIX	
8019	Mill House Leisure Centre Internal Doors	1	0	1	0	1	0	UCPB	
8021	Museum of Hartlepool Signage	2	2	0	0	2	0	UCPB	
8051	Seaton Carew Community Centre Roof Replacement	9	2	7	0	9	0	UCPB	
8073	Central Library, 1st Floor Lights and Fire Alarm Adaptation	0	0	0	0	0	0	UPCB	Scheme complete. £3,514 remaining budget transferred to 7046 to fund final scheme overspend and 8095 for additional signage at the Central Library.
8084	Mill House Leisure Centre Combined Heating & Power Unit	167	103	64	0	167	0	UPCB	
8087	Wingfield Castle Vehicle Deck Replacement	13	16	5	0	21	8	UPCB	Current adverse scheme variance relates to increased costs owing to adverse weather conditions. It is proposed to fund this variance from a revenue contribution.
8090	Owton Manor Branch Library - Replacement Roof	30	27	3	0	30	0	UPCB	

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8095	Central Library - Signage	4	0	4	0	4	0	UPCB	Original scheme complete. Funding obtained from 8073 to fund additional signage requirements.
8104	Rossmere MUGA & Skatepark	464	6	458	0	464	0	Mix	
8121	Rossmere Park Re-Development	1	0	1	0	1	0	GRANT	
8211	Central Library - Boiler Replacement	70	0	70	0	70	0	UPCB	
8212	Seaton Carew Sports Hall Roof Replacement	85	85	0	0	85	0	UCPB	
8213	Seaton Carew Community Centre Window Replacement	65	0	65	0	65	0	UCPB	
8216	Seaton Carew Cricket Club	30	0	30	0	30	0	UCPB	
n/a	Skateboard Park	70	0	70	0	70	0	RCCO	
		2,361	804	1,612	0	2,416	55		

RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7015	Targeted Private Housing Improvements	18	0	18	0	18	0	CAP REC	
7045	THI Key Buildings Headland (Heritage/Lottery funding)	60	60	0	0	60	0	GRANT	
7084	Principal Roads Camera Partnership	14	4	10	0	14	0	GRANT	
7120	Hartlepool Active Response Team Vehicles	9	0	9	0	9	0	MIX	
7244	Travel Plans	20	0	20	0	20	0	SPB	
7245	Cycle Parking	5	0	5	0	5	0	SPB	
7250	Travel Awareness	19	0	19	0	19	0	GRANT	
7251	Public Transport CCTV	10	0	10	0	10	0	SPB	
7417	Friarage Field - Building Demolition	5	0	5	0	5	0	RCCO	
7466	Vehicle Procurement	1,905	415	1,490	0	1,905	0	UDPB	
7487	Local Transportation Plan - Monitoring	5	0	5	0	5	0	UCPB	
7508	Anhydrite Mine - Derelict Land	171	0	0	171	171	0	UCPB	The rephased expenditure is the result of the remaining budget relating to long term future monitoring costs.
7541	Safer Routes to Schools	108	0	108	0	108	0	GRANT	
7545	Motorcycle Training	20	0	20	0	20	0	GRANT	
7546	Road Safety Education & Training	26	2	25	0	27	1	GRANT	
7580	Highways Remedial Works - Marina	4	0	4	0	4	0	TDC	
7581	Tees Valley Boundary Signs	3	0	3	0	3	0	GRANT	
7644	School Travel Plans	16	0	16	0	16	0	SPB	
7645	Local Transport Plan (LTP) General	76	0	76	0	76	0	MIX	
7736	Bus Priority	100	100	0	0	100	0	SPB	
7866	Friarage Manor House	18	0	18	0	18	0	CAP REC	
7895	Industrial & Commercial Business Grants	96	21	75	0	96	0	UCPB	
7896	Brougham Enterprise Centre Toilet & Shower Facilities	20	0	20	0	20	0	UCPB	
7897	Regeneration Match Funding	358	0	358	0	358	0	UCPB	
7959	Other Walking Schemes	18	2	16	0	18	0	SPB	
7961	School 20mph Zones	18	1	16	0	17	(1)	SPB	
7972	Other Traffic Management Schemes	146	43	103	0	146	0	SPB	
7973	Other Safety Schemes	42	42	0	0	42	0	GRANT	
8046	LTP3 Development	38	15	23	0	38	0	GRANT	
8054	Victoria Buildings THI	134	129	5	0	134	0	MIX	
8076	Wharton Terrace Improvements	15	0	15	0	15	0	MIX	
8099	Brougham Enterprise Centre - New Enhanced Windows	89	64	26	0	90	1	UCPB	
8107	Acquisition of Crown House	98	51	47	0	98	0	UCPB	
8110	King Oswy Shops - Improvements	6	6	0	0	6	0	UCPB	
8112	Lower Owton Manor Shops - Improvements	0	0	0	0	0	0	UCPB	
8113	Catcote Shops - Improvements	46	46	0	0	46	0	UCPB	
8114	Hartlepool College of FE - Redevelopment	130	130	0	0	130	0	UDPB	
8131	Small Retailers - Partnership Grant	6	6	0	0	6	0	GRANT	
8153	Seaside Grant Funding	200	0	0	200	200	0	GRANT	The budget has been rephased to coincide with the Seaton Master Plan and is expected to be used to finance the purchase and demolition of Longscar Hall.
8161	Newburn Bridge - Roofing and Replacement of Doors	85	0	85	0	85	0	UCPB	
		4,157	1,137	2,650	371	4,158	1		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

TABLE 1 - RESOURCES

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7026	Sir William Gray House - Replace Fire Alarm	50	50	0	0	50	0	MIX	
7031	Civic Centre - Replace Sprinkler System	2	0	2	0	2	0	MIX	
7036	Unallocated SCRAPT Budget	360	0	360	0	360	0	MIX	SCRAPT Schemes not commenced yet
7041	Corporate Planned Maintenance Unallocated	42	0	42	0	42	0	MIX	
7091	City Challenge Clawback	229	0	229	0	229	0	MIX	
7111	Stranton Crematorium Roof Replacement	8	0	8	0	8	0	MIX	£3k to be returned to Corporate Planned Maintenance (7041)
7114	Rossmere Youth Centre - Roof Replacement	63	55	8	0	63	0	MIX	
7115	Civic Centre Ramp	180	0	180	0	180	0	MIX	Scheme is more expensive than funding available, project on hold, subject to finding additional funds.
7117	Civic Centre Access Control System	72	0	72	0	72	0	MIX	Awaiting project costs.
7119	Demolition of Throston Grange Old Peoples Home	2	2	0	0	2	0	CAP REC	
7200	Civic Centre Refurbishment	350	350	0	0	350	0	MIX	
7235	Low Floor Infrastructure	33	6	27	0	33	0	SPB	
7236	Bus Shelter Improvements	20	0	20	0	20	0	SPB	
7237	Cycle Routes (General)	26	24	2	0	26	0	MIX	
7240	Hartlepool Transport Interchange	1,995	1,430	565	0	1995	0	SPB	
7241	Pedestrian Dropped Crossing	34	11	23	0	34	0	SPB	
7242	Other Street Lighting Improvements	80	0	80	0	80	0	MIX	
7257	Disabled Adaptations (Various Locations)	111	17	94	0	111	0	MIX	
7272	Wheely Bin Purchase	45	38	7	0	45	0	UDPB	
7465	Recycling Scheme	9	9	0	0	9	0	UDPB	
7499	Contaminated Land - Lithgo Close	115	4	111	0	115	0	MIX	
7549	Other Bridge Schemes	110	0	110	0	110	0	SPB	
7618	Sale of Briarfields	1	1	0	0	1	0	CAP REC	
7706	Waterproofing Ph2 Multi Storey Car Park	10	1	9	0	10	0	UCPB	
7707	HM Other Schemes (non-LTP)	40	0	40	0	40	0	UCPB	
7734	Hart Lane/Wiltshire Way Junction Improvements 0708	401	118	283	0	401	0	SPB	
7781	Renew Boiler and Heating System - Municipal Buildings	85	0	85	0	85	0	MIX	Project on Hold, subject to SDO review
7835	Primary Health Care Centre Park	18	0	18	0	18	0	CAP REC	
7847	Coast Protection - Headland Fencing & Promenade	2	0	2	0	2	0	CAP REC	
7852	Highways Improvements - TESCO S106 Expend	18	18	0	0	18	0	GRANT	
7867	City Challenge Burbank/Murray Street	86	0	86	0	86	0	MIX	
7891	Strategy Study - Seaton Carew	92	44	48	0	92	0	GRANT	
7892	Strategy Study - Town Wall	65	68	0	0	68	3	GRANT	Funding of this adverse variance will be absorbed from existing resources yet to be determined.
7899	Coast Protection 0809	1	0	1	0	1	0	SPB	
7906	Bryan Hanson House On Street Parking	22	22	0	0	22	0	UDPB	
7965	Catcote Turning Circle Reconstruction	4	0	4	0	4	0	MIX	
7988	Lynn St Garage - Install Overhead Heaters	6	0	6	0	6	0	MIX	£6K to be returned to SCRAPT (7036)
7999	Marina Way Landscaping	34	12	22	0	34	0	RCCO	
7989	Access System - Municipal Buildings	9	0	9	0	9	0	MIX	Project on Hold, subject to SDO review
8006	Access Road to Briarfields	20	0	20	0	20	0	CAP REC	
8015	Tesco New Entrance/Junction/Lights	39	0	39	0	39	0	GRANT	
8027	Carriageway Reconstruction John Howe Gardens/Holdforth Road	8	0	8	0	8	0	GRANT	
8028	Carriageway Reconstruction Wooler Road Roundabout No 49	24	0	24	0	24	0	GRANT	
8033	Resurface Church Square Paved Carriageway	35	33	2	0	35	0	GRANT	
8034	Resurface Outside Civic Centre	16	0	16	0	16	0	GRANT	
8037	Resurface Catcote Road/Oxford Road/Marlowe Road	60	0	60	0	60	0	GRANT	

Appendix F (cont)

Project Code	A	EXPENDITURE IN CURRENT YEAR								2010/2011 COMMENTS
		B	C	D	E	F	G	H		
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing		
8044	Footway Recon - York Road/Victoria Road/Park Road	31	2	30	0	32	1	GRANT		
8045	Footway Recon - Everett Street No 75 to 79	1	1	0	0	1	0	GRANT		
8077	Footpath Resurfacing - Cemetery Road	6	6	0	0	6	0	RCCO		
8081	Non Adopted Highway Areas	26	9	17	0	26	0	UCPB		
8085	Church Street Offices - Install Electrical Distribution System	55	0	55	0	55	0	UCPB		
8102	Church Street - Re-Roof Garage with Enhanced Roofing System	38	38	0	0	38	0	UCPB		
8105	Installation of Staff Welfare Facilities (Civic Centre)	18	0	18	0	18	0	MIX		
8123	Review Strategy Study - North Sands to Newburn Bridge	0	0	0	0	0	0	SPB		
8126	Stockton Street Wall	27	27	0	0	27	0	SPB		
8132	Relocation of Building Management System Equip to Bryan Hanson House	10	1	9	0	10	0	CAP REC		
8133	Removal of Leadbitter Telephone System	2	2	0	0	2	0	CAP REC		
8134	Create Interview Rooms - Municipal Buildings	15	14	1	0	15	0	CAP REC		
8135	Ramps - Accessibility (Church Street offices)	40	23	17	0	40	0	CAP REC		
8136	Removal of Offices - Hanson House	15	16	-1	0	15	0	CAP REC		
8137	Removal of Print Room to Civic Centre	10	0	10	0	10	0	CAP REC		
8141	Installation of Electrical Outlets - Bryan Hanson House	20	7	13	0	20	0	MIX		
8142	School Kitchen Replacements (Various Schools)	215	95	120	0	215	0	MIX		
8151	Resurfacing Works - Bournemouth Drive	1	1	0	0	1	0	SPB		
8156	Mill House Leisure Centre - Hall Lighting	0	0	0	0	0	0	GRANT		
8162	Footpath Renewals	10	0	10	0	10	0	MIX		
8163	Civic Centre Carpet Replacement - Ground Floor	22	4	18	0	22	0	MIX		
8164	Seaton Carew Sports Hall - Replace Heating System	35	0	35	0	35	0	MIX	Project on Hold - pending review of Seaton Carew Sports Hall	
8165	Stranton Nursery - Replace Boiler	70	0	70	0	70	0	MIX		
8166	Maritime Experience - Replace Boilers	25	0	25	0	25	0	MIX		
8167	Automatic Entry Doors - Civic Centre Disability Works	10	0	10	0	10	0	MIX		
8171	Footpath Renewal - Grayfields	10	0	10	0	10	0	MIX		
8172	Footpath Renewal - Central Park	35	0	35	0	35	0	MIX	Project cancelled - £35k to be returned to Corporate Planned Maintenance (7041)	
8173	Voltage Optimisation - Civic Centre	37	37	0	0	37	0	MIX		
8214	Building Management System - Replace Equipment	45	0	45	0	45	0	UCPB		
8215	Lynn Street Depot - Work Shops - Replace Roof	50	0	50	0	50	0	UCPB		
8219	Sale of Jesmond Road School	1	1	0	0	1	0	CAP REC		
8280	Upgrade Sea Defences Seaton	35	1	35	0	36	1	GRANT		
7095	Resurface Cairnston Road	0	0	0	0	0	0	SPB		
7542	Parking Lay Bys	25	0	25	0	25	0	SPB		
7720	Public Conveniences	1	1	0	0	1	0	MIX		
7955	Cycling Advanced Stop Sign	0	0	0	0	0	0	GRANT		
7956	Cycle Route Signage	0	0	0	0	0	0	SPB		
7984	King Owsy Drive Cycleway Improvements	0	0	0	0	0	0	SPB		
8080	Construction of new Saltbarn	0	0	0	0	0	0	UDPB		
8111	Marina Prom LED Lighting Scheme	6	6	0	0	6	0	MIX		
8122	Rift House Street Lighting Improvements	0	0	0	0	0	0	SPB		
8146	Resurfacing Works - Shakespeare Avenue	0	0	0	0	0	0	SPB		
8148	Resurfacing Works - Hylton Road	0	0	0	0	0	0	SPB		
8152	Resurfacing Works - Speeding Drive	0	0	0	0	0	0	SPB		
Various	Carriageway Resurfacing	611	245	366	0	611	0	SPB		
		6,590	2,850	3,745	0	6,595	5			

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing

PORTFOLIO : FINANCE & PROCUREMENT**CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010****TABLE 2 - NEW DEAL FOR COMMUNITIES**

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
		2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7038	Opening Doors Phase III	99	99	0	0	99	0	NDC	Work not started yet Environmental Works will be spent by year end Will spend full allocation
7050	Osbourne Road Hall	3	3	0	0	3	0	NDC	
7051	Voluntary Sector Premises Pool	5	4	1	0	5	0	NDC	
7054	Crime Premises	14	0	14	0	14	0	NDC	
7061	Business Security Fund	2	2	0	0	2	0	NDC	
7063	CIA Environmental Improvements	39	1	38	0	39	0	NDC	
7079	Home Improvement Project	316	150	166	0	316	0	MIX	
7086	Lynnfield Play Area	15	0	15	0	15	0	NDC	
7065/7070 / 8014	Neighbourhood Management	64	15	49	0	64	0	NDC	
8048	NDC Trust III	231	231	0	0	231	0	NDC	
		788	505	283	0	788	0		

Key

RCCO Revenue Contribution towards Capital
 MIX Combination of Funding Types
 UCPB Unsupported Corporate Prudential Borrowing
 SCE ® Supported Capital Expenditure (Revenue)

GRANT Grant Funded
 CAP REC Capital Receipt
 UDPB Unsupported Departmental Prudential Borrowing
 SPB Supported Prudential Borrowing

PORTFOLIO : PERFORMANCE

8.2 Appendix 1/G

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010

Project Code	A	EXPENDITURE IN CURRENT YEAR							2010/2011 COMMENTS
		B	C	D	E	F	G	H	
	Scheme Title	2010/2011 Budget £'000	2010/2011 Actual as at 30/09/10 £'000	2010/2011 Expenditure Remaining £'000	Expenditure Rephased into 2011/12 £'000	C+D+E 2010/2011 Total Expenditure £'000	F-B 2010/2011 Variance from budget £'000	Type of financing	
7048	Unallocated Health & Safety Issues	20	0	20	0	20	0	MIX	
7468	IT Strategy	500	0	500	0	500	0	MIX	
7623	Corporate IT Projects	57	13	44	0	57	0	MIX	
7631	Members ICT/Remote Access	5	5	0	0	5	0	MIX	
8143	Council Tax Demand Notices	10	0	10	0	10	0	MIX	
		592	18	574	0	592	0		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

ACCOUNTABLE BODY PROGRAMMES - REPORT TO 30TH SEPTEMBER 2010

Line No	2010/11 Latest Budget	Accountable Body Programme	Actual Position 30/09/10			Projected Outturn Variance	2010/2012 COMMENTS
			2010/11 Expected Expenditure/ (Income) Col. D	2010/11 Actual Expenditure/ (Income) Col. E	Variance: Adverse/ (Favourable) Col. F = (F=E-D) £'000		
Col. A	Col. B	Col. C	£'000	£'000	£'000	£'000	
		<u>TABLE 1 - New Deal for Communities</u>					
1	1,500	Revenue Projects	833	673	(160)	0	
2	788	Capital Projects	505	505	0	0	
3	2,229	Total NDC	1,338	1,178	(160)	0	

PORTFOLIO : FINANCE & PROCURMENT

8.2 Appendix 1/I

ACCOUNTABLE BODY REVENUE MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2010
TABLE 1 - NEW DEAL FOR COMMUNITIES

Line No	2010/11 Budget	Description of Best Value Unit	Actual Position 30/09/10			Projected Outturn Variance	2010/2011 COMMENTS
			Forecast Expenditure / (Income)	Actual Expenditure/ (Income)	Variance Adverse/ (Favourable)		
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F (F=E-D)		
	£'000		£'000	£'000	£'000	£'000	
1	35	Anti Social Behaviour	17	15	(2)	0	
2	20	Back to Work Grant	16	16	0	0	
3	8	Business Support Manager	6	6	0	0	
4	115	Children's Learning and Activities project	64	64	0	0	
5	60	Communications Project	30	30	0	0	
6	34	Community Development Work	17	13	(4)	0	
7	142	Community Housing Plan Delivery Costs 2008-11	142	142	0	0	
8	53	Community Learning Centre - Lynnfield	0	0	0	0	
9	2	Community Transport	1	1	0	0	
10	94	Crime Premises	47	27	(20)	0	Note 1
11	1	Enterprise Support Scheme	1	1	0	0	
12	28	Evaluation Project	21	21	0	0	
13	10	Family Support	10	10	0	0	
14	22	KS3 Sustaining Performance	0	0	0	0	
15	15	Longhill - Site Manger	15	15	0	0	
16	2	Lynnfield Play Area	12	12	0	0	
17	446	Management & Administration	220	155	(65)	0	Note 1
18	263	Neighbourhood Management Phase II	130	108	(22)	0	Note 1
19	81	Raising Aspirations	40	19	(21)	0	Note 1
20	2	Resident Association Support	1	0	(1)	0	
21	2	Resident Steering Group (RSG) Laptops	1	0	(1)	0	
22	45	Selective Licensing in the Private Rented Sector	24	0	(24)	0	Note 1
23	5	Sustaining Consultancy Fund	4	4	0	0	
24	14	Youth Enterprise Scheme	14	14	0	0	
	1,500		833	673	(160)	0	

SCRUTINY CO-ORDINATING COMMITTEE

14 January 2011



Report of: Scrutiny Manager

Subject: SCRUTINY INVOLVEMENT IN THE SERVICE PLANNING PROCESS FOR 2011/12 – TIMETABLE

1. PURPOSE OF REPORT

- 1.1 To provide Members with the timetable for the Scrutiny. Co-ordinating Committee and the four standing Scrutiny Forums' involvement (with the exception to the Health Scrutiny Forum) in the service planning process for 2011/12.

2. BACKGROUND INFORMATION

- 2.1 The Scrutiny Co-ordinating Committee, at its meeting on the 10 December 2010, considered the proposed outcome framework for 2011-15, for use in the development of Departmental plans, the Corporate Plan and the Hartlepool Partnership Performance Management Framework for 2011/12. The views expressed by Scrutiny were subsequently taken into consideration Cabinet on the 20 December 2010 and the outcome framework approved.
- 2.2 Following Cabinets approval of the outcome framework, Scrutiny is again to play a key role in the development of the Authority's service planning arrangements. In order to facilitate this, a timetable for consideration of the proposed Corporate and Departmental plans for 2011/12, by the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' (with the exception to the Health Scrutiny Forum) has been devised. Arrangements have also been made for the relevant Director(s) and the appropriate Cabinet Member(s), subject to their availability, to attend those scrutiny meetings which fall under their area(s) of responsibility.
- 2.3 Members are asked to note that the proposed Corporate and Departmental plans for 2011/12 will be taken through the relevant Scrutiny Forums in January and February 2011 with final discussion at Scrutiny Coordinating Committee at the meeting on 25th February 2011. In addition to this, the Hartlepool Partnership is preparing a Delivery & Improvement Plan for 2011/12 based on the 24 Partnership outcomes. Each outcome will incorporate a number of the indicators and actions set out in the Departmental and Corporate Plans in addition to those identified by partners.

The draft Partnership outcome templates will be brought to Scrutiny Coordinating Committee for consultation on 25th February 2011.

- 2.4 A copy of the timetable is attached at **Appendix A** for Members attention.

3. RECOMMENDATION

- 3.1 It is recommended that Members note the proposed timetable for the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums' involvement in the service planning process for 2011/12.

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

BACKGROUND PAPERS

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

- (i) Hartlepool Borough Council Corporate Plan 2010/11
- (ii) Hartlepool's Local Area Agreement 2008-11 (refresh 2010)
- (iii) LAA Delivery and Improvement Plan 2010/11
- (iv) Hartlepool Partnership And Council Proposed Outcome Framework 2011-15 – Scrutiny Co-ordinating Committee – 10 Dec 2010

Copies of document (i) are available at:

http://www.hartlepool.gov.uk/downloads/file/6262/corporate_plan_201011

Copies of documents (ii) and (iii) are available at are available at:

http://www.hartlepoolpartnership.co.uk/info/7/local_area_agreement

TIMESCALE / DATE OF MEETING	TO CONSIDER
<p>Scrutiny Co-ordinating Committee 10 Dec 2010</p>	<p>To consider the outcome framework for the development of Departmental plans, the Corporate Plan and the Hartlepool Partnership Performance Management Framework for 2011/12.</p> <p>Complete – Framework considered and approved.</p>
<p>Scrutiny Co-ordinating Committee 14 Jan 2010 – 2.00 pm</p>	<p>To approve the timetable for Scrutiny involvement in the service planning process.</p>
<p>MEETINGS OF THE 4 SCRUTINY FORUMS TO BE HELD BETWEEN THE 17 JANUARY 2011 AND 20 JANUARY 2011:</p> <p>Adult & Community Services Scrutiny Forum 17 January 2011 – 2.00 pm</p> <p>Children's Services Scrutiny Forum 18 January 2011 – 4.30 pm</p> <p>Neighbourhood Services Scrutiny Forum 19 January 2011 – 4.30 pm</p> <p>Regeneration & Planning Services Scrutiny Forum 20 January 2011 – 3.00 pm</p>	<p>To consider the Departmental and Corporate plans (including actions, performance indicators and risks that underpin each outcome)</p> <p>Purpose of these meetings to consider on a departmental basis each of the departmental plans.</p>

TIMESCALE / DATE OF MEETING	TO CONSIDER
Scrutiny Co-ordinating Committee 25 February 2011 – 2.00 pm	To consider: <ul style="list-style-type: none"> - Service Planning (Including LAA) 2011/12; - The development of Outcomes (Actions, Pls etc.), including: <ul style="list-style-type: none"> - consideration of the Chief Executive's Department Plan; and - responses to the departmental plans from the four Scrutiny Forums - the formulation of an overall Scrutiny response for consideration by Cabinet; - the proposed Corporate Plan, which is then to be approved by Cabinet and Council.
Cabinet 4 April 2011 – 9.15 am	To approve Departmental Plans / Corporate Plan / LAA Scrutiny views/ input incorporated into the report considered by Cabinet.
Council 4 April 2011 – 7.00 pm	Council to consider the Corporate Plan

SCRUTINY CO-ORDINATING COMMITTEE

14 January 2011



Report of: Scrutiny Manager

Subject: Call-In of Decision: Jackson's Landing Acquisition –
Briefing Note

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Scrutiny Co-ordinating Committee with the relevant information relating to the Call-In of the Jackson's Landing Acquisition decision taken by Cabinet on the 20 December 2010, as per the Authority's Call-In procedure.
- 1.2 To ascertain from Members of the Scrutiny Co-ordinating Committee if they wish to accept or reject the Call-in.

2. BACKGROUND INFORMATION

- 2.1 At the decision making meeting of Cabinet held on the 20 December 2010, a report was considered in relation to the acquisition of Jackson's Landing. The report is attached as **Appendix A**. The Decision Record of Cabinet is also attached as **Appendix C**.
- 2.2 Following the decision of Cabinet, a Call-In Notice was issued by 3 Members of the Scrutiny Co-ordinating Committee, a copy of which is provided at **Appendix B**.

3. CALL-IN PROCESS

- 3.1 The Scrutiny Co-ordinating Committee has the power under Section 21 of the Local Government Act 2000 and Rule 14 of the Scrutiny Procedure Rules to call-in decisions made by the Executive but not yet implemented.
- 3.2 Following the decision being made by Cabinet on the 20 December 2010, a Call-In notification was submitted to the Proper Officer on the 7 January 2011. The notice met the constitutional requirements for its acceptance.

3.3 The Call-In notification outlined the reasons why the Members were of the opinion that the decision should be called in. The reasons identified in the Call-In Notice being that:-

- 1) the Cabinet would need to agree to borrow the revenue for repayments – Not been asked (**Category 2**); and
- 2) the initial 'deposit' decision needed to be enacted without allowing the Call-In process to be exhausted (**Category 1**).

3.4 In this instance, the reasons identified cover both categories of Call-In, as outlined in Article 13 of the Constitution:-

Category 1 – The decision been taken in contravention of the principles of decision making (Category 1 Call-In); and

Category 2 – The decision falls outside the budget and policy framework.

4. NEXT STEPS

4.1 In the first instance the Committee must decide whether it agrees with the Members submitting the Call-In that the decision should be Called-In for the reasons set out in the Notice. If the Call-In is accepted, the reasons identified in the notice should then form the basis for the Committee's consideration of the decision.

4.2 As the reasons identified within the notice cover both categories of Call-In, the Committee will at it earliest opportunity:-

- i) Consider a detailed report from appropriate Officers, and evidence from Cabinet, in relation to the Category 1 element of the Call-In; and
- ii) Receive and act in accordance with the advice of the Monitoring Officer and / or Chief Financial Officer for the Category 2 element of the Call-In. There are two options at this point this element of the Call-In:
 - Should advice be that the decision is outside (or not wholly within) the budget and policy framework (BPF), and in accordance with the budget the decision must be referred to Council; or
 - Should advice be that the decision is within the BPF, and in accordance with the budget, the decision can be implemented.

4.3 If after consideration of the information provided, the Committee remains concerned about the decision a report outlining its comments will be presented to Cabinet to enable re-examination of its decision. Where the advice provided is that the decision is outside (or not wholly within) the budget and policy framework (BPF), Cabinet will be given the opportunity to review the decision prior to the decision being referred to Council.

4.4 If Cabinet should refuse to either review or revise the element of the decision which is outside (or not wholly within) the BPF, the decision will be considered by Council. Council then has three options:-

- (i) Agree the decision does not fall outside the BPF (*decision will be implemented*);
- (ii) Agree the decision falls outside the BPF (*BPF amended to accommodate the decision*); or
- (iii) Require the Executive to reconsider the matter, modifying the decision or proposing a change to the BPF.

5. RECOMMENDATIONS

5.1 That members of the Scrutiny Co-ordinating Committee decide if they wish to:-

- (i) Accept the Call-in and hold a further meeting to receive further information / evidence; or
- (ii) Reject the Call-in (the decision will then be immediately implemented).

Contact Officer:- Joan Stevens– Scrutiny Manager
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BACKGROUND PAPERS

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

- (i) Hartlepool Borough Council's Constitution
- (ii) Report and Minutes – Cabinet on the 20 December 2011
- (iii) Call-in Notice

CABINET REPORT

20th December 2010



Report of: Director of Regeneration and Neighbourhoods

Subject: JACKSON'S LANDING ACQUISITION

SUMMARY

1. PURPOSE OF REPORT

To seek approval to the first stage of the potential purchase of Jacksons Landing, subject to the completion of a commercially viable business plan.

2. SUMMARY OF CONTENTS

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

3. RELEVANCE TO CABINET

The report outlines proposals for the acquisition of a strategic and prominent building identified in the central investment framework. The acquisition will provide the opportunity for a transformational flagship development to be brought forward diversifying and underpinning the town's economy and bringing into use a key vacant building.

4. TYPE OF DECISION

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

5. DECISION MAKING ROUTE

Cabinet 20th December 2010 initially for first stage then subsequent Cabinet and Council.

6. DECISION(S) REQUIRED

Cabinet is required to approve the exchange of contracts in accordance with the provisions of the "lock out agreement" as a first stage to the purchase of the building which will take place by March 2011 once Cabinet have agreed the commercial viability of the scheme.

Report of: Director of Regeneration and Neighbourhoods

Subject: JACKSON'S LANDING ACQUISITION

1. PURPOSE OF REPORT

- 1.1 To seek approval to the first stage of the potential purchase of Jacksons Landing, subject to the completion of a commercially viable business plan.

2. BACKGROUND

- 2.1 Jackson's Landing is identified in the central investment framework adopted by the Council in 2008, as a prominent building on a strategic site, that provides 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.
- 2.2 The site consists of the former factory outlet centre (as identified in **Appendix 1**) the current building comprises a total of 75,600 sq ft of retail space on both ground and first floor with, 380 car parking spaces on a site area of 4.97 acres.
- 2.3 Negotiations have taken place with the owners of the property, and a sale price has been agreed subject to a comprehensive feasibility study. Details of which can be found in the Confidential **Appendix 2 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 2.4 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' has been agreed. This provides 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.
- 2.5 The legal agreement states, that contracts need to be exchanged by the 31st December 2010, at which time a deposit is payable. Completion of the sale will be scheduled to take place on the 25th March 2011. Should the Council decide not to proceed at this time, then the deposit will be repaid. Details of the deposit are included in the Confidential **Appendix 2. This item**

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

- 2.6 Tees Valley Unlimited, have 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. This space would be sub divided to form 90,000 sq ft of office space and in addition, there would be a restaurant / leisure provision of up to 10,000 square feet.
- 2.7 The sites prominence in relation to the Marina provides substantial opportunity to include residential development. It is proposed that part of the car park to the front of the building would be disposed of for housing development, and in addition conversion of part of the existing building at the first floor rear would provide an opportunity for approximately ten apartments overlooking the marina.
- 2.8 To date, a number of prospective tenants have expressed an interest in taking space within the building, and, currently heads of terms have been negotiated to secure pre lets in advance of any commitment by the Council to purchase the building.
- 2.9 In order to underpin the development, the Council would be required to take approximately 25,000 sq ft of office accommodation. This would provide an opportunity to consolidate a significant number of 'back office' staff to Jacksons Landing whilst releasing current accommodation for sale/redevelopment.

3. RISK IMPLICATIONS

- 3.1 Fully detailed costs of development are currently being undertaken together with negotiations for pre-lets of space in advance of any commitment by the Council to acquire the site. As a result risk associated with the project will be mitigated. The payment of a returnable deposit secures our interest without a substantial financial commitment.

4. FINANCIAL CONSIDERATIONS

- 4.1 Although a deposit has to be paid by the 31st December 2010 in accordance with the "lock out agreement" this is fully refundable should the Council decide not to proceed with the purchase by the 25th March 2011.
- 4.2 Should the purchase proceed in March 2011, then the Council will have to fund the cost of acquisition plus the costs of redeveloping the existing

building/site, which would be subject to the provision of a fully detailed feasibility appraisal to Cabinet prior to the completion date.

5. LEGAL CONSIDERATIONS

- 5.1 Formal legal documentation is being developed to reflect the terms agreed and contracts will be exchanged on the 31st December 2010 subject to Cabinet approval.

6. ASSET MANAGEMENT CONSIDERATIONS

- 6.1 The acquisition of Jackson's Landing provides opportunity to adopt a commercial/proactive approach to asset management and regeneration provides the opportunity to generate an income stream to the Council to contribute towards the Council's business transformation programme.

7. RECOMMENDATIONS

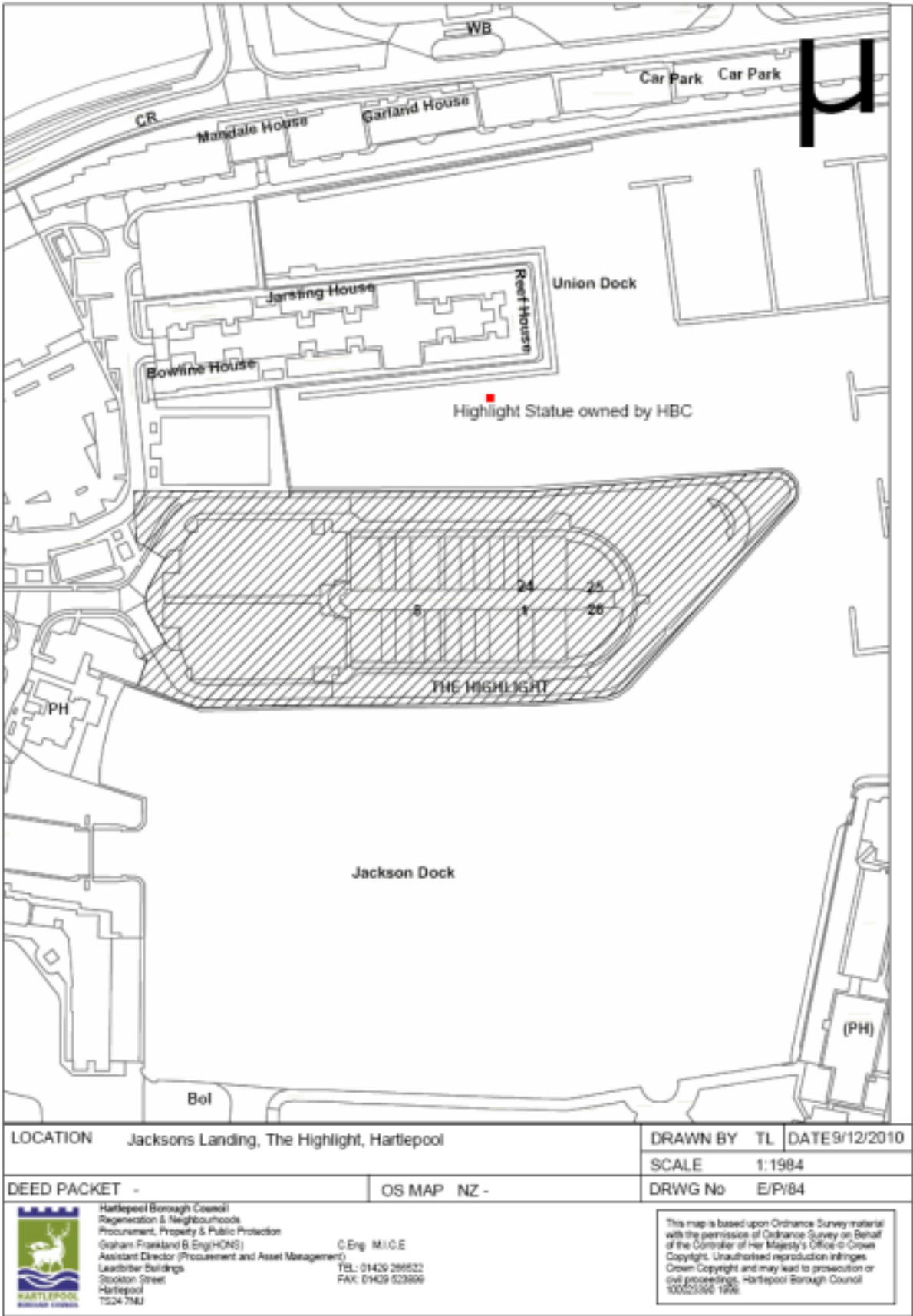
- 7.1 Cabinet is required to approve the exchange of contracts in accordance with the provisions of the "lock out agreement" as a first stage to the purchase of the building which will take place by March 2011 once Cabinet have agreed the commercial viability of the scheme.

8. REASONS FOR RECOMMENDATIONS

- 8.1 The acquisition of Jackson's Landing provides an opportunity to facilitate a transformational flagship development in accordance with the central investment framework, thereby helping to diversify and underpin the towns economy and increase the vibrancy of the central area.

9. CONTACT OFFICER

Graham Frankland, Assistant Director (Resources)
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Hartlepool Borough Council

Overview and Scrutiny – Call-in Notice – Scrutiny Chairs



1. Which decision would you like to call-in?

(Please include details of the decision, when it was taken and by whom)

Jackson's Landing Acquisition
20th December - CABINET.

2. What are the reasons for calling-in this decision?

Call-in must only be used in exceptional circumstances and the justification for the call must be either: Please tick as appropriate

- that the decision or proposed decision is outside the Budget and Policy Framework ☒
- that the decision was not taken in accordance with the principles of decision making set out in Article 13 of the Constitution ☒

- The Council would need to agree to borrow + revenue for repayments - Not been asked.
- The "initial" deposit decision needed to be enacted without allowing the call in period to be exhausted.

Councillor	Position and Party Group	Signature
1. MA JAMES	CHAIR. OF SCC. LABOUR.	MA James.
2. S Thomas	Chair of Neighbourhood Services Scrutiny, Labour.	S Thomas
3. M. H. H. H.	Leader SCC MEMBER.	M. H. H. H.

NB. Each of the Scrutiny Chairs may initiate call-ins providing they have the support of at least two members of the Scrutiny Co-ordinating Committee. The three signatories must represent at least two of the Council's political groups.

Councillor: MA James.

Signed: MA James

Date: 7 - 1 - 11

For office use only

Date received:

Initials:

SCC Agenda:

CABINET

MINUTES AND DECISION RECORD EXTRACT

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),

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.

**P J DEVLIN
CHIEF SOLICITOR**

PUBLICATION DATE: 24 DECEMBER 2010

SCRUTINY CO-ORDINATING COMMITTEE

14 January 2011



Report of: Scrutiny Manager

Subject: REQUEST FOR FUNDING TO SUPPORT THE
CHILDREN'S SERVICES SCRUTINY FORUM'S
CURRENT SCRUTINY INVESTIGATION

1. PURPOSE OF REPORT

- 1.1 To seek approval from the Scrutiny Co-ordinating Committee for a request for funding for the Children's Services Scrutiny Forum, from within the Overview and Scrutiny Function's dedicated scrutiny budget.

2. FUNDING PROPOSAL

- 2.1 In line with Council procedures, the agreed pro-forma has been completed and is attached as **Appendix A**. The purpose of the completed pro-forma is to assist this Committee in determining whether approval should be given to fund the additional support requested by the Children's Services Scrutiny Forum, as part of their current investigation.

3. THE COUNCIL'S FINANCIAL PROCEDURE RULES

- 3.1 The Financial Procedure Rules are those rules that the Council must have to govern its financial affairs. These rules are required by law to ensure that large sums of public money are spent properly and wisely.
- 3.2 The Financial Procedure Rules together with Standing Orders, apply to all parts of the Council, to Elected Members and employees and form an integral part of the Council's Constitution.
- 3.3 Consequently, whilst this Committee is requested to make a decision on the merits of the request for funding, the Committee must also adhere to the Council's Financial Procedure Rules.

4. RECOMMENDATIONS

4.1 It is recommended that the Scrutiny Co-ordinating Committee:-

- (a) determines whether the proposal is justified on the basis of information provided in **Appendix A**;
- (b) determines whether the proposal is a sufficient priority within the remaining budgetary provision; and
- (c) agrees in principal that any funding allocated, is in accordance with the Council's Financial Procedure Rules.

Contact:-

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BACKGROUND PAPERS

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

**PRO-FORMA TO REQUEST FUNDING TO SUPPORT
CURRENT SCRUTINY INVESTIGATION**

Title of the Overview and Scrutiny Committee:
Children's Services Scrutiny Forum
Title of the current scrutiny investigation for which funding is requested:
Think Family – Early Intervention and Prevention Services
To clearly identify the purpose for which additional support is required:
<p>Families have been invited along to a meeting of the Children's Services Scrutiny Forum to share their views on 'Think Family' services and participate in activities organised for the following age ranges:-</p> <p>5 – 11 year olds 12 – 16 year olds 17 + / adults</p> <p>Crèche facilities have been requested by families with children under 5 therefore funding for these facilities is requested (see below). However, a crèche facility is only being provided given the topic of investigation in order for families to participate at the meeting to share their views / experiences.</p>
To outline indicative costs to be incurred as a result of the additional support:
<p>(a) Catering (soup and sandwich) – £2.50 per head (overall cost will be dependant on the number of attendees, anticipated number of people 40 therefore cost £100, however, this may increase / decrease)</p> <p>(b) Room hire at Belle Vue Community Sports and Youth Centre - £70.50</p> <p>(c) Crèche for under 5's to enable parents with young children to participate - £16.50 per hour per crèche worker (overall cost will be dependent on the number of young children)</p>
To outline any associated timescale implications:
Meeting to be held on 18 January 2011
To outline the 'added value' that may be achieved by utilising the additional support as part of the undertaking of the Scrutiny Investigation:
To gather views from families about the services that they have used
To outline any requirements / processes to be adhered to in accordance with the Council's Financial Procedure Rules / Standing Orders: N/A
To outline the possible disadvantages of not utilising the additional support during the undertaking of the Scrutiny Investigation:
Unable to gather views from adults, young people and children
To outline any possible alternative means of additional support outside of this proposal: N/A