

CABINET AGENDA



Monday, 7 February 2011

at 9.15 am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Brash, Hall, Hargreaves, Hill, Jackson, Payne and H Thompson

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**

To receive the Record of Decision in respect of the Cabinet meeting held on
24 January 2011 (previously circulated)

4. **BUDGET AND POLICY FRAMEWORK**
 - 4.1 Medium Term Financial Strategy (MFTS) 2011/12 to 2014/15 – *Corporate Management Team*
 - 4.2 Safer Hartlepool Partnership's Draft Crime, Disorder, Substance Misuse and Reducing Reoffending Strategy 2011-2014 – *Director of Regeneration and Neighbourhoods*
5. **KEY DECISIONS**
 - 5.1 Hartlepool Tree Strategy 2011-2016 – *Director of Regeneration and Neighbourhoods*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Mental Capacity Act 2005 – Deprivation of Liberty Safeguards – *Director of Child and Adult Services*
- 6.2 Strategy for Bridging the Budget Deficit 2012/13 – Business Transformation Programme II (Follow Up Report) – *Chief Executive*
- 6.3 Assessing Developer Interest in Development Sites in Seaton Carew – *Director of Regeneration and Neighbourhoods*
- 6.4 Business Transformation – Quarterly Programme Update – *Chief Executive*

7. ITEMS FOR DISCUSSION/INFORMATION

No items

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

CABINET REPORT

7 February 2011



Report of: Corporate Management Team

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

SUMMARY

1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) to provide details of the Council's financial position, and
- ii) to enable Cabinet to approve the budget proposals to be referred to Council on 10th February.

2. SUMMARY OF CONTENTS

2.1 This report brings together issues reported to Cabinet and referred to Scrutiny Co-ordinating Committee between October 2010 and January 2011. The report enables Cabinet to finalise the budget proposals it wishes to refer to Council on 10th February 2011.

2.3 The report advises Members that the Spending Review sets out the Governments proposals for reducing the national budget deficit and confirms that the public sector, in particular local authorities, face a period of sustained and significant reductions in funding. Whilst, the actual Formula Grant cut of 28% is within the planning figures previously reported of 25% to 30%, the cuts are front loaded. This means the Council faces a difficult financial position over the next two years.

2.4 The forecast grant cuts will reduce the core formula grant from £51.5m in 2010/11 to £37.6m by 2014/15. In cash terms this is the level of grant the Council received in 2004/05. Since this date the Council has had to fund significant pressures, including demographic pressures, caring for older people, increased cost of Looked After Children and the ongoing cost of implementing the single status pay agreement. As these commitments are ongoing the grant cut means services will need to be scaled back, or stopped.

2.5 After reflecting the formula grant reductions, the inclusion of prudent provisions for inflation and headroom for future demographic and legislative pressures the Council faces significant deficits over the next

four years. In total it is anticipated that the reduction in the General Fund budget will total £24 million by 2014/15. This equates to a 26% reduction from the 2010/11 budget. Annual deficits are shown below:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Budget Deficits	9,750	7,597	2,400	4,600	24,347

- 2.6 As reported previously a range of measures for reducing the 2011/12 budget deficit shown in the above table have already been identified totalling £4.1m, including additional savings from Business Transformation of £1.6m for next year. However, after reflecting these issues and the impact of the Spending Review the Council still faces a net deficit next year of £5.6m.
- 2.7 The scale of the core budget deficits over the next four year means that the budget strategy is moving beyond delivering more efficiencies and begins a process of reducing and prioritising the services the Council provides. This is a fundamental change in how the budget will be managed and is necessary to address a period of sustained and significant grant cuts. This will require the Council to make the most difficult decisions it has faced since becoming a unitary authority in 1996. The report includes detailed proposals for bridging the net 2011/12 deficit of £5.6m.
- 2.8 The report also advises Members that the Council also faces cuts in funding arising from the Government's decision to transfer some specific grants and elements of the former Area Based Grant into the Formula Grant. There are also cuts from other specific grants and other elements of the Area Based Grant moving into the new Early Intervention Grant. In total these funding reductions total 21% over the next 2 years, which equates to a funding reduction of £3.1m. The majority of this reduction, £2.8m, is front loaded next year. Detailed proposals for managing these reductions are provided in the report.
- 2.9 In conclusion the Council faces an extremely challenging financial position, particularly over the next two years. This reflects the impact of grant reductions which will have the greatest impact on areas with the greatest dependency on grants.
- 2.10 The report recommends that permanent reductions are implemented in 2011/12 to balance the budget and avoid increasing the deficit in the following year. This strategy enables redundancy costs to be funded from the one-off Transitional Grant, which avoids these costs being delayed until 2012/13 when this funding will not be available.

- 2.11 The Government are measuring grant reductions in terms of reductions in 'spending power'. On this basis Hartlepool suffers greater reductions than the national average over the next two years. The following table highlights comparative spending power reductions for 2011/12:

	Spending Power Reduction	Spending Power Reduction Per person
National Average	4.4%	£49
Hartlepool	8.9%	£113

- 2.12 The actual cash reductions in grant funding in 2011/12 and future years are a more appropriate measure of the real funding cuts the Council will need to manage. The following table summarises these reductions and detailed proposals for managing this position are provided in the report.

	2010/11	2011/12 Grant cut		Cumulative Grant Cut by 2012/13 from 2010/11 base	
	Grant	£'m	%	£'m	%
Core Formula Grant	51.5	6.1	12%	10.2	20%
Specific and ABG Grants transferred to Core Formula Grant	7.8	1.2	15%	1.6	21%
Specific and ABG Grants transferred to Early Intervention Grant	8.9	1.9	21%	1.9	21%
Sub total	68.2	9.2	13%	13.7	20%
Working Neighbourhood Fund	4.9	4.9	100%	4.9	100%
	73.1	14.1	19%	18.6	25%

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to determine the final Budget and Policy Framework proposals it wishes to refer to Cabinet.

4. TYPE OF DECISION

- 4.1 Budget and Policy Framework.

5. DECISION MAKING ROUTE

- 5.1 Cabinet 7th February 2011 and Council 10th February 2011.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

Report of: Corporate Management Team

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

1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) to provide details of the Council's financial position, and
- ii) to enable Cabinet to approve the budget proposals to be referred to Council on 10th February.

2. BACKGROUND

2.2 This report brings together issues reported to Cabinet and referred to Scrutiny Co-ordinating Committee between October 2010 and January 2011. The report enables Cabinet to finalise the budget proposals it wishes to refer to Council on 10th February 2011.

2.3 The Government Spending Review sets out the future direction for public spending and taxation over the next four years. There are two clear issues within the Spending Review:

- The balance of the Government's deficit reduction plan funded from spending cuts and tax increases

In broad terms the majority of the budget deficit will be reduced through spending cuts, which will make up 75% of the deficit reduction. The other 25% will come through tax increases, which include measures such as the 50% top tax rate and changes in employee national insurance rates announced by the previous Government and the new Government's increase in VAT to 20%.

- The level of cuts in public spending

The Spending Review outlines the choices the Government has made in relation to public spending. For Local Authorities the Spending Review provides a period of financial austerity and some of the highest reductions in funding across the public sector.

2.4 The detailed impact of the Spending Review on individual Councils was provided in the provisional Local Government Grant Finance Settlement issued in December 2010 for consultation. The final settlement is expected towards the end of January / early February 2011. It is not expected that there will be significant changes in the provisional figures.

Details of any changes will be reported to Cabinet as soon as they become available.

- 2.5 The settlement for Local Government only covers 2011/12 and 2012/13, as the Government intend reviewing the existing Local Government finance system and to implement changes from 2012/13. As expected, the settlement for 2011/12 and 2012/13 front loaded funding reductions for Local Government. The impact on Hartlepool is provided later in this report.
- 2.6 In terms of forecasting the position for 2013/14 and 2014/15 the only available information is the level of reductions in total Local Government funding provided in the Spending Review. However, given the Government's intention to review the existing funding system which, although extremely complex, consists of two basic components – population and deprivation, there is a clear risk that at a local level the reductions in funding for these years will be greater than the national average reductions. Such a situation would continue trends which began with the 'emergency budget cuts' and have continued with the reductions announced for 2011/12 and 2012/13. This is an issue which will need to be considered once the Government provides detailed proposals for future years.
- 2.7 In the meantime, this report concentrates on the next two financial years as the Council faces the toughest financial position since becoming a unitary authority in 1996. This position reflects reductions in the Core Formula Grant, changes in how specific grants are paid to councils and reductions in the level of these grants. This position means that difficult decisions need to be made now to protect the medium term financial position and avoid deferring an unmanageable position to 2012/13.
- 2.8 The underlying picture for Hartlepool and other councils serving more deprived communities and therefore more reliant upon Government grants, is a significantly greater reduction in resources available to support local services. The Government introduced a new concept to measure these reductions – which is the value of reductions in 'spending power'. This measures reductions in grants against the total funding available at a local level, which encompasses an individual authority's:
- Council Tax Requirement;
 - Formula Grant;
 - Specific Grants; and
 - NHS funding for Social Care.
- 2.9 On a practical basis this report concentrates on the actual year on year reductions in grants as this is the funding the Council will no longer receive and therefore drives the cuts the Council will need to make to balance the budget.

- 2.10 The proposals in this report enable Cabinet to address next year's significant budget deficit and to make recommendations to enable a balanced budget to be set for 2011/12. The report also provides an update on the risks facing the Council and proposals to manage risks. This is particularly important in a period of sustained grant reductions as it helps mitigate the financial commitments facing the Council in future years. Together these proposals form the foundations for managing an even more difficult financial position in 2012/13 arising from further reductions in grant funding.
- 2.11 Previous reports have also advised Members that the Council also faces local budget issues from demographic pressures. For 2011/12 these items total approximately £1m and similar annual provisions have been included in the forecasts for the three year's commencing 2012/13. As grant levels will reduce over this period these costs increase the budget deficits facing the Council.
- 2.12 This report covers the following issues:
- Spending Review
 - Provisional Local Government Finance Settlement
 - General Fund Budget 2011/12 – Impact of Finance Settlement
 - Strategy for managing the General Fund 2011/12 Budget Deficit
 - Grants transferred into the Formula Grant
 - Grants transferred into the new Early Intervention Grant
 - Redundancy Issues and Funding 2011/12
 - General Fund Budget 2012/13 to 2014/15
 - Budget Risks
 - Robustness of Budget Forecasts
 - Review of Reserves
 - Capital Programme 2011/12 to 2013/14
 - Statutory Consultation
 - Local Consultation and Equality Assessment
 - Forecast Outturn 2010/11
 - Conclusions
 - Recommendations

3. SPENDING REVIEW

- 3.1. Previous reports advised Members that the public sector faces the most challenging financial position since the end of the second World War. These reports indicated that owing to the Government's commitment to protect the NHS, Education and International Development budgets other areas of Government spending, including Local Government, would face significant funding reductions over the next four years.
- 3.2. The Executive Summary to the Government Spending Review 2010 document states:

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

3.3 As indicated in earlier reports the Government has previously given commitments to:

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

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

Table 1: Headline funding cuts over the 4 year period of the Spending Review

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

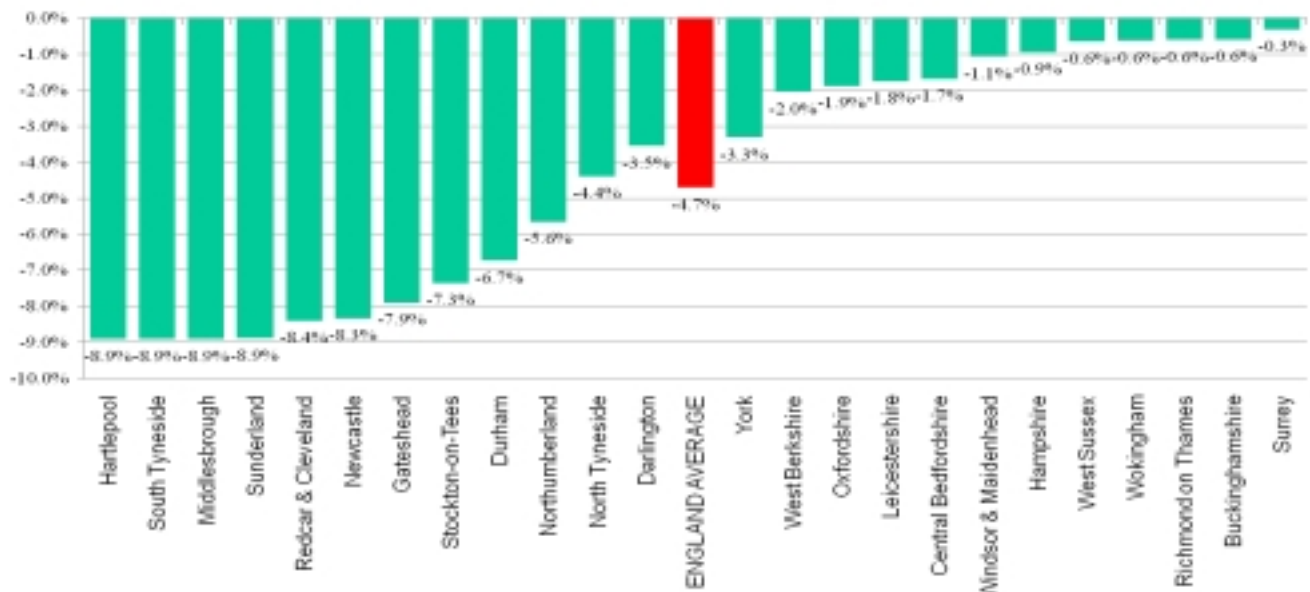
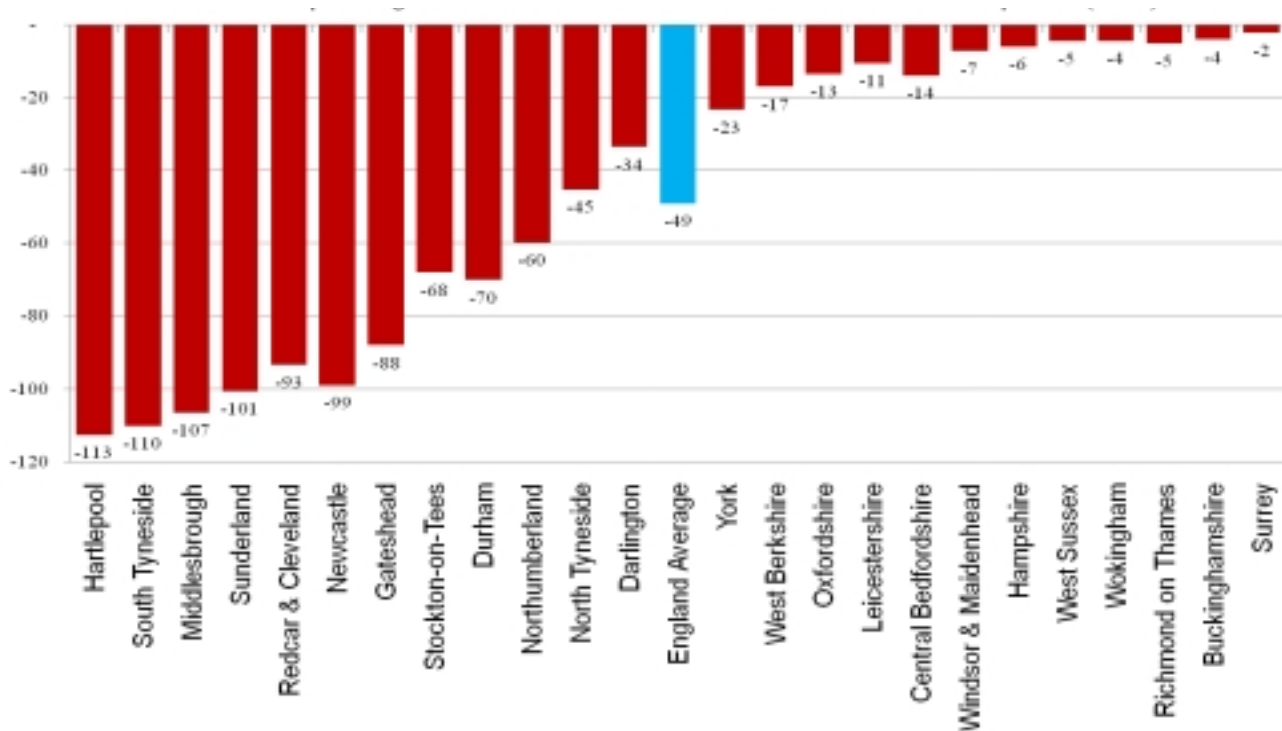
3.5 The Spending Review gave a range of figures for the change in Local Government Funding. This was supplemented by information provided in a letter to Local Authority Leaders on the day of the settlement from the Secretary of State for Communities and Local Government which stated: “Councils will face an average grant loss of 7.25%, in real terms, in each of the next four years.” This statement initially suggested that grant cuts would be evenly phased. This would have provided a longer lead time for Councils to manage a significant cut in grant funding. However, the provisional Local Government Grant announcement confirmed this is not the case and grant cuts are front loaded.

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

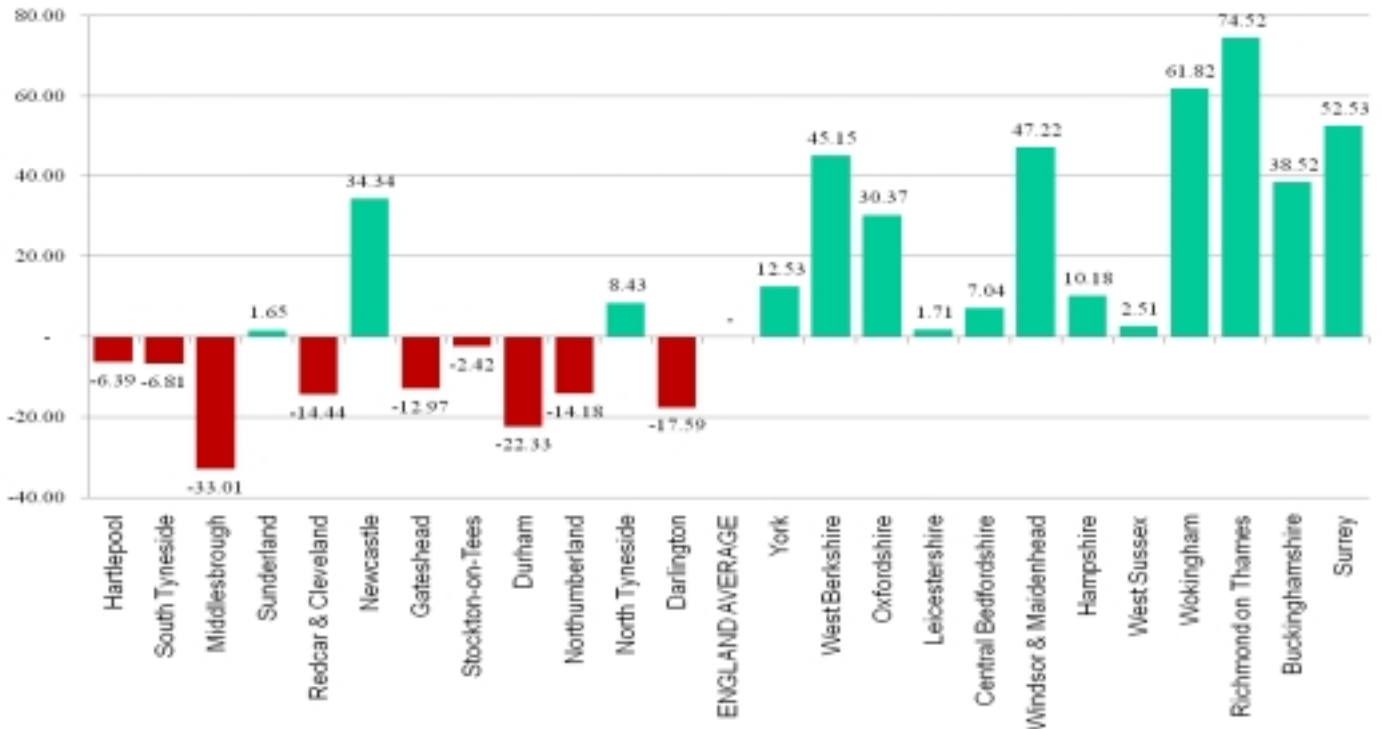
- Review of Local Government funding;
- Changes to Council Tax benefit and potential localisation of this benefit;
- Review of business rates and potential re-localisation;
- Introduction of Tax Incremental Financing (TIF);
- Proposed introduction of a national funding formula for schools.

4. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The Formula Grant is the Councils main revenue grant. 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 announcement only covers 2011/12 and 2012/13.
- 4.2 The Secretary of State for Communities and Local Government has stated that in 2011/12 Councils will face an average cut in 'spending power' of 4.4% and no local authorities will experience a decrease of more than 8.9% as a result of grant reductions.
- 4.3 An analysis of Spending Power reductions shows a wide range of percentage reductions, from 0.13% to 8.9%. Hartlepool's reduction is 8.9%. This analysis also shows that Spending Power reductions are greatest for those areas with the highest dependency on Government grants, which in turn reflects relative levels of deprivation and ability to raise funds locally from council tax and fees or charges. This means that authorities serving more deprived communities face the greatest financial challenges in the next two years.
- 4.4 The following tables provide details of comparative Spending Power cuts for the 12 North East Councils and the 12 authorities with the lowest reductions. The first table shows the percentage reduction and the second the amount per head of population. In both cases Hartlepool has the highest reduction which reflects the greater dependency on Government grants. It also includes the impact of the withdrawal of the remaining Working Neighbourhood Fund.

Table 2 - % Reductions in Spending Power**Table 3 - £ per person Reductions in Spending Power**

- 4.5 The percentage reductions in 'Spending Power' significantly understate the year on year percentage reductions in cash grants, which is the real funding reductions facing the Council.
- 4.6 The actual percentage reduction in the cash value of the Council's core Formula Grant for 2011/12, excluding the impact of the Transitional Grant and the transfer of Specific Grants and elements of the Area Based Grant into the Formula Grant, is £6.1m, which equates to 11.9%.
- 4.7 The amount of core Formula Grant the Council receives will be reduced over the next two years from £51.5m in 2010/11 to £41.3m in 2012/13, a reduction of £10.2m, which equate to a reduction of 20%. This compares to a planning forecast for the next two years of 15% to 20%. This report will concentrate on these cash reductions as this will drive the budget strategy for the next few years.
- 4.8 As detailed later in the report a number of Specific Grants and grants previously paid through the Area Based Grant have been transferred into the Formula Grant, or the new Early Intervention grant. These grants will also be reduced by £3.1m over the next two years, which equates to a reduction of 21%.
- 4.9 The Government announcement also included details of the "Transitional Grant" regime which ensures 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. In 2011/12 only 37 authorities will be eligible for this funding.
- 4.10 Hartlepool will receive Transitional funding in 2011/12 of £1.7m, which is the 16th highest cash allocation. This illustrates the scale of the grant reduction the Council is facing next year. Hartlepool will not receive this funding in 2012/13, as the grant cut in this year is marginally below the eligibility threshold.
- 4.11 A detailed response on the provisional settlement has been sent to the Government. These letters highlighted a number of concerns. This response has asked the Government to increase and extend the period that Transitional Funding is paid to Hartlepool. The response also advises the Government that under the old 'Floor Damping' system Hartlepool did not receive the full grant increases assessed under the previous grant system as increases were damped to protect other areas from funding cuts. Over the last 5 years this equates to £11 million. Perversely, the Council will still make a floor damping contribution next year of £0.5m (2010/11 £2.4m). Comparative floor damping figures for the other North East Councils and the twelve councils with the lowest Spending Power reductions are detailed overleaf.

Table 4 - £/Person Damping Grant

5. GENERAL FUND BUDGET 2011/12 – IMPACT OF FINANCE SETTLEMENT

- 5.1 The Government had not issued the final grant allocations when this report was prepared. It is not expected that there will be any significant changes in the provisional allocations. Therefore, the Council faces significant deficits over the next four years. In total it is anticipated that the reduction in the General Fund budget will total £24 million by 2014/15. This equates to a 26% reduction from the 2010/11 budget. Annual deficits are show below:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Budget Deficits	9,750	7,597	2,400	4,600	24,347

- 5.2 The 2011/12 gross deficit of £9.7m is before reflecting the proposed measures detailed in **Appendix A**, totalling £4.1m. The remainder of this report concentrates on the net 2011/12 deficit of £5.6m.
- 5.3 The 2011/12 forecasts also assumes Cabinet will formally recommend a Council Tax freeze to Council. This will mean the Council is eligible to receive the 'Council Tax Freeze' grant for 4 years of approximately £1m

per year. It is not clear what happens when the current spending review ends. The Government will either need to continue this funding or authorities will face a funding reduction in 2015/16. For planning purposes it is not expected that this funding will continue.

- 5.4 The detailed announcement of the 2011/12 Council Tax freeze also reminded Local Authorities of the Government's plans to legislate in the Localism Bill to give local residents new powers to veto excessive Council Tax rises. These arrangements will replace Government capping from 2012/13 onwards. Until then the Secretary of State has stated "he reserves that right to use capping powers against any individual authorities which ignore the freeze and set excessive Council Tax rises".
- 5.5 The Secretary of State will not announce 2011/12 capping criteria until after local authorities set their budgets and Council Tax levels. Based on information currently available the capping level is likely to be set at, or very near to 2.5%.
- 5.6 If Members wish to consider increasing Council Tax in 2011/12 they need to appreciate that this will have limited impact in 2011/12. This is because only the increase above 2.5% will benefit the bottom line. For Members information each 1% increase above 2.5% generates £0.4m. In the longer term, i.e. after the end of the Spending Review there would be an on-going benefit from increasing Council Tax in 2011/12 by more than 2.5%, as this will increase the Council's resource base. This benefit will depend on the capping level.
- 5.7 Details of the 2011/12 deficit are summarised below:

Table 5: Updated 2011/12 Budget Deficit

Position as at 11.10.10	£'000	£'000
Gross Deficit (based on 10% grant cut)		10,400
Add – Impact of Spending Review Changes		
Increase of grant cut from original planning assumption	2,000	
Loss of ABG Support for General Fund	500	
Learning Disability Transfer	50	
		2,550
Gross Deficit		12,950
Council Tax Freeze Grant		(1,000)
Less – Planned use Budget Support Fund		(900)
Less – 2011/12 Planned BTP Efficiencies		(1,300)
Sub Total		9,750
Less – Proposed 2011/12 Permanent and temporary cuts (detailed in Appendix A – includes additional BTP efficiencies £1.6m)		(4,100)
Revised 2011/12 Deficit		5,650

6. STRATEGY FOR MANAGING THE GENERAL FUND 2011/12 BUDGET DEFICIT

- 6.1 Assuming Cabinet recommends a Council Tax freeze for 2011/12 and confirms the measures already identified for reducing expenditure a strategy is needed to fund the net deficit of £5.6m. As Members are aware significant savings have already been made through the Management Structure changes and Service Delivery Options completed or planned to deliver savings from April 2011.
- 6.2 Therefore, the budget strategy for 2011/12 is moving beyond delivering more efficiencies and begins a process of reducing and prioritising the services the Council provides. This is a fundamental change in how the budget will be managed and is necessary to address a period of sustained and significant grant cuts. This will require the Council to make the most difficult decisions it has faced since becoming a unitary authority in 1996.
- 6.3 In December Cabinet were advised that the total one-off funding may amount to £2.7m. This consisted of £1.7m of Transitional Grant and £1m new Social Service Grant.
- 6.4 At that time it was recommended that these resources were earmarked to fund 2011/12 and 2012/13 redundancy costs. It was also reported that Cabinet could potentially allocate these resources to reduce the cuts in 2011/12 and therefore delay compulsory redundancies for 12 months. Members were advised that this approach was not recommended as this would simply defer these budget cuts until 2012/13. It would also defer redundancy costs, which the Council would then need to fund by making more cuts. At that time Cabinet determined it would not be prudent to use temporary funding to delay cuts until 2012/13, as this would increase the budget deficit in that year to an unsustainable level. This proposal was referred to Scrutiny Co-ordinating Committee (SCC) as part of the budget consultation process. SCC has indicated that they support the proposal not to delay cuts until 2012/13, albeit they do so reluctantly.
- 6.5 It has now been confirmed that the new Social Services Grant was already included in the Formula Grant, so this additional funding is not available. Therefore, the only the available one off funding is the £1.7m Transitional Grant. This amount would only enable redundancies to be delayed for part of 2011/12 as the average redundancy payment is equivalent to less than 30 weeks pay, which is the maximum limit. Extending employment would incur additional salary costs and employers national insurance and pension costs. This means that whilst the Transitional funding is sufficient to pay estimated redundancy costs, it would only provide enough funding to pay staff and meet national insurance and pension costs for approximately 24 weeks. The full year cost would be £3.5m.

- 6.6 As a result of the issues detailed in the previous paragraph the Council does not have the funding to delay redundancies until 2012/13 and therefore needs to implement the cuts previously identified, excluding the minor items Cabinet has decided not to implement following SCC feedback on the initial proposals.
- 6.7 This strategy will avoid increasing the 2012/13 budget deficit from £7.6m to £10.4m. It also enables redundancy costs to be funded in 2011/12 from the one off Transitional Grant. This avoids these costs being deferred until 2012/13, when they will have to be funded by making further cuts as there will be no Transitional Funding in that year, or other funds available.
- 6.8 The forecasts in the remainder of the report are therefore based on Cabinet implementing the majority of the permanent reductions identified for 2011/12.
- 6.9 The first part of this strategy involves reducing the new budget pressures. These were initially assessed as having a total value of £1.289m. A detailed review of these items reduced the value of new commitments to £1.066m (which includes £0.645m of social care pressures). Details of these commitments are provided in **Appendix B**, which also provides details of those commitments continuing from 2010/11.
- 6.10 The budget deficit can also be reduced by deleting the Cabinet Contingency and Provision for Cabinet projects budget – total value £75,000.
- 6.11 The majority of the 2011/12 deficit will need to be bridged by reducing existing services. Over the last few months initial proposals for managing a net 2011/12 deficit of up to £6.7m have been considered. This work indicated that cuts of this magnitude from the 1st April 2011 will be extremely difficult to achieve.
- 6.12 Assuming the proposals detailed in the previous paragraphs are agreed the net deficit reduces to £5.352m. This is still a very significant deficit and will mean that the most of the proposed budget cuts previously identified will need to be implemented.
- 6.13 These cuts are detailed in **Appendix C** and these proposals reflect a detailed review of existing services. They also reflect Cabinets guidance to maximise administrative and managerial savings at a corporate and departmental level, which has identified savings of approximately £1.5m from these areas. The remaining savings have to come from front line services as this is where most of the Council's budget is spent.
- 6.14 The final proposed savings also include changes to the original proposals to address Scrutiny Co-ordinating Committees concerns and feedback, as follows:

Original Proposals	Revised Proposals	Value of Savings
Housing (homeless advice and private sector teams)	Alternative savings consisting of an increase in the annual Homelessness Grant of £20k and a reduction in the payment to UNITE of £9k have been identified.	£29,000
Beach Safety	A range of alternative savings have been identified covering the removal of the 'old mayoral and deputy mayoral' allowances, removal of Mayor and Chairman's hospitality budgets. Full details are included in Appendix C .	£31,000

- 6.15 Cabinet has also considered Scrutiny Co-ordinating Committees specific feedback on three proposed savings and determined to recommend the following proposals to Council:

Proposed savings to be withdrawn

- Children's fund – initial proposed saving £43,000
The withdrawal of this item increases the 2012/13 budget deficit.

Proposed savings – it is recommended are still implemented

- Grants to Community and Voluntary Organisations £72,000
- Revised Scrutiny / Democratic Services Support £34,000

6.16 Library and Community Centres Proposed Saving

- 6.17 The detailed proposals for the reduction in branch library and community centres is based on meeting the financial targets set and aims to minimise the effect townwide by securing and retaining a comprehensive library service which continues to deliver our statutory duty. The proposed closure of West View Library is based on the fact that this is a part time library with the lowest usages within the service. The future delivery of library services will change to maximise outreach activity rather than focusing on building based branches, thus for example, the mobile library will have a rescheduled route and the home library service continues to support those who are housebound in this vicinity. Furthermore staff are devising service delivery options which will potentially utilise other community facilities for activities – for example the summer reading challenge for young people.
- 6.18 The proposed closure of the West View Community Centre, Jutland Road Community Centre and Seaton Community Centre & Sports Hall is also based on meeting financial targets, identifying those centres that have low levels of usage leading to high running costs and in the case of Seaton have high maintenance backlog requirements. The proposed

reduction in community facilities is somewhat mitigated by ensuring that remaining facilities are geographically spread across the town and there are alternative options in many instances for community groups affected to relocate. Furthermore it is encouraging to relate that there have been positive informal responses to the Department which indicate that those buildings provisionally affected are of interest to a variety of community groups in respect of community asset transfer. This not only has the potential to enable existing premises to continue in use but it could also allow community groups to rationalise premises and access revenue funding to help strengthen their sustainability.

- 6.19 The prospect of redundant buildings being offered to the voluntary sector would need to be done in a fair and equitable manner, a Community Asset transfer policy already exists and it would be proposed that all Hartlepool groups would be alerted to the prospect of specific properties becoming available to ensure that all have a fair chance to make their interest known. The prospect of closures has been well reported in the local press over recent weeks and this has brought forth a number of unsolicited expressions of interest – this gives Officers confidence that the future outcome may prove to be less of a negative step as first feared.

6.20 General Fund Summary 2011/12

- 6.21 Assuming Cabinet approved the above measures there is a small amount of uncommitted resources amounting to £119,000, as summarised in the following table. It is suggested that this amount is earmarked for projects, such as the investigation of a leisure trust or a asset backed vehicle, which may require investigation to ascertain if they provide any future budget benefits.

Table 6: Summary of Proposed Budget Reductions

	£'000
Net Deficit	5,650
Reduction in Budget Pressures	(223)
Removal of Cabinet Contingency and project budgets	(75)
Sub total	<u>5,352</u>
Chief Executives Department cuts	(772)
Regeneration & Neighbourhoods Department cuts	(1,704)
Child and Adult Services Department cuts	(2,995)
Total budget reductions	<u>(5,471)</u>
Forecast Net Deficit / (Uncommitted Resource)	(119)

7. GRANTS TRANSFERRED INTO THE FORMULA GRANT

- 7.1 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.
- 7.2 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 £6.626m in 2011/12, a reduction of 11.9%.
- 7.3 There will be a further reduction to £6.210m in 2012/13, which brings the total reduction from 2010/11 (including the top slicing reduction) to approximately 17% over a 2 year period.
- 7.4 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.
- 7.5 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 D**. 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.

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

- 8.1 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.
- 8.2 Hartlepool's grants have been reduced from £8.875m in 2010/11 to £6.935m in 2011/12 – a reduction of 21.9%.
- 8.3 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 years these areas will face a funding reduction of nearly 21%.

- 8.4 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 E**. 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.

9. REDUNDANCY ISSUES AND FUNDING 2011/12

- 9.1 The redundancy and pension costs from implementing the proposed budget reductions of £5.6m have been estimated at £1.6m. The final figure will not be known until redeployment options have been assessed and detailed selection criteria have been applied where redeployment is not possible. For planning purposes this is a prudent estimate and it is not anticipated that the final figure will exceed this amount, although this cannot be guaranteed. It is suggested that these costs are funded from the one-off Transitional Grant of £1.7m. It is also suggested that the residual balance of the Transitional Grant not needed for redundancy and pensions is allocated for projects which may require investigation to ascertain if they provide any future benefits.
- 9.2 In some instances it may be possible to redeploy staff into other posts. If these are at a lower pay level the Council's existing Single Status Agreement provides protection at one salary band above the new grade where this is lower than the current grade. Protection is currently paid for 3 years. In the circumstances it would be appropriate to fund protection costs in the same way as redundancy costs for 2011/12.
- 9.3 It should be noted that with any dismissal there is always a risk of a claim to an Employment Tribunal. An assessment of the processes applied and the impact on individuals has been made and identified that a full and equitable process has been followed to date and will continue to be applied.

10. GENERAL FUND BUDGET - 2012/13 TO 2014/15

- 10.1 As indicated earlier in the report the Government have only provided a two year settlement for councils. This announcement confirms that the next two financial years will be particularly challenging as the Government have front loaded grant reductions. This means that significant reductions in costs and/or services will be required over the next two years.
- 10.2 For planning purposes it is assumed that the grant reductions for 2013/14 and 2014/15 will be in line with the national reductions detailed in the Spending Review. There is a risk these forecasts may be optimistic as the Government's proposal to implement changes to the Local Government finance system in 2013/14 may have an adverse impact on Hartlepool. There is currently no information available to

assess this risk and the position will need to be reviewed as and when more information becomes available.

- 10.3 The planning forecasts for 2012/13 and future years have also been reviewed to reflect changing circumstances since the initial forecasts were prepared. The first change relates to the reducing ability to capitalise annual expenditure to provide the annual revenue saving of £0.5 million built into the 2010/11 base budget. This position reflects lower levels of expenditure which can be capitalised owing to reductions in revenue budgets and the reduced scope to capitalise school based expenditure owing to pressure on school budgets and the potential impact of schools becoming academies. It would therefore be prudent to reduce the annual capitalisation amount by £0.25m. This proposal will need funding and a suggested strategy is detailed in the following paragraph. Reducing the existing capitalisation target will mitigate the risk that this is not be achievable and therefore avoids an unbudgeted revenue pressure.
- 10.4 The second change relates to an increase in the 2011/12 Council Tax base which is calculated in January and has recently been approved by the Finance Portfolio holder. This shows a small increase which is mainly owing to a reduction in anticipated exemptions in 2011/12, compared to 2010/11. The increase in the Council Tax base provides a financial benefit of around £0.25m in 2011/12 which equates to 0.6% of total Council Tax income. This amount should be sustainable in future years. It is suggested that from 2012/13 this amount is earmarked to reduce the recurring saving built into the budget from capitalising revenue expenditure which is now not sustainable as detailed in the previous paragraph. This proposal therefore addresses this risk which if not addressed would increase the 2012/13 budget deficit. It is also suggested that the benefit from the higher Council Tax base in 2011/12 is earmarked for projects which may require investigation to ascertain if they provide any future budget benefits, such as the investigation of a leisure trust or a asset backed vehicle. For planning purposes it is assumed Members will approve this proposal.
- 10.5 At this stage no changes have been made to the planning forecasts to reflect the potential impact of funding for reablement services that is incorporated within recurrent PCT allocations. As indicated previously detailed negotiations will need to take place with the PCT to determine the services to be provided using this funding and whether existing services are eligible to be funded from the reablement resources. It is anticipated these negotiations will be completed before the 2012/13 budget is set. There is an additional risk that when funding transfers from PCT's to GP consortiums in 2013/14 that new negotiations will need to be held to agree the future funding levels. These negotiations are likely to be more difficult than those with the PCT, where there are established working relationships and a good understanding of service responsibilities between the Council and the PCT.

- 10.6 The Government have also recently commenced a consultation on the proposed 'New Home Bonus' incentive. The aim of this scheme is to encourage authorities to allow new homes to be built by paying an additional grant equivalent to the increased Council Tax income for a 6 year period. The existing national Formula Grant pot has been top sliced to provide a £200 million fund for this scheme. Further top slicing may be made if this initial amount is not sufficient. At this stage an assessment of the impact on Hartlepool cannot be made. However, there is a risk that if increases in the local tax base occur at a slower rate than the national average that Hartlepool will not benefit from this scheme. There is also a risk that more funding may be top sliced for this scheme and this could result in a further reduction in Hartlepool's main Formula Grant allocation in future years. Further details will be reported when they become available.
- 10.7 Previous forecasts have been based on a Council Tax freeze in 2012/13 and annual increases in 2013/14 and 2014/15 of 3.9%. This reflected the anticipation that the new Government would seek to constrain Council Tax for 2011/12 and 2012/13 and increasing inflation pressures thereafter. We now know there will be a Council Tax freeze grant in 2011/12 and the Government intend to introduce referendum arrangements for Council Tax increases above a defined threshold from 2012/13.
- 10.8 Under existing regulations the Council is still required to determine indicative Council Tax increases for two years. It is therefore suggested that these should now be set at 2.5% for the next 3 years. By 2014/15 this proposal will marginally decrease the ongoing Council Tax income generated by the Council. It will also slightly change the phasing of budget cuts as summarised in the following table.

Table 7: Budget Summary 2011/12 to 2014/15

	2011/2012 PROPOSED BUDGET	2012/2013 PROJECTED BUDGET	2013/2014 PROJECTED BUDGET	2014/2015 PROJECTED BUDGET	TOTAL
<u>Current planning assumptions</u>					
Council Tax increase	0%	0%	3.9%	3.9%	
Budget Deficits	£5.650m	£7.597m	£2.400m	£4.600m	£20.247m
<u>Revised planning assumptions</u>					
Council Tax increase	0%	2.5%	2.5%	2.5%	
Budget Deficits	£5.650m	£6.607m	£2.931m	£5.167m	£20.355m

- 10.9 The annual impact of a +/-1% change in the proposed Council Tax increase is £0.4m and the cumulative impact over 3 years is £1.2m.
- 10.10 The actual Council Tax increases for future years will be determined on an annual basis, so the above forecast can be reviewed as more information becomes available. Members need to remember that deferring Council Tax rises increases the annual budget deficit in that year and more importantly reduces the Council's resource base, as deferred increases cannot be made up in future years. This is likely to become an increasing problem when the Council Tax referendum arrangements are introduced.
- 10.11 As indicated in the previous budget reports it will become increasingly difficult to bridge the budget deficit after 2011/12 owing to the measures which will have already been implemented. Therefore, to address the future challenges, the Council's strategy needs to include:
- Shared Services with other Councils or organisations;
 - Commissioning Services from other organisations;
 - Increasing income;
 - Prioritising Services to identify areas which will be scaled back or stopped completely.
- 10.12 In relation to sharing services and commissioning services the scale of reductions which can be made in these areas will be dependant on the impact of TUPE regulations, which will limit the Council's ability to reduce costs by transferring staff. These areas will therefore need careful consideration.
- 10.13 It will be necessary to progress these issues during 2011/12 to ensure they are implemented from 1st April 2012. Detailed proposals will need to be developed during 2011/12 to address the 2012/13 deficit. Some of these measures, such as reviewing existing eligibility criteria or charging for social care, will need considering at an early stage owing to lead times needed to implement from April 2012.

11. BUDGET RISKS

- 11.1 As reported in October the major financial risks facing the Council prior to the Spending Review were the level of grant allocations, the detailed basis for implementing cuts to different grant regimes and the link between grant regimes at a local level.
- 11.2 The Local Government provisional grant settlement confirms grant cuts for the next two years, therefore, this risk has materialised. The proposals detailed in this report for 2011/12 enables this risk to be managed next year. Proposals for managing this ongoing risk in 2012/13 will need to be developed over the next 12 months to ensure robust plans are in place for April 2012.

- 11.3 The Council also continues to monitor a range of risks and to make appropriate plans to mitigate these risks so that services are not adversely affected. As part of the 2010/2011 budget the Council reviewed its previous strategy of mitigating risk by allocating monies to individual risks and carrying earmarked reserves. This review moved away from this approach and established a 'Strategic Risk Reserve' to manage these risks. This reserve has a current balance of £2.3m.
- 11.4 The risks against this reserve were initially estimated at £4.8m. Further work has been carried out to refine these risks. Some risks have occurred and been addressed, including the 2009/2010 income shortfalls and the non payment of the Local Public Service Agreement Reward Grant. Other risks have been reviewed.
- 11.5 Further details on current risks are provided in **Appendix F** and summarised in Table 8 (below). In overall terms the table shows the total value of risks has reduced from £4.8m+ to £2.8m+. This is mainly owing to the significant reduction in the BSF one-off costs risks owing to the Government cutting funding for this programme. The main element of the reserve relates to Equal Pay / Equal Value claims. A number of claims have either been settled or are nearing settlement which provides some certainty on identified risks. However, as this area continues to evolve there is still potential for new risks to emerge. As indicated previously these risks fall over a number of years. It will be necessary to consider topping up this reserve in future years depending on changes to the underlying risk factors or the availability of any further flexibility. Should the amounts payable in any year exceed the risk reserves, the shortfall will need to be met from the General Fund balance as a last resort.

Table 8 – Risk Issues Summary

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

12. ROBUSTNESS OF BUDGET FORECASTS

12.1 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Chief Finance Officer (CFO) to advise Members on the robustness of the budget forecasts and the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the CFO and in practice is a situation that I would not expect to arise for this Authority.

12.2 I would advise Members that in my opinion the budget forecasts suggested in this report for 2011/12 are robust. This opinion is based on consideration of the following factors:

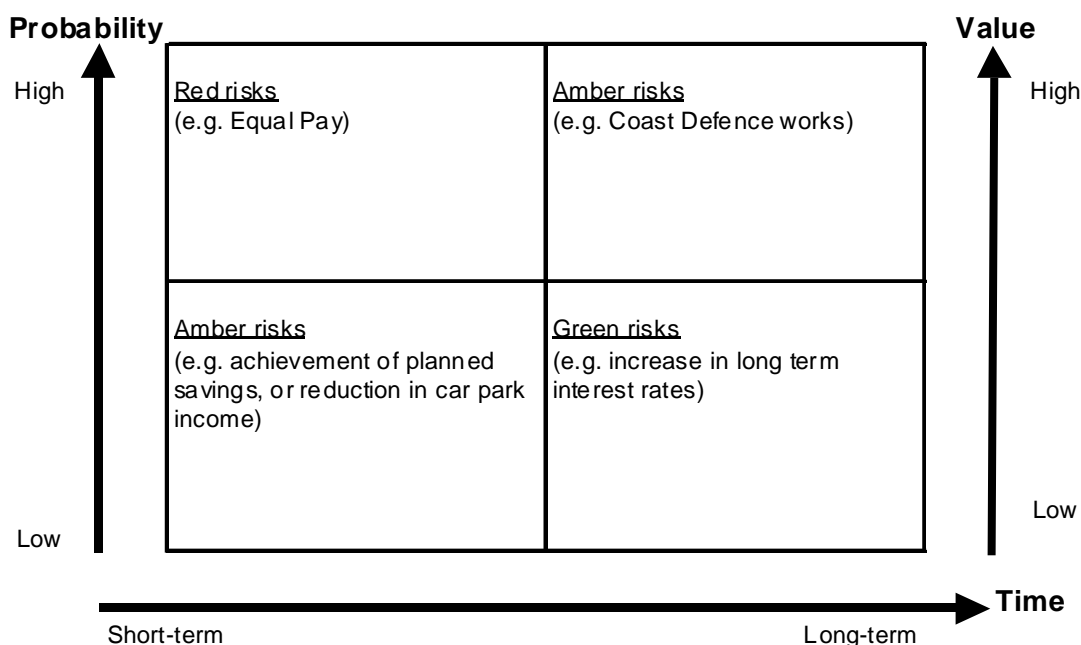
- The assumption that Members will approve the proposals for bridging the budget deficit detailed in the report, including the proposed cuts of £5.5m, the proposals for managing the impact of grants being transferred into the Formula Grant and the introduction of Early Intervention Grant. This is the key issue affecting the robustness of the proposed budget. If Members do not approve these, the budget forecasts will not be robust as expenditure in these areas will inevitably exceed the available budget;
- The detailed work undertaken by individual Directors in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provisions for pay awards for staff earning below £21,000 who will receive a flat increase rate of £250 and inflation on non pay budgets during 2011/2012;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The assumption that Members approve the budget proposals detailed in the report.
- The costs of Job Evaluation appeals do not exceed the provision included in the budget forecast.

12.3 Further details of the key financial assumptions underpinning the budget are detailed at **Appendix G**.

12.4 The robustness of the budget forecasts also takes account of the main areas of risk affecting the budget for 2011/12 as detailed in the report. In line with the Council's overall Risk Management Strategy the Authority takes an active and pragmatic approach to the management of risk. This approach acknowledges that the purpose is not to remove all risks, rather it is to ensure that potential "losses" are prevented or

minimised. The attached schedule and the corporate Risk Register ensure the Authority has identified areas of risk and developed arrangements for managing these areas.

- 12.5 The risk analysis categorises on the basis of an assessment of these factors - probability of risk, time scale of risk and value of risk as summarised below (with a detailed schedule attached at **Appendix H**).



13. REVIEW OF RESERVES

- 13.1 The Council's Reserves peaked in 2004/05 at £36m as a result of one of benefits, which included higher investment income and the monies received from the initial Local Authority Business Growth Incentive (LABGI) scheme. These factors will not continue as interest rates have fallen significantly and are expected to remain low in the medium term. At the same time the Council's investments are forecast to reduce as reserves are used. A revised LABGI Scheme was applied 2009/10 which only allocated 10% of the amount allocated under the previous system and this scheme has now terminated.
- 13.2 Significant elements of these resources have been earmarked to manage risks and to assist the Authority manage the budget over the medium term. In the case of support for the budget this support ends in 2011/12 and other resources will be released over the next few years. As a result reserves will fall significantly over the next few years and are forecast to fall to £15m by 2013/14 as detailed overleaf.

These are amounts that have been set aside to meet specific commitments. The main items are summarised below:

i) Capital Reserves:

These are earmarked to finance capital expenditure re-phased from the previous financial year, or to meet future capital expenditure liabilities.

ii) Insurance Fund:

This provides for all payments that fall within policy excesses or relate to self-insured risks. The fund currently covers the estimated value of unpaid outstanding claims.

iii) Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs of strategic changes to improve services, or reduce costs.

13.3 The level of reserves is forecast to fall to £15m by 31st March, 2014, compared to a minimum requirement at that date of £7.6m. The minimum requirement consists of:

- the General Fund Balance of £3.4m, which is the minimum recommended level and equates to 3% of the budget;
- the Insurance Fund Balance of £4.2m, which is the estimated value to meet outstanding claims.

13.4 After reflecting the existing commitment of reserves and the minimum ongoing requirements the Council has effectively committed available reserves.

13.5 Specific Reserves

These are amounts that have been set aside to meet specific commitments. The main items are summarised below:

i) Capital Reserves:

These are earmarked to finance capital expenditure re-phased from the previous financial year, or to meet future capital expenditure liabilities.

ii) Insurance Fund:

This provides for all payments that fall within policy excesses or relate to self-insured risks. The fund currently covers the estimated value of unpaid outstanding claims.

iii) Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs of strategic changes to improve services, or reduce costs.

13.6 General Fund Balances

These reserves have also generally been set aside for specific purposes to enable the Council to manage its financial position over more than one financial year. However, whilst these reserves are needed for future commitments, these items do not meet the strict statutory definition of a Specific Reserve and are therefore carried as General Fund Balances. The main reserves and proposals for using these reserves, where applicable, are detailed below: -

i) Unearmarked General Fund Balances:

Previous reports have recommended that this reserve should be maintained between 2% and 3% of the Revenue Budget. The Council is able to operate with reserves at this level owing to the availability of departmental reserves and the Council's Managed Under/Overspends policy. The reserve is available to meet unbudgeted emergency expenditure. However, any use of these reserves would need to be repaid in the following year.

The Council's General Fund Balances currently equates to 3% of the revenue budget.

ii) Revenue Managed Underspends and Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs, or strategic change costs, which will improve services, or reduce costs.

iii) Budget Support Fund Reserve:

This reserve is committed to support the revenue budget over a number of years ending in 2011/2012. The level of reserves committed to support the 2011/12 budget currently exceeds reserves available. It is hoped the shortfall will be bridged from RTB receipts. There is some risk to these receipts in 2010/11 and 2011/12 owing to the recession and this position will be monitored closely.

iv) Schools Reserves:

These reserves have arisen from the local management of school budgets and enable schools to manage their activities over more than one year.

14. CAPITAL PROGRAMME 2011/12 TO 2013/14

14.1 There are two elements to the capital programme, firstly projects funded from Government allocations and secondly projects funded from local allocations. Detailed proposals for using these resources are provided in the following paragraphs and are summarised in **Appendix J**.

14.2 Government Capital Allocations

14.3 Detailed capital allocations have now been provided by the Government covering the Local Transport Plan, Children's Services and Adult Social Services. In overall terms these allocations will now all be funded from capital grants, rather from supported Government Prudential borrowing allocations. This avoids a future budget pressures as the Council does not need to make provision for loan repayment costs. The level of funding for Local Transport issues is 27% lower in 2011/12 than 2010/11. Funding for Children's Services, which covers investment in schools and Adult Social Services are broadly unchanged from the current year.

14.4 The Council has also been notified that capital grants will be paid for coast protection works at Seaton Carew and also to fund investigative work in relation to potential coast protection work at North Sands.

14.5 The Government Capital allocations also include the funding for the approved element of the reduced Building Schools for the Future programme covering the refurbishment of Dyke House School and ICT improvements across secondary schools.

14.6 A number of capital grants paid in 2010/11 have been withdrawn, including funding for Housing Market Renewal and Housing SHIP (Strategic Housing Investment Programme) funding. A bid has been submitted for Regional Growth fund to partly mitigate the loss of this funding, although it is not yet known if this will be successful.

14.7 Local Allocations – Council Capital Fund

14.8 In response to the reductions in revenue grants and the resulting budget deficits Cabinet previously reviewed the sustainability of using prudential borrowing to support a range of local capital priorities. As a result of this review Cabinet confirmed their commitment to establish a single capital allocation, to be known as the 'Council Capital Fund'.

This will be funded using prudential borrowing and the repayment costs have been built into the budget forecasts as commitments against the headroom included for revenue pressures. Cabinet has agreed that for 2011/12 £1.2 million should be borrowed to fund this capital investment.

14.9 In order to prioritise projects assessment criteria have been agreed which use the following categorisation methodology

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

14.10 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

- 14.11 In order to ensure bids for works / activities are prioritised Cabinet has agreed they should be judged against the categories outlined above.
- 14.12 In addition, to provide fair access to funding Cabinet has agreed 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>

- 14.13 On the basis of the above criteria detailed proposals for using this funding are provided at **Appendix J**.

15. STATUTORY CONSULTATION

- 15.1 The initial budget proposals were referred to Scrutiny Co-ordinating Committee (SCC) in December. As additional information on the budget has become available this has been referred by Cabinet to SCC. Details of the latest feedback from SCC is included at **Appendix K**.
- 15.2 Statutory budget consultation meetings have also been held on two occasions with the Trade Unions and Budget Sector, as detailed in **Appendix L**.

16. LOCAL CONSULTATION AND EQUALITY ASSESSMENT

- 16.1 Comprehensive consultation was also completed last year with local residents and details of feedback from the initial budget consultation were reported to Cabinet in October.
- 16.2 As reported previously to Members additional consultation has been undertaken as part of the equality assessment of the budget proposals. The consultation period does not close until after the publication deadline for this report and therefore supplementary papers will be circulated in advance of the Cabinet meeting.

17. FORECAST OUTTURN 2010/11

- 17.1 The current financial year has been extremely challenging and revisions to the approved budget have been approved by Council to reflect changing circumstances. These proposals have enabled the Council to fund one off costs from one off resources. This has included managing in-year revenue grant cuts implemented by the Government.

These funding reductions were managed through a combination of using reserves, lower borrowing costs and some reductions in planned expenditure on grant funded regimes. The Council has also managed the shortfall in income on the Tall Ships event.

- 17.2 Previous reports also informed Members that the Government has determined to remove the CRC (Carbon Reductions Commitment) regime incentives and the Treasury will retain the resources generated from this scheme. It is anticipated that Hartlepool will have an initial liability of £195,000. It is not yet clear if there will also be an ongoing liability and details will be reported when they are known. It was proposed that the initial liability is funded from a one-off back dated rating appeal payment, which will total approximately £0.2m.
- 17.3 The latest review of the Council's financial position, based on actual activity up to the 31st December 2010 and forecasts to the year end, has identified a number of additional issues. It is suggested that Members address one off liabilities by earmarking one-off benefits. This strategy will protect the Council's medium term financial position. In overall terms it is anticipated there will be a net one off benefit of £46,000 and it is suggested this amount is earmarked to assist manage the 2012/13 budget. These issues are detailed below:-

17.4 Financial liabilities and commitments

- Closure of Incinerator Costs - estimated cost £600,000

The 4 Tees Valley authorities have been notified that the incinerator will close for 40 weeks in 2011/12 for essential works and upgrades. As a result the 4 Tees Valley councils will incur higher disposal costs as waste will be set to landfill for the duration of the closure. No provision for these costs has been made in next year's budget as this is a one off cost. It is therefore, suggested that this commitment is funded from available resources in the current year. It should be noted that even when account is taken of these one off costs the existing waste disposal contract and the use of the incinerator is cost effective and the overall costs of waste disposal are significantly lower than areas which do not have this type of arrangements. The Council also benefits from selling surplus 'LATS' (Land Allowance Trading Scheme) permits to authorities which need these permits to send waste to landfill sites.

- Income risks – estimated shortfall 2011/12 £200,000

The budget strategy has previously earmarked resources within the Strategic Risk Reserve to manage income shortfalls arising from the recession in relation to the Shopping Centre, land charges and car parking. These funds will be fully used by the end of the current year. As these adverse trends are continuing for longer than anticipated, owing to the length and depth of the recession, it would be prudent to make a further contribution to the Strategic Risk Reserve to cover

these shortfalls in 2011/12. This will ensure the resources earmarked within the Strategic Risk Reserve for Equal Pay/Equal Value claims are protected as costs for these risks are already anticipated to exceed the available reserve. As reported previously Equal Pay/Equal Value costs will be spread over a number of years. This hopefully provides time to identify additional one-off funding for these liabilities. If this is not possible the funding shortfall will fall on General Fund balances.

17.5 One off financial benefits and resources

- Year 1 Advance SDO savings – estimated 2010/11 benefit £450,000

As reported in October it was anticipated that some SDO savings built into next years budget would be achieved earlier and there would be a part year impact. These savings have now been quantified and as they are not needed to offset in year overspends in other areas they can be allocated for other commitments.

- Departmental Forecast Outturns - estimated 2010/11 benefit £196,000

Detailed outturns for the current year are currently being prepared on the basis of expenditure and income trends for the first 9 months of the year and trends for the remaining 3 months. As Members will be aware some areas of activity are more volatile in the final quarter owing to seasonal trends. The obvious issue is the level of winter maintenance expenditure. Equally other areas can be affected, such as trading income and also demand on care services for the elderly. The latest forecast anticipates an underspend for the year. This includes the allocation of additional income from the PCT and the agreement of care funding packages with the PCT. Some of this funding can be used to fund existing services and this provides a temporary benefit in the current year.

- Investment income and lower borrowing costs – estimated 2010/11 benefit £200,000

The benefits from lower interest rates prevailing for longer than anticipated and netting down the Council's investment and borrowing is slightly more favourable than forecast at the end of the second quarter.

18. CONCLUSIONS

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

cuts in other areas, including Local Government funding, over the next four years.

- 18.2 For Local Government the Formula Grant cut will be 28% by 2014/15 - £7.2billion at a national level. This compares to a local planning forecast of 25% to 30%. The Spending Review stated that this equates to an average annual grant cut of 7.25% in each of the next four years.
- 18.3 In reality the grant cut is front loaded and over the next 2 years the Formula Grant cut will total £5.5 billion – which accounts for three quarters of the planned cuts over the next four years.
- 18.4 At a local level the Council's core Formula grant will be reduced on an annual basis for 4 years, with most of this reduction being front loaded over the next 2 years. The Council therefore faces significant budget deficits over the next 4 years, as follows:

	2011/2012 PROPOSED	2012/2013 PROJECTED	2013/2014 PROJECTED	2014/2015 PROJECTED	TOTAL
Budget Deficits	£5.650m	£7.597m	£2.400m	£4.600m	£20.247m

- 18.5 There will also be reductions in other grant regimes and the position is summarised below:

	2010/11 Grant	2011/12 Grant cut	
		£'m	%
Core Formula Grant	51.5	6.1	12 %
Specific and ABG Grants transferred to Core Formula Grant	7.8	1.2	15 %
Specific and ABG Grants transferred to Early Intervention Grant	8.9	2.0	22 %
Working Neighbourhood Fund	4.9	4.9	100 %
	73.1	14.2	19 %

- 18.6 The report recommends that permanent reductions are implemented in 2011/12 to balance the budget and avoid increasing the deficit in the following year. This strategy enables redundancy costs to be funded from the one-off Transitional Grant, which avoids these costs being delayed until 2012/13 when this funding will not be available.

19. RECOMMENDATIONS

- 19.1 It is recommended that Cabinet refers the following proposals to Council on 10th February 2011:
- 19.2 **2011/12 Revenue Budget**
- 19.3 Approve the proposed corporate permanent and temporary reductions detailed in **Appendix A**, totalling £4.1m which partly mitigate the 2011/12 budget deficit;
- 19.4 Approve the proposed net pressures detailed in **Appendix B**, totalling £1.066m;
- 19.5 Approve the proposed saving of £75,000 from removing the Cabinet Contingency and Project budgets;
- 19.6 Approve the proposed savings detailed in **Appendix C**, totalling £5.471m, which includes revisions to the original proposals detailed in this report;
- 19.7 Approve the proposed funding allocations for services transferred into the core Formula Grant from specific grants or the Area Based Grant, totalling £6.626m as detailed in **Appendix D**;
- 19.8 Approve the proposed funding allocations for services transferred into the Early Intervention Grant from specific grants or the Area Based Grant, totalling £6.935m as detailed in **Appendix E**;
- 19.9 Approve the proposal to fund 2011/12 redundancy costs of £1.6m from the Transitional Grant of £1.661m;
- 19.10 Approve the proposal to earmarked the residual balance of the Transitional Grant not needed for redundancy costs of £61,000, the additional income from the increased Council Tax base of £250,000 and the uncommitted resources of £119,000 from implementing the 201/12 cuts for projects agreed by Cabinet (such as leisure trust, asset backed vehicle) which may require investigation to ascertain if they provide ant future benefits;
- 19.11 Approve a Council Tax freeze for 2011/12 in order to secure the payment of the Council Tax freeze grant of £0.991m for 2011/12 and the following 3 years.
- 19.12 Note the budget risks, mitigation strategy and robustness of the budget forecasts advice (sections 11 and 12)
- 19.13 **2012/13 to 2014/15 Revenue Budget**

- 19.14 Approve the proposal to partly mitigate the risk of achieving the annual £0.5m revenue savings by capitalising expenditure (i.e. transferring revenue expenditure to capital and funding from prudential borrowing) by reducing this amount to £0.25m per year and funding the reduction from the increase in the Council Tax base;
- 19.15 Approve indicative annual Council Tax increases of 2.5% for 2012/13, 2013/14 and 2014/15;
- 19.16 **Capital Programme 2011/12**
- 19.17 Approve the proposal to passport Government capital allocations;
- 19.18 Approve the proposal to use Prudential Borrowing of £1.2m to establish a 'Council Capital Fund' and the detailed proposals for using this fund as detailed in **Appendix J**.
- 19.19 **2010/11 Outturn Strategy**
- 19.20 Approve the proposal to allocate the one off rates refund of £0.2m to meet the 2011/12 Carbon Reduction Commitment (CRC) liability;
- 19.21 Approve the proposal to fund financial liabilities identified in paragraph 17.4 from the resources identified in the same paragraph and to carry forward the residual uncommitted resources of £46,000 to assist the 2012/13 budget.

Schedule of 2011/12 Permanent and Temporary Budget Reductions

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

	<u>£'000</u>
<u>Permanent Benefits</u>	
i) <u>Increase in Business Transformation Programme Efficiencies</u>	1,600
The MTFS currently anticipates BTP of £6m over a four year period, with £1.3m included in 2011/2012 forecasts. Based on progress to date it is anticipated that the aspirational target of £8m can be achieved over a shorter period. It is therefore now possible to anticipate a further £1.6m in 2011/2012, subject to Members agreeing detailed proposals when they are brought forward.	
ii) <u>Lower Pay Awards 2010/2011 and 2011/2012</u>	1,000
The position on pay awards for April, 2010 and 2011 is now becoming clearer and the cumulative provision can be reduced by £1m in 2011/2012. This assumes there are no pay awards for 2010/2011 and 2011/2012 and leaves provision to cover the estimated cost of a flat rate increase of £250 for employees earning below £21,000 from April, 2011.	
iii) <u>Removal of One-Off Budgets for Brierton Site Costs and Dyke House Transport Costs</u>	345
The Dyke House Capital Scheme will be completed over a shorter period than originally anticipated. Therefore, provision for these costs was made in the 2009/2010 Outturn Strategy. This means the base budget provision for this item is not needed for 2011/2012.	
iv) <u>Removal of Mill House Loan Repayment Budget</u>	309
The base budget includes £0.309m to support Prudential Borrowing towards the Mill House replacement. This project needs to secure significant grant funding to proceed. As this is unlikely to be achievable in the current financial climate this budget can be taken as a permanent saving.	
v) <u>Reduction in Looked After Children Contingency</u>	250
This proposal depends on 2009/2010 expenditure trends continuing in the current year which would enable the Looked After Children Risk Reserve to be increased to £0.5m. This would provide a Risk Reserve equivalent to the value of the contingency for this area of two years.	

- | | | |
|-----|---|----|
| vi) | <u>Review 2009/2010 and 2011/2012 Pressures and Contingency</u> | 83 |
|-----|---|----|

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

Total Permanent Budget Reduction	<u>3,587</u>
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Temporary Benefits

- | | | |
|----|--|-----|
| i) | <u>Use of Specific Departmental Reserves</u> | 513 |
|----|--|-----|

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

Total Temporary Resources	<u>513</u>
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Total Permanent Budget Reductions and Temporary Resources	<u>4,100</u>
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SCHEDULE OF 2011/12 BUDGET PRESSURES

4.1

2011/12 PRESSURES - CORPORATE ITEMS

APPENDIX B - Part 1

Budget Area	Value of Pressure reported 11.10.10 £'000	Value of Pressure withdrawn £'000	Net Pressure £'000	Description of Pressure
Repayment costs of using Prudential Borrowing to capitalise revenue expenditure in 2010/11.	50	0	50	Repayment costs of using Prudential Borrowing to capitalise revenue expenditure in 2010/11 to achieve revenue saving in 2010/11 of £0.5m.
Repayment costs of using Prudential Borrowing for local priorities.	35	(35)	0	The initial pressure covered the repayment costs of using Prudential Borrowing for local priorities following capital allocations for 2011/12 - Neighbourhood Forum Minor Works allocations £156,000, Community Safety Initiatives £150,000 and Disabled Adaptations £50,000. Given the scale of the Formula Grant cut it is now proposed that these areas are considered alongside other local capital priorities and considered as bids against a single Council Capital fund - see next item.
Repayment costs from continuing the Council Capital Fund (formerly known as SCRAPT programme).	180	(80)	100	The initial pressure covered the repayment costs arising from capital allocation of £2.2 million in 2011/12 to continue local capital investment not supported from Government Capital allocations, the second phase of planned maintenance work and DDA works. Given the scale of the Formula Grant cut it is now proposed that these areas, and the items detailed in the previous item are considered as bids against a Council Capital fund of £1.2m. Detailed proposals for using the capital allocation are provided in Appendix J.
	265	(115)	150	

2011/12 PRESSURES - CHILD AND ADULT SERVICES

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

SCHEDULE OF 2011/12 BUDGET PRESSURES

4.1

2011/12 PRESSURES - CORPORATE ITEMS

APPENDIX B - Part 1

2011/12 PRESSURES - REGENERATION AND NEIGHBOURHOODS DEPARTMENT

Budget Area	Value of Pressure reported 11.10.10 £'000	Value of Pressure withdrawn £'000	Net Pressure £'000	Description of Pressure
Removal and disposal of abandoned and nuisance vehicles.	15	(15)	0	Pressure deleted
Waste Disposal	50	0	50	Increase in Waste Disposal Costs arising from increase in Energy From Waste gate fee and landfill tax.
Concessionary Fares	110	0	110	Provision for above inflationary increase in Concessionary Fares.
Section 38 Budget	111	0	111	Loss on income arising from reduction in development, which is expected to continue owing to reductions in public sector capital spending. This risk was previously managed at a departmental level, but this is no longer sustainable as the existing reserve is expected to be fully committed in 2011/12. Therefore, this commitment needs including in the budget forecasts for 2011/12 and the remaining reserve released to support the overall budget.
Environmental Enforcement Officers	93	(93)	0	Pressure deleted
	379	(108)	271	
Total Pressures	1,289	(223)	1,066	

Table 1**SUMMARY OF KEY ONGOING 2010/11 SERVICE ISSUES**

	2010/2011 Forecast Outturn Adverse/ (Favourable) £'000	2011/2012 Budget Pressure/ (Saving) £'000	
<u>Child & Adult Services</u>			
- Mental Health Increasing number of community based packages owing to increased demand	170	155	Pressure
- Older People Demographics Increase demand owing to demographic trends and increasing need for services, especially Older People with dementia	200	190	Pressure
- Learning Disabilities This area is being met within current resources in 2010/11. The 2011/12 pressure relates to an increasing number of individuals with complex care needs reaching age 18 next year.	0	250	Pressure
- YOS Senior Practitioner Increased capacity to address issue raised in external inspections	0	50	Pressure
<u>Regeneration & Neighbourhoods</u>			
Waste Disposal - increase in Landfill tax	0	50	Pressure
Concessionary Fares - demand lead service not fully covered by government funding	0	110	Pressure
Section 38 Budget - previous saving not sustainable in the long term	0	111	Pressure
<u>Corporate Issues</u>			
- Job Evaluation / Equal Pay and equal value claims This area is not overspending in 2010/11, but is identified as a risk area owing to the potential impact of appeals and other changes. Cabinet on the 22/12/2009 agreed to set up a Single Risk Reserve to meet a series of risks faced by the Council in 2010/11 and future years of which this was one of them.	0	0	

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

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

* denotes where two comments have been amalgamated together.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

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

* denotes where two comments have been amalgamated together.

CHIEF EXECUTIVES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Various Headings	Democratic costs	<p><u>Additional Savings</u> - This savings has been identified to replace the proposed Beach Safety savings and consists of a variety of elements:</p> <ul style="list-style-type: none"> • 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 • Registration service – deletion of overtime budgets – proposed saving £5k. 	31
TOTAL CHIEF EXECUTIVES DEPARTMENT FINAL PROPOSAL			772

REGENERATION AND NEIGHBOURHOODS DEPARTMENT - PROPOSED BUDGET REDUCTIONS

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Housing (homelessness, advice, private sector team)	Housing (homelessness, advice, private sector team)	The initial proposed saving has been replaced by alternative savings consisting of an increase in the annual Homelessness Grant of £20,000 and a reduction in the payment to UNITE of £9,000.	29
Public Protection	Environmental Health, Trading Standards, Licencing	Provide the out of hours noise service for 3 months only (June, July and August). *Remove student EHO Bursary provision. (Students will still be trained but no financial support will be given).	42
Community Safety, ASB, DAT	Community Safety, ASB, DAT	A saving can be generated by more efficient service provision between teams which work with landlords and tenants. *The DAT budget for printing will be reduced and income generated by CCTV, based on business case developed with Housing Hartlepool, who provide monitoring service.	55
Urban and Planning Policy	Core Strategy and Urban Regeneration Team	Delete Principal Planning Officer (split between SDO).	20
Landscape Planning and Conservation	Landscape Planning and Conservation	Reduce general controllable budget e.g. reduce professional fees budget and training budgets etc. *Reduce general controllable budget at Conservation Grant stage at 30%.	35
Building Control	Building Control	Restructure service - reduce from 7 posts to 6.	40
Economic Development	Economic Development	Delete enhancing employability post. *Reduce tourism marketing budget by £10,000. Reduce Economic Development General budget £15k.	55
Community Regeneration	Community Regeneration	*Reduction will be a combination of either reduced hours, loss of 1/2 post or a full post. The post or reduced hours have yet to be identified against specific staff but can be achieved.	20
Waste Management	Waste Collection& disposal service. Household Waste Recycling Centre & Waste Transfer Station, Burn Road.	Increased recycling of waste at waste transfer station, review existing HWRC contract, change opening hours to suit actual demand, thus reducing overall waste disposal budget. *Reduce bulky waste service by 1 round (2 operatives, plus one vehicle).	135
Neighbourhood management	Neighbourhood Management & street cleansing	Neighbourhood Management functions - 2 cleansing vacancies currently filled with agency. *Remove Derelict Buildings budget.	70
Parks & Countryside	Parks/ Grounds maintenance and Tanfield Road Nursery	Reduction in spring/summer beds plus change in nursery opening hours, and review of existing Parks & Countryside structure, with the loss of one operative in the Nursery and one Parks Officer.	80
Pride in Hartlepool	Pride in Hartlepool	Absorption of full Pride in Hartlepool function into Neighbourhood Management.	70
Beach Safety	lifeguard service	The initial proposed saving of £50,000 has been reduced to £19,000 in response to SCC feedback on the initial consultational proposals. The revised saving will be achieved by bringing the start date for the service into line with other areas.	19
Facilities Management	Building Maintenance	Increased income target on Capital works.	100
Property Services	Provision of architectural and project management services to corporate and education assets	As a result of reducing capital programmes and rationalising of the Council's property there is a need to reduce resources accordingly. A combination of reduction in the budget for corporate property and associated staff reduction will be required particularly where fees will not be available to cover all functions and current posts. Substantial savings in this area are also being generated through the BT Asset Management Workstrand.* A further combination of reduction in the budget for corporate property and associated staff reduction will be required for 15% savings.	100
Procurement / Reprographics	Procurement / Reprographics	Potential to increase efficiencies and income in the reprographics area. The Procurement function already has a savings target of £135k p.a. as part of the BT Non-transactional workstrand.*Further efficiency / income generation in reprographics required for 15% savings.	23

* denotes where two comments have been amalgamated together.

Service Area	Description of Service	Description of Reduction	Value Reduction £'000
Resources (Support Services)	Admin Support / Service Development / PA Support	Reduction of administrative posts following the completion of further efficiency reviews and the streamlining of working practices. *Implement changes to the Business Apprenticeship programme in order to reduce costs whilst seeking to maintain existing numbers of apprentices. *Reduce staffing resources available to identify and support the delivery of service improvements and also to undertake performance management and business planning functions. Reduce the level of PA support to reflect proposed changes to the department's senior management structure.	165
Dial a Ride	Dial a Ride Subsidised transport service for the public	Discontinuation of whole service.	209
Hospital Service	H1 Hospital service	Cease the Supported bus H1 hospital service.	85
Traffic Management	Traffic Regulation Orders, Road Safety Schemes	Small budget used for the implementation of Traffic Regulation Orders associated with road safety schemes. Charge direct to capital scheme (although funding is likely to reduce if LTP grant is reduced).	15
Street Nameplates	Street Nameplates	This budget is used to maintain the existing street nameplate assets when damaged.	23
Traffic Signs and Bollards	Traffic Signs and Bollards	This budget is used to maintain traffic signs and bollards when damaged.	15
Supported Buses	Susidy given to bus operators to provide financial backing to "non viable" service	Stop Supported Buses Service. (excluding Scholar Service).	287
Cleveland Emergency Planning Unit (4 Local Authorities) - Hartlepool Contribution to CEPU Budget is 16.3%	Cleveland Emergency Planning Unit (4 Local Authorities) - Hartlepool Contribution to CEPU Budget is 16.3%	Reduction of 1 Emergency Planning Officer. Upon retirement of Chief Emergency Planning Officer change Job Description and take out of Chief Officer band. Income generation from use of EPU premises from NEAS and CFB. Total saving £47.6k (4 LA's contribute to EPU budget proportionally based on population therefore Hartlepool's contribution = £8k) *Cut back in external training, cleaning services. Recover management costs from LRF and use some CEPU reserve fund. Total saving £23k therefore Hartlepool's contribution is £4k.	12
		TOTAL REGENERATION & NEIGHBOURHOODS DEPARTMENT 10%	1,704

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

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

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

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

* denotes where two comments have been amalgamated together.

CHILD AND ADULT SERVICES DEPARTMENT - PROPOSED BUDGET REDUCTIONS

<u>SERVICE AREA</u>	<u>DESCRIPTION OF SERVICE</u>	<u>Description of Reduction</u>	Value Reduction £ 000
School Swimming	Use of Brinkburn Pool for Primary Swimming Programme.	Relocation of primary school swimming to MHLC, includes plan for fewer but longer swim sessions for curriculum and performance benefit	76
Parenting Support Strategy	Provision of programmes to support and improve parenting commissioned from voluntary sector	20% Overall Reduction in the budget, which will have an impact on the support for parents.	3
Improving Educational Outcomes for Pupils	Targeted work with schools to ensure we maintain and improve outcomes for our pupils. Support to meet challenges from and preparation for Ofsted inspections.	20% reduction in mainstream funding. Will reduce the capacity to improve children's education and prospects.	77
Outdoor Education Centres	Net cost of supporting use of Carlton (£80K) and Lanehead (£60K) by Hartlepool children. Carlton is run by Hartlepool - Lanehead is run by Middlesbrough	Cease subsidy contribution to Lane Head. A corresponding withdrawal from Carlton may result with income generation becoming critical. Schools using the centres would have to meet more of the cost.	60
Special Educational Needs Services	Special Educational Needs Services	Reduction of 1 Educational Psychologist	60
ICT Licences & Development	ICT Licences & Development	Withdraw capacity for ICT Development	29
Youth Offending Service	Provision of resources to deliver interventions to young offenders as ordered by the Court	15% overall reduction. If further reductions in service were required, this would have a direct impact upon the resources of the service to meet its statutory function to young offenders. The likely impact would be an increase in the number of young offenders in Hartlepool, an increased crime rate and the council being open to judicial review for failure to meet its requirements.	93
Integrated Youth Service	Three main centres + satellite centres. Also funding for a variety of projects such as Duke of Edinburgh, Deaf Youth and Salaam Centre. Plus Staffing budget for youth workers and training budget used to deliver NVQ2 to voluntary and statutory youth support service. Linked to Connexions information, advice and guidance service.	Contribution from schools to Personal Advisors (£96k); Share offices with TOS and Through Care team (£58k); Delete three posts (£100K); Reduce commissioning budget for Headland youth support activities (£3k). Centres and satellites would remain open. Grant would be re-distributed. *Delete a Team Manager post from Connexions function.	297
Home to School Transport	School buses and bus passes for eligible pupils	Reduction in services & costs/potential income generation	50
Family Intervention Project and similar prevention initiatives	Intensive support for families at risk of breakdown	Reduction in preventative services could lead the needs of primary school children becoming greater before statutory intervention and the likelihood of a higher level of resource in the long term	10
		TOTAL CHILD AND ADULT SERVICES DEPARTMENT	2,995

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

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
3448	537
61	9
238	37
233	37
4	1
6626	980

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	231
57	4
222	16
218	15
4	0
6210	416

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 (note 1)	394,991	320,515	77,075
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 (note 1)	12,208	0	0
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	501,152
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	1,930,346

Notes:

1) The January Guarantee 2011/12 allocation would have been £9,609 after the grant reduction. This amount has been transferred to the Children's fund.

SCHEDULE OF BUDGET RISKS

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

SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

Budget Assumption	Financial Standing and Management
The treatment of inflation and interest rates	<p>The proposed resource allocations for 2011/12 include 2.5% for anticipated general inflation on non pay expenditure. In addition, where it is anticipated costs will increase by more than inflation these issues have been specifically reflected in the pressures included within the budget requirement.</p> <p>The salary budgets include an allowance for staff turnover based on the level of turnover achieved in previous years. It has become apparent as the work on the Service Delivery options have progressed that the achievement of this target in future years will be much less likely as vacant posts are deleted permanently from the structure and the overall number of vacancies in Local Government reduces owing to the challenging financial environment. The salary abatement targets have been reduced accordingly.</p> <p>Interest exposure is managed through the Treasury Management Strategy. Investment income has been protected by locking into forward investment deals, however as these investments mature, resources will be used to fund 'under-borrowing.' Similarly, the risk of increasing borrowing costs has been managed by having a mix of fixed rate borrowings and the use of LOBO loans with various maturity profiles.</p>
The treatment of demand led pressures	<p>Individual Portfolio Holders and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the change over more than one financial year. In some key instances it will not be possible in 2011/2012 to absorb some demand pressures and appropriate provision has been included in the budget requirement for 2011/12, to meet these commitments.</p>
The treatment of planned efficiency savings/productivity gains	<p>All Directors have a responsibility to deliver services within the approved resource allocations. Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent efficiency is achieved. The main areas of efficiencies in 2011/12 are part of the Business Transformation Programme and the 10% and 15% cuts.</p>

4.1 APPENDIX G

<p>The availability of other funding to deal with major contingencies and the adequacy of provisions</p>	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide service departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
<p>The strength of financial reporting arrangements and the Authority's track record of budget monitoring</p>	<p>The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. This includes the use of Managed Underspends from previous years or temporary corporate funding to enable departments more time to address adverse conditions. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.</p>
<p>Equal Pay/ Equal Value Claims</p>	<p>The Council has completed the detailed evaluation of all jobs and developed a new pay and grading structure, which was implemented with effect from 1st April 2007. The budget requirements for 2011/12 onwards include provision for the estimated costs of implementing the new pay and grading system, including the incremental impact of these changes.</p> <p>The Council is also facing the risk of Equal Value Pay Claims. Accordingly, the Council has set up a Single Risk Reserve to fund such risks.</p>

2011/12 FINANCIAL RISK MANAGEMENT

Risk Rating

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

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

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

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

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

EXPENDITURE ITEMS

CORPORATE RISKS

Financial Risk	Risk Rating	2011/12 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay costs - Single Status and costs of living pay award	Amber	50,470	55%	<p>The Council agreed a new pay and grading structure in May 2008, which was implemented with effect from 1st April 2007. A significant number of employees have submitted appeals in respect of their new grading. A provision for the potential cost of appeals has been included in the MTFS. As the results of these appeals will not be known for sometime there is a risk that costs may exceed this provision.</p> <p>The MTFS also includes provision for a cost of living pay award from 1st April 2011. There is likely to be downward pressure on this area, owing to the impact of the recession.</p> <p>It is anticipated that the above provisions should be sufficient to meet additional costs in 2011/12, although this area will need to be managed carefully.</p>
Higher costs of borrowing and/or lower investment returns	Green	6,829	7.4%	<p>Interest payable on Council's borrowings or interest earned on investments could be higher/lower than forecast.</p> <p>The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the CFO's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors.</p> <p>The risk in relation to Council Borrowings is for new borrowings that may be required to finance the capital programme as existing borrowings are fixed. This risk has increased with the Government's decision to increase PWLB rates by 1% for new borrowing in October 2010 with immediate effect. There is still a risk that LOBO loans may be recalled. However, as interest rates on these loans are now higher than prevailing market rates this risk has reduced in the short term. In the medium term this risk will increase as interest rates rise and this may be affected by the increase in PWLB rates. The Council has established an interest equalisation reserve of £0.4m to assist/manage this risk.</p> <p>The unprecedented low levels of interest rates have resulted in a significant reduction in investment income this change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis.</p>
IT.	Green	2,758	3.0%	<p>The partnership contract is subject to an inflationary increase that is outside of the Council's control and this, together with the potential for agreed contract changes, mean this budget is subject to potential change in excess of the budget. However based on the contract value and current economic conditions this is not considered to be a significant risk. In addition, this risk has been mitigated as part of the contract extension as these savings in the first instance be earmarked to offset any inflation increases. Although, in the current climate it is unlikely that inflation will be a significant factor.</p>

Financial Risk	Risk Rating	2011/12 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Planned Maintenance Budget	Amber	216	0.2%	Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. From 2002/03 the Council provided 2.5% real term growth for this budget to start addressing these issues. It was recognised that this would not be sufficient and at some point significant resources would need to be allocated to address these issues. The Revenue Budget Strategy includes provision to support Prudential Borrowing to fund £1.2m of capital priorities.
Failure to comply with relevant local authority financial legislation/regulations, NI and taxation regulations	Amber	N/A	N/A	The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas. The Council has specific reserves to cover this risk.

CHILD & ADULT SERVICES

Individual School Budget (ISB)	Amber	70,108	N/A	These resources are delegated from the Authority's Dedicated Schools Grant in accordance with the local fair funding formula. For 2011/12 a number of former Standards Fund grants (eg. Schools Standards Grant and School Development Grant) have been transferred into the DSG rather than be paid as separate grants. These grants include amounts which were previously retained and utilised by the LA towards support for schools. For indicative purposes, the full transfer of Standards Fund grants has been included within the ISB however the Schools Forum in March 2011 will determine the actual level of Individual Schools Budget.
Individual Pupils Budget allocated during the year to schools for high level SEN pupils	Green	1,561	1.7%	The Local Authority retains DSG funding to support pupils with special educational needs by agreement with the Schools Forum. This funding is allocated to schools each term to cover their costs of employing Teaching Assistants and rates are reviewed each year as part of the annual budget process. Pressure on this budget is directly influenced by the numbers of children requiring support in any given year and the SEN manager liaises with schools to share costs with them on an ongoing basis.
Home to School Transport Costs	Amber	1,474	1.6%	The Department's home to school transport contracts are regularly reviewed to ensure competitive prices and best value. Provision of transport is determined by the HTS Transport policy but costs are directly influenced by the needs of pupils which vary from term to term. The highest area of spending relates to the requirement to transport special needs pupils which is demand led, invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Integrated Transport Unit (ITU).
Building Schools for the Future	Amber	N/A	N/A	This is funded 100% from Reserves. There are increased revenue costs arising from the implementation of the BSF D&B and ICT programmes and no mainstream recurring budgets are available. An earmarked reserve has been established to cover the costs of the Project Team and other associated costs including external consultants which are difficult to predict.
Carlton Outdoor Education Centre	Red	85	0.1%	Responsibility for operating the Carlton Centre was passed to the LA when the Borough was created in 1996. Since that time running costs have been subsidised and shared via a joint authority service level agreement. Since then both Stockton and Redcar and Cleveland have withdrawn from the agreement resulting in an increase in the external income target for the Centre. It is likely that Middlesbrough will withdraw their financial subsidy during 2011/12. It is likely that the Centre will need to build up a customer base from OLA schools and other types of visitors and a review of the operation and expenditure of the Centre is currently being undertaken.
Increased demand in places at independent schools for pupils with high level of SEN	Amber	650	0.7%	There are various circumstances in which the Department can be faced with unavoidable cost pressures arising from SEN children who may move into the Borough at any time. For example the home LA is responsible for fees at independent special schools which are invariably very expensive. Where it is necessary for Hartlepool children to attend special schools in other Authorities these are invariably high cost and conversely placements in Hartlepool Schools from other LA's may cease resulting in a loss of income.
Increased Demand for Looked After Children Placements	Red	5,247	5.7%	There is a national trend of increased costs for the placement of children with foster parents or in residential establishments. This particular area is also highly volatile and subject to unexpected increases in the numbers of children. The introduction of "Direct Payments" represents a further evolving risk that clients will cease to "purchase" existing LA services. A Looked After Children Risk Reserve has been created and is budgeted to be utilised during 2011/12.

Financial Risk	Risk Rating	2011/12 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Schools Buy-Back Income	Amber	(339)	(0)	A reduction in demand for the primary swimming programme has already been experienced and the general reduction in pupil numbers puts pressure on all pupil based SLA charges. Buy back income underpins a range of departmental services which are therefore susceptible to loss of income.
Demographic changes in Older People	Amber	16,584	18.1%	<p>Increasing number of elderly people, high percentage of chronic health problems and market pressures on price.</p> <p>Increased pressure on intermediate care services and ensuring discharge from hospital is not delayed. Older people needs becoming more complex due to increased life expectancy. Implementation of 'Putting People First' LAs now directed to reconfigure services to include focus on prevention, universal services and early intervention.</p> <p>Ongoing risk in relation to Continuing Health Care (S28A) disputes.</p> <p>Provision in medium term financial plans to minimise impact of increases generated from Independent sector.</p>
Demographic changes in Working Age Adults	Red	9,476	10.3%	<p>Increasing numbers of people with learning disabilities surviving into adulthood with increasingly complex needs. High numbers of frail elderly carers requiring increased levels of support and increasing levels of early on-set dementia and old-age; expectations of improved quality of life; long-term effect of closure of long-stay hospitals</p> <p>Investment in medium term identified along with development of alternatives to residential care eg Supporting people. Increased number of people coming through transition with autistic spectrum disorders and increasing complex needs.</p> <p>Increasing numbers of people with physical disabilities surviving into adulthood and old age; expectations of improved quality of life; increased choice & control</p> <p>Investment in medium term identified along with development of alternatives to traditional methods of service delivery.</p>
Non-achievement of income targets - Community Services	Amber	(1,323)	-1.4%	<p>The nature of Sport & Recreation, Museums & Heritage and Strategic Arts budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Budget Forecasts are based on revised charges and trends from previous years which indicate the budget should be achievable. Position will be monitored closely throughout the year.</p>
Non-achievement of income targets - Social Care	Amber	(10,929)	-11.9%	The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and throughput increases the risk of not achieving previous levels of contribution.

REGENERATION & NEIGHBOURHOODS

Car Parking	Amber	1,806	2.0%	Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk the planned level of income may not be achieved.
Fee Income - Planning & Building Control	Amber	718	0.8%	The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.
Rent Income - Economic Development Service	Green	205	0.2%	Rent income is paid by new/growing businesses in the Brougham Enterprise Centre and Industrial Units. Whilst the recent major investment programme for these managed workspace units should help to secure good occupancy levels, factors beyond the department's control, most notably the prevailing national economic conditions, may increase the risk of non-payment and/or under occupancy during 2010/2011

Reserve	Actual Balance as at 31/03/2010	Planned Use of Reserves					Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
		2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000			
Budget Support Fund	2,086	(1,474)	(612)	0	0	(2,086)	0	To support the overall budget. Budget strategy anticipates using £7 million as reported previously.	This reserve was earmarked to support the revenue budget over three-years commencing 2009/10 with 2011/12 being the last year. The contribution for 2011/12 has been netted down by the expected contribution from Housing Hartlepool RTB receipts. However, it should be noted that this income cannot be guaranteed.
Budget Support Fund	561	0	(561)	0	0	(561)	0	To support the overall budget. Budget strategy anticipates using £7 million as reported previously.	This reserve will be used in 2011/12 to support the budget.
Maritime Av Remedial	37	(37)	0	0	0	(37)	0	Originally for road maintenance responsibilities within the Marina inherited from TDC. Reserve reallocated to meet the costs of providing flower beds within Marina as part of Tall Ships visit.	This reserve will be used in 2010/11.
Capital Funding	3,033	(3,033)	0	0	0	(3,033)	0	This reserve is fully committed to fund rephased capital expenditure.	It is assumed that this reserve will be used in 2010/11. Although if capital expenditure is rephased the reserve will be carried forward to match these commitments.
Energy Saving Fund (climate Change Levy)	29	(29)	0	0	0	(29)	0		
Development of Historic Quay	1	0	0	0	0	0	1		
HR Service Improvement	1	0	(1)	0	0	(1)	0	Created to enable department to manage budget over more than one year.	
Contact Centre	51	(34)	(17)	0	0	(51)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 and 2011/12 to fund Contact Centre Staffing and software costs
Resource Investment - HR	3	(3)	0	0	0	(3)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 to fund the following areas:- IT Development.
Support to Members	27	0	0	(27)	0	(27)	0	Created to enable department to manage budget over more than one year.	To be used in 2012/13 to fund Member Development
Registrars	35	0	(15)	(20)	0	(35)	0	Created for improvements to the Registrars building	To be used in 2011/12 and 2012/13 for building maintenance.
Election Services	8	(8)	0	0	0	(8)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 to fund Elections Costs following changes in legislation
Resource Investment - Registration and Members	2	(2)	0	0	0	(2)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 to fund the following areas:- IT Development.
Social Inclusion / Credit Union	100	(100)	0	0	0	(100)	0	Created to fund the Social Inclusion Programme	It is anticipated that this reserve will be spent in 2010/11
Finance -Shopping Centre Income	146	(146)	0	0	0	(146)	0	Created to cover a possible shortfall if rental income for Middleton Grange Shopping Centre	This reserve will be utilised in 2010/11
Finance -Accommodation	26	(26)	0	0	0	(26)	0	Created to support future years accommodation costs.	This reserve will be utilised in 2010/11
Finance - Audit Section	35	(5)	0	(30)	0	(35)	0	Created to enable department to manage budget over more than one year.	To fund the IT investment required to support the move towards remote/site working following strategic review.
Finance - Accountancy Section	34	(10)	0	(24)	0	(34)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 to fund temporary staffing costs following strategic restructure, and introduction of International Financial Reporting Standards
Finance - IT Investment	62	(62)	0	0	0	(62)	0	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority	To be used in 2010/11 as contributions towards :- roll out of EDRMS, implementation of FMS, and HR/Payroll Investment.

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Finance - Working from Home Surplus	23	(23)	0	0	0	(23)	0	Created to manage the costs of homeworking key fobs between financial years	To be used in 2010/11
Finance - IT Developments	41	(19)	(16)	(3)	(3)	(41)	0	Created to fund IT development costs to cope with new DWP Security requirements	To be used in 2010/11
Finance R & B	64	(20)	(18)	(18)	(8)	(64)	0	Created to fund cost of IT equipment	To be used in 2010/11
Finance R & B - Internal Bailiff Development	16	0	(16)	0	0	(16)	0	Created to fund costs associated with Internal Bailiff Development	To be used in 2010/11
Finance R & B - Intercept Software	6	0	0	(6)	0	(6)	0	Created to fund costs of Intercept Software	To be used in 2010/11
Finance R & B - Financial Inclusion Programme	50	(22)	(28)	0	0	(50)	0	Created to fund costs of Financial Inclusion Programme	To be used in 2010/11
Finance R & B - New Scanner	15	(13)	(1)	0	(1)	(15)	0	Created to fund costs of a new scanner	To be used in 2010/11
Finance R & B - FSM System	15	(12)	(1)	(1)	(1)	(15)	0	Created to fund costs of FSM System	To be used in 2010/11
Finance R & B - Contact Centre/Benefits e-form	20	(20)	0	0	0	(20)	0	Created to fund costs of e-form development	To be used in 2010/11
Corporate Strategy - Corporate Consultation	15	(15)	0	0	0	(15)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 for Corporate Consultation.
Corporate Strategy - Divisional cost relating to Civic Refurbishment	46	0	0	(46)	0	(46)	0	Created to enable department to manage budget over more than one year.	To be used in 2012/13 for Divisional Restructure and Costs relating to Civic Refurbishment.
Corporate Strategy - Enhancing Council Profile	15	(2)	0	(13)	0	(15)	0	Created to enable department to manage budget over more than one year.	To be used in 2012/13 for Enhancing Council Profile.
Corporate Strategy - ICT System Development	61	(61)	0	0	0	(61)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 for ICT System Development.
Corporate Strategy - ICT Project Development	90	(90)	0	0	0	(90)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 for ICT Project Development.
Corporate Strategy - Encryption Costs	35	(35)	0	0	0	(35)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 for Encryption Costs.
Corporate Strategy - Performance Management	10	(10)	0	0	0	(10)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 and 2011/12 for Performance Management.
Corporate Strategy - ICT Contract Review	25	(25)	0	0	0	(25)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 for ICT Contract Review.
People Framework Development	18	(5)	(13)	0	0	(18)	0	Created to enable department to manage budget over more than one year.	To be used in 2010/11 to fund People Framework Development
Regeneration & Neighbourhoods MRU	699	(359)	(94)	(234)	(12)	(699)	0	Includes all Regeneration & Neighbourhoods c/f requests at 31.03.10	Includes matching funding contributions to staffing costs and various managed revenue underspends earmarked for specific projects.
Anti Social Behaviour Team Reserve	9	(9)	0	0	0	(9)	0	To fund rent of ASBU accommodation	Rent approximately £8k p.a. for 3 years ending in 2010/11
Corporate Funding Reserve	84	0	0	0	0	0	84		
Archaeology Projects	4	0	0	(4)	0	(4)	0		To be used in 2012/13

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Seaton CC 'Management' - Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.	108	0	0	0	0	0	108	Balance carried forward from previous years	Ringfenced for Seaton CC Management Committee and the redevelopment of the site.
Adult Education	409	0	0	(409)	0	(409)	0	Created from LSC grant fund to address short and long term pressures from within the Adult Education service.	Reserve will be used to support staff pressures created through changing priorities.
BSF Swim Strategy / Mill House	29	(29)		0	0	(29)	0	This covers the costs of planning and preparing for the proposed leisure centre and the future of Mill House.	Reserve to be fully utilised to support the recent refurbishments at Mill House
Community Grants Pool	51	(51)	0	0	0	(51)	0	Reserve created in 2006/07 from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community.	The Reserve will be used to enhance the existing base budget provision for Community Grants.
Adult Social Care	20	(20)	0	0	0	(20)	0	Income from PCT for various social care expenditure i.e., OT equipment, IT for Care homes	Majority of reserve will be used in 2009-10 with the exception of IT for Care homes which is planned to be used in first quarter of 10/11
Adult Social Care - Stroke Service Grant	0	0	0	0	0	0	0	Specific grant received close to 2008-09 year end	Reserve will be used in 2009/10
Sports & Recreation - Sports Awards	5	(3)	(2)	0	0	(5)	0	To fund sports coaches training awards	Reserve expected to be partially utilised in 2010-11 then the remainder in 2011-2012.
Telecare GD, DOH, Preventative Technology Grant c/fwd	41	0	0	0	(41)	(41)	0	Reserve created from under utilised specific grant to create a equipment replacement fund.	This Reserve will not be used until 2013-14 when it will be used to replace equipment
Sports Activities - various	31	(31)	0	0	0	(31)	0	Underspend on grants for sports & health activities	The reserve will be partially utilised to fund activities and awards in 2009/10 and the remainder in 2010/11.
Public Health Phys Activity	29	0	(29)	0	0	(29)	0	Reserve created from PCT monies. Monies to be awarded by HBC in grants to the community and voluntary sector on behalf of the PCT.	Reserve to be utilised in 11/12
Grayfields Pitch Improvements	21	(21)	0	0	0	(21)	0	Reserve created to complete the pitch improvements at Grayfields.	Project will be completed in 10/11
Adult Care	0					0	0	Specific reserve created from temporary funding for one individual	
Archaeology - Monograph Series	8	(8)	0	0	0	(8)	0	Creation of reserve to ensure completion of project and ensure no loss of external funding for the overall project.	Project will be completed in 10/11
Older People	0					0	0	Reserve created from temporary pressure funding for demographic pressures in Older People services.	
Sir William Gray House Storage Facilities	8	(8)	0	0	0	(8)	0	Reserve created to secure match funding from Heritage Lottery Fund to improve collections storage and facilities at Sir William Gray House	
NHS, PCT, Occ Therapy 08-09	0					0	0	Reserve created from PCT income from 08/09 to purchase Occupational Therapy equipment.	
Budget Support Fund	200	(200)	0	0	0	(200)	0		
Local Plan	32	0	(32)	0	0	(32)	0	To part fund the Local Development Framework within Planning	The reserve will largely be used to fund strategic studies required to support the LDF
Community Facilities in Schools - Children's Services Funding	100	50	0	0	0	50	150	There was a revenue budget created in 2009/10 for Community Facility subsidies to assist with funding those facilities which were operating a deficit. There was no call of this Reserve during 2009/10. In 2010/11 there is also base budget provision of £100k which it is expected some will be used towards the St John Vianney Children's Centre 2009/10 deficit - the balance remaining will be transferred to this Reserve at year end.	St John Vianney Children's Centre ended 2009/10 with a significant deficit (£48k) and a financial review of this was to take place during 2010/11. As a contingency, a Reserve for the full amount of the funding was created. In 2010/11 there is also base budget provision of £100k. This base budget provision is anticipated to be removed as part of the 2011/12 budget savings. As this is a Reserve to be used as and when required, no profile has been included.
Local Safeguarding Children's Board (Partnership Funding)	78	(29)	0	(49)	0	(78)	0	Ring-Fenced Reserve - This is Partnership Funding with other bodies so not all HBC funding; Relates to underspends carried forward.	Spending plans for this joint funded service are determined by the LSCB at annual meetings.
Early Years Support Network	2	0	0	(2)	0	(2)	0	This is the balance of the 2008/09 underspend to be carried forward.	Not Applicable
Brierton Closure - Salary Protection Fund	(166)	166	0	0	0	166	0	This reserve was created by the Schools Forum specifically to improve redeployment opportunities for all Brierton School staff following the school closure. It was a negative Reserve in 2009/10 as the up-front costs were greater than the funding however the Forum have agreed measures to repay all this in 2010/11.	Operation of the fund has been determined by the Schools Forum and follows the Council's redeployment protocol. Where staff have been employed on lower salaries in other schools the reserve has been used to compensate schools up to the value of salary protection payments. In addition the reserve has been used to fund one off redundancy and early retirement costs.

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Transitional Support Fund	75	0	0	0	0	0	75	Ring-fenced Reserve (DSG) - In previous years the Schools Forum have allocated revenue funding towards Transitional Support Fund which is to fund (requiring School Forum approval) unforeseen emergency budget issues in schools and/or those under extreme measures. No revenue budget now exists for this as the Forum are happy with the level of Reserve available should the need arise.	The Schools Forum determines the value held in this fund and the criteria by which funding is allocated on an annual basis. This funding is for 'emergency' type uses in schools where there are concerns over teaching and learning standards.
Dedicated Schools Grant - LA Underspend from Previous Yrs	292	(292)	0	0	0	(292)	0	The Dedicated Schools Grant (DSG) is a ring-fenced grant for use on 'schools' budgets only. The balance arises from under spends in 2009/10 on the local authority elements of the DSG, specifically Home and Hospital teaching, PRU and Extra District Fees.	The Schools Forum has agreed the LA's proposal that this funding will be used during 2010/11 to fund the demountable classroom at Catcote and the current forecast overspend on the Individual Pupil Support budget.
Playing for Success	6	0	(6)	0	0	(6)	0	Reserve created from income generated within Playing for Success to cover future costs relating to the PFS initiative.	The Standards Fund grant for this service is ceasing in 2011/12 therefore this Reserve will be used to continue the programme until Summer 2011.
Looked After Children	329	250	(423)	(156)	0	(329)	0	This reserve was created from 2008/09 and 2009/10 departmental outturn as a contingency against future increased costs. Cabinet have also approved an additional contribution of £250k from the Children's Services outturn in 2010/11.	Reserve to meet potential demand pressures resulting from high and volatile costs of specific looked after children.
Children & Family 'Donations'	7	(7)	0	0	0	(7)	0	This Reserve has been created from the various grants and donations received to the LA to pay for various items and equipment for vulnerable children and children looked after.	The Reserve is used by Social Workers during the year to purchase equipment etc as required.
School Standards Grant (Personalisation)	(32)	32	0	0	0	32	0	This is a negative Reserve resulting from the overpayment in 2008/09 of SSG (Personalisation) to schools. The DfE agreed that over the three year funding period the LA could 'hold back' some funding to fund this overpayment so that over the three year funding period the total schools allocation was correct.	The negative Reserve has been repaid in 2010/11 as all of the funding has now been received from the DfE.
Transitional Support Fund	80	0	0	0	0	0	80	Ring-fenced Reserve (DSG) - In previous years the Schools Forum have allocated revenue funding towards Transitional Support Fund which is to fund (requiring School Forum approval) unforeseen emergency budget issues in schools and/or those under extreme measures. No revenue budget now exists for this as the Forum are happy with the level of Reserve available should the need arise.	The Schools Forum determines the value held in this fund and the criteria by which funding is allocated on an annual basis. This funding is for 'emergency' type uses in schools where there are concerns over teaching and learning standards.
Playing for Success	32	0	(32)	0	0	(32)	0	Reserve created from income generated within Playing for Success to cover future costs relating to the PFS initiative.	The Standards Fund grant for this service is ceasing in 2011/12 therefore this Reserve will be used to continue the programme until Summer 2011.
Parenting Support	20	(20)	0	0	0	(20)	0	This was created from additional income over and above the grant generated from the Parenting Support Programme in 2007/08.	This funding will be allocated during 2010/11 on parenting participation events and training.
Early Years Development Childcare Plan	17	(17)	0	0	0	(17)	0	This reserve has been created to develop the provision of services for 3 and 4 year olds.	Funding is to be used in 2010/11 to extend the contract for a Healthy Eating Co-ordinator and other early years initiatives.
Teenage Pregnancy	20	0	0	(20)	0	(20)	0	Reserve was created from income generated by the Teenage Pregnancy initiative which has been set aside to enhance the TP Programme.	Not Applicable
Carlton Outdoor Centre	46	(22)	0	(24)	0	(46)	0	This Ring-Fenced Reserve was created from underspends on the Carlton Centre budget during refurbishment, initially to cover the LA contribution towards any second phase of capital development at Carlton Outdoor Centre. However, following the withdrawal of both Redcar and Stockton from the partnership this Reserve has been used as an 'Income' contingency reserve to ensure that the Carlton budget does not overspend and fall as a cost to Hartlepool tax payers.	The Reserve is used (with the agreement of the Carlton Steering Group) to fund any shortfalls in income and therefore any deficits against the Carlton budget.

[illegible]

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Community Facilities in Schools - Corporate Funding	50	0	0	(50)	0	(50)	0	Corporate Funding set aside in 2006/07 specifically to cover any deficits in school Community Facilities in order to ensure that the facilities can continue to provide services.	As this is a Corporate Reserve it would require approval from both the CFO and Director to utilise this funding.
Swimming Pool Maintenance	20	0	0	(20)	0	(20)	0	It was decided not to install a moveable floor at Brinkburn Pool which was the original purpose of this Reserve. The Children's Services, Performance Management and Regeneration, Liveability and Housing Portfolio Holders have requested that this be earmarked for the general upkeep of Swimming Pools within the town.	This funding will be used to fund essential maintenance costs relating to provision of the primary swimming service operating from schools and Brinkburn pool.
WNF Tall Ships	1	(1)				(1)	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Maritime Festival	(33)	33	0			33	0		
Tall Ships Management	(5)	5	0			5	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Tall Ships Reserve	695	(695)				(695)	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Tall Ships Office	(303)	303				303	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
TSE Marketing & Publicity	28	(28)				(28)	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Tall Ships Finance/Legal	36	(36)				(36)	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Additional alloc. for bad weather (08-09 Outturn report)	500	(500)				(500)	0	This reserve has been set aside to support the Tall Ships visit in 2010	Reserve will be fully utilised in 2010
Extended Schools - Other Funding School Balances	99	0	0	0	0	0	99	Ring-Fenced Reserve as Schools Funding. This Reserve consists of the balances of schools funding which is outside main budget share eg. NCSL.	This funding is available for reinvestment in service provision by schools.
Remedial Repairs	263	(261)	(2)	0	0	(263)	0	This includes amounts set aside by Highways and Building Maintenance to fund remedial repairs (see Sub Analysis for detail).	£200k highways/potholes, £50k Catering Equipment, £11k Chester Road
Civic Chain Reserve	46	0	0	0	0	0	46	Replacement of Mayors chain	Expected in 2009/10
Income Equalisation Reserve	1					0	1		
Budget Consultation	60					0	60		
Core Strategy Inquiry	55					0	55		
Cash finder Savings	16	0	0	0	0	0	16	Savings arising from PWC study	No specific plans have been determined at this stage
Interest Equalisation, Income Tax and VAT Reserve	400	0	0	0	0	0	400	Reserve created to protect the Council from higher interest rates or replacement loans in the event of LOBO being called. Whilst, short-term interest rates are currently historically low there is an increasing risk that interest rates will begin to increase, particularly longer rates, when the economy begins to come out of recession. Also for use on completion of Inland Revenue Reviews or when VAT payments are required under partial exemption.	
Business Transformation Set Up Costs	344	0	0	0	0	0	344	Funds set aside for Implementation costs of Business Transformation Programme	
NDC Fund	655	(72)	0	0	0	(72)	583	Reserve created in 2007/08 to support future expenditure on New Deal for Communities Project	The latest forecast shows that most of this will be used in 2009/10 with the balance being used the following year.
Bank Income	114	0	0	0	0	0	114	Created during 2008/09 Closure	
Area Based Grant	142	0	0	0	0	0	142	ABG carried forward from 2008/09	Some of this funding will be reallocated in 2009/10

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Mayors Charity Fund Reserve	1					0	1		
Chairman's Charity Reserve	2					0	2		
Ring-Fenced Grants	224	(83)	(45)	(96)	0	(224)	0	A number of ring-fenced grants were underspent at the end of 2009/10 therefore this Reserve was created in order to carry the funding forward into 2010/11.	The balance should be spent during 2010/11 to 2012/13.
Social Care Reform Grant	164	(50)	(50)	(64)		(164)	0	Reserve created for 3 specific posts spanning 10/11 & 11/12 and an contribution to the building development of the CIL (Centre for Independent Living).	Reserve to be used in 11/12 & 12/13
Social Care Reform Grant	7			(7)		(7)	0		
Renaissance in the Regions	15	(15)	0	0	0	(15)	0	Reserve created from unspent grant funding to support the overall HUB shared by all 4 Tees Valley Authorities	Reserve will be used in 2010/11
Adult Social Care - Communities for Health Grant	6	(6)	0	0	0	(6)	0	Specific grant received close to 2008-09 year end	Reserve will be used in 2010/11
Tobacco Control	65	(65)	0	0	0	(65)	0	Reserve created owing to grant income provided to carry out work over a 2 year period.	Project will be completed in 10/11
Carer Emergency Respite Care service	54	(54)	0	0	0	(54)	(0)	Reserve created from specific grant as contract for Emergency respite granted for a period of 2 years. Expenditure on respite for Carers can be sporadic and this is to be utilised to meet statutory duties around carers.	Reserve expected to be fully used in 10/11
Respite Provision for Autism	80	(80)	0	0	0	(80)	0	Income received from PCT for use to provide capital for creation of specialist housing provision of Autism respite	Reserve identified to be used to fund a Housing Hartlepool property and support provided for individuals through their personal budgets.
DOH Grant Stroke Care	21	(11)	(10)	0	0	(21)	0	Reserve created from specific grant.	Reserve to be utilised in 10/11 and 11/12 to fund to Stroke clubs which provide a preventative service within the town.
Mental Health Capacity Act specific grants	27	(27)	0	0	0	(27)	0	Reserve created from a mixture of PCT/grant funding.	Reserve utilised to fund Mental Health Capacity Act training to meet statutory requirements
CSDP Contrib to capital	68	0	0	0	0	0	68	Reserve created from revenue to increase capital reserve for Adaptations for Disabled people.	Reserve to be used in 2012/13
WNF Contact Centre Video Interpretation for Deaf People	4	(4)	0	0	0	(4)	0	Reserve created from specific grant.	Reserve will be used in 2010/11
WNF Mobile Maintenance Worker	2	(2)	0	0	0	(2)	(0)	Reserve created from specific grant.	Reserve will be used in 2010/11
Culture Shock Community Engagement Project	2	(2)	0	0	0	(2)	0	Reserve created to make up shortfall of income from Heritage Lottery Fund for the project	Project will be completed in 10/11
Health Walks programme Natural England	6	(6)	0	0	0	(6)	(0)	Grant from Natural England required to sustain health walks programme in 2010/11 & 2011/12. Other grant source for this year obtained via devolved funding bid from Sport England (Adults into Sport) using this as match funding	Reserve to be utilised in 10/11
Telecare Equipment	0					0	0	Reserved created to bolster equipment replacement fund.	
50+ Forum	0					0	0	PCT income received for engagement with Older People.	
Jobs and the Economy	289	0	(200)	(89)	0	(289)	0	ABG Funding received at the end of 2009/10	
Brierton/Dyke House BSF Costs	300	0	(220)	(80)	0	(300)	0		
Early Capital Equalisation	33	(33)	0	0	0	(33)	0		
General Fund	3,462	0	0	0	0	0	3,462		
Insurance Fund	4,033	(450)	225	200	200	175	4,208	The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. For motor vehicle own damage, the excess is £1,000. However, the excess is £100,000 for the Property/Combined Liability policy on each claim. The All Risks policy covers those items considered to be of value and at greatest risk of theft or damage. The Council's experience whilst operating with these excesses has been favourable. Nevertheless, the Council's total exposure in any one year has substantially increased and is currently £4.75m. The net value of this reserve consists of the insurance fund balances less amounts advanced to departments to fund service improvements. These amounts will be repaid over a number of years to ensure resources are available to meet insurance claims that will become payable.	The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. For motor vehicle own damage, the excess is £1,000. However, the excess is £100,000 for the Property/Combined Liability policy on each claim. The All Risks policy covers those items considered to be of value and at greatest risk of theft or damage. The Council's experience whilst operating with these excesses has been favourable. Nevertheless, the Council's total exposure in any one year has substantially increased and is currently £4.75m. As it is difficult to determine when claims will be paid the proposed usage of this reserves shows the value of this reserves which will be used on a loan basis to fund Business Transformation one-off costs arising from the implementation of Service Delivery Options.

Reserve	Actual Balance as at 31/03/2010	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000	Estimated Balance at 31/03/2014	Reason for/purpose of the Reserve	How and when the reserve can be used
Schools	3,559	0	0	0	0	0	3,559	Ring-Fenced Schools Funding. Underspends against individual school budgets from previous years budgets. To enable individual schools to manage their budgets over more than one financial year in accordance with the implementation of multi-year budgets. The reduction in school funding expected from 2011/12 onwards is likely to result in these balances significantly reducing over the next few years as schools utilise Reserves as part of their budget setting.	Individual schools determine usage as part of their detailed budget plans either to support general running costs or to fund specific projects. As it is for schools to determine usage no estimated profile has been assumed. In response to national and local concerns over the high level of school balances the Schools Forum approved a claw back scheme and an enhanced role for the LA in monitoring the effective management of school balances. The government have announced that the scheme is no longer compulsory from 2011/12 and the Schools Forum agreed to the abolition of the HBC scheme.
School Loans	(13)	9	2	2	0	13	0	Negative Reserve - This is LA Loans advanced to schools for specific approved purposes which are then repaid (with interest) over a specified period. These loans are offset against School Balances for Statement of Accounts purposes.	These Loans will be repaid by the schools over an agreed period of time. New Loans may arise during this period and have not been reflected.
School DSO Invoices	(3)	3	0	0	0	3	0	Negative Reserve - This is offset against School Balances for Statement of Accounts purposes.	Not Applicable
Civic Lottery	413					0	413	The Lotteries Reserve, consists of the proceeds of the civic lottery and donations received. It is used for grants and donations to local organisations.	Reserve can only be used for donations to local organisations. Individual requests are approved on a case by case basis. The principle for using the reserve is that the balance is preserved and any interest on it is distributed as grants.
Museums Acquisition	63	0	0	0	0	0	63	To support the purchase of museums exhibits	Reserve maintained to provide funds if necessary, reserve created from donations & bequests for members of the public and can only be used for the intended purpose.
School Rates	66	35	0	0	0	35	101	Ring-Fenced Reserve (DSG Funded) - School rates are budget neutral. The Schools Rates Adjustment arises from reductions or increases in school rates payable following the review of rateable values.	Reserve is used as a 'balancing' figure each year to ensure that there is a 'budget neutral' effect on schools i.e. the Reserve is used to adjust the schools budget to equal actual rates costs. Therefore, no profile over the years has been included.
Youth Offending Reserve	177	(55)	0	(122)	0	(177)	0	Ring-Fenced as YOS is a Partnership Budget. Created from planned underspends in previous years to fund YOS initiatives.	To support YOS Prevention Initiatives over the forthcoming years.
Supporting People Reserve	787	0	0	(787)	0	(787)	0	This Reserve was created to manage timing delays in expenditure and grant income.	
Emergency Planning	165	(50)	0	0	0	(50)	115	This reserve is held on behalf of the 4 districts under the joint arrangement, to meet potential additional costs arising under revised Civil Defence arrangements implemented from 1st April 2005.	Reserve will be used to meet additional costs identified.
LPSA Library Award and NAP grant for Throston Grange Library	3	(1)	(2)	0	0	(3)	0	This reserve has been set aside to improve the Library service and appoint a youth worker at Throston Grange Library	Youth worker now in post and £1K will be utilised, remainder to facilitate works at Throston Grange library and community centre
Cabinet Projects	4	0	0	0	0	0	4	This reserve is to be used to fund one-off Cabinet Initiatives	To be determined by Cabinet
Earmarked Grant Funding	1,093	(676)	(143)	(274)	0	(1,093)	0	Underspends 09/10 which relate to funding given for a specific purpose over more than one year.	For the purpose of the original grant funding, which enabled c/f within the grant conditions.
Earmarked Grant Funding	88	(88)	0	0	0	(88)	0	Underspends 09/10 which relate to funding given for a specific purpose over more than one year. See Sub Analysis for detail.	Reserve will be spent in 2010/11
Strategic Risk Reserve	2,310	(446)	(932)	(932)	0	(2,310)	0	This reserve has been set up to help fund risks highlighted in the Cabinet report of 8.2.10	Reserve will be used to meet risks identified.
Youth Service - General	10	0	0	(10)	0	(10)	0	Youth Advisory Group Balances and youth centre catering surpluses have been carried forward from previous years to fund service developments.	The balance will be used towards the costs of future schemes.

Grand Total 32,044 (9,683) (3,638) (3,762) 134 (16,949) 15,095

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2011/12 TO 2013/14

TABLE 1 - FORECAST CAPITAL RESOURCES 2011/12 to 2013/14

Total Resources 2010/11		Forecast Resources 2011/2012				Forecast Resources 2012/2013 (Provisional)				Forecast Resources 2013/2014 (Provisional)			
		Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<u>Supported Service Specific Allocations</u>												
1,852	- Local Transport Plan			1,349	1,349			1,410	1,410			1,342	1,342
2,749	- Children's Services			2,672	2,672			0	0			0	0
169	- Adult Social Services			252	252			257	257			0	0
4,770	Total Supported Service Specific Allocations	0	0	4,273	4,273	0	0	1,667	1,667	0	0	1,342	1,342
	<u>Unsupported Corporate Prudential Borrowing</u>												
1,200	Council Capital Fund - See Table 1	1,200			1,200	1,200			1,200	1,200			1,200
150	Community Safety Strategy	0			0	0			0	0			0
156	Neighbourhood Forum Minor Works Allocation	0			0	0			0	0			0
50	Disabled Access Adaptations	0			0	0			0	0			0
1,556		1,200	0	0	1,200	1,200	0	0	1,200	1,200	0	0	1,200
	<u>Unsupported Departmental Prudential Borrowing</u>												
45	Replacement Wheelie Bins	45			45	45			45	0			0
1,905	Vehicle Procurement - See Table 2	1,441			1,441	1,880			1,880	0			0
4,667	New Communities Housing	0			0	0			0	0			0
6,617		1,486	0	0	1,486	1,925	0	0	1,925	0	0	0	0
	<u>Useable Capital Receipts and RCCO</u>												
547	Education Planned Maintenance	0	600	0	600	0	300	0	300	0	300	0	300
547		0	600	0	600	0	300	0	300	0	300	0	300
	<u>Specifically Funded Schemes</u>												
4,000	Building Schools for the Future - Design & Build			9,007	9,007			0	0			0	0
1,000	Building Schools for the Future - ICT			2,214	2,214			435	435			2,698	2,698
0	Strategy Study - North Sands Coast Protection			120	120			0	0			0	0
0	Seaton Carew Coast Protection Works			1,820	1,820			2,000	2,000			1,880	1,880
305	Disabled Facilities Grant (DFG) - Indicative Allocation			305	305			305	305			305	305
1,234	NDC			0	0			0	0			0	0
65	Youth Capital Fund			0	0			0	0			0	0
599	Playbuilder Grant			0	0			0	0			0	0
3,378	Primary Capital Programme			0	0			0	0			0	0
388	General Sure Start Grant			0	0			0	0			0	0
125	Aiming High For Disabled Children			0	0			0	0			0	0
2,315	Housing Market Renewal			0	0			0	0			0	0
1,450	Housing SHIP			0	0			0	0			0	0
2,408	Housing Communities Agency			0	0			0	0			0	0
17,267		0	0	13,466	13,466	0	0	2,740	2,740	0	0	4,883	4,883
30,757	Total Forecast Resources	2,686	600	17,739	21,025	3,125	300	4,407	7,832	1,200	300	6,225	7,725

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2011/12 TO 2013/14

TABLE 2 - FORECAST CAPITAL EXPENDITURE COMMITMENTS 2011/12 TO 2013/14

Total Resources 2010/11 £'000		Forecast Expenditure Commitments 2011/2012				Forecast Expenditure Commitments 2012/2013				Forecast Expenditure Commitments 2013/2014			
		Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000
	<u>Specifically Funded Schemes</u>												
4,000	Building Schools for the Future - Design & Build		9,007		9,007			0	0			0	0
1,000	Building Schools for the Future - ICT		2,214		2,214			435	435			2,698	2,698
0	Strategy Study - North Sands Coast Protection		120		120			0	0			0	0
0	Seaton Carew Coast Protection Works		1,820		1,820			2,000	2,000			1,880	1,880
305	Disabled Facilities Grant (DFG) - Indicative Allocation		305		305			305	305			305	305
1,234	NDC		0		0			0	0			0	0
65	Youth Capital Fund		0		0			0	0			0	0
599	Playbuilder Grant		0		0			0	0			0	0
3,378	Primary Capital Programme		0		0			0	0			0	0
388	General Sure Start Grant		0		0			0	0			0	0
125	Aiming High For Disabled Children		0		0			0	0			0	0
2,315	Housing Market Renewal		0		0			0	0			0	0
1,450	Housing SHIP		0		0			0	0			0	0
2,408	Housing Communities Agency		0		0			0	0			0	0
17,267		0	13,466	0	13,466	0	0	2,740	2,740	0	0	4,883	4,883
	<u>Misc Schemes</u>												
547	Education Planned Maintenance	600			600	300			300	300			300
547		600	0	0	600	300	0	0	300	300	0	0	300
	<u>Unsupported Corporate Prudential Borrowing</u>												
1,200	Council Capital Fund - See Table 1	1,200	0	0	1,200	1,200		0	1,200	1,200	0	0	1,200
150	Community Safety Strategy	0			0	0			0	0			0
156	Neighbourhood Forum Minor Works Allocation	0			0	0			0	0			0
50	Disabled Access Adaptations	0			0	0			0	0			0
1,556		1,200	0	0	1,200	1,200	0	0	1,200	1,200	0	0	1,200
	<u>Unsupported Departmental Prudential Borrowing</u>												
45	Replacement Wheelie Bins		45		45		45		45		0		0
1,905	Vehicle Procurement - See Table 2		1,441		1,441		1,880		1,880		0		0
4,667	New Communities Housing		0		0		0		0		0		0
6,617		0	1,486	0	1,486	0	1,925	0	1,925	0	0	0	0
	<u>Supported Service Specific Priorities</u>												
1,852	- Local Transport Plan	1,349	0		1,349	1,410	0		1,410	1,342	0		1,342
2,749	- Children's Services	0	2,672		2,672	0	0		0	0	0		0
169	- Adult Social Services	0	252		252	0	257		257	0	0		0
4,770		1,349	2,924	0	4,273	1,410	257	0	1,667	1,342	0	0	1,342
30,757	Total Forecast Commitments	3,149	17,876	0	21,025	2,910	2,182	2,740	7,832	2,842	0	4,883	7,725

Table 22011/12 VEHICLE REPLACEMENT PROGRAMME

Type of Vehicle	Period	User	Replacement Cost
2x Panel Vans	5 years	Chief Executives x1, Community Services x1	£22,000
2x Tippers	5 years	Fleet x1, ILM X1	£33,000
1x Van, 4x Tippers and 3x Tractors	5 years	Horticulture	£207,500
5x Vans	5 years	Public Buildings	£97,000
1x Van	5 years	Workshop	£14,000
5x Sweepers, 1x Tractor, 1x Tipper and 2x Vans	3 years	Cleansing	£474,500
1x Lift platform and 1x Tipper	5 years	Street Lighting	£130,000
9x Mowers	3 years	Parks	£167,500
2x Vans	5 years	Car Parking x1, Public Protection x1	£22,000
1x 6 Seat Dualiner	5 years	Young Offenders	£15,250
2x Tippers, 1x Gully Emptier, 2x Gritter Body and 1x Van	5 years	Highways	£258,500
			£1,441,250

2012/13 VEHICLE REPLACEMENT PROGRAMME

Type of Vehicle	Period	User	Replacement Cost
2x Ford Transit Vans	5 years	Property Services x1, Catering x1	£25,000
1x Skoda Superb Car	5 years	Mayoral Car	£17,000
1x Van	5 years	Libraries	£14,500
5x Tippers, 1 Ford Transit Van & 1x JCB	5 years	Horticulture	£128,750
1x Pickup & 3x Recycling Econics	5 years	Mechanical & Electrical	£520,000
1x Box Van & 1x Ford Transit Van	5 years	Waste Management	£50,500
1x Tipper	5 years	Client Services	£31,000
6x Sweepers, 1x Scrubber & 1x Tipper	3 years	Cleansing	£413,750
2x Access Platform	5 years	Street Lighting	£96,500
2x Vans	5 years	Revenues & Benefits	£24,500
2x Transit 17 seater minibuses	5 years	Sports Development x1, Catcote School x1	£44,700
2x 17 seater Transit Minibuses	5 years	Fleet x1, Carlton Camp x1	£44,000
6x Ride On Mowers	3 years	Parks	£90,250
5x 17 seat Welfare Buses	5 years	Community Transport	£220,000
2x Tippers, 1x Tandem Roller, 1x Demount Hotbox & 1x Gritter Body	5 years	Highways	£159,500
			£1,879,950

TABLE 1 – Schedule of Proposed Schemes to be Funded from Council's Capital Fund

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. The current facilities for the staff, especially the gravediggers, are well below H&S requirements and new showers, changing facilities and reroofing of the rest room will take place.	£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

TABLE 1 – Schedule of Proposed Schemes to be Funded from Council's Capital Fund

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
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 building fabric.	£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
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 e.g. Adult changing facilities at Hartlepool Maritime Experience.	£50k						

TABLE 1 – Schedule of Proposed Schemes to be Funded from Council's Capital Fund

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
Disabled Facilities Grants (DFG's)	<p>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.</p> <p>Response to SCC question For 20/10/11 CLG grant allocation was £305k and SHIP grant was £185k. In 2011/12 there will be no SHIP grant and CLG allocation has been confirmed as £305k (the same amount as 2010/11). The £200k Council capital allocation could reduce the waiting list by around 45 cases.</p>	£200k						
Carlton Camp Improvements	Essential canopy replacement and electrical works to enhance facility.	£15k						

TABLE 1 – Schedule of Proposed Schemes to be Funded from Council's Capital Fund

Category A			Category B			Category C		
Project	Description	Allocation	Project	Description	Allocation	Project	Description	Allocation
Warren Road Boilers replacement (PCT contribution – 50% included)	Renewal of Boilers and associated Heating systems to upgrade and increase energy efficiency Response to SCC question The costs cover the replacement of two substantial existing boilers (over 30 years old) and associated equipment such as flues, pumps, BMS controls etc. The costs are in line, pro rata, with recent and comparable boiler plant replacements at schools.	£35 (Part PCT funding)						
Rossmere Youth Centre lighting	Lighting upgrade to Sports Hall to improve performance and increase energy efficiency	£20k						
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 REPORT

24 January 2011



Report of: Scrutiny Co-ordinating Committee

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

SUMMARY

1. PURPOSE OF REPORT

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

2. SUMMARY OF CONTENTS

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

3. RELEVANCE TO CABINET

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

4. TYPE OF DECISION

- 4.1 Not applicable in this instance.

5. DECISION MAKING ROUTE

- 5.1 Cabinet (20 December 2010, 24 January 2011 and 7 February 2011), Scrutiny Co-ordinating Committee (14 January 2011 and 21 January 2011) and Council (10 February 2011).

6. DECISION(S) REQUIRED

- 6.1 That Cabinet considers the formal response of the Scrutiny Co-ordinating Committee.

CABINET REPORT

24 January 2011



Report of: Scrutiny Co-ordinating Committee

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

1. PURPOSE OF THE REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2011/12.

2. BACKGROUND INFORMATION

- 2.1 In December 2010, the Scrutiny Co-ordinating Committee considered the Executive's initial Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 Proposals. This resulted in the formulation of a Scrutiny response, which was considered by Cabinet on the 20 December 2010.
- 2.2 With due consideration of the comments and views presented by Scrutiny, Cabinet at its meeting on the 10 January 2011 finalised its Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 proposals. As part of the agreed consultation process, these finalised proposals were considered by the Scrutiny Co-ordinating Committee on 14 January 2011 (continued on the 21 January 2011) with a response to be presented to Cabinet on the 24 January 2011.
- 2.3 During the consideration of the Executive's initial and finalised Budget and Policy Framework Proposals for 2011/12, the appropriate Cabinet Members were in attendance subject to their availability.
- 2.4 Details of the views expressed by the Scrutiny Co-ordinating Committee at the meeting on the 14 January 2011 are outlined in Section 3 of this report. It will, however, be necessary to table at today's meeting details of the discussions that continued on the 21 January 2011.

APPENDIX K – Part 1

3. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVE'S FINALISED MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12 TO 2014/15 CONSULTATION PROPOSALS

3.1 At the meeting held on the 14 January 2011, Members of the Scrutiny Co-ordinating Committee (with all Members of Scrutiny also invited to attend) were asked to:-

i) Consider the responses provided to the views, comments and alternative suggestions raised by Scrutiny as part of the initial consultation process; and

ii) Formulate a response in relation to:-

(a) The selection of Option 1 as the way forward for preparation of the Council's Medium Term Financial Strategy (2011/12 to 2014/15);

(b) The proposed strategy for the allocation of unsupported corporate capital borrowing allocations;

(c) The proposed alternatives identified by Cabinet to replace the original £31,000 beach safety saving proposal; and

(d) Cabinet's proposed strategy for managing cuts and changes in Specific Grants.

3.2 The Scrutiny Co-ordinating Committee's responses are outlined in paragraphs 3.3 onwards.

3.3 Cabinet response to views, comments and alternative suggestions raised by Scrutiny as part of the initial consultation process:-

i) The Committee noted the responses provided to questions raised as part of the first stage of the budget consultation process. In considering the information provided, Members accepted the responses provided and expressed further views in relation to a number of issues. Details of the views and comments expressed are outlined in **Appendix A**.

3.4 The selection of Option 1 as the way forward for preparation of the Council's Medium Term Financial Strategy (2011/12 to 2014/15):-

i) The Committee noted the stark financial implications of each option in relation to the potential funding gap that would be left for 2012/13. Given indications that Option 1 would leave a gap of £7.5 million, whilst Option 2 would leave a gap of £10.5 million, Members were of the view that to defer cuts now would make next years tasks virtually impossible. On this basis, Members were of the opinion that Option 1 was the prudent way forward.

The Committee supported the selection of Option 1 by Cabinet.

APPENDIX K – Part 1

3.5 The proposed strategy for the allocation of unsupported corporate capital borrowing allocations:-

- i) Consideration of the proposed strategy was deferred for discussion at the Scrutiny Co-ordinating Committee meeting on the 21 January 2011. Details of the outcome of these discussions will be tabled at today's meeting (**Appendix B**).

3.6 The proposed alternatives identified by Cabinet to replace the original £31,000 beach safety saving proposal:-

- i) Members highlighted the importance of achieving savings across board without impacting on the provision of front line services. Given the importance of the providing effective beach safety services, Members were of the view that achieving savings through the following means should be supported:
 - 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.

The Committee supported the alternative proposals identified above to replace the original £31,000 beach safety saving proposal.

3.7 Cabinet's proposed strategy for managing cuts and changes in Specific Grants:-

- i) Consideration of the proposed strategy was deferred for discussion at the Scrutiny Co-ordinating Committee meeting on the 21 January 2011. Details of the outcome of these discussions will be tabled at today's meeting. (**Appendix B**)

4. RECOMMENDATION

- 4.1 That Cabinet considers the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 proposals, as outlined in Section 3 of this report.

APPENDIX K – Part 1

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

January 2011

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

BACKGROUND PAPERS

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

- (i) Report of the Scrutiny Co-ordinating Committee entitled ' Formal Response to the Executive's Initial Medium Term Financial Strategy (MtfS) 2011/12 to 2014/15 Consultation Proposals' considered by Cabinet On the 20 December 2010.
- (ii) Report of the Chief Finance Officer / Scrutiny Manager entitled 'Medium Term Financial Strategy (MTFS) 2011/12 TO 2014/15 ' considered by the Scrutiny Co-ordinating Committee on the 14 January 2011.
- (iii) Minutes Of Cabinet Held On 20 December 2010.

Budget QuestionsChild and Adult Services

Service Area	Questions Raised and Answers Provided as part of the Initial Phase of the Budget Consultation Process	Further Comments / Questions Raised as part of the Final Phase of the Budget Consultation Process (Raised at the SCC meeting on the 14 January 2011)
Children's Contracted Services	<p>Question Nil inflationary increase – what proportions of organisations are private compared to voluntary?</p> <p>Answer 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>	<p>Members queried why the Children's Fund had been identified in its own right as taking a potential £84,000 of cuts when it had been mainstreamed last year as part of Children's Contracted Services. When advised that the proposal was for contracted services to standstill and the Children's Fund to take a bigger cut, concern was expressed that all elements of Contracted Services should be treated the same.</p> <p>Members were advised that each budget was assessed individually with a contributory factor in the identification of savings being the impact on the community. Whilst Members acknowledged this, there continued to be concern regarding the emphasis of cuts on one project from Contracted Services and the suggestion that the loss of Children's Fund services would have a lower impact on the community than other service areas.</p> <p>Members also highlighted the raft of areas of services delivered under the umbrella of children services and the need to have the capacity in the future as part of the budget process to look at them individually, rather than as a group. Emphasis was placed upon the strain being placed upon the voluntary / community sector with the slice by slice reduction of services and funding and the need to look across service areas to explore the potential</p>

APPENDIX K – Part 2

		<p>for the provision of services through the voluntary sector in viable and sustainable way. It was suggested that this needed to be looked at by Cabinet and that discussions needed to be held with the voluntary / community sector.</p> <p>It was emphasised to Members that no one wanted to make these decisions and that alternative would be welcomed. It was also emphasised that not all Children's Fund cuts would come from voluntary sector providers.</p>
Libraries – Central, Branch and Home / Delivered Services	<p>Question Comments / views of library staff on the proposals to close libraries</p> <p>Answer 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 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.</p> <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';- 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>	<p>Members sought clarification of usage figures for West View library and were reminded that they related to weekly visitor numbers. It was also clarified that whilst the logical library for closure on purely usage figures would be West View a whole series of other factors would be taken in to consideration. An assurance was given that no decision had yet been taken and that when taking about closure it related to the service and not the building.</p> <p>Members queried the position in terms of discussions with community/voluntary groups to take over buildings and were assured that the Council would be willing and keen to talk to anyone. Attention was drawn to indications that there may be interest in the provision of services from the Belle View Community, Sports and Youth Centre. Whilst officers / the Mayor were unaware of this potential they encouraged representatives to make contact (as were all potentially interested groups in other areas of the town). Attention was also drawn to the work being undertaken by Cllr Jackson in relation to Throston Library and Community Centre.</p>

Cultural Services	<p>Question</p> <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 considered in conjunction with the marketing budgets held within other departments to rationalise services.</p> <p>Answer</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>	<p>Members reinforced their support for the continuation of fireworks displays and the positive impact they have in terms of the environment and accident figures at that time of the year. It was highlighted that the Police and Fire Brigade had at a recent Police and Community Consultative Forum meeting been very supportive of the retention of these displays.</p> <p>Members highlighted the importance of seeking funding from partners and requested that the Mayor as the authority's elected representative on the Safer Hartlepool Partnership to raise the issue of funding contributions to the cost of fire work displays as an issue for discussion.</p>
Integrated Youth Service	<p>Question</p> <p>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.</p> <p>Answer</p> <p>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.</p>	<p>Member queried if, given the cuts planned under the Connexions banner, there would continue to be an information, advice and guidance service for young people in town run by youth service. Confirmation was provided that there was no suggestion in the 2011/12 budget proposals that the service would cease.</p>

Regeneration and Neighbourhoods

Waste Management	<p>Question Bulky Waste – Confirmation of figures requested.</p> <p>Answer The agreement through the S.D.O. review to introduce charges for the collection of bulky waste took into account reductions brought about by the recession but still required an income of £110K. 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. This will achieve approx. £60K income leaving a shortfall of £50K. 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>	<p>Members expressed concern regarding the potential fly tipping impact of charging residents for bulky waste removal. It was also suggested that exploratory work should be undertaken to explore the potential of 3rd sector organisations in the town undertaking this work without charging. Whilst the SDO in relation to this service are had already been through Cabinet, it was indicated that any suggestion for alternative ways of providing services would be welcomed and explored.</p>
Housing (homelessness, advice, private sector team)	<p>Question Members suggested that:- a) 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.</p> <p>Answer a) 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 b) Park Towers occupation and rental is being reviewed / renegotiated but it is not believed that further savings across all posts is feasible.</p>	<p>Members queried if the job loss related to person providing UNITE services and were advised that it is related to a Housing Advice Officer post which could now be saved. The team will be looking at the UNITE service as previously suggested by the Scrutiny Co-ordinating Committee. It was also indicated that the additional grant secured had enabled the current service to continue, with a review of the service to be undertaken in the next 12 months (as previously suggested by Scrutiny).</p> <p>Members suggested that the relocation of the housing team should be explored. Members were advised that the Council is in the process of rationalising space and building and this would be explored as part of this process.</p> <p>Further information is also to be provided in relation to the UNITE service as requested by the Committee in relation to potential other sources of funding.</p>

General or Cross Cutting Queries

General Questions	
<p>Question 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.</p> <p>Answer A report was presented to the Committee by the Chief Executive.</p>	<p>Members received the report provided by the Chief Executive and indicated that it would be considered / in greater detail at a future Scrutiny Co-ordinating Committee meeting.</p>

SCRUTINY CO-ORDINATING COMMITTEE BUDGET COMMENTS - 21 JANUARY 2011

(CONTINUATION OF DISCUSSIONS FROM 14 JANUARY 2011)

<p>UNSUPPORTED CORPORATE CAPITAL BORROWING ALLOCATION</p>	
<p>Cabinet Proposals</p>	<p>Scrutiny Comments/Views</p>
<p>Category A – Carlton Camp Improvements</p> <p>Essential canopy replacement and electrical works to enhance facility.</p> <p>£15,000</p>	<p>In response to a query regarding the potential of a contribution from the Trust that owns the Camp, it was clarified that there was to be a contribution from the Trust. Members were also advised that the Trust can access funding sources which local authorities cannot access. The £15,000 shown represented the Councils allocation / contribution.</p>
<p>Category A – Warren Road Boiler Replacement (PCT contribution – 50% included)</p> <p>Renewal of Boilers and associated Heating systems to upgrade and increase energy efficiency.</p> <p>£35,000 (part PCT funded)</p>	<p>It was confirmed that the £35,000 shown reflected the Councils contribution. In light of this, concern was expressed that an overall figure of £70,000 appeared to be very high. Whilst it was explained that multiple boilers were to be replaced, Members felt that they needed a clearer understanding of what was included before a full view could be expressed on the allocation. Members requested the provision of further detail of the scheme.</p> <p>Response to SCC question</p> <p>The costs cover the replacement of two substantial existing boilers (over 30 years old) and associated equipment such as flues, pumps, BMS controls etc. The costs are in line, pro rata, with recent and comparable boiler plant replacements at schools.</p> <p>Member queried if given the work of the independent living centre, and the funding allocated for that, there would be the need for Warren Road in the future or indeed if we would be able to afford to continue it.</p>

<p>Category A – Disabled Facilities Grants (DFG's)</p> <p>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.</p> <p>£200,000</p>	<p>Members queried how much funding was received from the government and were advised a similar amount (virtually match funding) was received. Full details of the level of government funding were to be provided to Members.</p> <p>Response to SCC question</p> <p>For 20/10/11 CLG grant allocation was £305k and SHIP grant was £185k. In 2011/12 there will be no SHIP grant and CLG allocation has been confirmed as £305k (the same amount as 2010/11). The £200k Council capital allocation could reduce the waiting list by around 45 cases.</p>
<p>Category B – Stranton Nursery Lodge / Café development</p> <p>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 Café facility with a key role within the overall Stranton Nursery site remodelling exercise.</p> <p>£25k (£50k 2010 / 11 – 1st phase)</p>	<p>Members were of the view that 50K over 2 years was considerable and that this was difficult to justify when Community Centres and libraries are under threat. It was explained to the Committee that the investment would bring in greater income in the future and that the business case had provided an indication of the timescale of the investment to be recouped.</p>
<p>SCRUTINY CO-ORDINATING COMMITTEE'S VIEW/DECISION:-</p> <ul style="list-style-type: none"> i) The Committee noted and accepted the majority of Cabinets proposals for the allocation of the resources under each of the three Categories identified; ii) The Committee expressed views / suggestions in relation to a number of specific proposals (as outlined above); iii) Requested the circulation of additional information as outlined above; and iv) Requested that SCRAPT fund be renamed 'The Council's Special Capital Fund'. 	

FORMULA GRANT ADJUSTED BASELINE**General Comments**

Attention was drawn to the monies transferred either from specific grants to the area based grant to the formula grant. Officers explained that the government had implemented a significant reduction in these grants and the appendix to the report set out Cabinets proposals for dealing with these reductions.

SCRUTINY CO-ORDINATING COMMITTEE'S VIEW/DECISION:-

- i) The Committee noted Cabinets proposals.

EARLY INTERVENTION GRANT	
General Comments	
Attention was drawn to the monies transferred either from specific grants to the area based grant to the new Early Intervention grant. Officers explained that the government had implemented a significant reduction in these grants and the appendix to the report set out Cabinets proposals for dealing with these reductions	
Cabinet Proposals	Scrutiny Comments/Views
Children's Fund	Concerns expressed at the Scrutiny Co-ordinating Committee meeting on the 14 January were reiterated regarding the mainstreaming of Children's Fund funding (as outlined in Appendix A).

Connexions

Members queried the level and quality of outcomes from the Connexions service and reiterated the need for an evaluation to be undertaken. In light of this, it was suggested that consideration should be given to an increased cut in Connexions funding and that the monies identified could then be redirected/redistributed. Members were extremely concern regarding potential long term implications of cuts in funding for early intervention and prevention services (especially in services for children and young people) and felt that the redirected resources should be focused into these areas.

In response to this, it was noted that as part of previous discussions Members had identified the need to look more corporately at the provision of advice services. It was accepted that there are a range of different things that need to be looked at in relation to this and this was to be undertaken over the next, in preparation for next year's budget. **The Committee welcomed and reiterated the importance of:**

- **A thorough 'mapping' exercise of ALL information services to young people as part of the process; and**
- **The need for the Connexions service to look at other ways of working (including outreach work).**

The Committee welcomed support from the Portfolio Holder for Regeneration and Economic Development in relation to the importance of intervention and prevention services (particularity for children and young people in providing them with the best start and opportunities in life). **The Committee welcomed, and supported, the Portfolio Holders suggestion that the allocation of area based grants in relation to intervention and prevention services needed to be looked at again by Cabinet.**

To assist in these further discussions, **the Portfolio Holder for Regeneration and Economic Development also requested confirmation / clarification of the position in terms of the mainstreaming, or not, of the Children's Fund funding.**

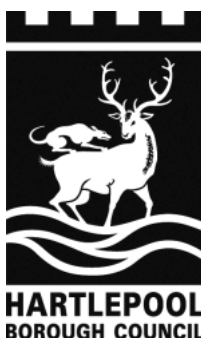
January Guarantee	<p>It was confirmed that the January Guarantee is a service provided through the Connexions Service. Members queried why £12.000 of funding was given in addition to the other funding allocations and indicated that if these resources were spent in Children's Centre, on early intervention, they would save significantly more in the longer term.</p> <p>It was confirmed that the January Guarantee had been an additional requirement from government; hence the allocation of the additional funding to covers its implementation. Members were mixed in their views as to whether:</p> <ul style="list-style-type: none"> - The funding should be allocated separately for this work or the costs covered by the original funding; or - The 'guarantee' process was really needed twice a year.
Youth Crime Action Plan	<p>Given the massive cuts being implemented across all sectors, concern was expressed regarding the potential knock on effect in terms of increased crime and the impact of reduced funding for the provision of Community Safety services. Emphasis was again placed upon the vital importance of preventative services.</p>
General Comments	
<p>i) Members reiterated their concerns regarding the potential long term implications of cuts in funding for early intervention and prevention services (especially in services for children and young people). This included the work being carried out through the youth service;</p> <p>ii) Members were exceptionally concerned regarding:</p> <ul style="list-style-type: none"> - The impact of the removal of the Education Maintenance allowance on the opportunities for young people in Hartlepool; and - The impact of government cuts on the most vulnerable sections of the community, both nationally and locally. <p>iii) Members emphasised the need to bring the impact of cuts and their emphasis on the most vulnerable members of communities (as outlined in (i) and (ii) above) to the attention of the Government and hoped that conservative and liberal democrat colleagues would join in supporting this.</p>	

SCRUTINY CO-ORDINATING COMMITTEE'S VIEW/DECISION:-

The Committee:-

- i) Noted Cabinets proposals and expressed view s / suggestions in relation to a number of specific proposals (as outlined above);
- ii) Requested the circulation of additional information as outlined above; and
- iii) Recommended that:
 - If the intention w as to look at information / advice / guidance services and see how they could be rationalise (including the Connexions services for young people) the Council may w ish as part of next years budget process to redirect the money identified; and
 - That funding potentially identified through the rationalisation of information / advice / guidance services should be targeted on those in need and not absorbed in to departmental budgets.

CABINET RESPONSE TO EARLIER SCRUTINY VIEWS / SUGGESTIONS (submitted as part of the first stage of the budget consultation process)	
Cabinet Proposals	Scrutiny Comments/Views
<p>Democratic Services and Scrutiny</p> <p>Members were advised that Cabinet reaffirmed its original proposals.</p>	<p>The Committee reaffirmed its view that it could not support the proposed cut in funding for these service areas. It was again indicated that given the other reductions being proposed in processes to facilitate face to face interaction between this authority and public scrutiny, one of main remaining interfaces would be Scrutiny. It was also reiterated that the following year would be a more appropriate time to look at reductions in this area given the reduction in the number of Councillors that was to occur.</p> <p>In discussing this issue, the need for a cut in Cabinet size was also raised.</p>
<p>Community Pool</p> <p>Members were advised that Cabinet reaffirmed its original proposals.</p>	<p>Concerns were reiterated regarding the unfairness of targeting those groups through the reduction in funding for the community pool, and emphasised the impact of this in combination with the other cuts facing the sector. The Committee was assured that this was not the case and that the pool was not target to specific groups. In addition to this, there were opportunities for the sector with the Council's move to the commissioning of services, although it was recognised that this would require a real change / review in how they operate.</p> <p>Members retained the view that the proposal was unfair.</p>
General Comments	
<p>i) Concern was expressed regarding the implications of shared arrangements and the potential of this Authority to have to pick up a larger slice of proportional costs. It was suggested that the use of own buildings needed to be rationalised to ensure as many services as possible delivered from our own premises. Potentially, partners to be invited into our premises.</p>	



BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 13 December 2010
at 9.30am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Andrew Atkin, Assistant Chief Executive
Stuart Drummond, Mayor
Chris Little, Chief Finance Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Paul Walker, Chief Executive
Councillor J Brash
Councillor C Hill
Councillor G Hall

Business Representatives
Peter Olson
Adrian Liddell

Apologies: Nicola Bailey, Director of Child and Adult Services
Councillor P Hargreaves
Councillor R Payne
Cllr P Jackson

Business Representatives
Brian Beaumont
John Megson

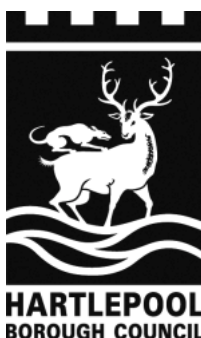
Leanne Anderson, PA to CEMT (Minutes)

1.	Presentation
<p>CL provided a detailed overview of the issues affecting the budget and policy framework proposal for 2011/12 to 2014/15 and sought views from the Business Sector. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none">- Budget Position January 2010- Budget forecasts 2011/12 onwards- 2011/12 to 2014/15 Financial Outlook- Business Transformation Programme	

<ul style="list-style-type: none"> - Use of specific reserves - Lower pay award provision - Local pressures / Demographic pressures - Forecasted grant cuts, including cuts to the Area Based Grant - Spending Review announcement (20.10.10) - Department for Communities and Local Government issues – front loaded cuts - Removal of ring fencing for specific grants - Loss of WNF funding - Council Tax Freeze for 2011/12 - PWLB increase to interest rates for Council borrowing - The removal of incentives for Carbon Reduction Commitment 	
Comments Made	Response
Surely you are being pessimistic about the current bank lending situation, just how much is the Council currently borrowing?	The Council is currently borrowing as little as possible. Our treasury management strategy which seeks to have as little money invested in banks as possible is in place in response to the banking crisis. Our investments come from reserves which were set up to support the budget. However, as those reserves begin to be spent, the Council will need to look at alternatives including borrowing.
Will you borrow for capital works and what will the interest be?	Yes. The interest rate will depend upon the term of borrowing; if it is a short term loan then the interest rate is likely to be in the region of 1%, a longer term may see a 5% interest rate. As government increase interest rates, all flexibility is removed, creating a greater risk for the Council.
In the papers previously circulated it states that 150 jobs will be cut from the Council. What is the staff turnover rate for the Council?	Although we budget for staff salaries, we actually only budget for 97% of our workforce due to salary turnover. In budget terms, this is £1m that is not budgeted. This is a risk which has been identified to members. The Council has established a strategic risk reserve to fund this on a temporary basis. Over the last 6-9 months the Council has been holding posts vacant where possible in preparation for the budget cuts this year. This year alone there are 440 employees at risk of redundancy with 150 employees expected to be made redundant. The Council are also going through a voluntary redundancy exercise to help mitigate the number of compulsory redundancies.
What is the total number of staff within the Council?	The total number of employees is 4,500 (2,500 excluding schools).
Business representatives noted that they have been involved in cuts in the past and recommended making all redundancies at the beginning of the process rather than decreasing staff morale over a prolonged period of time.	This year the Council has tried to remove as little jobs as possible, however the difficulty will only increase for next year.

We appreciate that nothing can be said to make a difference but we will do anything we can to help.	The major issues that local businesses face will be managing an economic downturn after a period of such growth. Ministers will want to control the regional growth fund.
In Hartlepool, businesses rely totally on the Council; the cuts you make will directly affect us.	Capital spend will stop, not reduce.
Local businesses cannot even rely on house building as banks won't lend money for mortgages. The housing market is frozen. It has been suggested that we can only let new tenancies and charge 80% of market value. Local businesses do have the ability to purchase factory built houses, however this does little for the local economy.	The economic budget has been protected as far as possible; however the removal of the WNF will affect local businesses. TVU has been cut by two thirds. As a result, the Council is much more focused on strategic issues.
Has the Council considered the possibility of sharing services across the Tees Valley?	Discussions are already in place with neighbouring local authorities.
Is there any mileage in looking at private/public sector shared services?	It is expected that a white paper will be published in January 2011 regarding services that have to be ran outside of the authority. Local businesses will have to compete with nationwide companies for these services.
Housing Hartlepool will do all that they can to help however the formula that drives us will cause a rent increase?	The question will be whether housing is classes as public sector. It would be helpful to have some public messages disseminated that in Hartlepool jobs are going into the private sector as a result of public sector cuts.
In terms of the budget proposal for the Dial-a-Ride service what other option will the Council be providing? Would it not be easier to cut the service rather than have it running at such high cost (£10 per head)?	There are broader options to downsize and / or restructure the service. However as a service it is not cost effective.
It is difficult to foresee small businesses continuing to set up. However businesses are coping differently, the manufacture industry is currently doing well. There are also future prospects for eco-friendly businesses, i.e. wind farms.	The Council are currently in discussions with a private developer to use Crown House as a venue to set up an incubation system. However this would require capital funding which would incur a risk for the Council.
On radio this morning it announced that there was to be a repatriating of local business rates. This would have a negative effect on Hartlepool.	Yes, Hartlepool would be in deficit of £15-20 million per year.
Are there any plans for a further power station?	A new one would not be in place until 2025; this would cause a lapse in employment.

There an increasing necessity to service an ageing popularity. This was shown in the presentation as a pressure.	Those services have consistently been delivered well by local government. We are not convinced that the government has researched their plans in relation to health. It is bad practice to say that you are ring fencing health and then remove the grant funding for Social Services.
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BUDGET CONSULTATION MEETING WITH TRADE UNION REPRESENTATIVES

**Minutes of Meeting held on 22 December 2010
at 10.00am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Chris Little, Chief Finance Officer
Andrew Atkin, Assistant Chief Executive
Stuart Drummond, Mayor
Joanne Machers, Chief Customer and Workforce Services Officer
Paul Walker, Chief Executive
Councillor J Brash
Councillor P Hargreaves
Councillor C Hill
Councillor G Hall

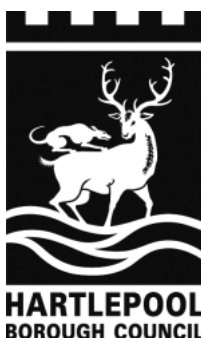
Trade Union Representatives
Edwin Jeffries, HJTUC Secretary

Apologies: Councillor R Payne

Leanne Anderson, PA to CEMT (Minutes)

1.	Presentation
<p>CL provided an overview of the issues affecting the budget and policy framework proposal for 2011/12 to 2014/15 and sought views from Trade Union Representatives. A detailed overview of the following issues were provided:</p> <ul style="list-style-type: none"> - Provisional Local Government Grant Settlement - Area Based Grant - Formula Grant - National Position & Spending Power Cuts - Written response to Minister - Scrutiny Co-ordinating Committee Feedback 	
Comments Made	

The group discussed the notion that northern authorities have a greater reliance on the public sector and the ideological push from government to use of the private sector. Government are advertising this shift as creativity and a release for local government.	
EJ – it is obvious that Hartlepool is successful in gaining revenue grant funding in comparison to other LA's. However taking this away leaves us in a difficult position.	
EJ – the Economic Forum is consistently trying to get private sector involvement.	
EJ – whilst the TU's fully recognise the financial situation detailed in the Cabinet report dated 29.11.10 we require clarification on a number of issues. Our aim is to reduce and mitigate the need for compulsory redundancies wherever possible. However we acknowledge that there will be cuts in connection with specific grant cuts.	
In the Cabinet report dated 20.12.10, the cut to core grant is 0.8% less, this should mean some jobs can be saved. There is £2.7m between the two options shown in the Cabinet report; surely this could mitigate the requirement for any compulsory redundancies.	
EJ – we acknowledge the need for a prioritisation exercise and the ongoing issue of categorisation (ABC exercise).	
SD – some flexibility will come from Scrutiny and we will then have to look at other ways of providing services.	
Comment	Response
SD – Eric Pickles has suggested that Councils keep the business rates they generate.	TU – that would be disastrous. Perhaps it would work if we were able to rebuild industry at a local level rather than outsourcing abroad.
TU – we ask that you look into alternative ways of providing services and use the redeployment exercise to mitigate compulsory redundancies.	PW – if we use the £2.7m to fund redundancies, we will have a budget deficit of £10.9m next year. We are trying to avoid a vicious cycle that would occur from delaying cuts.
TU – whilst we recognise that the end result may see the loss of some jobs, we wish to see all possibilities exhausted. We recommend widening the scope of the SDOs.	



BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 17 January 2011
at 9.30am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
 Stuart Drummond, Mayor
 Paul Walker, Chief Executive
 Andrew Atkin, Assistant Chief Executive
 Chris Little, Chief Finance Officer
 Alan Dobby, Assistant Director - Support Services (*on behalf of Nicola Bailey*)
 Councillor C Hill
 Councillor G Hall
 Councillor H Thompson

Business Representatives
 Peter Olson
 Adrian Liddell
 Brian Beaumont
 John Megson

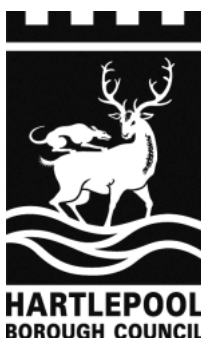
Apologies: Nicola Bailey, Director of Child and Adult Services
 Dave Stubbs, Director of Regeneration and Neighbourhoods
 Councillor P Hargreaves
 Councillor R Payne
 Councillor P Jackson
 Councillor J Brash

Carly Lupton, PA to CEMT (Minutes)

1.	Presentation
<p>CL reported on Hartlepool's Financial Future following the Local Government Settlement and sought views from the Business Sector. A detailed overview of the following issues was provided.</p> <ul style="list-style-type: none"> - Spending Review provided overall financial direction of Government Spending - Local Government Settlement confirms cuts to Council funding 	

<ul style="list-style-type: none"> - National position - £/Person Damping Grant - % Reduction in Spending Power - £/Person Cut Spending Power - Local Government Grant Settlement – National Position - Formula Grant – Impact on Hartlepool - Changes to specific grants and Area Based Grant - Summary of Grant Cuts - What has already been done to reduce costs - What can be done to reduce costs in 2012/12 and beyond 	
Comments Made	Response
Without transitional funding would the grant have been reduced further than 8.9%?	Without transitional funding it would have been around 12%.
What is the national position for PCTs?	PCTs are ceasing to exist in 2013 to be replaced by GP consortiums. PCTs have already had a reduction in management staff by 42%.
Hartlepool's reduction is £113 per head of population which is significantly higher than the £73 which had previously been suggested. How does this compare with other authorities?	The average is £49 which is significantly lower. The North East had £200m taken from the region. Regional responses to provisional settlement will set out the impact these cuts will have on the region.
Are you still expecting to lose the same number of posts as previously indicated?	We are still expecting to lose approximately 150 posts. To date 98 redundancies have been identified which have been made up of both compulsory and voluntary redundancies.
Are we clear on what effects cuts are going to have on services?	The expected effects on services are detailed in report issued before Christmas.
What is the impact on Council Tax?	Cabinet are proposing to freeze Council tax and government will provide a grant for 4 years.
The private sector will not be able to pick up jobs lost from public sector.	This point is going to be made in the response to the Minister explaining the adverse effect this is likely to have on the local economy.
Do the cuts identified in the presentation help reduce the deficit in future years?	The cuts this made will not reduce the deficit in future years any future forecasts assume planned cuts will be made in 2011/12. Further cuts will have to be made.
If further redundancies are going to be made next year would it not be beneficial to make them all this year?	If we increased the number of redundancies significantly for this year there would be a risk that services would collapse. Further time is required to ensure this is managed correctly.
Are there any national reductions to the statutory services that have to be required?	The Government are not proposing any reduction in the Statutory requirements but we can change the way the statutory services can be delivered.
What is the way forward?	A final report will be taken to Cabinet 7 February 2011 and Council on 10 February 2011.

The Mayor thanked the Business Representatives for attending the Budget Consultation meetings and for their support in writing to the Secretary of State to regarding the Community and Local Government setting out business concerns regarding the provisional settlement and its impact on Hartlepool.



BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 20 January 2011
at 9.30am in the Mayor's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council Officers***
Stuart Drummond, Mayor
Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Joanne Machers, Chief Customer & Workforce Services Officer
Sally Robinson, Assistant Director - Safeguarding & Specialist Services (on behalf of Nicola Bailey)
Councillor G Hall
Councillor R Payne

Trade Union Representatives
Edwin Jeffries
Tony Watson
Margaret Waterfield
Malcolm Sullivan
Chris Hargreaves
Mike Hill
Brian James

Apologies: Nicola Bailey, Director of Child and Adult Services
Dave Stubbs, Director of Regeneration and Neighbourhoods
Councillor C Hill
Councillor H Thompson
Councillor P Hargreaves
Councillor P Jackson
Councillor J Brash

Emma Armstrong, PA to CEMT (Minutes)

1.	Presentation
CL reported on Hartlepool's Financial Future following the Local Government Settlement and sought views from the Business Sector. A detailed overview of the following issues was provided.	

<ul style="list-style-type: none"> - Spending Review provided overall financial direction of Government Spending - Local Government Settlement confirms cuts to Council funding - National position - £/Person Damping Grant - % Reduction in Spending Power - £/Person Cut Spending Power - Local Government Grant Settlement – National Position - Formula Grant – Impact on Hartlepool - Changes to specific grants and Area Based Grant - Summary of Grant Cuts - What has already been done to reduce costs - What can be done to reduce costs in 2012/12 and beyond 	
Comments Made	Response
<p>The Trade Union representatives noted that they recognise the current financial position.</p> <p>The TU would like to see the least number of Compulsory Redundancies made.</p> <p>It was noted that no incentive has been given between Compulsory Redundancy figures and Voluntary Redundancy figures to encourage employees to volunteer. Could these be made more favourable to include incentives for VR?</p> <p>The Trade Unions requested if a full sweep could be done again to identify any further Voluntary Redundancies?</p>	<p>Increasing the Voluntary Redundancy package, would increase cost and as the Council does not have additional funding this would increase the number of Compulsory Redundancy posts needed.</p> <p>Council wide consultations have taken place with staff and this exercise has reduced the level of Compulsory Redundancies. This has been done by alternative methods of working, amendments to working hours / patterns.</p> <p>Chair of ANEC and Vice Chair and Treasurer of Newcastle met with the Government last week in respect of NE budget position. These comments were noted, but the NE are not optimistic that any changes will be made to the Settlement.</p> <p>It was also noted that the changes with the PCT to GP consortia will have a potential detrimental impact upon the LA.</p>

Supplementary papers for Cabinet report

Equality Impact Assessments of Budget Proposals

1. Public Sector Equality Duties

The Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality with regard (currently) to race, disability and gender, including gender reassignment, as well as to promote good race relations. From April 2011 the duty extends to age, sexual orientation, pregnancy and maternity and religion or belief.

Equalities legislation requires that this duty to pay 'due regard' be demonstrated in the Council's decision making processes. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.

In addition, the Council also has a duty to ensure that local people have greater opportunities to have their say under the Local Government and Public Involvement in Health Act 2007. The aspiration for the duty is to embed a culture of engagement and empowerment across an authority's functions.

These duties become particularly relevant when the organisation proposes to make any decision to reduce or withdraw the services it provides. To help demonstrate that the organisation is paying 'due regard' as required the council should document how it assessed the impact that such decisions could have on equality groups and show how those assessment documents have fed into the decision-making process before any final decisions are taken and the outcomes.

Attached as Appendix A is a publication from the Equality and Human Rights Commission, "Using the equality duties to make fair financial decision: A guide for decision-makers" which explains Members' responsibilities in more detail.

2. What this requires the Council to do

The Council is required to undertake an equality impact assessment on proposals at a formative stage so that the assessment is an integral part of the development of a proposal, rather than a later justification of a policy that has already been adopted.

Cabinet received feedback from initial budget consultation in October and November with the assurance that further information in relation to the results of equality impact assessments would be provided with this report.

The outcome of an equality impact assessment is likely to fall into one of four categories.

Category 1 - that no major change is required to the proposal as no potential for discrimination or adverse impact has been identified and all opportunities to promote equality have been taken.

Category 2 - that adjustments should be made to the proposal to remove barriers identified by the equality impact assessment or to promote better equality.

Category 3 - that the proposals should continue despite having identified some potential for adverse impact or missed opportunities to promote equality.

Category 4 - that the proposals should be stopped and rethought as the equality impact assessment shows actual or potential unlawful discrimination.

An assessment of the equality impact of the budget proposals has been undertaken. Most proposals have been assessed as falling into Category 1 and 2 outcomes. Where required appropriate adjustments have or will be made to the proposals to alleviate or where possible, remove any negative impact on equality groups. Three specific proposals potentially fall into Category 3 and therefore are brought to Cabinet's attention for consideration. No proposals have been assessed as Category 4 outcomes.

3. Issues for Cabinet to consider

- 3.1 Proposals in relation to transport were assessed as having some potential for adverse impact and therefore additional consultations were undertaken. The Health & Wellbeing Partnership Committee and Children's Board were both consulted further on the transport proposals involving Dial-a-Ride and the supported H1 hospital service. No comments have been received in response to the consultation exercise which would help identify alternatives to the proposals under consideration or to mitigate any negative impact. Arrangements will be put in place to monitor the impact of the proposals once implemented.
- 3.2 Additional consultations were also undertaken in relation to a range of services within child and adult services which were assessed as having some potential for adverse impact. The Health & Wellbeing Partnership Committee and Children's Board were consulted on proposals affecting commissioning services for adults and children, community facilities and support services for children and young people. No comments have been received in response to the consultation exercise which would help identify alternatives to the proposals under consideration or to mitigate any impact. Arrangements will be put in place to monitor the impact of the proposals once implemented.
- 3.3. Proposals in relation to the budget for diversity services were assessed as having some potential for adverse impact and therefore additional consultations were undertaken. It is proposed to reduce the diversity budget from £53,000 to £13,000 which will result in the deletion of one full-time permanent post.

The comments received are in relation to one aspect of the role of the post i.e. interface with the public. The majority of the post's responsibilities are to provide internal corporate support to the organisation e.g. policy and procedure development, good practice advice, performance monitoring, increase staff equalities awareness and skills, etc.

The Talking with Communities Group were consulted further on the budget proposals in relation to diversity services and Council consultation more generally. Attached at Appendix B are the replies received by the response deadline of 28 January 2011.

The responses are summarised as follows

- a perception that there is a proposal to close the Talking with Communities group.

Assessment of impact: It is not specifically proposed to close the Talking with Communities group. It is recognised that the Talking with Communities group has, for a number of years, provided an effective forum for information sharing and consultation feedback. Members of the group report benefits from the unique opportunity to meet each other and share experiences and knowledge. With reduced budgets across the whole Council for community engagement and consultation, work is on-going to review the Council's arrangements for working with and consulting groups to identify where there may be duplication or gaps. This review includes both Council arranged activities and those undertaken with other groups. The remaining budget enables the group or a revised version of it to continue.

- members of different ethnic communities require a single point of point of contact who will represent their needs and is able to listen and provide help.

Assessment of impact: The Council continues to increase the awareness and skills of staff to plan for and respond to all customer care needs e.g. at first point of contact, at the point of service delivery or wider service issues. There are on-going developments within Hartlepool Connect and service departments to provide more specialist support for services users, customers, etc. as required. This will change who might resolve specific issues on behalf of the equality group members of Hartlepool but not the standard of response.

- the Diversity Officer has clearly provided a personal source of support which is valued by the Talking with Communities group and other members of diverse groups across Hartlepool. Many comments have been received in relation to the postholder's personal skills and attributes.

Assessment of impact: As with any employee of the Council there is always a risk that the current postholder could leave the post e.g. to take up other career opportunities. This potential of this impact cannot therefore be avoided.

4. Decision making

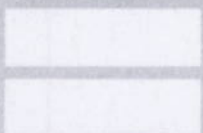
The equality duties do not prevent the Council from making difficult decisions such as reorganisations and relocations, redundancies and service reductions nor do they stop the local authority from making decisions which may affect one group more than another.

What the equality duties do is enable the Council to demonstrate that financial decisions are made in a fair, transparent and accountable way, considering the needs and rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups.

Equality and Human Rights Commission

Using the equality duties to make fair financial decisions

A guide for decision-makers



Equality and
Human Rights
Commission

Introduction

With major reductions in public spending, organisations in Britain may be required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker and leader of a public authority responsible for delivering key services at a national, regional and/or local level, in order to make such decisions as fair as possible.

The equality duties do not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions nor do they stop you from making decisions which may affect one group more than another. What the equality duties do is enable you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups.

Assessing the impact of proposed changes to policies, procedures and practices is not just something the law requires, it is a positive opportunity for you as public authority leaders to ensure you make better decisions based on robust evidence.

What the law requires now

Under equality legislation, your authority has legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability and gender, including gender reassignment, as well as to promote good race relations.

The law requires that this duty to pay 'due regard' be demonstrated in the decision-making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.

It is also important to note that public authorities subject to the equality duties are also likely to be subject to the obligations under the Human Rights Act. We would therefore recommend public authorities should consider the potential impact their decisions could have on human rights.

What the law will require from April 2011

The Equality Act 2010 introduces a new public sector duty which extends this coverage to age, sexual orientation, pregnancy and maternity, and religion or belief.

In preparation for these new duties coming into force, we would recommend that you start to assess the impact your financial decisions might have on the new protected groups where relevant and proportionate.

Aim of this guide

This guide aims to assist decision-makers in ensuring that:

- the process followed to assess the equality impact of financial proposals is robust, and
- the impact financial proposals could have on equality groups is thoroughly considered before any decisions are arrived at.

We have also produced detailed practical guidance for those responsible for assessing the equality impact of policies, which is available from our website. You can access this guidance at:

www.equalityhumanrights.com/financialdecisions

The benefits of carrying out Equality Impact Assessments (EIAs)

By law an assessment must:

- contain sufficient information to enable a public authority to show it has paid 'due regard' to the equality duties in its decision-making
- identify methods for mitigating or avoiding any adverse impact.

Such assessment does not necessarily have to take the form of one document called an Equality Impact Assessment (EIA), although this is what we recommend for reasons explained below. If you choose not to undertake an EIA, then some alternative form of analysis which systematically assesses any adverse impact of a change in policy, procedure or practice will be required.

An impact assessment is not an end in itself and should be tailored to and proportionate to the decision that is being made. Whether it is proportionate for an authority to conduct an assessment of a financial decision depends on its relevance to the authority's particular function and its likely impact.

We recommend using a formal EIA document when developing financial proposals as it is likely to help you to:

- **ensure you have a written record of the equality considerations** you have taken into account
- **ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any unfair impact on particular equality groups.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public bodies, so that particular groups are not unduly affected by the cumulative effects of different decisions
- **make your decisions based on evidence:** a decision which is informed by relevant local and national data about equality is a better quality decision. EIAs provide a clear and systematic way to collect, assess and put forward relevant evidence
- **make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months
- **comply with the law:** the duties are legal obligations which should remain a top priority, even in times of economic difficulty. Failure to meet the duties may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

When should assessments be carried out?

An assessment of impact must be carried out at a formative stage so that the assessment is an integral part of the development of a proposed policy, not a later justification of a policy that has already been adopted.

Financial proposals which are relevant to equality such as those likely to impact on equality for your workforce and/or for your community should always be subject to a thorough assessment. This includes proposals to outsource or procure any of your organisation functions. The assessment should form part of the proposal, and you should consider it carefully **before** making your decision.

If you are presented with a proposal that has not been assessed for equality impact, you should question whether this enables you to consider fully the proposed change and its likely impact. Decisions not to

impact assess should be fully documented, along with the reasons and the evidence used to come to this conclusion. This is important as authorities may need to rely on this documentation if the decision is challenged.

It is also important to remember that potential impact is not just about numbers. Evidence of a serious impact that may affect a small number of individuals is just as important as a potential impact affecting many people.

What should I be looking for in an assessment?

An assessment needs to be based on relevant data and sufficient analysis to enable the decision-maker to understand the equality implications of a decision and any alternative options or proposals.

As with everything, proportionality is a key principle. Assessing the impact of a major financial proposal is likely to need significantly more effort, and resources dedicated to ensuring effective consultation and involvement, than a simple assessment of a proposal to save money by changing staff travel arrangements. There is no prescribed format for an EIA, however the following questions and answers provide guidance to assist you in determining whether you consider that an EIA is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**
A robust EIA will set out the reasons for the change; how this change can impact on equality groups, as well as who it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular equality groups. Joint working with your public authority partners will also help you to consider thoroughly the impact of decisions on the people you collectively serve.

Example: A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent where the decisions are considered in isolation.

- **Has the EIA considered available evidence?**

Public authorities should consider the data and research already available locally and nationally. The assessment should be underpinned by up-to-date and reliable information about the different groups the proposal is likely to affect. A lack of data is not a sufficient reason to conclude that there is no impact.¹

- **Have those likely to be affected by the proposal been consulted and involved?**

Involvement and consultation are crucial to the EIA process. There is an explicit requirement to consult different ethnic groups under race relations law in the context of an EIA but, as a matter of best practice and in order to improve your evidence, applying the same principle to other groups should be considered. No-one can give you a better insight into how proposed changes will affect, for example, disabled people, than disabled people themselves.

- **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will affect everyone equally; there should be a more in-depth consideration of available evidence to see if particular equality groups are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take specific steps for particular groups to address an existing disadvantage or to meet differing needs.

- **What course of action does the EIA suggest I take? Is it justifiable?**

The EIA should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an EIA. More than one may apply to a single proposal:

¹ Where there is no detailed quantitative data available, there may often be national statistics or qualitative studies on the relevant policy area. These can be supplemented by local informal consultation. Providing evidence that your organisation has looked for data will improve the quality and transparency of your EIA. For longer-term monitoring of impact, you can include your plans to collect data in the EIA action plan.

- **Outcome 1: No major change required** when the EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.
- **Outcome 2: Adjustments to remove barriers identified by the EIA or to better promote equality.** Are you satisfied that the proposed adjustments will remove the barriers identified?
- **Outcome 3: Continue despite having identified some potential for adverse impact or missed opportunities to promote equality.** In this case, the justification should be included in the EIA and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.
- **Outcome 4: Stop and rethink** when an EIA shows actual or potential unlawful discrimination.²
- **Are there plans to alleviate any negative impact?**
Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating the negative effects. This will in practice be supported by the development of an action plan to reduce impact that identifies the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

² The relevant Codes of Practice and guidance on the public sector duties provide information about what constitutes unlawful discrimination. More information is available on the Commission's website <http://www.equalityhumanrights.com>.

Example: A University decides to close down its childcare facility to save money, particularly given that it is currently being underused. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impact, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner and to develop partnership working with its local authority and ensure sufficient and affordable childcare facilities remains accessible to its students and staff.

- **Are there plans to monitor the actual impact of the proposal?**
Although an EIA will help to anticipate a proposal's likely effects on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

What happens if you don't properly assess the impact of relevant decisions?

If you have not carried out an assessment of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Recent legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.³

Example: A court recently overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to become disillusioned with you. Above all, authorities which fail to carry out robust assessments risk making

³ See relevant case law on our webpage at <http://www.equalityhumanrights.com/financialdecisions>

poor and unfair decisions that could discriminate against particular equality groups and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duties, the Commission will monitor financial decisions with a view to ensuring that these have been taken in compliance with the equality duties and have taken into account the need to mitigate impact where possible.

Contacts

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Helpline opening times:

Monday to Friday 8am–6pm.

Calls from BT landlines are charged at local rates, but calls from mobiles and other providers may vary.

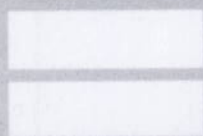
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AMENDMENTS TO RECOMMENDATIONS

As indicated previously work has continued on the budget until the end of last week. It is therefore proposed that the following amendments are made to the recommendations detailed in the report:

- 1) Note that recommendation 19.6 should have stated that the £43,000 proposed reduction in the General Fund budget for the Children's Fund had already been removed from the proposed savings before identifying the uncommitted resources of £119,000 detailed in paragraph 6.21.
- 2) Note the actual Formula Grant for 2011/12 is £5,000 less than the provisional allocation and this reduces the uncommitted resources detailed in paragraph 6.21 to £114,000.
- 3) Approve a reduction in the proposed Community and Voluntary Sector Grant budget reduction from £134,000 (a 30% cut) to £50,000, which is a 10% cut and equates to the overall percentage cut in the councils General Fund budget and from April 2012 the Council commissions specific services from the Community and Voluntary Sector.
- 4) Approve an additional saving is made from increasing the UNITE savings by £11,000 and any ad hoc requirements to use this service are funded from existing cash limited budgets.
- 5) Approve an alternative saving is made in the Democratic Services support budget of £26,000 and this proposal largely replaces the proposed Scrutiny saving of £34,000. Workloads will need to be balanced across the Democratic Services and Scrutiny Support teams to achieve this revised proposal.
- 6) Approve that the saving from closing West View Library is delayed 3 months (i.e. to 30th June 2010) to provide an opportunity to link the closure to the proposed strategy to transfer community centres to community organisations as detailed in (9) below.
- 7) Approve that the Children's Fund Early Intervention Grant (EIG) cut of £77,000 is not implemented to provide time to assess scope for reallocating resources within the EIG.
- 8) Note that the above changes fully commit the uncommitted resources detailed in paragraph 2 above of £114,000 and require a contribution of up to £59,000 from the Transitional Grant. The Transitional Grant contribution will depend on the implementation date for West View library. As recommended in the Cabinet report the remaining Transitional Grant will be earmarked for projects agreed by Cabinet (such as leisure trust, asset backed vehicle) which may require investigation to ascertain if they provide any future benefit.
- 9) Approve the reallocation of the reserve for replacing the Mayoral Chains of £46,000 to fund the running costs of the 3 community centres identified for closure for up to 3 months (i.e. to 30th June 2010) to provide an opportunity to transfer these assets to community organisations and authorise officer to progress these proposed asset transfers and report back details of proposals received to a future Cabinet meeting..
- 10) Approve the reallocation of the Seaton Management Committee reserve towards projects arising from the Seaton Carew Master Plan.

SUMMARY OF PROPOSED BUDGET CHANGES

	Cost/(resource)	
	Option 1 £'000	Option 2 £'000
Uncommitted resources (para 6.21). This figures assumes Cabinet will formally confirm that the proposed saving in the General Fund Children's Service budget of £43,000 will not be implemented).	(119)	(119)
Reduction in Formula Grant	5	5
Community Pool Saving reduced from original proposal of £134,000 (30% reduction) to a 14% reduction (the percentage reduction in Formula grant announced in the spending review)	72	72
Community Pool Saving further reduced to a 10% reduction, which is the overall cut in the Councils budget	0	12
Community Pool Saving further reduced to nil reduction	0	0
Additional Unite Saving	(11)	(11)
Democratic Services - net impact of replacing proposed saving of £34,000 in Scrutiny/Democratic Support with a £26,000 saving from a voluntary redundancy	8	8
Sub total	(45)	(33)
<u>Other issues</u>		
West View Library not closed	15	15
Children's Fund Early Intervention Grant (EIG) cut not implemented to provide time to assess scope for reallocating resources with the EIG	77	77
Unfunded cost to be meet from Transitional Grant in 2011/12	47	59

OTHER ISSUES FOR CABINETS INFORMATION

IMPACT ON 2012/13 BUDGET DEFICIT

	£'000
2011/12 Forecast deficit assuming all saving implement and 2.5% Indicative Council Tax increase	6607
Add lower final Formula grant, cost of Community Pool lower cut (option 2), additional Unite saving and Democratic/Scrutiny saving changes	86
Revised Deficit	6693
Add West View not closed and Children's Fund savings become permanent in 2012/13	92
Revised worst case deficit	6785

IMPACT ON SUPPORT FOR PROJECTS AGREED BY CABINET TO PROVIDE FUTURE BENEFITS

Assuming Cabinet adopt the proposals outlined in the previous section this will reduce the resources available to support projects agreed by Cabinet (such as leisure trust, asset backed vehicle) which may require investigation to ascertain if they provide any future benefits. The recommendations in the report propose setting up a reserve under the control of Cabinet, whereby resources will be released on basis of Cabinet approving individual proposals on a case by case basis.

On a positive note the amount of Transitional Grant will increase by £0.185m to £1.846m, compared to provisional allocation of £1.661m. This increase will effectively mitigate the additional costs of revising the budget proposals.

The impact of the above changes on the value of the proposed reserve to support projects agreed by Cabinet (such as leisure trust, asset backed vehicle) which may require investigation to ascertain if they provide any future benefits, is detailed below, based on Option 2 being adopted in the previous section.

	Proposal as detailed in Cabinet report paragraph 19.10 £'000	Revised position to reflect amendments to proposed savings detailed above (based on option 2) £'000
Residual Transitional Grant not needed for Redundancy costs <u>ADD</u>	61	61
Additional Transitional Grant arising from final Grant settlement announcement on 31.01.11	0	185
Additional Income from increased Council Tax base	250	250
Uncommitted Resources <u>LESS</u>	119	0
Unfunded cost from final changes to savings	0	(59)
	430	437

CABINET REPORT

7th February 2011



Report of: Director of Regeneration & Neighbourhoods

Subject: SAFER HARTLEPOOL PARTNERSHIP'S DRAFT CRIME, DISORDER, SUBSTANCE MISUSE, AND REDUCING RE-OFFENDING STRATEGY 2011-2014

SUMMARY

1. PURPOSE OF REPORT

To update the Cabinet on the views of the Scrutiny Co-ordinating Committee about the development of the Safer Hartlepool Partnership's draft strategy, as part of the Authority's Budget and Policy Framework.

2. SUMMARY OF CONTENTS

The report explains the legal context for the Council, in respect of the Safer Hartlepool Partnership's strategy development and outlines the legal process set for the production of the Partnership Plan, which comprises the 3 year strategy and annual priorities. The report details the strategy objectives for 2011 – 2014 and annual priorities for 2011/12. Comments and views expressed by the Scrutiny Coordinating Committee are attached to the report. An updated version of the draft strategy is also attached.

3. RELEVANCE TO CABINET

Part of Budget and Policy Framework

4. TYPE OF DECISION

Budget and Policy Framework – agreement to refer the draft strategy to Council.

5. DECISION MAKING ROUTE

Cabinet 10th January 2011
Scrutiny Co-ordinating Committee 21st January 2011
Cabinet 7th February
Council 24th February 2011

6. DECISION(S) REQUIRED

Refer to Council on 24th February 2011

Report of: Director of Regeneration and Neighbourhoods

Subject: SAFER HARTLEPOOL PARTNERSHIP'S DRAFT CRIME, DISORDER, SUBSTANCE MISUSE, AND REDUCING RE-OFFENDING STRATEGY 2011-2014

1. PURPOSE OF REPORT

- 1.1 To update the Cabinet on the views of the Scrutiny Co-ordinating Committee about the development of the Safer Hartlepool Partnership's draft strategy, as part of the Authority's Budget and Policy Framework.

2. BACKGROUND

- 2.1 The Crime and Disorder Act 1998 established a statutory duty for the Local Authority and Police to form a partnership and produce a 3 year strategy, based on a review of crime and disorder which occurred in the previous 3 years. The Police Reform Act 2002 extended this duty to include the Primary Care Trust, Police Authority and Fire Authority. The Policing and Crime Act 2009 also extended this duty to include the local Probation Trust from 1st April 2010. Collectively these 6 bodies are known as Responsible Authorities for the purposes of the partnership provisions in the Crime and Disorder Act 1998.
- 2.2 Following a review of the partnership provisions in the 1998 Act, the Police and Justice Act 2006 amended the Act, so that new regulations could be introduced, which would extend the statutory duty placed collectively on the Responsible Authorities.
- 2.3 The Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007 came into force on 1st August 2007 and set out minimum standards on how the Safer Hartlepool Partnership (SHP) should function in formulating and implementing strategies to tackle crime, disorder and substance misuse in Hartlepool. This duty was extended by the Policing and Crime Act 2009, to cover reducing re-offending.
- 2.4 One requirement of the Regulations is that the SHP must produce an annual strategic assessment, instead of reviewing crime and disorder which occurred in the previous 3 years.

2.5 The purpose of the strategic assessment is to provide knowledge and understanding of community safety problems that will inform and enable the partners to:

- Understand the patterns, trends and shifts relating to crime and disorder and substance misuse;
- Set clear and robust priorities of their partnership;
- Develop activity that is driven by reliable intelligence and meets the needs of the local community;
- Deploy resources effectively and present value for money;
- Undertake annual reviews and plan activity based on a clear understanding of the issues and priorities.

2.6 Following consideration of the strategic assessment findings, the SHP must produce a Partnership Plan by 1st April. The Plan must:

- Include a strategy for tackling crime and disorder (including anti-social behaviour and other behaviour adversely affecting the local environment), for reducing re-offending and for combating the misuse of drugs, alcohol and other substances in the area, over the subsequent 3 years;
- Be revised at least annually;
- Contain the priorities identified through the strategic assessment;
- Contain information about the role of each partner in supporting the delivery of the priorities and how this will be resourced;
- Contain information about the way the partnership will engage with the community.

The Partnership Plan therefore comprises a 3 year strategy (to tackle crime, disorder, substance misuse and reducing re-offending) and an annual action plan to address the annual priorities.

2.7 A summary of the Partnership Plan must be published by 1st April 2011.

3. DEVELOPMENT OF HARTLEPOOL'S STRATEGY AND ANNUAL ACTION PLANS

3.1 The SHP has reviewed its four strategic objectives contained in the strategy for 2008-2011 and adjusted their focus slightly for 2011 – 2014:

Current Objective 2008-2011	New Objective 2011-2014
1. Reduce crime	1. Reduce crime and repeat victimisation
2. Reduce the harm caused by illegal drugs and alcohol	2. Reduce the harm caused by drug and alcohol misuse
3. Improve neighbourhood safety and increase public confidence, leading to a reduced fear of crime and anti-social behaviour	3. Create confident, cohesive and safe communities
4. Reduce offending and re-offending	4. Reduce offending and re-offending

3.2 The annual priorities for 2011/12, which have been established from the strategic assessment conducted in December 2010, have been agreed as:

- Acquisitive crime – specifically domestic burglary and theft
- Violent crime – including domestic violence and abuse
- Alcohol treatment, delivery of alcohol strategy and drug dealing and supply
- Anti-social behaviour – including links to private rented properties and alcohol related youth ASB
- Criminal damage – specifically damage to dwellings
- Confidence and cohesion
- Prevent and reduce offending, re-offending and the risk of offending

An action plan for 2011/12 will now be established to identify how these priorities will be tackled.

3.3 In addition, the SHP has agreed that it must continue to provide drug treatment – which has a planning process previously prescribed by Government for both adults and young people. The National Treatment Agency (NTA), which is a special health authority, and will become part of Public Health England in future, has encouraged Partnerships to continue to use its planning process, although this is not essential now.

3.4 An initial draft of the strategy was considered by Cabinet on 10th January 2011, when a referral to Scrutiny Co-ordinating Committee was made.

3.5 At its meeting on 21st January 2011, the Scrutiny Co-ordinating Committee received a report on the development of the strategy and the reasons for selecting the objectives and annual priorities. The Committee discussed the draft strategy in detail, and the comments and views from Members and Resident Representatives are attached at **Appendix A**.

- 3.6 The views and comments have been incorporated into an updated final draft strategy, which is attached at **Appendix B**.
- 3.7 The Safer Hartlepool Partnership Executive Group will consider the initial draft strategy at its meeting on 26th January 2011. A verbal update on any significant proposed changes will be highlighted for Cabinet Members at the meeting on 7th February 2011.
- 3.8 The Safer Hartlepool Partnership Executive Group will consider a final draft version of the strategy, together with an annual action plan for 2011/12, at its meeting on 9th March 2011.

4. RECOMMENDATIONS

- 4.1 Cabinet is invited to make any final comments on the final draft crime, disorder, substance misuse and reducing re-offending strategy 2011-14 attached to this report at **Appendix B**.
- 4.2 Cabinet is asked to refer the final draft strategy to Council, in accordance with Budget and Policy Framework for endorsement.

5. CONTACT OFFICER

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6. BACKGROUND PAPERS

Report to SHP on 8th October 2010.

SHP Strategic Assessment 2010

4.2 APPENDIX A

Feedback to Cabinet from

SCRUTINY CO-ORDINATING COMMITTEE

21st January 2011

The following views and comments were expressed by elected Members and resident representatives:

1. Sustainable alcohol treatment is required to underpin activity to tackle crime and anti-social behaviour. Commitment to continued funding from the Primary Care Trust is critical. The Safer Hartlepool Partnership must ensure alcohol treatment is properly resourced.
2. The effect of drug and alcohol misuse on criminal activity was discussed. Members were keen to know whether the Partnership can demonstrate that investment in drugs and alcohol services does reduce crime. It was acknowledged that for an individual offender, this can be directly linked, but it is more difficult to demonstrate a general correlation that more offenders in treatment will lead a reduction in crime, as other factors also lead to a reduction in crime (e.g. alley gates).
3. The proposed trial of a 'family' delivery model for 2011/12 was discussed. Members were keen that young offenders should be part of this family approach i.e. the selection criteria should not be based purely on adult offending.

SAFER HARTLEPOOL PARTNERSHIP

**Final draft Strategy 2011-2014
to tackle crime, disorder,
substance misuse and
re-offending
in Hartlepool
(February 2011)**

FOREWORD

This strategy sets out the Safer Hartlepool Partnership's plans to build on the success of previous strategies. Together we have reduced crime, improved residents feelings of safety and confidence, focused our actions on individuals who continue to cause anti-social behaviour and encouraged offenders and others misusing drugs into treatment services.

But now we must work harder to reduce the harm being caused in our communities by high levels of alcohol consumption. Harm that is damaging the lives of individuals, as well as fuelling violent crime, criminal damage and domestic abuse. This strategy links to the Alcohol Harm Reduction Strategy which is also currently being developed by the Safer Hartlepool Partnership. We must reach out to all families in the town to prevent our young people from drinking at an early age and running the risk of getting into crime or other risky behaviour, which could ruin their life.

The Partnership reviewed its strategic objectives in Autumn 2010 and refocused them slightly. We have listened to residents and other stakeholders who have told us that we need to do more to help victims of crime and have a greater focus on hate crime. But alcohol consumption is their greatest concern.

Partnership working is strong in Hartlepool. Those organisations responsible for the Safer Hartlepool Partnership, namely Police, Council, Police Authority, Fire Authority, Primary Care Trust and Probation, have all pledged their continued support to improving community safety in the town.

There is no doubt in my mind that the next few years are going to herald difficult times for all of us. Spending cuts mean we will all have to prioritise our activity and the organizations responsible for ensuring the Safer Hartlepool Partnership maintains its momentum and delivers its priorities will need to monitor this closely.

Mayor Stuart Drummond
Chair of Safer Hartlepool Partnership

4.2 APPENDIX B

PARTNERSHIP ACTIVITY 2008 - 2011

Throughout the 3 year period, the Partnership has delivered a number of projects and initiatives, and developed new services which have been designed to reduce crime, disorder, anti-social behaviour, substance misuse and re-offending. Examples are listed below:

Strategic objective – Reducing crime

- Lights against crime
- Crime prevention at allotment sites
- Introduction of specialist domestic violence court
- Jingle bells
- Sunflower campaign
- Vehicle crime awareness event at College of Further Education

Strategic objective – Reduce harm caused by illegal drugs and alcohol

- World cup campaign – Drink to enjoy. Not to regret
- Alcohol awareness week
- Introduced alcohol treatment services
- Introduced alcohol specified activity orders
- ‘Crack house’ closures undertaken

Strategic objective – Improve neighbourhood safety and increase public confidence

- Pride in Hartlepool awards
- Operation Cleansweep
- Attendance at community events
- Safer Hartlepool Partnership TV
- Ringmaster
- Youth forums – use of participatory budget process to develop local projects
- Developed community intelligence model

Strategic objective – Reducing offending and re-offending

- Design out crime (offender) team
- Triage programme in custody suite for young people
- Good practice conference
- Youth Inclusion Programme linked to ‘Team around school’ model
- Operation Staysafe introduced

REVIEW OF PAST PERFORMANCE

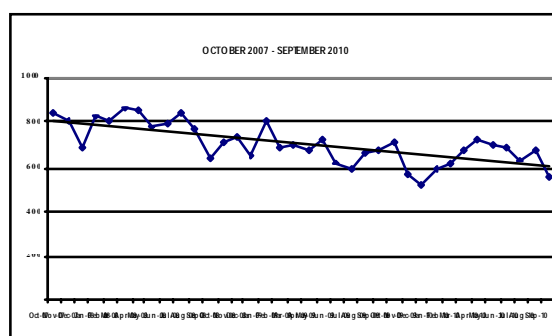
Hartlepool is a safer place than it was 3 years ago.

Between March and May 2010, the Council' citizen panel (Viewpoint) survey revealed that almost 50% of respondents were not worried about having their homes broken into or things stolen from their car.

This is very encouraging when compared to the October 2007 results of 36% and 38% respectively.

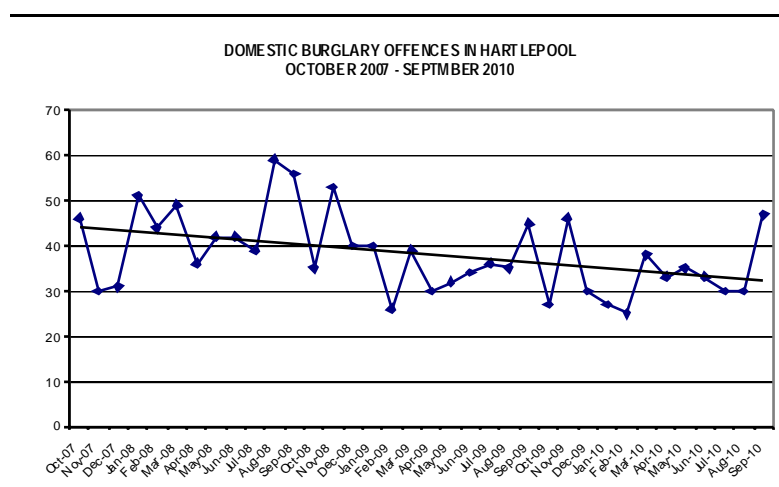
At the Partnership "face the people" event held in July 2010, the majority of attendees said more should be done to help/support victims.

Recorded crime has reduced by 5% compared to the previous 12 months.



Violence and criminal damage account for more than 40% of all recorded crime. Acquisitive crime offences such as burglary, vehicle crime and theft also continue to be a prominent feature.

Domestic burglary offences (406) have reduced by 10% compared to the previous 12 months and 36% since 2006/07 (634).

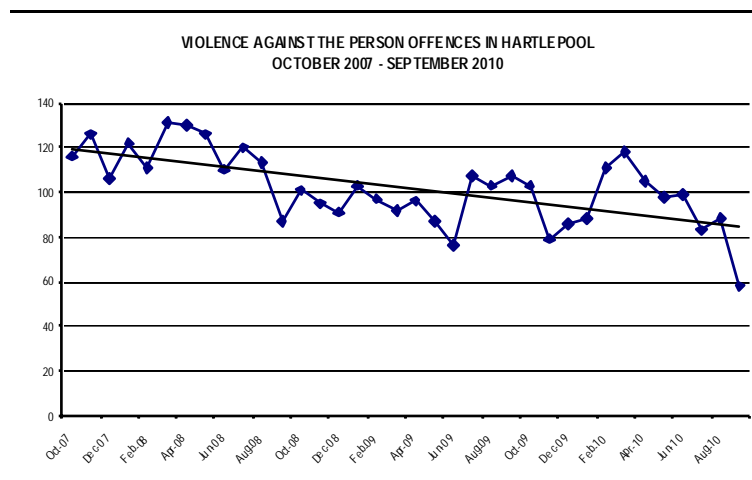


4.2 APPENDIX B

Valuable metal theft has increased by 15% and shop-theft has increased by 5%.

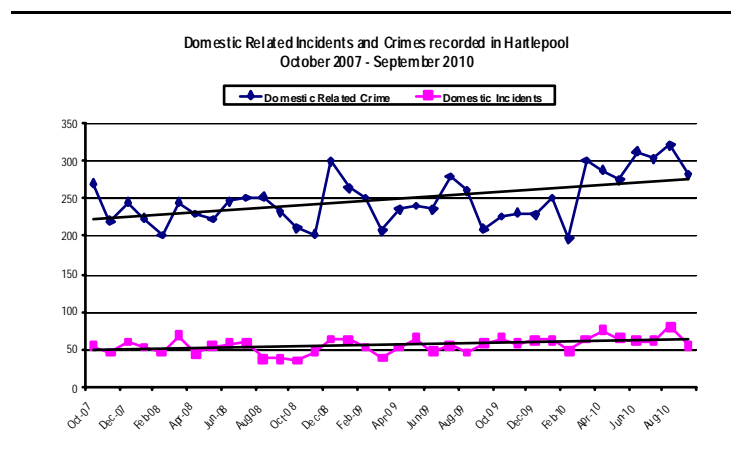
Lead theft from properties and cable theft from railways mainly account for the valuable metal. Offences of shop theft at 20 stores in the town accounted for 62% of offences, with each store reporting 10 offences or more.

Over the last 3 years non domestic violence against the person offences have been decreasing.



Almost two-thirds of non domestic violence offences in the town centre are linked to alcohol and almost a quarter to drugs. 75% of offences in the town centre occurred between 0000-0400 hours.

During the 12 month assessment period (i.e. Oct 09 to Sept 10) domestic related incidents have increased by 11% and domestic related crimes recorded by 21 %



4.2 APPENDIX B

16% of domestic related incidents are linked to alcohol. Just over 50% of domestic related incidents occur in Stranton, Brus, Owton, Dyke House and Burn Valley wards. Victim analysis shows that more than a third (34%) of crimes involved a child under 10 years (535 children) and a third of these children actually witnessed the crime.

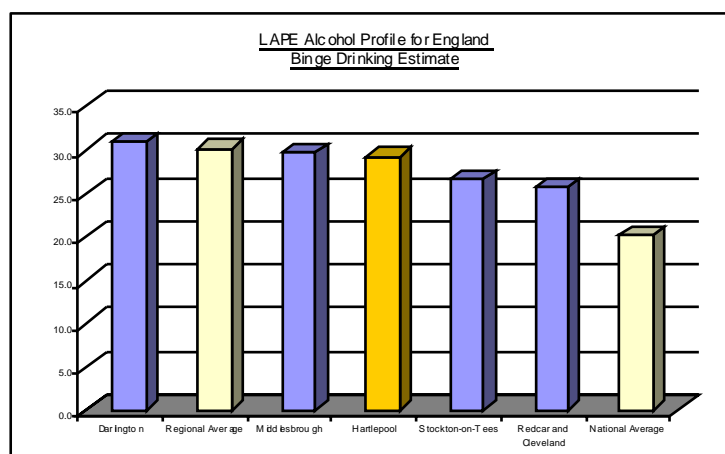
Since the introduction of the Specialist domestic violence court in Hartlepool in April 2010, more than half of the cases (59%) have resulted in a successful prosecution.

The majority of victims of domestic violence are female, with male victims presenting relatively low numbers. Offender data shows the opposite gender balance.

Alcohol continues to be a contributory factor in the occurrence of crime and disorder, specifically violence and anti-social behaviour.

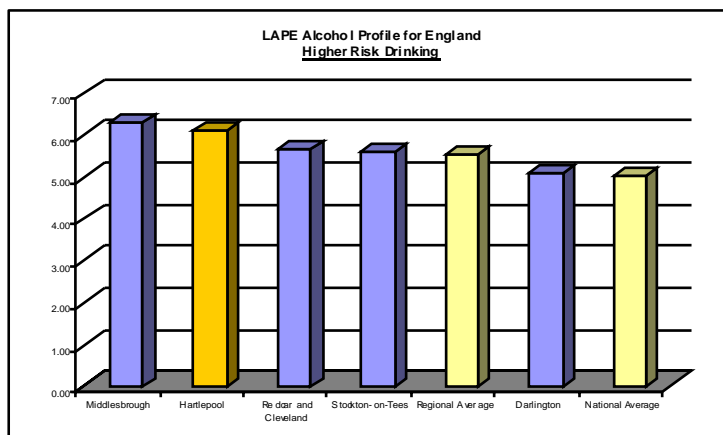
Alcohol related anti-social behaviour incidents account for almost half (49%) of all alcohol related incidents recorded by Cleveland Police. Peak times recorded for alcohol related crimes and incidents correspond with the concerns of the Police and Hartlepool Borough Council's Licensing Committee that, longer opening hours have not had the desired effect of dispersing people away from the town centre across a longer time frame, but have merely shifted the time when most incidents are likely to occur from 0200 hrs to 0400hrs.

Hartlepool has the third highest estimate of binge drinking in the Tees Valley and one of the highest in the country (ranked 314 out of 324).



Levels of harmful (higher risk) drinking, defined as men drinking over 50 units per week and women over 35 units, are also high nationally (ranked 296 out of 324).

4.2 APPENDIX B

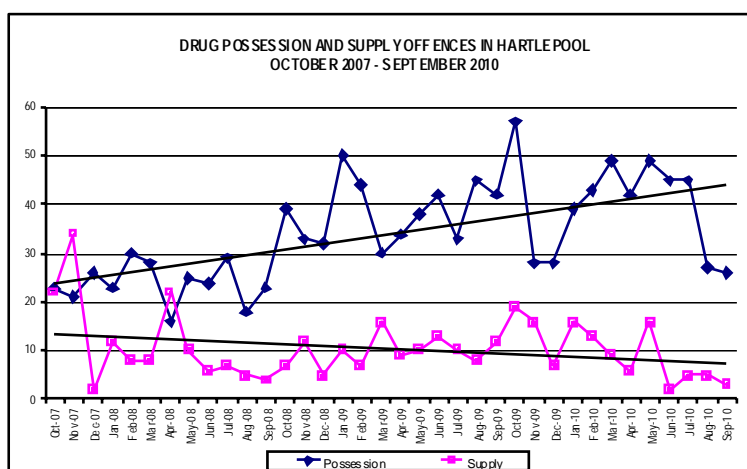


Rates of hospital admissions linked to alcohol have increased by 17% between 2009/10 and 2008/09. Hartlepool's hospital admission rate at 2186 per 100,000 population is slightly lower than the regional average (2420), but higher than national average (1743).

Locally, 2 in 5 young people stopped by the police for anti-social behaviour have an association with alcohol, with the vast majority (87%) stopped on Friday and Saturday nights.

Similar to the previous 12 months, there have been over 550 drug offences recorded in Hartlepool.

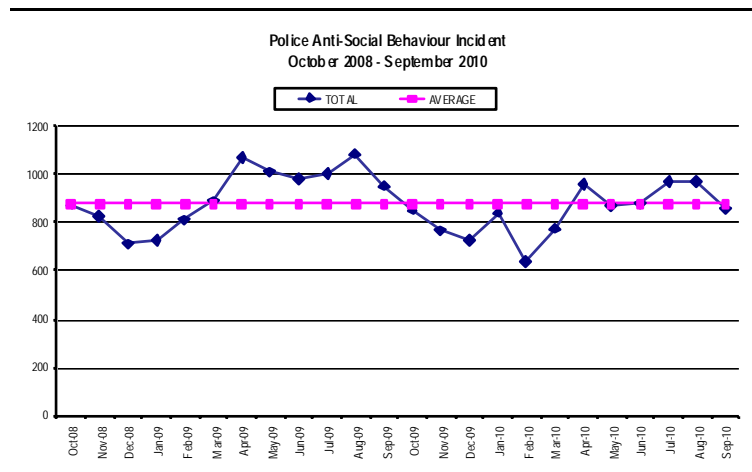
Drug possession offences continue to follow a steep increasing trend, whereas supply offences are following decreasing trend. Class B drug types continue to account for the majority (79%) of drug offences, with offences recording an 11% increase year on year. Offences are predominantly in relation to cannabis, with 86% of Class B drug supply offences relating to the production/cultivation of cannabis.



4.2 APPENDIX B

Total Police recorded anti-social behaviour incidents in Hartlepool have reduced by 8% when compared with the previous assessment period.

Despite this reduction, anti-social behaviour incidents remain above average during the spring and summer months, where over the last two consecutive reporting years incidents have peaked during the month of August.



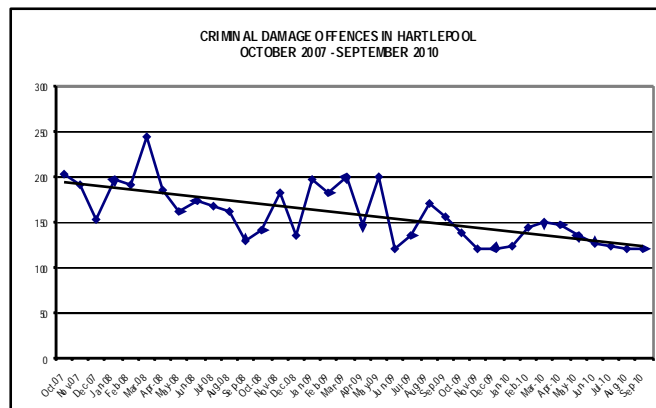
Alcohol, youths and off-road motorbikes have a significant impact on anti-social behaviour. All eleven test purchase visits to licensed premises by under-age persons were unsuccessful (i.e. no sale made). But Her Majesty's Revenues and Customs (HMRC) have seized 400 litres of spirits and 200 litres of wine during the 12 month period, with the greatest volume in TS24 postcode areas.

There have been 50 racially or religiously motivated crimes recorded in Hartlepool, which represents a slight increase compared to the previous year.

In addition, the Police have also recorded 20 racially motivated incidents, 16 homophobic incidents, 2 disablist, 1 faith and 2 transphobic incidents, with the majority involving inappropriate comments/verbal abuse. Partner agencies also record hate incidents (i.e. Housing Hartlepool, ASB Unit, Schools).

Total criminal damage offences in Hartlepool have reduced by 18.5%, yet still account for 20% of total crime.

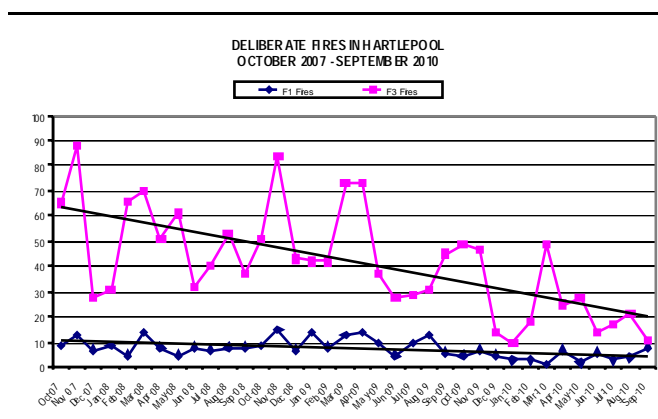
4.2 APPENDIX B



Criminal damage to dwellings (40%) and vehicles (35%) continue to be the most prominent offence types in this

crime category, with alcohol being a contributory factor.

Incidents of deliberate fire setting in Hartlepool have reduced by 49% when compared to the previous reporting period with secondary fires (F3) and deliberate property fires (F1) experiencing a reduction in incident of 48% and 56% respectively.



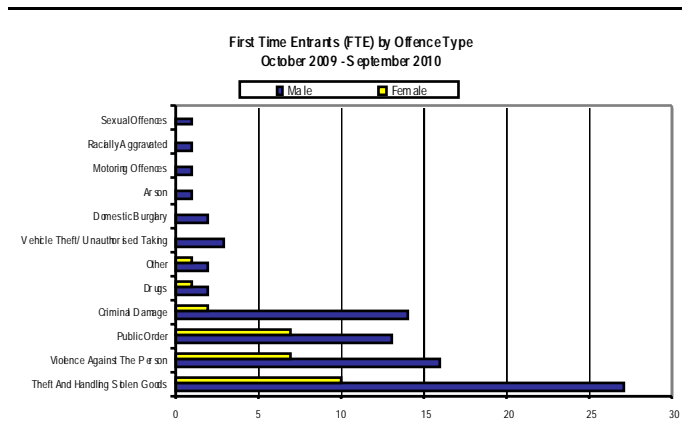
During the assessment period, the cohort of individuals identified as Prolific and Priority Offenders (PPO's) consisted of 36 males aged between 19 and 38 years, with the cohort of High Crime Causers (HCC's) being 31 individuals aged between 21 and 44 years, 7 of whom were female.

It is evident that substance misuse continues to be a contributory factor in the offending behaviour of PPOs and HCCs where during this reporting period, PPOs have accounted for 13% of positive drugs tests and HCCs accounted for a further 12%.

In relation to all Probation clients 49% of females stated that they were a victim of domestic violence. Almost 40% of male clients stated that they were perpetrators of domestic violence.

4.2 APPENDIX B

During this assessment period there have been 111 (83 male and 28 female) young people entering the criminal justice system for the first time, a 34% reduction when compared to the same period last year.



During this assessment period the Youth Offending Team has dealt with total of 302 young people, (237 male and 64 female). These individuals have been involved in 631 instances of crime within Hartlepool. Repeat offending is highly apparent with 27 young people being responsible for a third of these instances. Repeat offenders are predominantly male, aged between 16 and 17 years.

STRATEGIC CONTEXT AND DELIVERY

Locally, the vision of the Safer Hartlepool Partnership was revised in 2010 to:

“working together to create a Safer Hartlepool”.

Whereas the Sustainable Community Strategy for the town has a slightly different aim in relation to community safety.

“make Hartlepool a safer place by reducing crime and anti-social behaviour, and tackling drugs and alcohol”.

The Safer Hartlepool Partnership provides the lead role for development and delivery of the community safety theme within the Sustainable Community strategy.

During Autumn 2010, the Safer Hartlepool Partnership has reviewed its strategic objectives from 2008 and refocused them slightly:

Current Objective 2008 - 2011	New Objective 2011 - 2014
1. Reduce crime	1. Reduce crime and repeat victimisation
2. Reduce the harm caused by illegal drugs and alcohol	2. Reduce the harm caused by drug and alcohol misuse
3. Improve neighbourhood safety and increase public confidence, leading to a reduced fear of crime and anti-social behaviour	3. Create confident, cohesive and safe communities
4. Reduce offending and re-offending	4. Reduce offending and re-offending

Each year since 2007, the Safer Hartlepool Partnership has conducted an annual assessment during December, to enable it to establish annual priorities for action in the following financial year. The annual priorities for 2011/12 will be:

- Acquisitive crime – specifically domestic burglary and theft
- Violent crime – including domestic violence and abuse
- Alcohol treatment, delivery of alcohol strategy and drug dealing and supply
- Anti-social behaviour – including links to private rented properties and alcohol related youth ASB
- Criminal damage – specifically damage to dwellings
- Confidence and cohesion
- Prevent and reduce offending, re-offending and the risk of offending

These priorities will be reviewed and updated each year.

4.2 APPENDIX B

The Safer Hartlepool Partnership has decided to change how it will deliver the annual priorities in 2011 / 12. The Government requirements for spending cuts across all partnership organisations and the reduction in grant funding is likely to lead to less opportunity for special initiatives to support national, regional or local campaigns; less opportunity to provide specific support in areas of most need or to individuals causing themselves or their communities harm. The Partnership proposes to pilot a new approach to its work, by focusing on families, specifically those who have criminally active family members, both adult and young people. These families will be known to a number of individual partner organizations and a multi-agency approach may prove financially beneficial to all organizations over a period of time.

A family model will be developed, which will become the Partnership's delivery mechanism for tackling the annual priorities. It is anticipated that a family plan will be agreed, which will outline the requirements for each family member to achieve over a fixed period, as well as some collective family requirements. The fixed period may vary, dependant on the complexity of the family, but for each family's plans there will need to be a contribution to delivering the annual priorities of the Safer Hartlepool Partnership.

This strategy to tackle community safety is complemented by other Safer Hartlepool Partnership strategies covering alcohol harm, domestic violence and anti-social behaviour, together with detailed annual plans for substance misuse (both for adults and young people) as required by the National Treatment Agency, and the Youth Offending Service Strategic Plan.

MEASURING THE SUCCESS OF THE STRATEGY

In the 2008-2011 strategy, Government prescribed improvement indicators, with agreed targets, to be included within the Local Area Agreement for all themes from the Sustainable Community Strategy.

In 2010, the new coalition government has determined that it will not set indicators and outcomes for partnerships. These must be agreed locally, as the National Indicator (NI) suite has been abandoned. At a recent meeting of the Safer Hartlepool Partnership's Business group, which conducts quarterly monitoring of both performance and finance on behalf of the Partnership, an amended suite of indicators was formulated. These are set out in **Appendix 1**

4.2 APPENDIX B

The most important measure of success is the feedback received from the community in Hartlepool. The strategic assessment makes reference to the need to improve community engagement. Currently we utilise a range of mechanisms to engage with communities for example:

- Partnership newspaper – 2 editions per annum
- Safer Hartlepool website
- Ringmaster (Neighbourhood Watch System)
- Press release and newspaper articles
- Police and community safety forums
- Attendance at resident/community group meetings
- Annual partnership 'face the people' event.
- Social media – facebook site

We will also continue to utilise survey mechanisms such as the Council's Viewpoint Citizen panel, Police Authority user satisfaction survey and locally commissioned doorstep surveys.

A summary of the Partnership Plan will be published annually before 1st April each year.

4.2 APPENDIX B

APPENDIX 1

SAFER HARTLEPOOL PARTNERSHIP INDICATORS AND TARGETS

Strategic Objective:	Reduce crime and repeat victimization
Annual Priorities:	Reduce violent crime, including domestic abuse. Reduce acquisitive crime, specifically domestic burglary and theft

Indicator	Baseline 2009 / 10	Target		
		2011 / 12	2012 / 13	2013 / 14
All crime	7665			
Domestic burglaries	415			
Vehicle crime	542			
NI32 Repeat incidents of domestic violence – MARAC	48%			
Violent crime	1142			

Strategic Objective:	Reduce the harm caused by drug and alcohol misuse
Annual Priorities:	Improve alcohol treatment services Deliver of the alcohol strategy annual action plan Reduce drug dealing and supply

Indicator	Baseline 2009 / 10	Target		
		2011 / 12	2012 / 13	2013 / 14
To be agreed by Alcohol Strategy group and Substance misuse group				

4.2 APPENDIX B

Strategic Objective: : Create confident, cohesive and safe communities
Annual Priorities: : Reduce anti-social behaviour, with specific focus on privately rented properties and alcohol related youth ASB.
 Reduce criminal damage specifically to dwellings
 Improve confidence and cohesion within communities

Indicator	Baseline 2009 / 10	Target		
		2011 / 12	2012 / 13	2013 / 14
Criminal damage	1728			
Deliberate fires	512			
ASB incidents reported to Police?	10708			
Perception survey results of residents – details to be agreed				

Strategic Objective: Reduce offending and re-offending
Annual Priorities: Prevent and reduce offending, re-offending and the risk of offending

Indicator	Baseline 2009 / 10	Target		
		2011 / 12	2012 / 13	2013 / 14
First time entrants to Youth Justice system	134			
Triage referrals	(Jan – Dec 2010) 81	-	-	-
New national indicator for reducing offending				

CABINET REPORT

7th February 2011



Report of: Director of Regeneration and Neighbourhoods

Subject: HARTLEPOOL TREE STRATEGY 2011 - 2016

SUMMARY

1. PURPOSE OF REPORT

To seek Cabinet endorsement of the Hartlepool Tree Strategy 2011 – 2016

2. SUMMARY OF CONTENTS

This report provides information on the background to developing the Hartlepool Tree Strategy 2011 – 2016, an outline of its contents and the consultation carried out in relation to it.

3. RELEVANCE TO CABINET

The tree strategy will affect all areas of the Borough.

4. TYPE OF DECISION

Key Decision. (Forward Plan reference number RN30/10). The strategy will have impact on communities living or working across the whole Borough.

5. DECISION MAKING ROUTE

Cabinet 7th February 2011

6. DECISION(S) REQUIRED

Cabinet is requested to endorse the Hartlepool Tree Strategy 2011 - 2016

Report of: Director of Regeneration and Neighbourhoods

Subject: HARTLEPOOL TREE STRATEGY 2011 - 2016

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the Hartlepool Tree Strategy 2011 – 2016

2. BACKGROUND

- 2.1 In November 2005 Cabinet adopted the first Hartlepool Tree Strategy, which provided a position statement based on what was known to date and set out a number of aims and objectives with regard to the borough's trees.
- 2.2 Since the adoption of the 2005 strategy there have been significant developments in the guidance and research relating to trees at a national level. Additionally, many of the key actions contained in the 2005 strategy have been successfully implemented.
- 2.3 This new Hartlepool Tree Strategy aims to build on the achievements of the previous strategy. It sets out Hartlepool Borough Council's guiding principles on tree related matters and advocates a more integrated and planned approach to the management of the borough's publicly owned trees.
- 2.4 The report entitled 'Trees in Towns II', published by the Department of Communities and Local Government in February 2008, encourages local authorities to develop and implement a comprehensive tree strategy, and recommends that regular monitoring of the strategy's progress should be undertaken and that the whole document be revised every five years.

3. THE HARTLEPOOL TREE STRATEGY 2011 - 2016

- 3.1 The overall aim of the strategy is *'to enhance the role and status of trees in the borough and to ensure the sustainability of its tree population'*.
- 3.2 The strategy seeks to achieve this aim through the following objectives:

1. Retain and protect the borough's existing trees.
 2. Maintain the borough's publicly owned trees using good arboricultural management and ensure the safety and wellbeing of the public through the assessment and management of risk associated with trees.
 3. Increase the number of trees in the borough.
- 3.3 Hartlepool Borough Council's guiding principles on tree related matters are set out in the strategy. These guiding principles encompass all trees and woodlands within the borough, both public and privately owned, and take account of the stated objectives of the strategy. A copy of the strategy can be found at **appendix 1**.
- 3.4 An action plan is included setting out what we hope to achieve between 2011 and 2016, identifying the key actions necessary to meet the objectives of the strategy and the service areas with primary responsibility for their implementation. For example, an action is included which makes a commitment to develop and implement an integrated programme of cyclical inspection and maintenance of all publicly owned trees.
- 3.5 A sustainability appraisal, which highlights the social, environmental and economic impact of the tree strategy, was carried out. The overall conclusion was that the objectives contained in the tree strategy should generally have a positive impact upon the criteria set out in the sustainability appraisal framework.

4. CONSULTATION

- 4.1 Consultation on the initial draft of the tree strategy was carried out amongst officers of the Council whose responsibilities involve the borough's trees; their comments influenced the final draft which was put forward for public consultation on 8th September 2010.
- 4.2 Various methods of public consultation were used including the following;
- Local press releases
 - An article in Hartbeat magazine
 - Your Town, Your Say e-consultation
 - News items on the Council's homepage
 - A dedicated page on the Council's website
 - Letters to Parish Councils
 - Presentations to Neighbourhood Forums
 - Posters in the Central Library, Art Gallery, Civic Centre and Bryan Hanson House
 - Circulation to the Greater Yorkshire Tree Officers Group

The tree strategy and sustainability appraisal were made available to download from the Council's website, and printed copies were made available for public inspection at the Civic Centre, Bryan Hanson House, the Central Library, at neighbourhood forum meetings and the ward members' room.

- 4.3 Responses could be submitted through an online questionnaire on the Council's Your Town, Your Say e-consultation website, by email or by letter.
- 4.4 The closing date for responses to public consultation was 8th November 2010. Responses were collated, analysed and used to inform the final tree strategy. A schedule of the main issues raised in representations and the response to those representations can be found at **appendix 2**. In total 15 responses were received and were typically supportive of the tree strategy with a general theme of making suggestions for improving the protection of trees.

5. FINANCIAL CONSIDERATIONS

- 5.1 The tree strategy makes a commitment to increasing the number of trees in the borough by planting more, and also to ensuring that wherever practical and appropriate, publicly owned trees that must be felled are replaced with a new tree in the same location or nearby.
- 5.2 These commitments will have financial implications which will be met from existing budgets or, where available, from external funding sources, for example Forestry Commission grants.

6. LEGAL CONSIDERATIONS

- 6.1 The tree strategy includes guiding principles and key actions which relate to statutory functions and legal obligations under a number of Acts of Parliament, for example the Occupiers Liability Acts 1957 & 1984, the Highways Act 1980, and the Town & Country Planning Act 1990.

7. EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 A full diversity impact assessment has been carried out on the tree strategy. This concluded that the strategy has no significant detrimental impact on any group and would not be in conflict with the Race Relations Act 2000.

8. RECOMMENDATIONS

- 8.1 It is recommended that Cabinet endorse the Hartlepool Tree Strategy 2011 - 2016

9. REASONS FOR RECOMMENDATIONS

- 9.1 Endorsement and implementation of the Hartlepool Tree Strategy 2011 – 2016 will lead to an enhancement of the role and status of trees in the borough and help to ensure the sustainability of its tree population.

10. BACKGROUND PAPERS

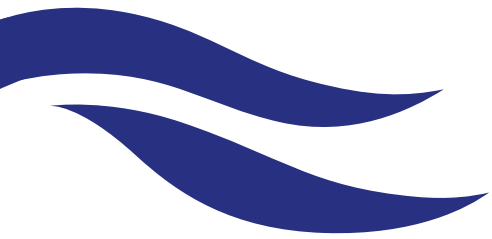
- 10.1 A Strategy for Trees in Hartlepool 2005 - 2010

11. CONTACT OFFICER

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Hartlepool Borough Council

Hartlepool

Tree Strategy



2011 - 2016



Background and Summary

In November 2005 Hartlepool Borough Council adopted 'A Strategy for Trees in Hartlepool' which provided a position statement based on what was known to date and set out a number of aims and objectives with regard to the borough's trees. A review of the action plan which formed part of that strategy can be found at appendix 1.

Since the adoption of the 2005 strategy there have been significant developments in the guidance and research relating to trees at a national level. Additionally, many of the key actions contained in the 2005 strategy have been successfully implemented.

This new 'Hartlepool Tree Strategy' aims to build on the achievements of the previous strategy. It sets out Hartlepool Borough Council's guiding principles on tree related issues and advocates a more integrated and planned approach to the management of the borough's publicly owned trees.

An action plan, which forms section 4 of this strategy, has been prepared setting out what we hope to achieve between 2011 and 2016.



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1. Introduction

Hartlepool Borough Council aims to improve the quality of life for people in the town, and trees can make a significant positive contribution to that quality of life. We want our town to have a plentiful, healthy and attractive tree population that is managed and maintained to a high standard for the benefit of all.

Through its management of publicly owned trees, and through its control of privately owned trees in conservation areas or with tree preservation orders, the Council has considerable influence over the contribution that trees make to the urban landscape of the borough.

By adopting this updated tree strategy Hartlepool Borough Council further demonstrates its commitment to caring for the trees under its management and increasing the number of trees in public places. Additionally, the Council will continue to use its influence to ensure that privately owned trees are well looked after and that the planting of more trees on private land is encouraged.

1.1 The Benefits that Trees Provide

Trees and woodlands provide a wide range of environmental, economic and social benefits. They have a vital role to play in the sustainability and liveability of our town. Some of these benefits are outlined in the following section.

1.1.1 Adapting to Climate Change

Trees have an important role in helping society adapt to climate change, particularly in the urban environment. They provide shelter, cooling shade and can help slow the rate of rainwater runoff.

A recent report by the Forestry Commission, entitled 'Combating Climate Change – A Role for UK Forests', recommends that tree and woodland planting should be targeted to places where people live, especially the most vulnerable members of society, and to places where people gather (such as town and local centres) which currently have low tree cover. ¹

Trees also remove carbon dioxide from the atmosphere, a greenhouse gas which is impacting on the Earth's climate. ²



1.1.2 Improving Air Quality

Trees are known to have a beneficial effect on air quality by absorbing pollutants and trapping airborne particles. This is particularly important with regard to the smaller dust particles which are often a causal factor in respiratory complaints such as asthma.³

1.1.3 Enhancing Wildlife and Biodiversity

Large areas of our country were once covered by trees and as a result much of our native wildlife is adapted to a habitat with trees in it. For example, trees such as Willow and Oak can have over 400 different species of insect associated with them.⁴



Most of the garden birds that we see around us are actually species of the woodland edge and are therefore at home in an environment with trees and shrubs.

Trees in streets can also provide natural links with parks and open spaces, allowing for the movement of wildlife between areas.

1.1.4 Improving Health and Wellbeing

The popular belief that people feel better in green, leafy surroundings is now supported by a growing amount of scientific evidence. A well treed urban landscape is more sheltered, more stimulating, and more likely to encourage local journeys on foot or by bike.^{5, 6, 7}



Hospital patients with a view of greenery have been shown to recover more rapidly and require less pain killing medication than those who only have a treeless view of buildings.⁸

The dappled shade of trees can help to reduce heat-induced stress amongst people and animals, and summer shade is seen as particularly important in car parks, school grounds and around retirement homes.

1.1.5 Enhancing the Local Economy

An environment that is aesthetically pleasing is increasingly recognised as an important requirement for successful

modern businesses. A tree-rich urban landscape will be more successful in attracting new business and inward investment.⁹

Residential neighbourhoods that have a green and leafy character will generally exhibit higher house prices. Studies in North America, and more recently in the UK, have shown that average house prices are between 5% and 18% higher where property is associated with mature trees.^{10, 11}



1.1.6 A Better Quality Urban Environment

The presence of high quality, well managed trees and woodlands can dramatically enhance the appearance of an urban environment. This in turn has a significant bearing on peoples' perceptions, both of their surroundings and their quality of life.¹²

A good quality public realm can encourage fuller use of an area and positively influence the behaviour of people. Careful attention to the design quality and attractiveness of streets and public areas will increase their safety and use, and will promote greater respect toward the local environment.¹³

It is worth remembering that many of the most significant trees in our town were planted around a century ago, providing a living legacy for everyone to enjoy and benefit from today. The trees that we plant now will greatly improve the local environment for our children, and their children.

1.2 Problems with Trees

It is true to say that the close proximity of trees, people and built structures will occasionally result in inconvenience. Problems may include the obstruction of light into homes, leaf litter, sap drip, interference with highway sight lines and direct or indirect damage to structures. The majority of tree related problems can however be mitigated by appropriate maintenance.

Additionally, many of the future nuisance issues and maintenance costs associated with trees can be minimised by following the principle of planting the right tree in the right place. It is essential that careful consideration is given to the location of new trees and the species selected.

Ensuring public safety and avoiding injury to people or damage to property are paramount, but these objectives can be achieved through a sensible and pragmatic approach that pays due consideration to the benefits of trees.





2. Aim and Objectives

The overall aim of the Hartlepool Tree Strategy is to enhance the role and status of trees in the borough and to ensure the sustainability of its tree population.

This aim can be realised by achieving the following objectives:

1. Retain and protect the borough's existing trees.
2. Maintain the borough's publicly owned trees using good arboricultural management and ensure the safety and wellbeing of the public through the assessment and management of risk associated with trees.
3. Increase the number of trees in the borough.

In response to the overall aim and objectives, a comprehensive action plan* has been created and forms section 4 of this strategy.



* Relevant Objectives and Actions from the Action Plan are referenced throughout the following text



3. Hartlepool's Trees

Tree cover in Hartlepool is sparse when compared to other areas of the country¹⁴; this is due partly to historical land clearance for shipbuilding and agriculture, partly to the challenging coastal environment, and partly to the rapid expansion of the town since the early 1800s. That said, there are examples where trees have transformed the image of an area, notable in this respect are the tree-lined verges along the main approaches which provide a very attractive introduction to the town by road.

A condition survey of all publicly owned trees was conducted between 2004 and 2007 for the purposes of identifying where trees may pose a risk to the public or property, but also assessed the general health of the trees and made recommendations for their future management. A programme of remedial tree works was subsequently undertaken which addressed the recommendations of the survey.

The survey found that the borough's publicly owned trees were generally in good condition, due largely to a combination of the facts that most of the trees are relatively young and are of hardy species.

The survey also identified certain areas where improvements in tree management could be made. For example it was recommended that, due to their propensity to become brittle as they mature and therefore their potential to become a safety concern, the Hybrid

Poplar trees that form the majority of the planting on Belle Vue Way should undergo a programme of phased replacement.

Recent conservation area appraisals carried out by the North of England Civic Trust have highlighted the significant positive contribution that trees make to the character of a number of the conservation areas in the town. The majority of these trees are located in private gardens; however the Council has some influence over these trees through the provisions of the Town and Country Planning Act.

An extensive programme of new tree planting was carried out in the north of Hartlepool during the 2008/2009 and 2009/2010 planting seasons. This has included the planting of around 300 new trees of a variety of species in streets, on highway verges, in public open spaces and on recreation grounds. In time these new trees will make a considerable positive contribution to local amenity, and will help improve the public's perception of the area.

Hartlepool's tree population has developed over many years and will continue to change. Some trees will be lost, while more are planted in a continual cycle of regeneration. Given the benefits that trees provide we must ensure that the borough's trees are afforded the status they deserve, and that their future is secured for generations to come.

3.1 Publicly Owned Trees

For the purposes of this tree strategy, the publicly owned trees in the borough include all those that are managed by the Council and comprise trees in streets, on highway verges, in public open spaces, parks, community woodlands, cemeteries, schools, and council owned properties.



3.1.1 Trees as a Public Asset

There is, at the moment in Hartlepool, no Council budget for trees. The cost of carrying out tree maintenance works and of planting new trees is usually met on an ad-hoc basis through the budget of the relevant 'tree-owning' department, through the neighbourhoods' minor works budgets, or through neighbourhood action plan budgets.

The recent report published by the Department of Communities and Local Government, entitled 'Trees in Towns II' recommends that local authorities set tree management budgets that are commensurate with the value of the resource. This is a new approach to tree

management, but one that deserves special attention due to the importance being attached to trees in respect of climate change adaptation in urban areas, and also their potential for creating substantial liabilities if they are not managed and maintained adequately.

The Council will investigate the feasibility of an overall budget for publicly owned trees which is related to the value of the asset. The results of that investigation will be reported to the appropriate committee for consideration. Obj. 2.4 & 2.5

3.1.2 Tree Management and Responsibilities

Hartlepool Borough Council as a land owner has a duty under various Acts of Parliament to ensure that its trees do not pose an unacceptable risk to people or property, but also a responsibility to preserve and enhance an attractive environment for the town's residents and visitors.



The management of Hartlepool's publicly owned trees has typically followed a

reactive system. This approach means that the towns publicly owned trees have not received systematic planned inspections and routine maintenance to ensure they are effectively and sustainably managed.



In addition to this reactive approach, responsibility for the borough's trees is divided between a number of different departments and sections. In combination these factors can on occasion lead to inefficient tree management. A more integrated approach to tree management that embraces all aspects of the Council's tree-related activities in a coherent and coordinated tree programme should produce an enhanced level of service provision.

In order to address the above issues, the Council will undertake to develop a coordinated and integrated approach to all aspects of its tree-related activities, including the implementation of a planned cyclical tree inspection and maintenance regime. ^{Obj. 2. 2}

A database of all publicly owned trees is recorded on the council's corporate Geographic Information System (G.I.S.).

The Council will undertake to develop the use of the corporate G.I.S. to monitor and record Council tree management works, including new tree planting and works to existing trees, to ensure that the objectives of the tree strategy are met. ^{Obj. 2.1}

3.1.3 Remedial Tree Works

Trees are living organisms and are constantly, albeit generally quite slowly, growing and changing. As such, in some circumstances within urban areas, they will require careful management. This may include pruning works, and in some cases removal, with the overall aim of maintaining tree cover in a healthy and safe condition.

Trees of amenity value will not be felled unless there is a very clear justification for the work and each case will be carefully judged on its merits. That said there will be circumstances where due to their condition it is necessary to remove individual trees. Where practical and appropriate however, the Council will undertake to replant with a new tree in the same location or nearby. ^{Obj.2.3}

The Council will not usually prune trees to improve television reception or to remove seasonal nuisances such as fallen leaves.

Where there are implications for biodiversity, trees are assessed by the Council's Ecologist prior to pruning or felling to ensure that there are no breeding birds, roosting bats or other wildlife likely to be harmed.

All maintenance work on publicly owned trees is undertaken by trained and qualified arborists located in the Grounds Maintenance section, and is carried out in accordance with the current BS3998 'Recommendations for tree work'.

3.1.4 Tree Planting on Public Land

In order to maintain and enhance an abundant and healthy tree population it is necessary to have an ongoing programme of new and replacement planting.

New tree planting is selected for its appropriateness of scale and proportion to the surroundings and for its aesthetic contribution. Factors such as robustness, form, flower, leaf density, rooting habit and propensity to harbour aphids are all considered. In addition to this, a particular consideration when selecting trees for planting in Hartlepool is their ability to tolerate the coastal environment.



The Council will identify further opportunities for tree planting in streets, on highway verge, in public open space, parks, cemeteries and other public land,

and will undertake to annually plant more trees than are removed. Additionally, the Council will endeavour to meet residents' requests for new tree planting where appropriate and where funds permit. ^{Obj. 3.1 & 3.5}

There are some areas within the borough where trees have been too densely planted, and/or with an inappropriate choice of species. We should view these problem trees as challenges to be resolved, rather than as reasons to avoid tree planting altogether. In addressing these problem areas, the Council will undertake to implement where appropriate a programme of thinning or replacement. These programmes will be phased over a number of years, and will provide a more suitable variety of tree species, at improved spacing, ensuring that the considerable amenity that these areas afford is not lost, but enhanced. ^{Obj. 2.2, 2.3 & 2.6}

Crime and the fear of crime is a key consideration in the design and layout of tree planting in the public realm. When planting new trees the Council will ensure that they are appropriately spaced and that crowns are maintained at an appropriate height so as not to hinder natural surveillance and to avoid the creation of dark oppressive areas where concealment is possible.

Tree planting is undertaken between November and March on publicly owned or maintained land and is carried out in accordance with BS4043:1989 'Recommendations for transplanting root-balled trees' by trained and qualified Grounds Maintenance staff.

A number of public participation tree planting events are held annually throughout the planting season and are coordinated by the Council's Countryside Wardens. Details of these tree planting events are publicised through the 'Wild About Hartlepool' annual programme of countryside events.

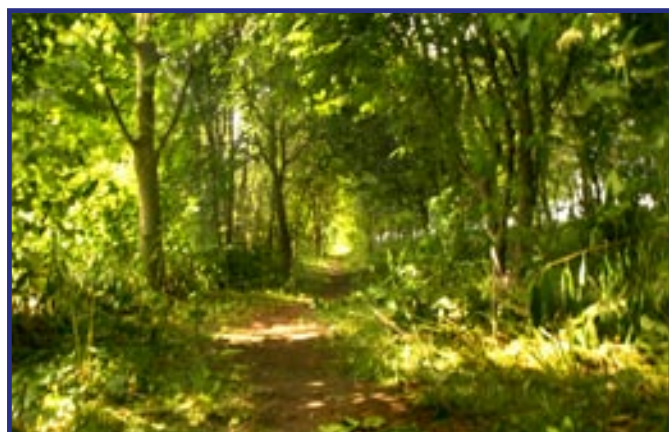


3.1.5 Public Woodlands

Many people value woodlands for, amongst other things, the sense of tranquillity and enclosure which they

create, however this can also sometimes lead to fears about personal safety. These fears however, can often be mitigated by well designed and managed woodlands which include open structure, good sightlines and waymarking.

There are a number of public woodlands within the borough, such as Family Wood near to the Burn Valley, which are managed by the Council's Countryside Wardens. Comprehensive management plans are being drawn up for each of these woodland sites, which as they are implemented, will enhance the value of these sites for wildlife, recreation and visual amenity. ^{Obj. 2.6}



3.2 Privately Owned Trees

Much of Hartlepool's mature tree cover is located on privately owned land, particularly gardens. Although trees may be on private property, their size and prominence often means that they contribute significantly to the quality and amenity of the wider environment.

General tree related advice and guidance is available from the Council's Arboricultural Officers for tree owners or those considering planting a tree or trees on private land. A number of leaflets and advice notes have been produced and are available from the Council's website and from reception areas at main Council buildings, these will be regularly reviewed and where necessary updated and re-issued to take account of developments in guidance and research in relation to trees.

Obj. 3.6 & 3.7

A 'Big Tree Giveaway' event was conducted by Pride in Hartlepool during December 2009 which provided free trees to community groups, schools and individuals. Where funds permit, similar initiatives will be undertaken in the future.

Obj. 3.5

3.2.1 Trees in Gardens

The Town and Country Planning Act enables the Council to designate Conservation Areas within which trees are protected, to make Tree Preservation Orders (TPOs), and to control development

activity through the use of planning conditions, section 106 agreements, or both, in accordance with policies contained in the Hartlepool Local Plan. Through these means, the Council has considerable influence over trees in private ownership. There are currently approximately 162 TPOs in force in Hartlepool, and 8 Conservation Areas.



The Council will continue to make TPOs to protect privately owned trees of high amenity value from unnecessary felling or disfigurement and will make use of its planning powers to ensure that all works undertaken on protected trees is done in accordance with BS3998:1989 'Recommendations for tree work' Obj. 1.1, 1.2 & 1.3

Much progress has recently been made on the electronic recording of the locations of TPOs and the locations of the individual trees covered by those Orders using the Council's corporate G.I.S. The Council will continue to develop the use of the corporate G.I.S. in maintaining records of TPOs within the borough. Obj. 1.5

3.2.2 Privately Owned Woodlands

There are a number of privately owned woodlands in the borough, many of which have public access with public rights of way running through them. Some of these woodlands, such as The Howls, Thorpe Bulmer Dene and Close Wood are, or have elements of, ancient semi-natural woodland which means that there has been continuous woodland on that site since at least 1600 AD, making these woods one of the most valuable natural habitat types in the UK.

All areas of woodland are statutorily protected through the requirement to first obtain a felling licence from the Forestry Commission prior to carrying out any tree felling operations.

The council will undertake to use its statutory powers and influence where appropriate to encourage the take up of grants for the planting of new areas of woodland and the management of existing areas, in order to increase and enhance woodland cover within the borough. Obj. 3.4

3.3 Trees and Development

There is a statutory duty for a local planning authority (in Hartlepool that is Hartlepool Borough Council) to ensure, wherever appropriate, that in granting planning permission for any development, adequate provision is made for the preservation or planting of trees.

Hartlepool Borough Council has produced a Supplementary Planning Document entitled

‘Trees and Development Guidelines’ which forms part of the Hartlepool Local Plan. The purpose of the guide is to provide information to those involved in development on the standards that Hartlepool Borough Council will expect from new development proposals. The guide seeks to ensure that trees are afforded due consideration in the planning process so that they can be successfully integrated into new developments. Obj. 1.4, 3.2 & 3.3



The retention of existing trees within new developments provides an immediate sense of maturity, to the benefit of a site and its surroundings, raising the overall quality of schemes and enhancing property values. However, where trees are damaged and subsequently decline and die, or where inappropriate design leads to conflict, trees can become a constant source of complaint and ultimately any positive benefits are lost.

In order to effectively protect existing trees on development sites, the Council will ensure that all development and construction work impacting on trees is carried out in accordance with its ‘Trees and Development Guidelines’ and with

BS5837:2005 'Trees in relation to construction – Recommendations'. Where developments affect existing trees, the Council recommend that the developer seek the advice of a suitably qualified arboriculturalist.

In addition to the retention of existing trees, new tree planting should be recognised from the outset as an integral part of any development scheme, and should be purposefully designed to complement the proposed features of the development. On sites that have no trees whatsoever, it is particularly important to plan for the planting of trees as part of the development. Obj. 3.2 & 3.3

3.4 Highways and Utilities Maintenance Works that Affect Trees

Modern society expects many services such as electricity, gas, water, sewage, telecommunication and cable television, each of which requires an extensive distribution network, both above and below ground. The space available for both trees and apparatus is often very restricted, and they are frequently forced to share the available space. Where they are in close proximity, there is the potential for either to be subject to damage.

In order to reduce this potential, the Council will ensure all work for utility services affecting trees will be undertaken in accordance with the guidelines published by the National Joint Utilities Group (NJUG) Volume 4 'Guidelines for the planning, installation and maintenance

of utility apparatus in proximity to trees'. When granting consents for new development the Council will use planning conditions to ensure the location of new services to developments do not damage existing trees or preclude the planting of new trees. Obj. 1.4 & 3.3





4. Action Plan 2011 – 2016

A new action plan has been prepared to support this tree strategy. It sets out what we hope to achieve between 2011 and 2016. It identifies the key actions necessary to meet the objectives of the tree strategy and the service areas with responsibility for implementation of each key action.

A review of progress in implementing the action plan and an assessment of its ongoing relevance will be conducted every two years. If necessary, elements of the tree strategy may be revised to reflect the results of the review. ^{obj. 2.7}

Key to Service Area Abbreviations

LP&C	Landscape Planning & Conservation team
P&C	Parks & Countryside team
EE	Environment Education team
DC	Development Control team
NM	Neighbourhood Managers
LD	Legal Division
HT&T	Highways, Traffic & Transportation team
U&PP	Urban & Planning Policy team

Action Plan 2011 – 2016

Objective 1

Retain and protect the borough's existing trees

Action	By Whom	By When
1. Protect privately owned trees of amenity value using Tree Preservation Orders where appropriate	LP&C DC LD	Ongoing To be reported biennially. See obj. 2.7
2. Keep the borough's Tree Preservation Orders under review and revoke and remake Orders as necessary	LP&C LD	Ongoing To be reported biennially. See obj. 2.7
3. Make full use of the Council's powers of enforcement with regard to TPO's, trees in conservation areas and planning obligations with regard to trees by responding to complaints and proactively monitoring outcomes	LP&C DC LD	Ongoing To be reported biennially. See obj. 2.7
4. Ensure that, through effective engagement in the planning process, existing trees are retained on development sites where appropriate and that they are adequately protected	LP&C DC	Ongoing To be reported biennially. See obj. 2.7
5. Explore the potential to further develop the use of the corporate G.I.S. for the administration of Tree Preservation Orders	LP&C	2016

Action Plan 2011 – 2016

Objective 2

Maintain the borough's publicly owned trees using good arboricultural management and ensure the safety and wellbeing of the public through the assessment and management of risk associated with trees

Action	By Whom	By When
1. Develop the use of the corporate G.I.S for the management of all publicly owned trees	LP&C HT&T P&C	2013
2. Develop and implement an integrated programme of cyclical inspection and maintenance of all publicly owned trees	LP&C HT&T P&C	2013 Ongoing To be reported biennially. See obj. 2.7
3. Ensure that, wherever practical and appropriate, publicly owned trees that must be felled are replaced with a new tree in the same location or nearby	NM LP&C HT&T P&C	Ongoing To be reported biennially. See obj. 2.7
4. Carry out a quantitative assessment of, and using a recognised valuation method place a value on, the boroughs publicly owned tree resource	LP&C	2016
5. Investigate the feasibility of a Council tree budget and report the findings to the appropriate committee	HT&T LP&C	2016
6. Prepare management plans for all publicly owned woodlands	P&C LP&C	2013
7. Conduct a biennial assesment of the tree strategy and report the findings to the appropriate committee	LP&C	2013 Ongoing



Action Plan 2011 – 2016

Objective 3

Increase the number of trees in the borough

Action	By Whom	By When
1. Prepare potential future tree planting plans for the borough and pursue their implementation	LP&C NM HT&T P&C EE	2014
2. Through effective engagement in the planning process require tree planting wherever it is appropriate in relation to new developments	UP&P DC LP&C	Ongoing To be reported biennially. See obj. 2.7
3. Through effective engagement in the planning process encourage tree planting in association with new highway infrastructure	UP&P DC LP&C	Ongoing
4. Encourage and assist land owners to take up grant aid for tree planting and woodland establishment and management, and monitor the level of take-up	LP&C UP&P	Ongoing To be reported biennially. See obj. 2.7
5. Seek residents support and encourage suggestions for further tree planting through relevant neighbourhood forums	NM LP&C	Ongoing
6. Review and update tree related information on the Council's website	LP&C	Ongoing
7. Review annually and where necessary re-issue tree related information leaflets	LP&C	2016





Appendix 1

Review of Action Plan 2005 - 2010

This section contains a review of the action plan included in the previous 'Strategy for Trees in Hartlepool', which was adopted by Cabinet in November 2005.

Key to Partners Abbreviations:

LP&C	Landscape Planning & Conservation team
TVBAP	Tees Valley Biodiversity Action Plan

ACTION PLAN 2005 – 2010

Objective 1. Protection and care of existing tree population

Action	Partners	By When
1. Where possible, survey and assess all woodlands (private and public) within the borough including condition and wildlife value.	LP&C Tees Forest TVBAP	2007

Outcome

All woodlands in the borough were identified and recorded on G.I.S. All publicly owned woodlands were surveyed with regard to their condition and wildlife value. This work was completed in 2008.

2. Create an inventory of important hedgerows using the 1997 Hedgerow Regulations.	LP&C Volunteers	2005 ongoing
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Outcome

A survey of a sample of rural hedgerows in the Borough was carried out during 2007. The findings of the survey showed that a small number of hedges may meet the important hedge criteria, but that generally Hartlepool's hedges were in a state of neglect. (see also outcome 4.2)

3. Produce Supplementary Planning Guidance for hedgerows.	LP&C Urban Policy	2007
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Outcome

This action was not completed as there is no longer a requirement to produce a supplementary planning guidance document for hedgerows. The current national policy is not to duplicate existing legislation or planning guidance.

4. Undertake a review of existing TPOs and revoke/remake as appropriate.	LP&C Legal	2008
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Outcome

An evaluation of all TPOs was carried out during 2006. A number of TPOs were found to be either never made, not confirmed, or no longer accurate. Following this evaluation, all TPOs with an 'area' classification were reviewed during 2007/2008; these were revoked and remade where applicable. Those TPOs that were either never made or not confirmed were deleted from the list. A continuing programme of review of TPOs is underway; this is an ongoing task in order to keep the boroughs TPOs up to date.

In addition to this a database of all current TPOs was created using the corporate GIS system, and all TPOs were entered onto the Planning Electronic Document Record Management System (EDRMS)

5. Identify high amenity value trees, not currently on TPOs and place on TPOs as appropriate.	LP&C Legal	2005 ongoing
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Outcome

The current system regarding the placing of TPO's on trees is re-active rather than pro-active. To pursue a pro-active system would be heavily reliant on wide officer resources not just in surveying areas for trees but also the preparation of legal documents to serve orders.

Such a system based on rolling surveys of tree stock across the town would not necessarily mean an ability to protect those trees most in danger but, if carried out systematically would result in some trees, which possibly could have been left un-protected being covered by a TPO unnecessarily. It is felt that such a rolling programme, which in itself would take some years to complete, would not be an expedient use of officer time.

The current system of working with owners and being aware of developments within the town which may threaten trees has resulted in a number of TPO's which provide a good level of protection across the town.

ACTION PLAN 2005 – 2010

Objective 2. Ensure Public Safety Through Risk Assessment

Action	Partners	By When
1. Complete a full survey and inventory of all council owned trees and transfer to GIS.	All depts.	2006

Outcome

A survey of all publicly owned trees i.e. those in highways, open spaces, parks, recreation grounds, cemeteries, was completed in 2005, and a condition survey of all trees in schools was completed in 2007. The results of the survey were transferred to G.I.S in 2007, with the exception of Parks trees. A further survey of trees in parks, recreation grounds and cemeteries was completed in 2008 and the results transferred to G.I.S.

Generally the boroughs publicly owned trees were found to be in good condition. Where trees were identified as being either dead dying or dangerous, then a programme of remedial works was undertaken.

2. Identify immediate problems and prepare an emergency work programme for each client dept.	LP&C All depts.	2005
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Outcome

All identified priority 1 (i.e. immediate attention) tree works were completed for Highways trees in 2007. All identified priority 1 tree works for Parks trees were completed during winter 2008/2009

3. Prepare management plans for Council-owned trees including cyclical maintenance.	LP&C Relevant depts.	2006
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Outcome

This action has not yet been completed, but remains an important part of the updated tree strategy, and has been included in the new action plan. ^(obj. 2.2)

ACTION PLAN 2005 – 2010

Objective 3. Encourage planting of new trees

Action	Partners	By When
1. Prepare a planting strategy for the Authority with action plans agreed with each department	LP&C All depts.	2006 ongoing

Outcome

This action has not been completed, but remains an important part of the updated tree strategy, and has been included in the new action plan. ^(obj. 3.1)

2. Investigate potential funding sources for additional tree planting	LP&C All depts.	2005 ongoing
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Outcome

A number of funding sources have been identified, these include Pride in Hartlepool, minor works budgets, Neighbourhood Action Plan budgets, tree appeal, woodland trust and forestry commission grants.

3. Seek funding for replacement of Poplar trees on Belle Vue Way	LP&C Highways	2005 ongoing
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Outcome

As the replacement of these trees is to be phased over up to thirty years, these costs could be met from the minor works budget for the central area.

4. Investigate council-owned land for opportunities for new planting to contribute to Tees Forest targets	Land & Property LP&C Community Services Tees Forest	ongoing
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Outcome

A number of areas of HBC owned land have been assessed for opportunities for new woodland planting, some of which have been planted with trees.

5. Encourage the take-up of forestry grants for new planting on private land	Community Services Tees Forest	ongoing
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Outcome

A small number of forestry grants were taken up in Hartlepool during the period 2005 – 2010, these included woodland planting at Amerston Hall, North Hart Farm and Middle Warren totalling approximately 25 ha. of new woodland. This action is to be continued as part of the new action plan.

ACTION PLAN 2005 – 2010

Objective 4. Increase ownership and understanding of trees

Action	Partners	By When
1. Produce a public leaflet on Hartlepool's trees, incorporating a summary of the tree strategy	LP&C	2006

Outcome

A leaflet entitled 'Right Tree, Right Place' was produced in 2007. The leaflet has been distributed widely and is still available for download on the Council's website and at reception areas in all main Council buildings.

2. Publicise and implement Biodiversity Action Plan targets relevant to trees, woodland and hedgerows	LP&C TVBAP	2006 ongoing
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Outcome

Local Biodiversity Action Plans have now been drawn up for hedgerows and broad leaved woodland and are to be implemented by the Tees Valley BAP partners

3. Identify and promote veteran and other notable trees	LP&C Tees Forest	2006
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Outcome

A scheme to identify and promote veteran and other notable trees was run across the Tees Valley in 2007, including events in Hartlepool. Three notable trees were identified in Hartlepool, which were: a large Hungarian Oak in Ward Jackson Park; a large Willow in Ward Jackson Park (now removed) and an ancient Rowan in The Howls.

4. Organise and publicise events to promote interest in trees	LP&C Community Services	2004 ongoing
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Outcome

The Hartlepool Countryside Events programme includes a variety of events related to trees on an annual basis.

A leaflet promoting the Countryside events programme entitled 'Wild About Hartlepool' is available for download from the Council's website, and printed copies are available at main Council buildings.

5. Develop a recycling and/or marketing strategy for tree products resulting from arboricultural work.	All depts.	2006
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Outcome

Some arisings are chipped and spread on site, some are taken to Stranton Nursery and composted, some large sections are re-used either on the site or other sites as informal furniture, in some cases tall stumps have been left in-situ and are carved into art features.

6. Where required, provide in-house training for all Council employees whose work may involve them in dealing, directly or indirectly, with trees.	All depts.	2006
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Outcome

No formal training sessions have been conducted during the period, however the

Council's Arboricultural Officers regularly provide advice and guidance where required.

7. Investigate the feasibility of a tree warden scheme.	LP&C Community Services	2005
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Outcome

The potential for a tree warden scheme for Hartlepool was considered by LP&C but thought not to be practical. This is because any added value would be limited and would not justify the officer time required to run the scheme. The possibility of a Tees Valley wide tree warden scheme was considered as part of the veteran tree project administered by Tees Forest but was not pursued following the demise of the Tees Forest.

8. Distribute arboricultural guidance leaflets on tree management to relevant officers and the public.	LP&C	2006 ongoing
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Outcome

A leaflet entitled 'Right Tree, Right Place' was produced in 2007. The leaflet has been distributed widely and is still available at reception areas in all main Council buildings.

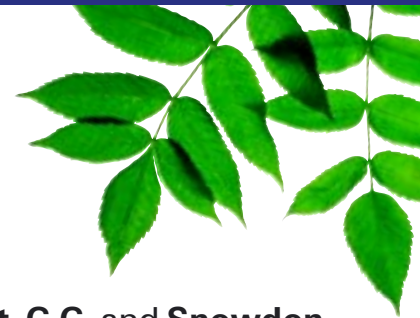
Additionally, a leaflet entitled 'Trees and Development' was produced in 2007; this was also distributed widely and is still available at reception areas in all main Council buildings. Copies are also included with formal and informal planning advice.



Appendix 2

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12. **DCLG** (2007) How to improve residential areas
13. **ODPM** (2004) Safer Places: The Planning System and Crime Prevention
14. **DCLG** (2008) Trees in Towns II: A new survey of urban trees in England and their condition and management (Table 2.16)



Appendix 3

Policies

Local

- Hartlepool Local Plan 2006
- Hartlepool Core Strategy Preferred Options 2010
- Hartlepool's Ambition: Community Strategy and Neighbourhood Renewal Strategy 2008 - 2020
- Hartlepool Energy Strategy
- Hartlepool Climate Change Strategy

Regional

- Tees Valley Structure Plan
- Tees Valley Green Infrastructure Strategy
- Tees Valley Biodiversity Action Plan

National

- Securing the Future 2005
- Living Spaces; Cleaner, Safer, Greener
- Biodiversity, The UK Action Plan
- A Strategy for England's Trees, Woods and Forests 2007

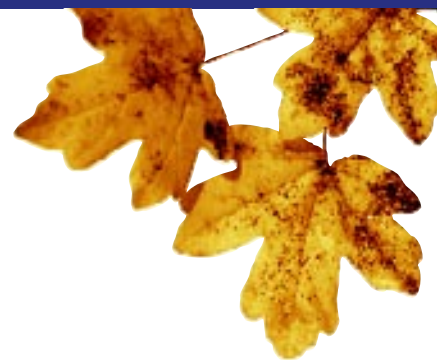
International

- Rio Declaration on Environment and Development (UNCED), Rio De Janeiro, June 1992
- United Nations Framework Convention on Climate Change (Kyoto Protocol 1997)
- A Sustainable Europe for a Better World
- World Summit on Sustainable Development 2002

Law

- Town and Country Planning Act 1990
- Planning (Listed Buildings and Conservation Areas) Act 1990
- Planning and Compensation Act 1991
- Environment Act 1995

- Town and Country Planning (Trees) Regulations 1999
- Wildlife and Countryside Act
- Occupiers' Liability Acts 1957 & 1984
- Highways Act 1980
- Health and Safety at Work Act 1974
- The Local Government (Miscellaneous Provisions) Act 1976
- Climate Change Act 2008



Technical Guidance

- BS5837:2005 'Trees in relation to construction – Recommendations'
- BS3998:1989 'Recommendations for tree work'
- BS4043:1989 'Recommendations for planting root-balled trees'
- Tree Preservation Orders: A Guide to the Law and Good Practise
- LTOA Joint Mitigation Protocol
- Manual for Streets
- NJUG Volume 4 'Guidelines for the planning, installation and maintenance of utility apparatus in proximity to trees'
- Well-maintained Highways – Code of Practice for Highway Maintenance
- The Network Maintenance Manual (Highways Agency 2007)
- SIM 01/2007/05 Management of risk from falling trees. HSE
- Hazards from trees: A general guide. Forestry Commission

Further Reading

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- Combating Climate Change: A Role for UK Forests. The Synthesis Report. Forestry Commission
- No Trees, No Future: Trees in the Urban Realm. Trees and Design Action Group
- Trees Matter: Bringing lasting benefits to people in towns. National Urban Forestry Unit
- Trees & Woods in Towns & Cities: How to develop local strategies for urban forestry. National Urban Forestry Unit
- Protected trees: A guide to tree preservation procedures. DCLG
- Living Places: Cleaner, Safer, Greener. ODPM
- Grange Conservation Area Character Appraisal. North of England Civic Trust
- Greatham Conservation Area Character Appraisal. North of England Civic Trust
- Park Conservation Area Character Appraisal. North of England Civic Trust

Tree related information produced by Hartlepool Borough Council

- Trees and Development Guidelines. 2006 Edition
- Right Tree, Right Place. A guide to planting and maintaining trees in Hartlepool
- Trees and Development. A leaflet which provides a summary of the Trees and Development Guidelines 2006 Edition
- Problems with neighbouring trees
- Cypress hedges
- Discharge of landscaping conditions
- Dangerous trees (exemption from legal protection)



Useful Websites

**Department for Communities
and Local Government;**
www.communities.gov.uk

**Commission for Architecture and the Built
Environment (CABE);**
www.cabe.org

Natural England;
www.naturalengland.org.uk

Woodland Trust;
www.woodlandtrust.org.uk

Forestry Commission;
www.forestry.gov.uk

International Society of Arboriculture;
www.isa-arbor.co.uk

NHS Forest;
www.nhsforest.org

Royal Forestry Society;
www.rfs.org.uk

Arboricultural Association;
www.trees.org.uk

The Tree Council;
www.treecouncil.org.uk

Trees for Cities;
www.treesforcities.org.uk

Tree Appeal;
www.treeappeal.com

BTCV;
www.btcv.org.uk

The Big Tree Plant;
www.direct.gov.uk/thebigtreeplant



Contacts

Hartlepool Borough Council

Customer Services
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Victoria Road
Hartlepool
TS24 8AY

Tel: 01429 266522

Email: customer.service@hartlepool.gov.uk

Arboricultural Officer

Landscape Planning & Conservation
Bryan Hanson House
Hanson Square
Hartlepool
TS24 7BT

Tel: 01429 284071 or 01429 523414

Email: landscape.planning@hartlepool.gov.uk

Ecologist

Landscape Planning & Conservation
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Email: landscape.planning@hartlepool.gov.uk

Horticultural Services

1 Church Street
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TS24 7DS

Tel: 01429 523012

Email: parksandcountryside@hartlepool.gov.uk

Countryside Wardens

c/o The Gate House
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Tel: 01249 853325

Email: countrysidewardens@hartlepool.gov.uk

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Bryan Hanson House
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We would welcome feedback on this publication, so that future editions can be better tailored to meet users' needs.





This document is available on request in alternative formats (e.g. large type / Braille / on tape). We can also arrange versions in other languages. If you would like an alternative version please contact us.

Appendix 2

Schedule of Responses to Public Consultation

Organisation/ Individual	Subject	Section	Representation	Response	Proposed Changes
Anonymous	Introduction	1	add a list of all the trees that are considered by HBC as being suitable for any new planting, this should be trees indigenous to the UK / North East England	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None
Anonymous	Aim and Objectives	2.3	Add to end point 3 - especially in all new developments	It is considered that the suggested amendment is not necessary.	None
Anonymous	Aim and Objectives		see previous note ref indigenous trees	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None
Anonymous	Publicly owned trees	3.1	3.1 - don't need a comma after schools.	Noted	None
Anonymous			Is it worth mentioning the Hartlepool Green Infrastructure SPD where you talk about the GIS - ensuring that the trees are recognised as an important element of GI.	Hartlepool's Green Infrastructure Strategy is still in development therefore it is not considered appropriate at this stage to make mention of it in the tree strategy.	None

Anonymous	Trees in Gardens	3.2.1	if privately owned trees have potential to cost the owners for their upkeep/maintenance, then the council should support that with the relevant finance to do so or let the owner deal with their problems themselves	The protection of privately owned trees is embedded in national legislation due to the contribution such trees make to the amenity of the wider area. TPO protection favours the common interest over that of the individual. Additionally, the fact that a tree is protected results in no additional costs to the tree owner.	None
Anonymous	Action Plan	Objective 3.2	Obj 3 - where you talk about "within new developments" it should probably say "within or adjacent to..."	It is agreed that new tree planting should not necessarily be confined to within the site boundaries of new developments when dealing with planning applications, therefore the action has been amended.	Amend objective 3 action 2 to read 'Require tree planting wherever it is appropriate in relation to new developments'
Anonymous	Draft Tree Strategy Sustainability Appraisal		Please consider planting more Nut and Fruit tree species in public spaces	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None

Hartlepool Civic Society	Draft Tree Strategy Sustainability Appraisal	Objective 2. SA objective 5.	We disagree that there is no appreciable link between Objective 2 and Housing – maintaining the boroughs publicly owned trees using good arboricultural management will have a hugely positive impact on the towns overall environment and make a positive contribution to the setting of the towns housing stock, so making the town more attractive as a location to live in and attracting investment into the existing and new housing stock.	<p>The Tree Strategy Sustainability Appraisal aims to assess the potential economic, social and environmental effects of the tree strategy. . It tests the tree strategy objectives against a set of appraisal criteria and is carried out by a team of officers not all of which necessarily have any particular tree related expertise. This approach is intended to result in a more balanced appraisal.</p> <p>Refer to section 1 of the tree strategy</p>	None
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Hartlepool Civic Society	Draft Tree Strategy Sustainability Appraisal	Objective 3. SA objective 1	<p>We disagree that there is no relationship between the Economy and Objective 3 – it is widely accepted that the physical environment has a significant role in attracting investment to an area – both positively and negatively. Degraded environments typically attract ‘dirty’ and ‘bad neighbour’ industry, while landscaped business parks with suitable tree cover attract newer ‘clean’ technology investment, frequently with a better range of skilled and higher paid opportunities for employees. Mature tree cover also supports the attractiveness of an area to the tourist sector, people are attracted to the tree lined boulevards of Paris for example, which in turn encourages further inward investment into such areas (eg Oxford, Bath, York, etc), and helps to maintain the ‘ruralness’ of the rural economy supporting rural ventures that rely on the landscape and/or location to attract clients, along with improving the viability and vitality of the town as a whole.</p> <p>We would also point out that your statement ‘Tree planting is more likely to take place outside of local centres/ town centres so no clear positive impact in terms of improving viability and vitality of local and town centres’ in your report gives its own answer to the problem – tree planting <i>is required</i> in local centres/town centres so that there can be a positive impact in terms of improving viability and vitality of local and town centres.</p>	<p>The Tree Strategy Sustainability Appraisal aims to assess the potential economic, social and environmental effects of the tree strategy. It tests the tree strategy objectives against a set of appraisal criteria and is carried out by a team of officers not all of which necessarily have any particular tree related expertise. This approach is intended to result in a more balanced appraisal.</p> <p>Refer to section 1 of the tree strategy.</p>	None
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Hartlepool Civic Society	Draft Tree Strategy Sustainability Appraisal	Objective 3. SA objective 5	We disagree that there is no appreciable link between Objective 3 and Housing – see comments above in relation to Objective 2 and Housing which apply equally here. In addition, reducing the priority of tree planting to 'land only when no other use is possible' appears to show that the value Hartlepool Borough Council actually places on its valuable trees and woodlands is very low? A major rethink and shift in attitude is required from the Council in this area if this is so, if any faith is to be placed in its Tree Strategy. The provision of new trees and protection of existing trees should be an integral part of all land use decisions, if we are to achieve the aims the Council states are its intentions.	The Tree Strategy Sustainability Appraisal aims to assess the potential economic, social and environmental effects of the tree strategy. It tests the tree strategy objectives against a set of appraisal criteria and is carried out by a team of officers not all of which necessarily have any particular tree related expertise. This approach is intended to result in a more balanced appraisal. Refer to section 1 of the tree strategy.	None
Hartlepool Civic Society	Trees as a Public Asset	3.1.1	The Council should allocate and adopt a budget commensurate with the value of the resource with immediate effect. Valuation should be obtained by using the recognised capital asset value for amenity trees system (Cavat) – you should contact the London Tree Officers Association for further information if you are not already aware of this system.	Refer to Objective 2 Action 5 of the tree strategy action plan.	None

Hartlepool Civic Society	Remedial Tree Works	3.1.3	<p>The Council needs to clearly set out its policy on enforcement to avoid doubt as to its intentions and confusion by the owners of protected trees. The penalties for damaging or destroying a protected tree need to be meaningful, specified and enforced consistently to produce the desired deterrent effect of a change in behaviour of those who currently feel they can, and often do, get away with destroying a protected and valuable tree. The penalty for destruction of a protected tree should be laid down as 'the replacement of the illegally destroyed tree by a tree of a similar size, age and type in the exact same location at the cost of the person(s) responsible or the land owner, if the person(s) is unknown or unable to meet that cost'. The benefit if the adoption of such a clear policy is that all parties are now aware of the true cost of their actions should they not take their responsibilities of being custodian of such important and hard to replace assets seriously. It also removes the current incentive to remove large valuable mature protected trees and, in the event of any enforcement action being taken, then paying a nominal sum for a sapling and placing it in a differing location, so still achieving the original aim of freeing up the building plot, for example, to greater commercial advantage and private gain at the expense of the public's lost amenity value.</p>	<p>The protection of privately owned trees is embedded in national legislation. Refer to Town and Country Planning Act 1990 and Town and Country Planning (Trees) Regulations 1999.</p> <p>Refer to Objective 1 Actions 1, 2, 3 & 4 of the tree strategy action plan.</p>	None
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Hartlepool Civic Society	Trees and Development	3.3	This contradicts what you say in relation to Housing in your Sustainability Appraisal Report, however, this is the correct course of action as we have pointed out in our earlier comments. In addition, we recommend a policy be adopted that presumes in favour of the tree where there is a conflict between an existing tree and the owner/occupier of the land wishing to alter or extend their property to the detriment or destruction of the tree, if the tree was already in existence when they purchased the property. The development of the former 'Woodlands' estate for modern housing being a classic example of where existing mature trees have continued to be lost and/or severely reduced as a result of the modern development coming into conflict with the existing mature trees in the grounds. As a result, the 'Woodlands' name is gradually becoming less appropriate as time progresses.	Refer to section 3.3 of the tree strategy and to the Hartlepool Local Plan Supplementary Planning Document entitled 'Trees and Development Guidelines'	None
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Hartlepool Civic Society	Appendix 1 Review of Action Plan 2005 - 2010	Appendix 1. Objective 1. Action 5 Outcome	We disagree that introducing a pro-active rolling survey of tree stock across the town is not an expedient use of officer time, and recommend that the cost of investing in the long term viability of Hartlepool's environment in this way should be built in to the budget required for this area. In addition, we would point out that the 'good level of protection' TPOs provide across the town that you quote is only a valid statement if the Council enforce them effectively and consistently and that the penalties are sufficient to be an effective deterrent – all of which criteria do not currently appear applicable.	Refer to Objective 1 Action 1, 2, & 3 of the tree strategy action plan	None
Brian Walker Chair of Greatham Parish Council	Improving Air Quality & Hartlepool's Trees	1.1.2 & Section 3.	On page 6, 1.1.2 talks of the benefits trees make to improving air quality which I agree with. Page 11 state that an extensive programme of tree planting has been carried out in the north of Hartlepool during the last two seasons. As the major industrial sites are in the south of the Borough I would hope that we can look forward to similar extensive planting programmes occurring in the south of the Borough where the benefit to the environment both in improving the air quality and the visual amenity are of greatest need.	Refer to section 3.1.4 of the tree strategy and to Objective 3 actions 1 & 5.	None
Brian Walker Chair of Greatham Parish Council	Publicly Owned Trees	3.1	Page 12, 3.1 talks of planting on highway verges which I would generally support though it does not square this with the spread of tarmac that is replacing the grass verges in many locations to accommodate car parking.	Noted	None

Brian Walker Chair of Greatham Parish Council	Trees and Development	3.3	I would ask that some emphasis is placed on the benefit of trees in screening industrial sites. Where this was promised such as at Queens Meadow we have seen buildings approved which are higher than the tree level or, as happened along the A689, trees removed to reveal new development presumable for businesses to be more visible but damaging the rural feel and tree lined approach to the town.	Refer to para. 5 section 3.3 of the tree strategy.	None
Brian Walker Chair of Greatham Parish Council	Trees in Gardens Action Plan	3.2.1 Objective 1.5	As much work seems to have been done to record those trees covered by tree preservation orders, how accessible is this information to the public? Could maps be made easily available in the Council website?	A list of current tree preservation orders within the Borough and plans showing the Borough's conservation areas are available to download from the Council's website. Refer to Objective 1 action 5 of the tree strategy action plan.	None
Brian Walker Chair of Greatham Parish Council	Privately Owned Woodlands	3.2.2	Most woodland tree planting has occurred on agricultural land. Could not industry be approached to develop this? For example the Corus Pipe Mills off Brenda Road have extensive tracts of land especially bordering Greatham. These could be developed as a ribbon of woodland with public access which could bring great benefit to the visual amenity and economy of the village and its businesses developing the village as a gateway to the countryside with its recreational possibilities.	Refer to Objective 3 action 4 of the tree strategy action plan.	None

Brian Walker Chair of Greatham Parish Council	Privately Owned Trees and Trees in Gardens	3.2 & 3.2.1	In relation to trees in conservation areas protection would appear to have been weakened in that although notice should be given to the Borough Council of any work to trees in a conservation area there is no external consultation. Neither neighbours nor Parish Councils are therefore aware of works until they start. No local knowledge as to the importance of any tree is able to be imparted and the people most likely to police preservation orders are in the dark as to whether work has been approved or not. Reports are unlikely to be made to the arboriculturist or planning and contraventions of preservation orders go un-noticed unless council officers regularly patrol.	Local planning authorities are not required to publicise Conservation Area tree works notices, however are advised to seek the views of local residents, authorities or other groups. At the moment Hartlepool Borough Council does not publicise conservation area tree work notices.	No changes to tree strategy recommended, however publicity arrangements for conservation area tree works notices will be reviewed.
Brian Walker Chair of Greatham Parish Council	Remedial Tree Works Privately owned trees Trees in Gardens	3.1.3 3.2 3.2.1	The Borough Council also needs to inform at the very least Parish Councils when it is to doing work. It is not long ago that several trees within Greatham Conservation Area were worked on including the felling of a mature tree on the village green itself. This caused alarm as it was thought these were covered by preservation orders. The tree removed has not been replaced. This sets a bad example for private owners who might think they can do work without notice. An opportunity to make use of Parish Councils as 'tree wardens' is being missed.	Noted.	No changes to tree strategy recommended, however, changes to publicity arrangements for conservation area tree works notices will be implemented.

Brian Walker Chair of Greatham Parish Council	Appendix 1 Review of Action Plan 2005 - 2010	Appendix 1 Objective 4 Action 3 Outcome	In summary the strategy is laudable however the outcomes of the 2005-2010 action plans are largely disappointing. Particularly unfortunate is that only 3 trees were identified as veteran or notable and one of these has since been removed! Unless actions match words the strategy becomes little more than an expensive and pointless paper exercise. The actions also need to involve organisations such as Parish Council to aid success. Further enforcement needs to be seen to be done.	Noted.	None
Margaret Lumley 19 Hutton Avenue, Hartlepool. TS26 9PW			Encourage native species. Avoid Sycamore	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None
Margaret Lumley 19 Hutton Avenue, Hartlepool. TS26 9PW			More trees needed. Prefer deciduous	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None
Margaret Lumley 19 Hutton Avenue, Hartlepool. TS26 9PW			Provide a list of native trees	It is considered that achieving the 'right tree in the right place' is a better approach than producing a prescriptive list of trees for new planting. Refer to section 3.1.4 of the tree strategy.	None

Community Safety	Tree Management and Responsibilities Tree Planting on Public Land	3.1.2 & 3.1.4	With regard to CCTV operations we would recommend consideration of a manageable process to ensure compatibility be it for new tree installation, where we would recommend Community Safety/Police be views be obtained, or new CCTV installations (which are far and few in the current financial climate) where we will liaise with yourselves to address current or potential tree growth.	Refer to section 1.1.6, 1.2 and para. 5 section 3.1.4 of the tree strategy.	None
Community Safety	Tree Management and Responsibilities Tree Planting on Public Land	3.1.2 & 3.1.4	Avoid the creation of blind spots or alleys of restricted light where human overview is affected, sun light is restricted creating dark and dingy spots and, at night-time, street lighting impact is diminished	Refer to section 1.1.6, 1.2 and para. 5 section 3.1.4 of the tree strategy.	None
Community Safety	Tree Management and Responsibilities Tree Planting on Public Land	3.1.2 & 3.1.4	Consider impact on specific and general safety and security actions. We are well aware that several of The Council's CCTV cameras are now being affected by tree growth which restricts image view and, principally, restricts the function for which cameras are installed.	Refer to section 1.1.6, 1.2 and para. 5 section 3.1.4 of the tree strategy.	None

CABINET REPORT

7 FEBRUARY 2011



Report of: Director of Child and Adult Services

Subject: MENTAL CAPACITY ACT 2005 – DEPRIVATION OF LIBERTY SAFEGUARDS

SUMMARY

1. PURPOSE OF REPORT

To request revision of the delegated power to authorise Deprivations of Liberty under the Mental Capacity Act 2005 following departmental restructures and to advise on the changes in monitoring and reporting arrangements for Deprivation of Liberty.

2. SUMMARY OF CONTENTS

This report will inform Cabinet that in response to on-going challenges affecting adult social care, the Child and Adult Services Department wish to revise the way that Mental Capacity Act 2005 Deprivation of Liberty Safeguards (MCA DOLS) is implemented in Hartlepool.

3. RELEVANCE TO CABINET

There is a legal requirement to implement appropriate systems and allocate work responsibility to staff to meet the requirements of the MCA DOLS.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Cabinet on 7 February 2011.

6. DECISION(S) REQUIRED

Cabinet is asked to:

- Note the report
- Agree the proposed delegation of authority for authorising DOLS.

Report of: Director of Child and Adult Services

Subject: MENTAL CAPACITY ACT 2005 – DEPRIVATION OF LIBERTY SAFEGUARDS

1. PURPOSE OF REPORT

- 1.1 To request revision of the delegated power to authorise Deprivations of Liberty under the Mental Capacity Act 2005 following departmental restructures and to advise on the changes in monitoring and reporting arrangements for Deprivation of Liberty Safeguards.

2. BACKGROUND

- 2.1 The statutory framework for MCA DOLS was implemented on 1 April 2009 to prevent further breaches of the European Convention on Human Rights.
- 2.2 A report on 6 April 2009 informed Cabinet about the new provisions in MCA DOLS and how these would be implemented and reported on in the locality.
- 2.3 The decision made at Cabinet on 6 April 2009 was: *“That the report be noted, and procedures outlined to be adopted and implemented from 1 April 2009, with the power for authorising deprivations of liberties being delegated to the Director of Adult and Community Services, Assistant Director of Commissioning and Assistant Director – Operations.”*

3. IMPACT OF DEPARTMENTAL RESTRUCTURE

- 3.1 The departmental restructure has resulted in the deletion of the Acting Assistant Director of Operations post. The previous Acting Assistant Director of Operations has been signatory for the majority of MCA DOLS in the period December 2009 to December 2010.
- 3.2 The removal of this MCA DOLS signatory potentially could impact on the requirement to meet urgent MCA DOLS timescale of seven calendar days from receipt of referral to granting / refusal of MCA DOLS by signatory.

4. AUTHORISING DEPRIVATIONS OF LIBERTY – DELEGATION

- 4.1 Additional signatories are required in order that we can meet the required MCA DOLS urgent timescale of seven working days. It is recommended that the following personnel can be MCA DOLS signatories: Director of Child and

Adult Services, Assistant Director of Adult Social Care and Heads of Services (Adult Social Care).

5. MONITORING AND REPORTING ARRANGEMENTS

- 5.1 Quarterly data returns are made to the Departmental of Health. This data is now included in the Report to Portfolio Holder – Hartlepool Vulnerable Adults Protection Committee Quarterly Statistics and Update.

6. RECOMMENDATION

- 6.1 It is recommended that this report is noted and the changes to the delegated powers for authorising MCA DOLS are approved.

CABINET REPORT

7th February 2011



Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 – BUSINESS TRANSFORMATION
PROGRAMME II (FOLLOW UP REPORT)

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to provide additional information in respect of the decision deferred by Cabinet in its meeting of 24th January 2011 in relation to the delivery of ICT and Revenues and Benefits services

2. BACKGROUND

The report of 24th January 2011 proposed an outline structure for a strategy and related plans to address the deficits identified as part of the Medium Term Financial Strategy for 2012/13 and beyond.

The report also made proposals in relation to ICT and Revenues and Benefits which are seen to be fundamental as part of the strategy to manage the budget deficit and capable of delivering a range of benefits both to the authority and more broadly to Hartlepool as a town.

In the report of 24th January a number of elements to any renewed Business Transformation programme were identified and agreed as the basis for the development of a more detailed programme for implementation (subject to Cabinet approval). These included :

- Efficiencies
- Planned Reductions
- Projects
- Income Generation

It is in relation to Projects, and more specifically in relation to the proposed project for ICT and Revenues and Benefits, that this report focus's with section 5 of the report giving an assessment of the identified potential options.

3. SUMMARY OF CONTENTS

As was stated in the report of 24th January the current ICT arrangement with Northgate is one of the largest single contractual arrangements the authority has in place. An extension to this agreement was negotiated in 2009 to take the current arrangements to November 2013 which gave the authority a range of benefits.

The report identifies that it is however appropriate to consider, in the light of a range of potential changes, challenges and opportunities whether the authority should seek to maximise any benefits which could come from alternative arrangements and that research by the council has identified that there is a potential opportunity to reconsider the current ICT delivery arrangements and to broaden the service base included in any such process to include the Revenues and Benefits service. It is clear from a range of recent government announcements that there are potentially significant changes to the Benefits function. It also appears highly likely that any such changes will direct a much greater involvement of the private sector in their delivery and that local authorities, if this is the case, will potentially be excluded from such delivery with a major focus on the private sector.

The report identifies that there are a number of factors which underpin the basis for any procurement undertaken and would include (with further detail provided in the body of the report) :

- Investment in the local economy
- Service Provision

As was stated in the report to Cabinet on 24th January 2011 an assessment of the procurement options available has been considered in respect of the extent to which these routes provide for robustness, the ability and necessity to demonstrate Value for Money and their delivery of a legally secure arrangement

The report identifies that there are a range of alternative options available to the council in determining an appropriate way forward in respect of these, and other, service areas. The main options and a consideration of the relative benefits and disadvantages, in conjunction with the associated considerations around timescales and deliverability, are outlined in the main report with a summary below.

- Retain Current Arrangements
- Create Shared Service model with another Local Authority
- Create shared service approach via a Regional Business Centre model with a Private Sector partner
- Create a Joint Venture vehicle

As Cabinet are aware from the report on the 24th January 2011 the authority is only likely to be in a position to manage the budget deficits that it faces through a broad programme of work. As was identified in this overall programme one key area will be in the delivery of a number of identified and agreed projects. Members are well aware of the scale of the challenge in

organisational and financial terms and that such a deficit requires consideration of a range of radical and significant changes.

A range of options and consideration of potential alternatives have been outlined in this report but with regard to these services there are a number of issues which support a competitive procurement of these element of Council activity:

- Preliminary research indicates that significant savings for the Council can be achieved through pursuing, through a competitive arrangement, such a process particularly where this is done in such a way that it is integrated with the complimentary IT infrastructure.
- There are potential benefits to Hartlepool in economic regeneration which the authority would be looking to maximise as part of any arrangement.
- There is significant private sector experience in the delivery of these services on behalf of the public sector so the opportunity exists to benefit from tried and tested best practice established through multiple successful outsourced arrangements.
- Proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide. The ability to react flexibly to these changes will be important to the Council and this can be catered for in a well constructed contract.
- It is also important to be in a position to effectively manage the risk of any change and the operational impact on the council and the proposed solution manages this as far as would be practicable.
- Statutory protections for current staff would be maximised.

Consideration of the timescales for the management and delivery of this project, should it be agreed has been assessed and is capable of delivery (and any potential savings realised) for the 2012/13 budget.

4. RELEVANCE TO CABINET

The report is a follow up requested by Cabinet at the meeting on 24th January 2011

5. TYPE OF DECISION

Non Key

6. DECISION MAKING ROUTE

Cabinet 7th February 2011

7. DECISION(S) REQUIRED

Cabinet are recommended to

- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.

Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 – BUSINESS TRANSFORMATION
PROGRAMME II (FOLLOW UP REPORT)

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide additional information in respect of the decision deferred by Cabinet in its meeting of 24th January 2011 in relation to the delivery of ICT and Revenues and Benefits services.

2.0 BACKGROUND

- 2.1 The report of 24th January 2011 proposed an outline structure for a strategy and related plans to address the deficits identified as part of the Medium Term Financial Strategy for 2012/13 and beyond.

- 2.2 It identified that a deliverable strategy is needed which builds upon the successes and robustness of the BT programme but which considers and takes account of the decisions which have had to be made in establishing the budget for 2011/12 and the increasingly austere financial position and is capable of delivering savings for the 2012/13 budget.

- 2.3 As part of this it was identified that at previous Cabinet meetings (including that of 28th June 2010 reports have been considered where a number of questions were posed which have informed the budget strategy for developing the budget for 2011/12. The questions included the fundamental question of “can the authority continue to operate in its current manner” and underpinning this fundamental question were a range of others, including;

- Can services be maintained at their current level?
- Can we continue to deliver all services ourselves or should we investigate other models of delivery?
- Can we identify plans that will deliver the degree of savings needed?
- Can we balance a desire to deliver high quality services with the savings needed?
- Can/should we continue to deliver all the services we currently deliver or do we need to prioritise services?
- Can we charge for some services which are currently provided free, or increases existing charges?

The proposals in relation to ICT and Revenues and Benefits are seen to be fundamental as part of this strategy and capable of delivering a range of benefits both to the authority and more broadly to Hartlepool as a town.

2.4 For completeness it is worthwhile to restate the financial position which shows that whilst the final details of any likely deficit are the subject of decisions on the budget for 2011/12 by Cabinet and Council, the current forecasts suggest that the budget deficit for 2012/13 will be between £7.5M and £10.4M. This is the headline deficit assuming that there are no savings factored in for Business Transformation or Council tax rises in these years.

2.5 It is not felt possible to achieve these through one route alone and it is clear that there are some extremely difficult decisions to be made over the next two years.

3.0 Programme Structure

3.1.1 In the report of 24th January a number of elements to any renewed Business Transformation programme were identified and agreed as the basis for the development of a more detailed programme for implementation (subject to Cabinet approval). These included :

- Efficiencies
- Planned Reductions
- Projects
- Income Generation

It is in relation to Projects, and more specifically in relation to the proposed project for ICT and Revenues and Benefits, that this report will focus with section 5 of the report giving an assessment of the identified potential options.

4.0 ICT and related services

4.1 As was stated in the report of 24th January the current ICT arrangement with Northgate is one of the largest single contractual arrangements the authority has in place. An extension to this agreement was negotiated in 2009 to take the current arrangements to November 2013. As part of this extension a number of benefits were negotiated for the authority which have been previously reported to Cabinet and which have been a positive benefit for the organisation. The arrangements with Northgate have evolved over the period of the current arrangement and there have been significant partnership benefits to the Council from this arrangement and its operation.

4.2 It is however appropriate to consider, in the light of a range of potential changes, challenges and opportunities whether the authority should seek to maximise any benefits which could come from alternative arrangements.

4.3 Research by the council has identified that there is a potential opportunity to reconsider the current ICT delivery arrangements and to broaden the service base included in any such process to include the Revenues and Benefits service. It is clear from a range of recent government announcements that there are potentially significant changes to the Benefits function. It also appears highly likely that any such changes will direct a much greater

involvement of the private sector in their delivery and that local authorities, if this is the case, will potentially be excluded from such delivery with a major focus on the private sector.

- 4.4 There is the potential, through the consideration of ICT and Revenues and Benefits functions jointly (and as per the original options in the contract which was agreed with Northgate) that significant benefits may be realised in both costs terms and in respect of having in place a scalable solution for the provision of such services based in Hartlepool with the associated benefits which may be attributable to such an arrangement.
- 4.5 The detailed scope of services included in any specification is to be determined. It will recognise the importance of high quality front line service delivery continuing easily available to local people, especially in relation to Benefits and some aspects of Revenues services.
- 4.6 The basis for any procurement undertaken by the authority would include a number of requirements, the basis for these and the anticipated benefits are detailed below :
 - 4.6.1 Investment in the local economy
 - There is a significant opportunity, that the authority would look to maximise, that through any procurement exercise the identification of options for the development of a model of service delivery which provides for regeneration based in Hartlepool and aligns to the delivery of services at a sub regional and regional basis. We would be looking for a partner to develop and invest in the local economy and detail proposals for future growth and the investment to be made and the benefits to the partnership.
 - In addition we would be considering the extent to which proposed plans would enable and encourage other public sector organisations to utilise the services established and how this will contribute to future growth and development and plans to both retain and develop jobs within the service areas being considered to the benefit of the local economy.
 - In addition we would be considering the extent to which these arrangements are beneficial to the authority in service and financial terms through the potential for inclusions such as “gain share” (an arrangement which would provide a direct financial benefit to the authority through any additional work delivered through such an arrangement) and opportunities for further partnership or trading opportunities with the partner working directly with the authority (to the benefit of both organisations).
 - It is important to recognise that an important part of any requirement from the perspective of the local authority, in conjunction with a desire to provide additional benefits to the local economy, is to protect the current employment of staff (this is equally the case and would be reflected in the section below, service provision).

4.6.2 Service Provision

- Any arrangement would be required to combine high quality service delivery with the opportunity for efficiencies in delivery. The OGC buying solutions framework has 12 private sector providers that are prequalified with the OGC Buying solutions for the delivery of such services. The pre qualification for this frameworks includes assessments of :
 - Technical solutions (innovation, benefits realisation, quality of solution)
 - Commercial (Pricing, Value for Money, Payment profiles)
 - Service Delivery (Service levels, key performance indicators, Transition)
- Any potential provider would be expected to demonstrate how services will be delivered, to the outcomes that the Authority specifies, the service standards and quality frameworks that they will work to. It is important to recognise that the delivery of services may differ from current arrangements but will have to be allied to the outcomes and service standards specified.
- In recognition of the changes and pressures which the authority faces there will be a requirement for any provider to identify both the savings to be delivered against the current cost base, the approach to the risks in delivering these savings and the assumptions made in determining these. Such reassurances provide the authority with a basis upon which to adequately manage overall financial and service risk.
- The external, nationally driven, policy and financial pressures which the authority is facing will mean that any provider is required to demonstrate how any proposed delivery model and associated costings demonstrate ongoing value for money, service flexibility and flexibility in provision and partnership arrangements to both meet the authority's ongoing transformation agenda and external pressures, drivers and national policy changes.
- Particular consideration will need to be given to how any provider will review and improve provision over the course of the agreement with particular reference to considerations around the effects of universal credit and provision.

4.6.3 As was stated in the report to Cabinet on 24th January 2011 an assessment of the procurement options available has been considered in respect of the extent to which these routes provide for robustness, the ability and necessity to demonstrate Value for Money and their delivery of a legally secure arrangement but any adopted route is obviously subject to Cabinet consideration in this meeting of the additional information requested in the meeting of the 24th January 2011.

5.0 Options available

5.1 There are a range of alternative options available to the council in determining an appropriate way forward in respect of these, and other,

service areas. The main options and a consideration of the relative benefits and disadvantages, in conjunction with the associated considerations around timescales and deliverability are outlined below.

5.2 Retain Current Arrangements

5.2.1 The Council continues to deliver services within the current delivery model via an 'in house' delivery of Revenues and Benefits Service and a partnership (or outsourced) ICT model with Northgate. The current ICT Managed Service contract will continue until the end of the current term in October 2013 whereby the Council will look to re-tender. The Revenues and Benefits Service will continue to be delivered 'in house' by the Council. It would require the authority to retain responsibility for delivering savings as part of the MTFS via the current Business Transformation Programme (BT).

5.2.2 Potential Benefits

- By maintaining the existing outsourced arrangement for the management and support of ICT, HBC will continue to have in place a stable solution for the provision of ICT and the currently agreed savings in line with contract extension signed in 2009. This provides for stability in respect of current service provision in respect of the increased utilisation of ICT in the core delivery of services
- Overall ownership for the Revenues and Benefits service will remain with the Council allowing changes already identified in the current Business Transformation programme to be realised in the short term and consideration to be given internally to the options available for the delivery of further savings.
- There will be limited change as a result of taking this course of action. This would provide a degree of stability but should be considered alongside the alternative options outlined in this section of the report in particular in respect of the overall financial position of the authority and potential drivers for change.

5.2.3 Potential Risks

- Although short term savings will be realised there is a risk associated with the ability to achieve Medium term savings from within Revenues and Benefits and in respect of savings which it is been assessed as being deliverable from the overarching ICT arrangements by taking this approach and as a result there are currently no guaranteed savings that can be made over and above the savings already identified in the BT programme.
- In order to meet the challenges presented to HBC as a result of the spending review it is likely that additional cuts will need to be made from within Revenues and Benefits over the next 12 months in order to help address the continuing deficit position. Whilst there are some options in respect of achieving these given the nature of the service and its current resource base these cuts are likely to come in the form of headcount

reduction which will place significant pressure on the quality of the existing service and staff delivering these services.

- The stability and resilience of the service will be severely jeopardised as a result of the need to continue to make savings and without a fundamental change in the delivery model it is anticipated that this will become untenable within the next 24 months
- The government has already announced a number of legislative changes that will have an impact on the future delivery of services across all Local Authorities. In particular the Welfare Reform Bill announced late 2010 is set to have a significant impact on benefits with the introduction of universal credit in 2013 through to 2017. This is likely to affect thousands of public sector roles across the country as responsibility shifts to the DWP. This will ultimately place greater pressure of the quality of service and cost of service by retaining the service in-house. At this stage it is not clear whether current staffing will be afforded any protections should these arrangements change nationally.
- There is a potential 12 month window of opportunity for the Council to work with both the private sector and public sector to be at the forefront of legislative changes and alternative methods of delivery in order to shape future direction.

5.3 Create Shared Service model with another Local Authority

5.3.1 The Council could seek to establish a shared service arrangement with another Local Authority/ies for back office functions with a particular emphasis in the first instance on Revenues and Benefits with the potential to share ICT services across other public sector organisations from October 2013 at the end of the current ICT contract.

5.3.2 Potential Benefits

- By joining forces with another Local Authority for back office functions the Council will be able to better ensure the resilience of the current service.
- There are some potential that savings would be achieved over and above the current BT programme which would benefit the Council in line with its Medium Term Financial Strategy, although the quantification of these and their timescales cannot be established at this stage.
- If such a joint arrangement were to be located in Hartlepool this would retain jobs locally with the ultimate potential to consider developing this employment base further. Any such development would be beneficial to the broader local economy and is also covered in other options as being potentially beneficial.

5.3.3 Potential Risks

- At present there are a number of shared service initiatives across local government all of which are diverse in nature and as has been discussed with Cabinet previously require continued agreement from all concerned. There is no current agreement to pursue such an option and as has been

seen reaching such agreement is problematic, in particular in terms of governance and lead authority, and time consuming and would result in a significant delay in implementation and is unlikely to achieve the savings requirements for the 2012-13 budget.

- Although opportunities will exist within the region for shared services and in particular back office shared services, the costs and time associated with the need to integrate ICT infrastructures and transform services in order to drive out cost savings is considered to be counterproductive to the savings that can be achieved.
- There is the potential that by adopting a shared service approach especially in Revenues and Benefits that the recent announcement of the Welfare Reform Bill and the fact that as a result of Universal Credit, the majority of the Benefits service will be transferred to the DWP by 2017 will result in a significant risk to both current staff and the future delivery of these services in Hartlepool.

5.4 Create shared service approach via a Regional Business Centre model with a Private Sector partner

5.4.1 The Council would, via an OGC Buying Solutions process, appoint a suitable partner who would deliver ICT services and Revenues and Benefits Services via an outsourced arrangement. In addition there will be the capability for the Council to look at other back office functions where a shared service may be applicable under this arrangement. Through any procurement route any appointed partner will be expected to assume full risk for set up and ongoing delivery of the services and projected savings over the term of the contract.

5.4.2 Potential Benefits

- Research has suggested that there are potentially considerable savings on the current costs of delivery to be achieved through the adoption of this route.
- A guaranteed level of savings for the Council will be delivered over the term of the contract enabling surety and certainty in the Council's budget planning. It would be expected that any private sector partner will take on all of the risk associated with the delivery of these savings and there would be a transfer of risk to the appointed partner associated with future delivery of the service to ensure guaranteed service levels, service quality & resilience.
- The management of the impact of Universal Credit and its associated risks will be transferred to the private sector partner to manage. A private sector partner will be required to handle these requirements and any associated delivery arrangements in agreement with the council.
- It would be expected that the private sector partner will invest in the Hartlepool area enabling economic re-development, job retention and growth and a partnership would also provide the opportunity to deliver future revenue streams for the Council for additional business brought into the shared service arrangement.

5.4.3 Potential Risks

- As with any potential change there are a number of potential risks and uncertainties. It is important that in determining the arrangements for the provision that the authority is clear in respect of the outcomes it expects and any core / key requirements in this delivery. It is not appropriate for the authority to determine to a minute level of detail the manner of delivery but there are key performance a delivery assurance that will need to be built into any agreed arrangement.
- Whilst research has been undertaken there is no absolute guarantee that the market will be interested in the delivery of these services. This is highly unlikely but should this be the case it would require the authority to determine alternative plans in these areas.
- Any potential change will bring with it significant considerations in respect of the mechanisms required to ensure that through this period of change that important services can continue to be delivered effectively to current and prospective clients. It would be necessary through any such change to ensure that adequate arrangements are put in place to ensure this.

5.5 Create a Joint Venture vehicle

5.5.1 Under such an arrangement the Council would set up a joint venture company in partnership with a private sector provider to deliver Revenues and Benefits and ICT services to the Council, and potentially other public sector organisations in the future. Any Joint Venture would have a 50% ownership for each party and would involve appropriate investment from both parties to set up and operate, as well as joint management and governance structures.

5.5.2 Potential Benefits

- The Council would retain partial ownership of services within the organisation allowing a retained influence over the delivery and management.
- Working with a partner within a joint venture arrangement may open up further opportunities to provide services to other Local Authorities

5.5.3 Potential Risks

- The timescale to set up such an arrangement are likely to be significant and as such may not address the Council's savings requirements within the next 24 months. It is unlikely such an arrangement would be launched within the next 18 to 24 months.
- The costs to set up and manage a joint venture are significant and a large proportion is likely to be required by the Council. Additionally, the Council's own resources required to deliver such a venture may be prohibitive.

- In setting up a joint venture the legal requirements will be substantial and lengthy and is likely to involve significant external legal advice and associated cost.
- The analysis suggests to date there has been limited success across recent ventures in this area. In particular savings initially forecast are generally proving to be overly optimistic. This arrangement provides the Council with no guarantee of savings and in fact may create liabilities in the event of an unsuccessful venture.

6.0 CONCLUSION

- 6.1 As Cabinet are aware from the report on the 24th January 2011 the authority is only likely to be in a position to manage the budget deficits that it faces through a broad programme of work. As was identified in this overall programme one key area will be in the delivery of a number of identified and agreed projects. Members are well aware of the scale of the challenge in organisational and financial terms and that such a deficit requires consideration of a range of radical and significant changes.
- 6.2 A range of options and consideration of potential alternatives have been outlined in this report but with regard to these services there are a number of issues which support a competitive procurement of these element of Council activity:
- Preliminary research indicates that significant savings for the Council can be achieved through pursuing, though a competitive arrangement, such a process particularly where this is done in such a way that it is integrated with the complimentary IT infrastructure.
 - There are potential benefits to Hartlepool in economic regeneration which the authority would be looking to maximise as part of any arrangement.
 - There is significant private sector experience in the delivery of these services on behalf of the public sector so the opportunity exists to benefit from tried and tested best practice established through multiple successful outsourced arrangements.
 - Proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide. The ability to react flexibly to these changes will be important to the Council and this can be catered for in a well constructed contract.
 - It is also important to be in a position to effectively manage the risk of any change and the operational impact on the council and the proposed solution manages this as far as would be practicable.
 - Statutory protections for current staff would be maximised.
- 6.3 Consideration of the timescales for the management and delivery of this project, should it be agreed has been assessed and is capable of delivery (and any potential savings realised) for the 2012/13 budget.

- 6.4 As a result of this it is proposed that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services which is a framework of providers pre qualified to meet procurement and service requirements.

7.0 **RECOMMENDATIONS**

7.1.1 Cabinet are recommended to

- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.

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CABINET REPORT

7th February 2011



Report of: Director of Regeneration and Neighbourhoods

Subject: ASSESSING DEVELOPER INTEREST IN
DEVELOPMENT SITES IN SEATON CAREW

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement to obtain initial expressions of interest from commercial developers who may be interested in HBC owned sites in Seaton Carew.
- 1.2 This information will be used to support future decision making in relation to the regeneration of Seaton Carew, and will enable Cabinet to make informed decisions in the future regarding development opportunities in Seaton Carew.

2. SUMMARY OF CONTENTS

- 2.1 Seaton Carew has an important role to play in Hartlepool's overall visitor offer. The promenade, beach and businesses in Seaton Carew are not only important amenities for Seaton Carew residents but for the rest of Hartlepool as well. Continuing to draw in investment and improving the attractiveness of Seaton Carew to both visitors and residents remains a key regeneration priority. Although regeneration funding has been secured for Seaton Carew in the past, the prospect of securing sufficient public funding to support the future regeneration of Seaton in the short to medium term, in the current financial climate will be more difficult. In order therefore to achieve the aspirations that the Council and local residents have for Seaton Carew, alternative ways of delivering change needs to be explored and considered.
- 2.2 The report therefore highlights the work being done to develop a masterplan for Seaton Carew including a strategy to deliver those changes, that given the limited levels of external public funding, is based around utilising some of the Council owned land and assets in the area.
- 2.3 As part of this approach a financial viability assessment has been produced which includes some assumptions regarding estimated development costs

and land values. There has been some positive feedback from a limited number of developers through informal discussions, but a wider understanding of the likely interest and demand for the sites is required, to allow Cabinet to make informed decisions in the future regarding the possible use and disposal of those sites in order to support future regeneration of Seaton Carew.

- 2.4 Cabinet is therefore being asked to endorse an exercise that can assess what the likely interest in the various Council owned sites would be if they were put to the market. Developers will be asked to respond to a document that explains what the Council aims to achieve in Seaton Carew and which also details the land holdings that could be utilised to release value and funding to achieve those aims. Developers will be asked to submit an expression of interest in the sites and information regarding how they might take forward the sites and meet the wider regeneration aims, if they were engaged to take forward the sites.
- 2.5 This information can then be utilised by Cabinet to inform the decision making process and inform the masterplanning exercise when considering the possible future use of the Council owned sites.

3. RELEVANCE TO CABINET

- 3.1 The future use of Council owned sites in Seaton Carew covers a number of portfolio holder remits, therefore Cabinet should consider the report.

4. TYPE OF DECISION

- 4.1 This is a non key decision

5. DECISION MAKING ROUTE

- 5.1 The decision will be made by Cabinet.

6. DECISION(S) REQUIRED

Cabinet is requested to endorse the expression of interest document and suggested approach to assess, without prejudice, the likely level and type of developer interest in Council owned sites in Seaton Carew.

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1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement to obtain initial expressions of interest from commercial developers who may be interested in HBC owned sites in Seaton Carew.
- 1.2 This information will be used to support future decision making in relation to the regeneration of Seaton Carew, and will enable Cabinet to make informed decisions in the future regarding development opportunities in Seaton Carew.

2. BACKGROUND

- 2.1 The importance of Seaton Carew as a valuable visitor/tourism asset has been recognised in the Hartlepool Tourism Strategy and it plays an important role in Hartlepool's overall visitor offer. Along with the Hartlepool Maritime Experience, Marina, Navigation Point and the Headland it contributes to the variety of places of interest in Hartlepool.
- 2.2 Seaton Carew also plays an important role for residents of Seaton Carew and the residents of Hartlepool generally. The beach and promenade and the various businesses that are not found anywhere else in Hartlepool, are well used by Hartlepool residents.
- 2.3 It is in recognition of the importance of Seaton Carew that various efforts have been made for a number of years to support, sustain and enhance these popular assets. The Council has had success in attracting external regeneration funding to support investment in the public realm and business premises through grant schemes, as well as ensuring the upkeep and maintenance of the beach and lifeguard service.
- 2.4 Recent efforts to continue this investment in Seaton Carew have been less successful as the criteria associated with regeneration funding has become more restricted and funding less abundant generally. Other funding opportunities have also been explored including two unsuccessful bids submitted for Seachange funding. These bids were aimed at developing a comprehensive masterplan for the area and improving the physical environment.

- 2.5 In response to these failed funding bids, work has been done to develop a Masterplan for The Front at Seaton Carew. The plan covers the 'old fairground site' in the south, the Rocket House car park, the Longscar building and the remaining Council owned land up to the junction of Station Lane. The purpose of this plan is to bring together the regeneration aims of the Council in a concise document, which could be used to support any future funding bids. Extensive consultation exercises, carried out previously, and a Council scrutiny investigation have highlighted what the regeneration priorities are in Seaton Carew and these have been captured in this draft development plan for The Front. The intention is to include this document (including the other sites in Seaton Carew) as part of the Local Development Framework (LDF) where it will be used as a Supplementary Planning Document (SPD). This will mean that when the document has been fully consulted on and adopted, it will be used as part of the planning policy framework and used in the consideration of future planning applications.
- 2.6 In addition to these efforts focused at improving the area at The Front, officers have also been involved in considering the potential development of other Council owned sites and how they could be used to develop new or improved community facilities or deliver services in a different way. The community facilities in Seaton Carew including the sports hall and youth centre and library building are all in need of substantial investment and are subject to ongoing costly maintenance programmes.
- 2.7 A suggested scheme to develop the Elizabeth Way site and land at Coronation Drive/Warrior Drive for residential use and utilise the value generated to re-provide a new combined community facility in Seaton Carew was consulted on, and the results of which were reported to Cabinet in January 2010. Cabinet noted the responses to that consultation and agreed that any marketing of the sites should wait until the conditions in the property market improved.
- 2.8 Since this consultation exercise was carried out, the proposed reductions in government funding and subsequent reductions in local government expenditure has re-focused the question of future community service provision across the whole town. In response to the reduction in departmental budgets to provide community facilities, there is expected to be a reduced service provision across many areas. Currently proposals preclude any reduction in the library service in Seaton Carew but the provision of future community facilities in Seaton Carew may depend in part on the ability to provide sustainable alternatives through realising value through existing sites and assets. Part of the proposed exercise will help test the market to ascertain if there are any creative and innovative ways in which services may be delivered and where they might be delivered.

3. CURRENT PROPOSALS

- 3.1 There are a number of key aims for the regeneration of The Front which have been established through consultation in Seaton Carew. The priority

regeneration objective for this area is the removal of the Longscar Building. This unused property dominates the key central commercial area at The Front. It's current condition and the limited prospect of any development ideas coming forward from the current owners, makes the need to redevelop this site a priority. Its current condition not only detracts from the visitor experience but affects the trading environment for other businesses in Seaton Carew. Any suggested regeneration plan for this area will need to address the use, scale and nature of this property either through working with the owners to acquire the building or utilising the Councils planning powers.

- 3.2 The successful regeneration of this area of Seaton Carew will also need to address the coastal defence issues highlighted by the Hartlepool Coastal Strategy Study. Draft defence schemes have been designed for individual stretches of the coastline between Newburn Bridge and Teesmouth. Funding has been recently secured for the stretch of frontage between the Staincliffe Hotel and the ramp at Station Lane. It is expected these capital works will be funded through the Environment Agency and will start in early spring.
- 3.3 The sea defence between Station Lane and Seaton Dunes is subject to a project appraisal process during 2011, some Environment Agency funding is expected for this area to fund the required works. It is anticipated that contributions from the existing operators, other private sector operators, responsible for developing sites adjacent to the sea wall, and/or the Council may also be required to meet the remaining costs of these works.

Deliverability

- 3.4 Given the limited availability of external regeneration funding, and the limited cash resources the Council currently has, officers have been looking at alternative ways to deliver the schemes. If these priorities in Seaton Carew are to be delivered either in part or whole, they need to demonstrate that they can be self funded.
- 3.5 In order to achieve the greatest level of return and delivery of a scheme that meets all the regeneration requirements and benefits that are required for Seaton then considering all of the sites together would be prudent. The draft briefing document however does make it clear that we will consider development of one or a combination of sites, if they can deliver the regeneration benefits and improvements to community provision, and submissions do not necessarily have to utilise all of the sites within the document.
- 3.6 At this stage, officers have looked at the indicative costs of bringing forward the regeneration plans at The Front and enhancing the community facilities in Seaton Carew and estimated the likely value that some of the assets may have, in order to meet those costs.
- 3.7 If any part of the proposals for Seaton Carew can be delivered however, the private sector will have an important role to play. Before any decisions are made regarding development or disposal of sites, it is suggested that at this

stage the private sector are engaged, without prejudice in order to support the decision making process.

- 3.8 At this stage the private sector would be asked for 'expressions of interest' in the sites. This falls short of asking for formal offers for the sites but developers will be asked to submit some ideas regarding how they could deliver the benefits that have been identified in Seaton Carew, through utilising the sites and assets currently in Council ownership.
- 3.9 The benefit of engaging the private sector at this stage is that the estimates and assumptions regarding costs and land values can be realistically tested, and also the likely interest/demand for the sites from the private sector can be assessed. Creative or alternative ideas regarding delivery of the schemes and development of sites could also result from this exercise and further inform the Council's thinking regarding the sites.
- 3.10 The attached document at **Appendix 1** is a draft brief which identifies the sites, and provides the policy guidance to help determine what could be developed on the sites and the regeneration benefits the Council would like to see delivered. The document has been written to allow any interested parties some flexibility how the various elements might be achieved and over what time scale. The Council will however insist on achieving some regeneration benefit early in the phased development.
- 3.11 The developers will be requested to submit some specific information including the scale and form of development and a development timetable.
- 3.12 Following the receipt of any responses to the exercise there will be an assessment of the submissions, followed by an opportunity for some consultation on any preferred submissions. Cabinet would then be asked to consider progress to the next stage where more detailed submissions would be required from developers.

4.0 RECOMMENDATIONS

- 4.1 Cabinet is requested to endorse the expression of interest document and suggested approach to assess, without prejudice, the likely level and type of developer interest in Council owned sites in Seaton Carew.

5. CONTACT OFFICER

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Seaton Carew



Draft Development and Marketing Brief

January 2011



Seaton Carew Development Opportunities.

Executive Summary

- Expressions of interest are being sought regarding several development opportunities in Seaton Carew, Hartlepool.
- Hartlepool Borough Council (HBC) own a number of potential development sites in Seaton Carew, including attractive sea front sites.
- HBC have a number of regeneration priorities it wishes to deliver in Seaton Carew, utilising these sites, and are looking for creative, innovative ways to deliver these benefits
- HBC are looking for inspirational, inventive and original ideas that will help to deliver the vision for Seaton Carew
- A mix of commercial and residential development opportunities are potentially available

1. Purpose of the Document

Hartlepool Borough Council has significant land holdings in Seaton Carew that it wishes to utilise to support its regeneration and development.

Seaton Carew has an important role to play in Hartlepool's overall tourism strategy offering different but complementary facilities to the main visitor attractions at the Marina, Hartlepool Maritime Experience, the town centre and the historic Headland.

The regeneration of Seaton Carew is acknowledged as a priority by the Council and residents. Given the limited availability of public sector funding or regeneration monies however, the Council recognise that these priorities still need to be met and want to explore the potential of utilising the land it owns and its assets in Seaton Carew, to realise these objectives.

This document is aimed at companies or individuals who may be interested in some or all of the development opportunities in Seaton Carew. It wishes to engage with companies that have an open and imaginative approach to development and are willing to deliver change. At this initial stage HBC wish to understand the level and type of interest that there may be in the developable sites and are open to imaginative, creative and inspirational thinking.

Understanding the level and type of private sector interest in the sites will help to inform the development process, how the sites may come forward for development and provide support for the wider regeneration objectives in Seaton Carew.

This document is to be used by developers to determine if they wish at this stage to express an interest in the development sites. Interested parties are being asked to submit some preliminary information and a pre-qualification questionnaire.

HBC has a number of general aims in Seaton Carew to contribute to the Council's commitment to sustainable development including:

- To improve Seaton Carew as a visitor destination and a place to live;
- To promote Seaton's assets – including the beach, sand dunes and promenade;

- To enhance the potential of the resort for businesses, visitors and residents alike;
- To encourage investment in the economic, social and physical infrastructure of the settlement;
- To bring about a renaissance of Seaton Carew through revitalising its assets; and
- To promote and develop key sites whilst maintaining the integrity of the settlement and the environment.

2. Seaton Carew in Context

Overview of Hartlepool

The maritime town of Hartlepool is one of the top visitor destinations in the North East of England. The town has seen major investment in its facilities and attractions over the last twenty years. As a result of this investment, the town has experienced transformational changes headlined by the redevelopment of a large area of former dockland and the creation of the largest Marina on the north east coast between Hull and Edinburgh. Hartlepool boasts a wide range of shopping, tourist and leisure facilities, including the Hartlepool Maritime Experience, Hartlepool Art Gallery, Middleton Grange Shopping Centre, Navigation Point and the Historic Headland. Hartlepool has a population of approximately 91,000. There is a population of 1 million people within a 30 minute drive time of the town, and 2.6 million within 1 hour.



Fig 1. Connections to Hartlepool and Seaton Carew

Overview of Seaton Carew

Seaton Carew is situated on the southern edge of the town approximately 1 mile from Hartlepool town centre. Seaton Carew became a popular holiday destination for wealthy Quakers from Darlington and other nobility and gentry. Meeting the demand for accommodation, a number of high quality hotels and boarding houses were built along The Front, Church Street and The Green. With the arrival of the railway close to the settlement in the 1840s, however, the resort took on a more popular appeal with day trippers from County Durham and Teesside. The resort remained popular with day trippers throughout the 1930s. In recent decades, though, the interest in Seaton Carew's attractions has waned with the advent of cheap package holidays

abroad. Revenue generated by tourism in the Seaton Carew area has therefore diminished in recent years, although the resort remains popular for day trippers. Seaton Carew has instead become a commuter settlement for those working in the larger local towns, with housing development taking place between the older part of the settlement and the railway station.

Seaton Carew is however an important part of Hartlepool's varied visitor offer. Its main attractions today are its sandy beach and extensive promenade, and its natural and historical assets are valued by residents and visitors. The Hartlepool Tourism Strategy (2005) identified the need to prioritise investment in Seaton Carew, that will build upon its assets in a sustainable way supporting existing business and generating new development opportunities and attractions.

Connections to Seaton Carew

Hartlepool is well serviced by road and rail with easy access to the A19 and A1(M), approximately 5 and 12 miles to the west respectively. Hartlepool has a direct rail link to London, and both Hartlepool and Seaton Carew have a direct rail service to Middlesbrough to the south and Sunderland and Newcastle to the north. Seaton Carew boasts good road transport links to Hartlepool and with the surrounding road network via the A178 trunk road. In addition to road and rail connections Seaton Carew enjoys strong pedestrian and cycle links to Hartlepool along the sea front and the Sustrans cycle trail. There are three main bus routes, linking Seaton Carew with Central Hartlepool and linking Seaton Carew with south Hartlepool and settlements further afield.

3. Regeneration Objectives in Seaton Carew

Seaton Carew is a key tourism asset within Hartlepool. Regeneration of the sea front area called 'The Front' is required in order to strengthen the attraction of the location within the wider region and continue the economic revival of the town itself. HBC are preparing a master plan document that will cover the sites in this document. The information received through the expression of interest exercise will help to inform the masterplan exercise and shape the preferred development proposals. HBC has significant land holdings in the area. Utilising these assets, funding already secured, and the guidance in this document, the Council wishes to secure a development partner to help take forward the regeneration of Seaton Carew. The key objectives of the project are to:

- Regenerate a large prime sea front development site with open sea views and strong main road frontage at the heart of the town most popular with visitors, forming a new focal point for the town's leisure and tourism offer;
- Recognise, utilise and build upon the existing commercial offer within the town to underpin the project and promote the continued economic regeneration of the town;
- Strengthen employment, skill development and training through creating commercial opportunities in the town for local people through the appropriate development of the sites;
- Create areas of public realm and play provision within the scheme of exceptional quality that will broaden the visitor appeal of Seaton Carew and raise it above other competitor locations in the wider region;
- Where appropriate deliver a commercially robust and viable mixed use development that provides a modern, attractive place for people to live, work and enjoy leisure time in the long term;
- Ensure that the development of sites create their own unique identity through the implementation of strong urban design principles from the outset and include the principles of sustainable construction;
- Strengthen Seaton Carew's improving image as a destination and promote the town as a location with quality public provision;
- Expedite and improve the sea defences of Seaton Carew promenade, between the Staincliffe Hotel and Seaton Coach Park;
- ensure that any housing delivered meets the design standards set out in the core strategy preferred options document, providing appropriate levels of affordable housing for local people; and
- Accommodate any required public/community buildings within Seaton Carew, or ensure the improvement of existing provision.

In addition to the sites available at The Front, there are two further HBC owned sites that offer the opportunity for development to support the delivery of these regeneration objectives, at Elizabeth Way and Coronation Drive. (see fig 2 and section 5).

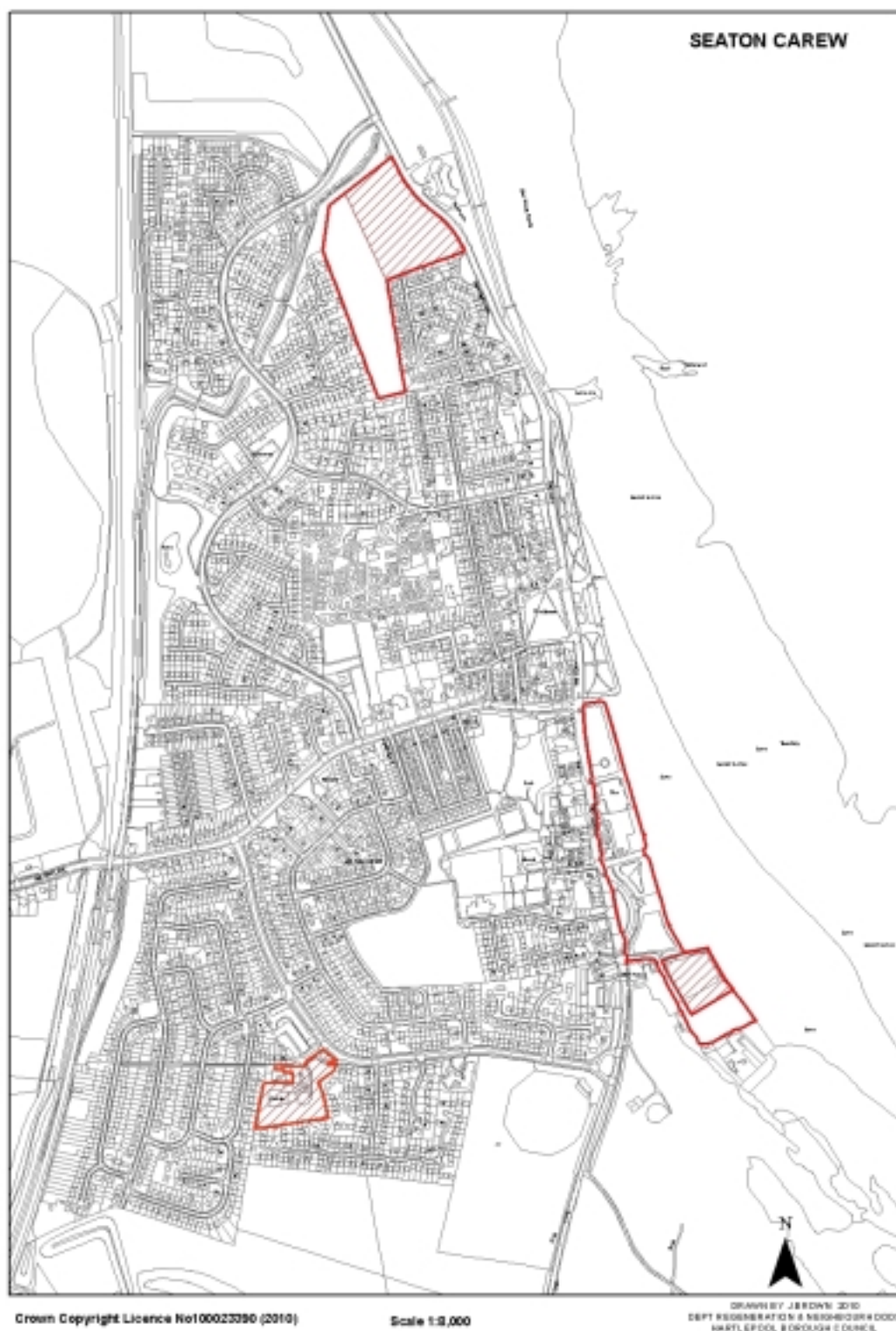


Fig 2 Seaton Carew development areas

4. Current Activity, Ownership and Use

The area of The Front, south of Station Lane is a mixture of retail, leisure, and commercial with some residential uses. There is development on the landward and seaward side of the A178. The Longscar Centre is at the centre of the area south of Station Lane. The building has been extended incrementally over a number of years to help improve its economic viability but the building has not been open since the 2009 summer season. It is anticipated that substantial refurbishment would be required to bring the property back in to use, therefore more comprehensive redevelopment may be appropriate. South of this area and seaward of the A178 is the Grade II listed Art Deco Bus Station and a now cleared funfair site and large surface level car park. Landward there is a mix of commercial, retail and leisure uses. The predominant focus of activity in this area of Seaton Carew is leisure although as discussed earlier, at a reduced level than previously experienced. South of the main settlement the area is dominated by Seaton Dunes and Seaton Common which are designated as a Site of Special Scientific Interest (SSSI) with large parts of the area also covered by RAMSAR and SPA designation.

The Old Fairground site and Coach Car Park, Bus Station, Rocket House Car Park, Paddling Pool site and North Shelter areas are all owned by Hartlepool Borough Council. The two additional sites at Coronation Drive/Warrior Drive and Elizabeth Way sites are also in Council ownership.

Currently the 'Old Fairground Site' is unused and the Council is keen to bring forward development to complement other facilities in Seaton Carew and is willing to be flexible in the type of development in this location. The majority of the adjacent car park will continue to operate as a car park.

Seaton Carew Bus Station is a Grade II listed art deco building and will remain a bus stop. Any development in this would need to be in keeping with the listed building or public realm improvements to increase dwell time in the area rather than any form of intensive development.

The Elizabeth Way and Coronation Drive/Warrior Drive sites have potential for residential development to release value to contribute to the wider regeneration objectives in Seaton Carew. The Elizabeth Way site currently has HBC owned community facilities located there and provision will need to be made to re-provide some of these facilities elsewhere in Seaton Carew.

The major site within the project area in private sector ownership is the Longscar Centre, located at the heart of The Front. This is currently unused and in a poor state of repair. Given the size and nature of this property and its location, its inclusion in the regeneration of Seaton Carew is critical. In bringing forward and delivering the objectives for Seaton Carew, the Council will work with the owners of this building to secure purchase through agreement, or by utilising its planning powers to ensure that it contributes to the regeneration objectives in Seaton Carew.

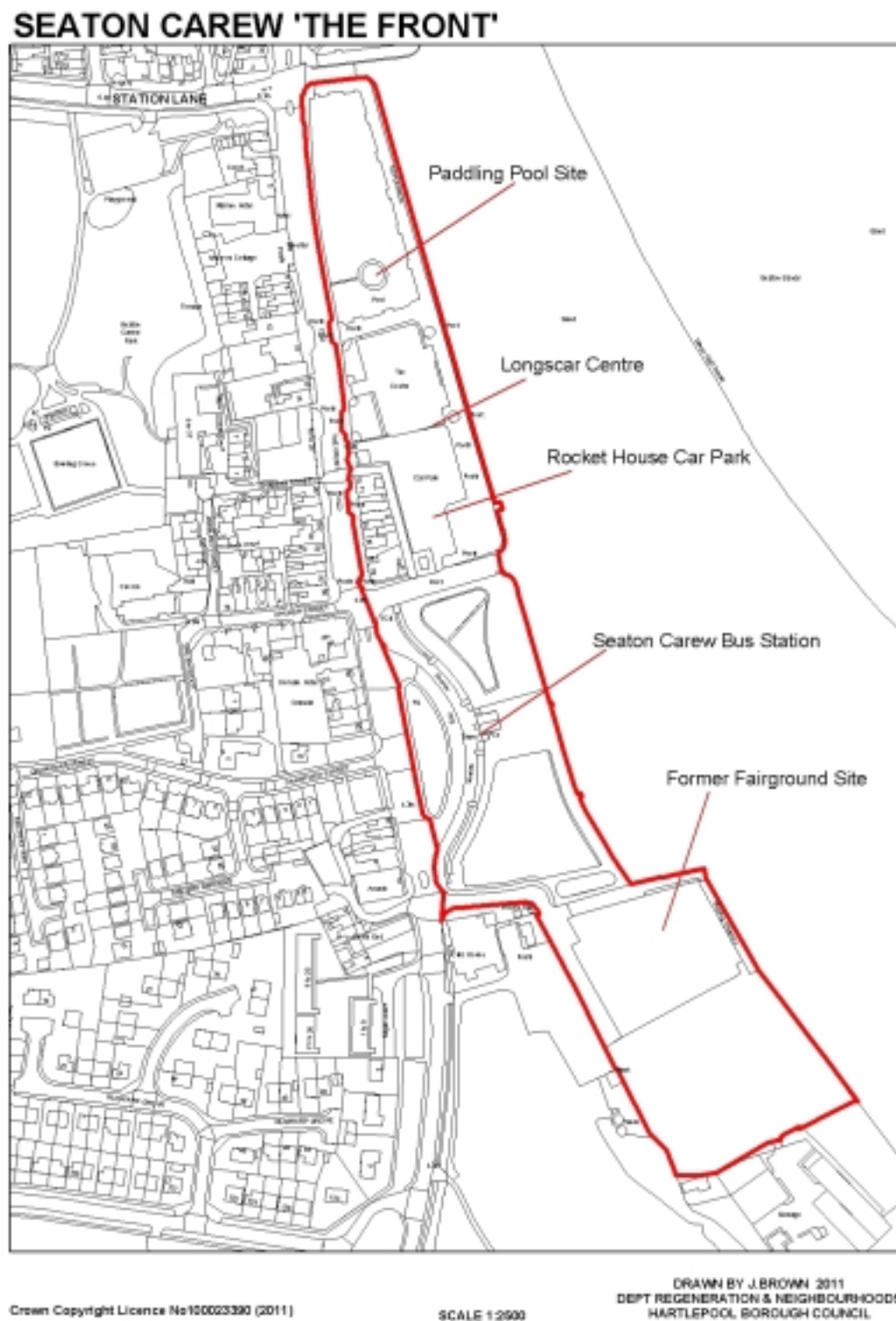


Fig 3 The Front – Seaton Carew

5. Development Opportunities.

Site 1 – Elizabeth Way (See Fig 4)

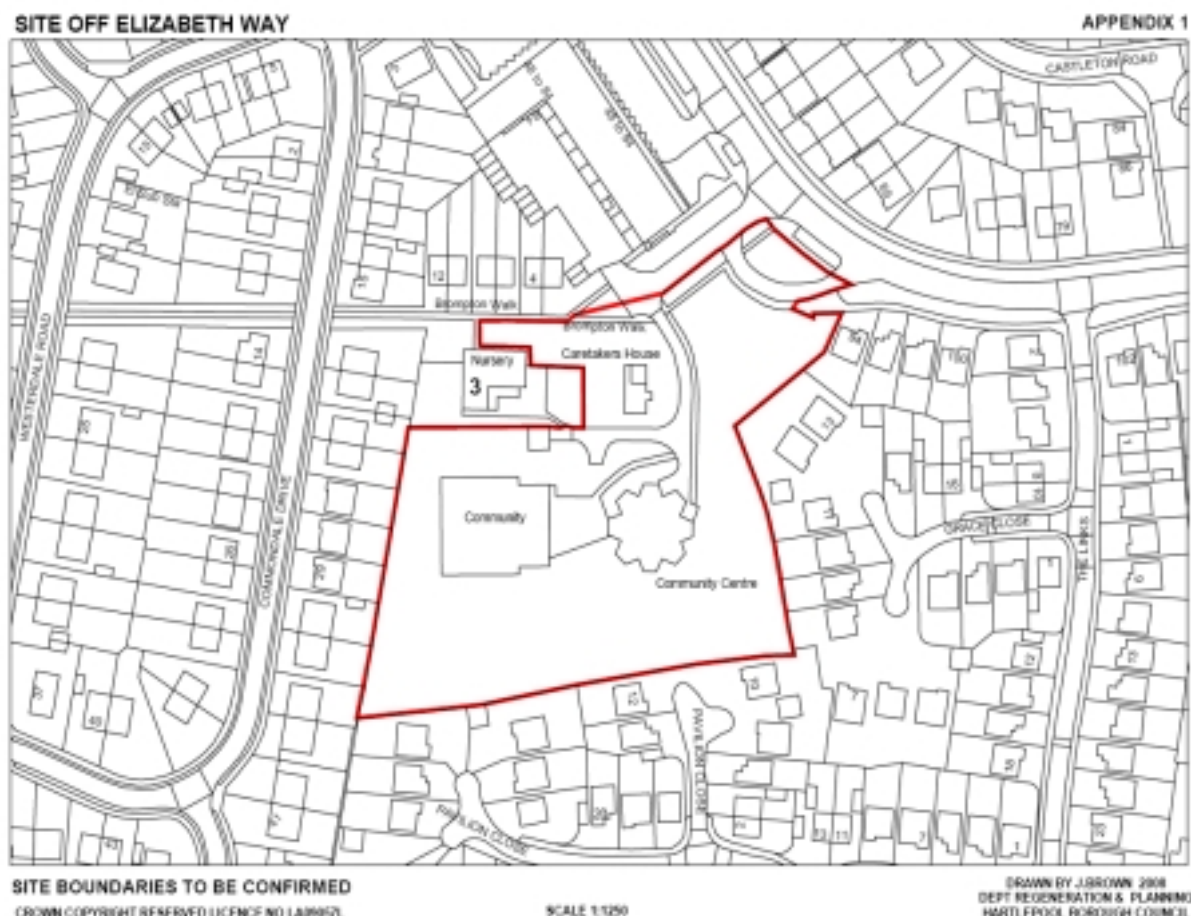


Fig 4 Elizabeth Way site

Site Description

This site is located to the east of Elizabeth Way shops a thriving local centre, off Elizabeth Way. The site is 1.1ha in area. The site currently incorporates, a 3 bedroom detached house, (in HBC ownership), Seaton Carew Youth Centre, Seaton Community Sports Hall, a surrounding area of open space and a bus turning area. It is proposed that these community buildings be demolished and improved community facilities are provided elsewhere in Seaton Carew. Improvements are required to community facilities in Seaton Carew park including enhancement of the tennis courts and sports changing facilities.

Improvements are also required to the library building in Seaton Park, the Council are willing to consider an open and imaginative approach to how this service can be improved, including the location of this service within Seaton Carew . There will be a requirement to ensure it remains fully accessible and is retained within the heart of the residential community. Submissions are sought that will allow new opportunities to deliver services in innovative low cost ways.

Planning and Design

Any future development proposals need to take into account the following policies from the Hartlepool Local Plan adopted 2006, including saved policies as of April 2009.

GEP1 General Environmental Principles;
GEP2 Access for All;
GEP3 Crime Prevention by Planning and Design; and
GEP6 Energy efficiency.

Supplementary Note 1 Access Arrangements and Highway Considerations

Supplementary Note 2 Design Requirement for Parking

Development for housing will need to take account of the following policies:

Hsg5 Management of Housing Land Supply;
Hsg9 New Residential Layout – Design and Other Requirements;
Rec2 Provision for Play in New Housing Areas; and
Tra8 Pedestrian routes- Residential Areas.

The need for affordable housing is a key issue in Hartlepool, highlighted by the June 2007 Strategic Housing Market Assessment. 10% affordable housing (as a minimum) will therefore be required which should form an integral part of the development.



Fig 5 Elizabeth Way Site

It is anticipated that a housing mix of family homes affordable homes and bungalows will be encouraged in line with the needs identified within the Strategic Housing Market Assessment 2007.

Design Standards - It is essential that design and scale of any proposed development respects the character of the surrounding area and takes account of the Council's Sustainable Construction Policy.

Effective site layout incorporating the main access onto Elizabeth Way is essential. Enhanced and secure pedestrian and cycle links between the site and the close-by Elizabeth Way local centre are essential to encourage healthy and environmentally responsible living and appropriate design principles should be incorporated to ensure sufficient parking and private amenity space and a development that is integrated into the existing urban form.

Replacement facilities – There will be an expectation that the developer will re-provide and enhance community facilities elsewhere in Seaton Carew.

Highways/Access

The site, off Elizabeth Way is a primary access route to the area. It is also next to Elizabeth Way shopping parade with a bus terminal. It has good transport links as the majority of services stop at the bus terminal adjacent to the existing site access.

For any future development the bus terminal should remain with possible improvements to the turning circle and the transport infrastructure.

For residential development, the parking requirement will be reduced to 1.5 spaces per dwelling due to the good transport links. Also the pedestrian links through the site and to the local centre will need to be upgraded.

Access to the future development could use the existing access road to the Community Centre and Sports Hall, however it will require upgrading.

Flood Risk

This site is within Flood Zone 1 therefore in line with PPS25 all development is allowed in Flood Zone 1.

Site 2 – Coronation Drive

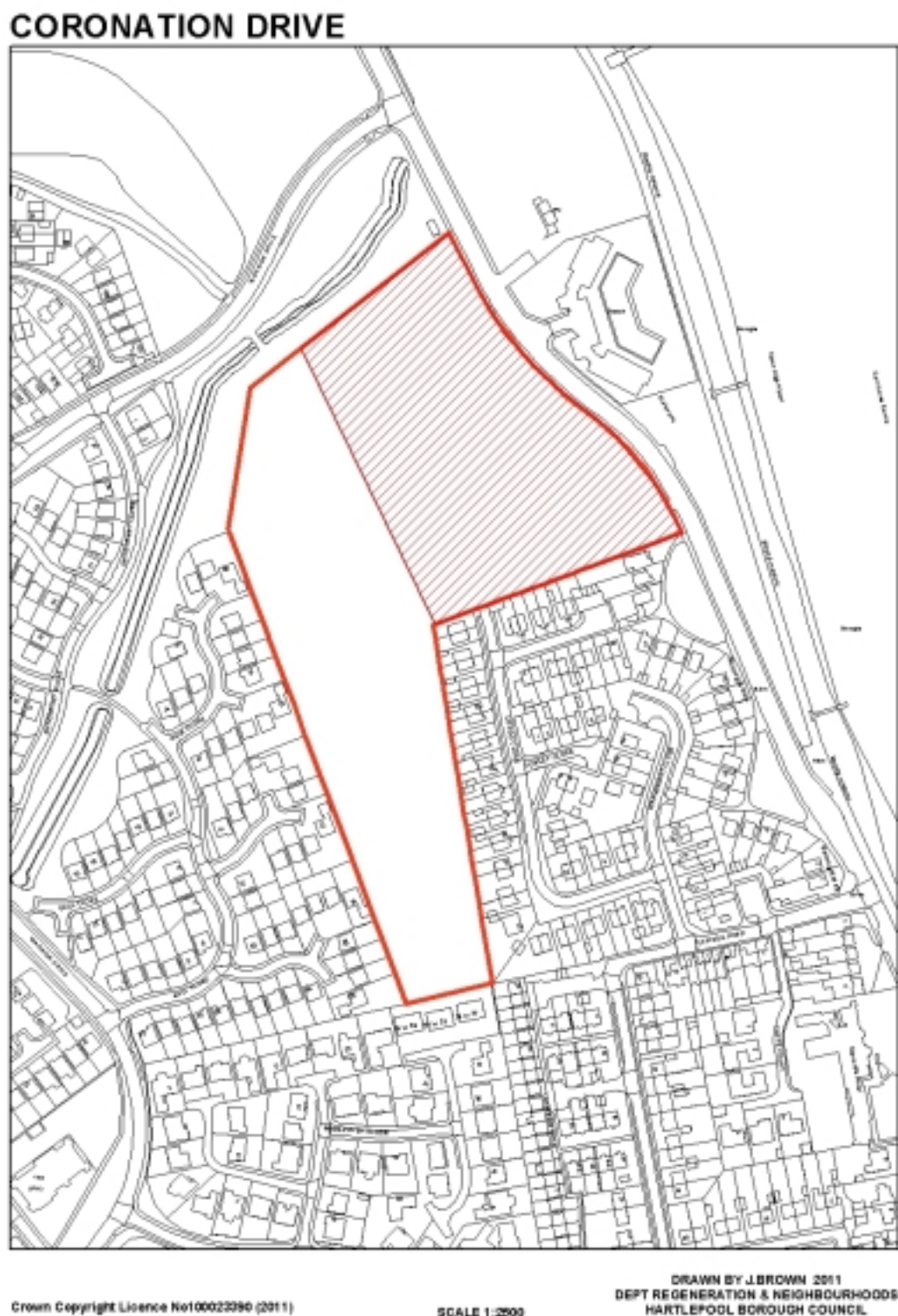


Fig 6 – Coronation Drive Site

Location/Description

This site is located on the northern edge of Seaton Carew at its junction with Coronation Drive. The site is approx 2 hectares and is predominantly informal open space. This is bordered by the Stoll (culverted waterway) to the north.

A further area of approximately 2.4ha makes up the rest of this area, sandwiched between two residential areas which is heavily mounded. Although in policy terms this area is protected open space (GN3h) consideration could be given to development here if it could be demonstrated that it was viable, did not contravene the policy, or if it could be demonstrated that the loss of any open space could be provided elsewhere in Seaton Carew.

Planning and Design

The following general policies of the Hartlepool Local Plan will be relevant to any development at these sites.

GEP1 General Environmental Principles
 GEP2 Access for All
 GEP3 Crime Prevention by Planning and Design
 GEP6 Energy efficiency

Supplementary Note 1 Access Arrangements and Highway Considerations
 Supplementary Note 2 Design Requirement for Parking

Development for housing will need to take account of the following policies

Hsg5 Management of Housing Land Supply
 Hsg9 New Residential Layout – Design and Other Requirements
 Rec2 Provision for Play in New Housing Areas
 Tra8 Pedestrian routes- Residential Areas

The need for affordable housing is a key issue in Hartlepool, highlighted by the June 2007 Strategic Housing Market Assessment. An element of affordable housing will therefore be required.

Additionally this site is part of a former timber storage area and therefore a detailed site investigation and subsequent remediation would be required prior to redevelopment. The following policy is also relevant for this site:

GEP18 Development on Contaminated Land.
 Dco1 Landfill Sites
 GEP7 Frontages of Main Approaches
 GN3h Protection of key Open Spaces

Housing Mix- Provision of family homes and bungalows will be encouraged in line with the needs identified within the Strategic Housing Market Assessment 2007. 10% affordable housing (as a minimum) will therefore be required which should form an integral part of the development.

It is essential that design and scale of any proposed development respects the character of the surrounding area and incorporates the design standards identified in the Core Strategy document. The distinct identity of Seaton Carew and recognition of the area's individuality is important.

As this site is located in a very prominent location along the main approach into Seaton from the north, it is essential that the design of the site and specifically the north-east corner of the development and the main road frontage is of the highest standard to act as a gateway into Seaton Carew. Within the site there should be sufficient provision of safe, accessible and attractive open space with permeability throughout the site to allow ease of movement and adopting secured by design principles (Local Plan Policy GEP3). If residential development is proposed, sufficient parking and private amenity space will be required and a density of no more than 30 dwellings per hectare.

Highways/Access

The site is located off Coronation Drive, which is a primary access route to Seaton and Hartlepool. It has reasonable transport links to Hartlepool and Seaton.

The main highway consideration for this site would be the access to the site. Lithgo Close could be used as the road is wide enough to accommodate more vehicular traffic. From Coronation Drive there is scope to design a new junction with a right turn lane, which would be the preferred approach. Due to the reasonable transport links, the parking requirements would be 2 spaces per dwelling. Links to existing pedestrian/cycle routes should be included.

Flood Risk

The majority of this site is within Flood Risk Zone 1, small parts of the perimeter of the site fall within Flood Risk Zone 2 and 3. A Flood Risk Assessment therefore may be required for this site.

In line with PPS25 Zone 2 is considered suitable for water compatible, less vulnerable, more vulnerable and essential infrastructure. Highly vulnerable development is only allowed where the Exception Test is passed. For Zone 3 water compatible and less vulnerable uses of land will be appropriate for this zone.

Site 3 – ‘The Front’ (See Fig 3)**Location/Description**

This area is the heart of the resort and a focus for day visitors, and has a number of distinct areas and uses which provide this area with its unique character. The Seaton Carew Conservation Area covers a large part of this area, with the bus station and its surrounding area included within the boundary, whilst the adjoining car park lies outside the Conservation Area. Any development, both within and in the vicinity of the Conservation Area must consider the sensitive nature and the high quality of design, particularly with respect to views and vistas along the promenade and The Front.



Fig 6 - Former Fairground Site

‘Former Fairground Site’

At the southern end of this area, is a large car park (0.9ha) and previously developed land – the ‘Former Fairground site’ which covers 0.6 hectares. It is anticipated that the developable land in this in area is 0.8ha, in order to retain a significant element of public car and coach parking on the remaining land.

This area is located off The Front (the main coast road) at Seaton Carew, and vehicular access to the site is from the Front. The site fronts directly onto the beach and has a fantastic coastal aspect. Views to the north include the historic and walled Hartlepool Headland with the North York Moors Heritage Coast to the south.

The fairground was closed in the early 1990s and was cleared leaving a large area of open space. The site currently includes a large car park that used to serve the fairground and surrounding resort area. Adjacent to the site is a pumping station and the internationally important Teesmouth and Cleveland Coast Special Protection Area and a Site of Special Scientific Interest (SSSI) located to the south of the site. Seaton Carew golf club forms part of the western boundary. Access to the adjacent pumping station is provided through the site.

The setting of the development site would allow for a whole range of development options. Uses here could include commercial, retail, restaurants, commercial leisure uses and some residential. This could range from one large entity with associated car parking and facilities to a number of smaller developments and users occupying the site. A mixed-use cluster style development would be welcome. The size and nature of the site and its prominence to the foreshore would allow a mixture of developments to enhance the development area as a whole.

Bus Station

Just north of the 'Old Fairground Site, is the Art Deco, Grade II listed Bus Station which was built in 1938 and occupies a prominent location on Seaton Carew Front. Although not part of the brief's direct remit, consideration of its prominence as a gateway feature and architectural value are important factors when considering development in the wider area. The Bus Station is a focal point for not only this area, but also within the wider area of Seaton Carew.

Longscar Site

North of the Bus Station Site is the Longscar Centre and Rocket House Car Park. The Rocket House car park is within HBC ownership and the Longscar Centre is in private ownership.

This area offers the opportunity for comprehensive redevelopment. Whilst retaining an element of car parking this site could provide a new public space in conjunction with some development. Small scale leisure and retail, café and, restaurant uses could enhance the public space creating a further focal point for activity in Seaton Carew. It will be important in this area to avoid overly intensive development and maintaining the link to the promenade.

Paddling Pool Site

North of the Longscar Site is an HBC owned site incorporating a paddling pool. It is anticipated this site could be enhanced, creating an activity zone, mainly focused on Children's play, incorporating for example interactive water play, and dry play facilities.

The level of development at The Front is critical, as a guide no more than 10,000sq ft of commercial floorspace should be considered throughout this area. The intensity of development should be minimised and balanced with public realm provision and public space.

Sea Defences

This area of Seaton Carew also requires new and upgraded sea defences. Funding has been secured for the necessary works, northwards from Station Lane. Works are due to commence on this phase of work in March 2011.

The remaining requirement from Station Lane south to the dunes system has provisional funding approval but is subject to a further detailed project appraisal. Indicative funding to implement works is included for 2012/13 and 2013/14. This phase of work will not be funded entirely by the Environment Agency, and a further contribution of up to £500,000 is likely to be required from the various development opportunities at The Front.

Flood Risk

This site is in flood zone 3.

Planning Policies

To3 Core Area of Seaton Carew

To4 Commercial Developments sites at Seaton Carew

Rec 9 Recreational Routes

Rec 4 Protection of Outdoor Playing Space

WL1 Protection of International Sites

WL2 Protection of SSSIs

WL6 Protection of Local Nature Reserves

HE1 Protection and Enhancement of Conservation Areas

HE2 Environmental Improvements of Conservation Areas

HE3 Developments in the Vicinity of Conservation Areas

Com 6 Commercial Improvement Areas

GN3 Protection of Key Green Space Areas

The southern boundary of The Front is immediately adjacent to internationally and nationally important nature conservation sites. Any development close to the Teesmouth and Cleveland Coast Special Protection Area (SPA)/RAMSAR will mean that an appropriate assessment will be required. The area covered by the SPA and RAMSAR is also covered by the nationally recognised Seaton Dunes and Common Site of Special Scientific Interest (SSSI).

The Hartlepool Core Strategy and Local Development Framework will replace the current policies covering Seaton Carew. The draft Core Strategy (preferred options) document was published in November 2010 which is also available at the website below.

Full details of all of these policies and those mentioned elsewhere in this document can be found on Hartlepool Borough Council's website www.hartlepool.gov.uk.

Other Planning Policy ConsiderationsNational

At the national level Planning Policy Statements and Guidance are relevant to the areas covered in this document including PPS1 - Delivering Sustainable Development Sites, PPS3 - Housing, PPS4 - Planning for Sustainable Economic Growth, PPS9 - Biodiversity and Geological Conservation, PPG17 - Planning for Open Space, Sport and Recreation, PPG20 - Coastal Planning and PPS25 - Planning and Flood Risk.

Regional

The Regional Tourism Strategy the Tees Valley Economic and Regeneration Investment Plan (TVERIP) are guiding investment in Tourism and the wider economy across the sub region. Both documents indicate the role Seaton Carew has in contributing to the visitor economy.

6. The Expression of Interest – What is expected of the interested party?

HBC want to deliver significant improvements in Seaton Carew including the regeneration of the main visitor area at The Front as well as the provision of replacement/improvement community facilities.

The document gives a framework for what is expected in terms of development across the sites. In seeking expressions of interest the Council is looking for innovative and attractive proposals for realising its regeneration objectives. HBC want to provide respondents with flexibility about how they would utilise the development sites within that framework, in order to deliver the proposed improvements at The Front and in community provision for Seaton Carew.

In responding to this document therefore, there are a number of ways in which you may think that these improvements can be delivered, utilising the various sites in a number of different ways, which will need to be made explicit in your response.

Respondents therefore have the flexibility to demonstrate that the regeneration elements of the scheme can be delivered through realising the value of developing this particular site (The Front) on its own, or by utilising a combination of sites, or all the sites, that are included in this document.

As a minimum it is expected that any respondents, as part of their expressions of interest should respond with the following information:

- a suggested form of development for either all or some of the sites covered by this document, that can deliver the changes outlined in section 5. This information should include the type, nature and scale of any proposed development including the level of floorspace envisaged for any commercial or leisure facilities. If residential development is proposed then the number of units should be identified. Some form of graphical representation of the proposed development sites should be beneficial provided, particularly for development at The Front;
- given the size of the development sites and current development market an indication of phasing or development timetable should also be included. With an aim to achieving some regeneration enhancements as a first phase;
- information regarding the track record of the organisation in delivering similar development schemes will also be required and a pre-qualification questionnaire (PQQ) concerning relevant experience, technical capacity, financial and economic strengths;
- a summary of the viability or financial feasibility of the proposals; and
- an indication of the approximate value of the individual development sites that are proposed should also be included as part of a global viability.

The Council will then undertake an evaluation process and invite a limited number of interested parties who submitted expressions of interest and PQQ's to submit more detailed proposals for further consideration.

Delivery Arrangements

In terms of future practical delivery and development of the sites, we currently have a flexible approach to how the development of the various sites might be achieved and are open to suggestions from interested parties, regarding the delivery arrangements that could be implemented to deliver these proposals.

HBC would be keen to explore joint methods of working, preferred developer arrangements or more involved arrangements.

To be considered, sealed expressions of interest and PQQ must be received addressed:

TENDER- Seaton Carew Development Opportunities (Contract Reference XXX) To be opened ONLY by Contract Scrutiny Panel XXXX 2011)
Chief Executives Department
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

And received no later than 12:00 pm on XXX 2010. Tenderers should note that sufficient time must be allowed for the return of tenders to meet the 12 noon deadline for receipt.

Summary

This document sets out guidance for perspective developers with an indication of potential uses. However the document is not intended to be over prescriptive and so there are opportunities to consider alternative development solutions provided they conform to the following aims of the Borough Council: -

- a) A mix of uses is sought which will significantly add to Seaton Carew's visitor offer and therefore continues Seaton Carew's Regeneration.
- b) Flexibility of approaches is encouraged, but a high quality, sensitive design solution is required to reflect the unique attributes of the various sites.
- c) The development proposals at The Front and enhanced community facilities elsewhere in Seaton Carew, are the priority for development, all or some of the development sites can be developed in order to deliver these proposals.
- d) the development to be designed and built using sustainable construction principles so contributing to sustainable development in the broadest sense.

Limitation of Liability

The Council will not be bound to accept any proposals made by any developer responding to this document. The Council shall not under any circumstances be responsible for any costs incurred by developers in relation to their submission in response to the invitation arising from this document. The information supplied within this document is given for the guidance of prospective developers only. Whilst

reasonable care has been taken in compiling this document, neither the Council nor its officers, employees or consultants guarantee its accuracy and the selected developer will be entirely responsible for verification of the information and for obtaining any additional information that may be required.

CABINET REPORT

7th February 2011



Report of: Chief Executive

Subject: BUSINESS TRANSFORMATION – QUARTERLY
PROGRAMME UPDATE

SUMMARY

1. PURPOSE OF REPORT

To provide a recap on the current programme, to update on progress on the Programme since October 2010 and to provide an outline of forthcoming activity.

2 SUMMARY OF CONTENTS

- 2.1 The report provides an overview of the current status of the programme and forthcoming reports which will be considered by Cabinet.
- 2.2 The BT Programme, and the contribution it can make to the Medium Term Financial Strategy (MTFS) have been revisited as members are aware.
- 2.3 The current Business Transformation Programme continues to proceed in line with the originally agreed scope.
- 2.4 Cabinet considered on 24th January 2011 a report titled “The strategy for bridging the budget deficit” which sets out a future strategy which builds upon the successes and robustness of the current BT programme but which considers and takes account of the decisions which have had to be made in establishing the 2011/12 budget and the increasingly austere financial position. This report begins to address these requirements with a renewed Business Transformation Programme, including some elements from the current programme and some additional elements to meet the budget requirements.

3. RELEVANCE TO CABINET

The Business Transformation Programme is a cross cutting council wide programme and is therefore of relevance to Cabinet.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Cabinet 7th February 2011.

6. DECISION(S) REQUIRED

6.1 Cabinet are recommended to;

6.1.1 Note the progress made to date on the implementation of the programme and forthcoming reports to Cabinet included in this report.

6.1.2 Identify any issues they wish the Business Transformation Team to take into account in the implementation of the programme.

Report of: Chief Executive

Subject: BUSINESS TRANSFORMATION –
QUARTERLY PROGRAMME UPDATE

1. PURPOSE OF REPORT

- 1.1. To provide a recap on the current programme, to update on progress on the Programme since October 2010 and to provide an outline of forthcoming activity.

2. BACKGROUND

- 2.1. At meetings between October and December 2010 Cabinet made decisions in respect of the implementation, and further development of the Business Transformation programme. For information these are shown in detail in **Appendix 1** but some of the key elements are shown below;

- Service Delivery Options Review Programme, Cabinet agreed the Options Reports which identified efficiencies in respect of the following reviews:-
 - Children's Social Care and Safeguarding
 - Engineering & Building Consultancy
 - Legal, Elections and Land Charges
 - Regeneration & Neighbourhood Management
 - Public Protection
 - Housing
 - Environment
 - Adult Social Care Provider Services
 - Libraries and Community Resources
 - Sports & Recreation
 - Children's Centres and Early Years
 - Social Inclusion, Vulnerable Pupils, Special Educational Needs
 - Tees Archaeology

- 2.2. In addition there is an increasing and immediate need following the recently announced budget settlement to reduce expenditure significantly.

3. CURRENT PROGRAMME STATUS AND PROGRESS ON ACTIONS

- 3.1. Overall the status of the current programme is classed as on target, although there are elements of the programme where there has been some slippage. There has been some slippage in individual workstreams against original targets which has been incorporated into the workstream plans. The impact of the slippage across the related workstreams will continue to be managed.

- 3.2. The BT Programme, and the contribution it can make to the Medium Term Financial Strategy (MTFS) has been reviewed upwards through the year as members are aware.
- 3.3. The programme overall is on target to deliver the efficiencies required at this stage even after the review to increase the contribution to the MTFS. The financial monitoring arrangements continue to be refined, and target savings continue to be reviewed in line with progress.
- 3.4. Brief summaries of progress and plans for each workstream are attached in **Appendix 2** to this report.
- 3.5. Specific points to note during the third quarter of 2010/11 include:
 - The sale of the Municipal Buildings has been agreed with vacant possession to be achieved by May 2011.
 - The exit strategy for existing services has been developed regarding vacating Municipal Buildings.
 - Progress on the Service Delivery Options Programme. With thirteen Options Reports being reported through Programme Board and Cabinet during October and December.
 - The corporate procurement team have commenced using the e-tender system, utilising the regional e-tender application and the benefits of the system are becoming increasingly apparent.
- 3.6. Detailed plans and preparations remain in place to ensure that we meet the key milestones for the programme. It is important that the following are met:
 - 3.6.1. Transactional Support Services
 - Work has commenced on the next phase of the HR/Payroll project which includes the development of reporting arrangements, the introduction of the HR modules and employee self-service arrangements. The current project plan spans the next twelve months. The current active elements are the Training module, CRB, Discipline and Grievance and the School Workforce Census which are scheduled for introduction by the end of April.
 - The phased introduction of upgraded budgetary control reports and the roll-out of web access to the Integra financial management are both complete. These provide the foundations to support a number of proposed changes for transactional and support services.
 - 3.6.2. Customer Services
 - Hartlepool Connect are implementing a charging structure for bulky household waste service. The service will go live by February 2011.
 - The Free School Meals service will transfer from Child and Adult Services into the Awards and Benefits Security team of the Customer and Workforce Services Division from mid-April. Free School Meals data will be included in the Housing Benefits application form.

- Work has commenced on the development of the next phase of the Hartlepool Connect Roll-in Programme for the next financial year.
- The Channel Shifting programme continues to be progressed. The project is dependant on a number of projects that are currently underway which includes, e-forms; payments, bookings and Geographic Information Systems (GIS) and the new look Council website. The Channel Shifting programme will link in with the migration of services into Hartlepool Connect and will assist in the reduction of avoidable contact.
- An automated payments line will go live during January or February which will be available for those customers who wish to make a payment without speaking to a customer services assistant.

3.6.3. Service Delivery Options

- The one outstanding Year 2 Options Report in respect of Revenues and Benefits was considered by Cabinet in January.

3.6.4. Asset Management

- A programme of moves is currently taking place which will enable the vacation and sale of 85 Station Lane, Somersby Close and Brooklyn.
- The office space standards have evolved given the on-going reductions in storage and the use of suitable furniture and it is now appropriate to set the target maximum at an average of 7sq m per workstation.
- The review of non-administrative operational buildings and land is now aligned with the SDO review programme and a proactive approach is being taken in challenging the current service property use and occupation.
- A review of all leased in property has recently been completed and an action plan is being devised to rationalise or gain better value from the holdings
- Outstanding and forthcoming rent reviews of leased property have been identified and have been programmed for implementation.

3.6.5. Non Transactional Services

- The Iclipse document management system is now stable and considerations are being given as to how this, and workflow, can be used to improve customer service and increase efficiency across the authority.
- Two projects are coming to a conclusion with combined savings of potentially £50k. A review of the telephony provision has identified savings of £25k per annum (this is currently the subject of a Scrutiny call in) and a further review of printing arrangements has identified savings of £25k. Further projects are also being progressed.

- 3.7. The programme is, as has been stated on an ongoing basis, complex and with a series of significant and related actions. The management of the programme is appropriate to the needs at this stage.

4. FINANCIAL UPDATE

- 4.1. The programme budget to support the delivery of the programme is in line with expectations. The overall BT Programme Savings as at 31st December are attached as **Appendix 3**.
- 4.2. The main points to note are:
- Service Delivery Options Reviews agreed to date have delivered £2.349M for the 2011/12 budget.
 - In terms of Asset Management, rent and other associated reviews these have realised ongoing savings of £0.209M with additional savings identified but yet to be realised.
 - The transactional workstream has identified savings to date of £0.086M with further savings expected to be realised by the end of the financial year for the 2011/12 budget.
 - The non transactional workstream has identified savings to date of £0.012M with further savings expected to be realised by the end of the financial year for the 2011/12 budget.
 - The value of advanced SDO savings achieved in the current year from the part year implementation of SDO reviews has now been quantified. These details are included in the Medium Term Financial Strategy report together with a proposed strategy for using these resources.
 - The budget forecasts for 2011/12 include total ongoing Business Transformation efficiencies of £2.9m.

5. KEY RISKS

- 5.1. The risks identified which may impact on the programme have previously been reported to Cabinet and are monitored as part of the overall management and control of the programme and its component parts.

6. COMMUNICATIONS

- 6.1. Communication continues as an important and constantly evolving part of the Business Transformation programme. A variety of communication mediums have been used during the last year and will continue to be monitored and reviewed to measure effectiveness. Trade Union representatives continue to be briefed on a monthly basis.

7. CONCLUSION

- 7.1. The overall Transformation Programme continues to proceed broadly in line with the originally agreed scope and timescale.
- 7.2. At the point which the programme was determined it was devised to deliver savings which were expected to balance the budget. The changing financial climate brings the need to revisit and review the existing Business Transformation programme. In view of the current circumstances facing the council it is important to ensure that the authority has in place a plan for bridging the projected deficits.

- 7.3. Cabinet considered on 24th January 2011 a report titled “The strategy for bridging the budget deficit” which sets out a future strategy building upon the successes and robustness of the current BT programme but which considers and takes account of the decisions which have had to be made in establishing the 2011/12 budget and the increasingly austere financial position. The Cabinet report begins to address these requirements with a renewed Business Transformation Programme, including some elements from the current programme and some additional elements to meet the budget requirements.

8. RECOMMENDATIONS

- 8.1. Cabinet is recommended to:

- Note the progress made to date on the implementation of the programme and forthcoming reports to Cabinet included in this report
- Identify any issues they wish the Business Transformation Team to take into account in the implementation of the programme

Background Papers (last 6 months)

Cabinet reports of:

8th November 2010 – BT - SDO Review Programme

22nd November 2010 – BT – SDO Review Programme and Quarterly Programme Update

6th December 2010 – BT - SDO Review Programme

20th December 2010 – BT - SDO Review Programme

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APPENDIX 1

Previous decisions of Cabinet BT related (last 6 months)

Cabinet 8th November 2010 - With respect to Business Transformation

– a) Service Delivery Options Review Programme Report, Cabinet noted the findings and approved the identified efficiencies of the following reviews:-

- Environment
- Engineering & Building Consultancy
- Regeneration & Neighbourhood Management
- Adult Social Care Provider Services

Cabinet 22nd November 2010 - With respect to Business Transformation

– a) Service Delivery Options Review Programme Report, Cabinet noted the findings and approved the identified efficiencies of the following reviews:-

- Children's Centres and Early Years
- Social Inclusion, Vulnerable Pupils, Special Educational Needs
- Children's Social Care and Safeguarding

b) 2nd Quarterly Report 2010/11. Cabinet noted the progress made to date on the implementation of the programme and forthcoming reports to Cabinet.

Cabinet 6th December 2010 - With respect to Business Transformation

– a) Service Delivery Options Review Programme Report, Cabinet noted the findings and approved the identified efficiencies of the following reviews:-

- Housing
- Public Protection
- Sports & Recreation
- Libraries & Community Resources
- Tees Archaeology

Cabinet 20th December 2010 - With respect to Business Transformation

– a) Service Delivery Options Review Programme Report, Cabinet noted the findings and approved the identified efficiencies of the following reviews:-

- Legal, Elections and Land Charges

APPENDIX 2

CORPORATE RESTRUCTURE/MANAGEMENT STRUCTURES WORKSTREAM UPDATE DECEMBER 2010

Costs & Savings

The savings from the workstream were £2.518m for the 2010/11 Budget and a recurring saving of £2.55m from 2011/12 onwards. The original projected workstream savings target was £2.55m which also included administration savings from the Transactional workstream. Budgets have been defunded accordingly.

Overall Progress – Green

The delivery plan for this workstream has been completed.

ASSET MANAGEMENT WORKSTREAM UPDATE DECEMBER 2010

Rationalisation of Administration Buildings and Introduction of Accommodation Strategy

Two main administration buildings have been vacated and sold – Leadbitter (April 2010) and Archive Buildings (May 2010). A programme of moves is currently taking place which will enable the vacation and sale of 85 Station lane, Somersby Close and Brooklyn. Leases are also being terminated on 41 Park Road and unit 3A Cromwell Street. The sale of the Municipal Buildings has also been agreed with vacant possession to be achieved by May 2011.

Non Administration Operational Building and Land Rationalisation

The identification of surplus property or space within property is part of a review that is on going and taking place against the setting of the Service Delivery Options Programme. The development of Service Asset Management Plans to challenge property holdings and efforts are being made to accelerate the programme within the context of available resources and competing priorities.

Non Operational Property and Land Management

A Disposal Strategy and Schedule has been agreed to dispose of currently identified surplus property and is being updated on a year to year basis.

A review of all leased in property has recently been completed and an action plan is being drawn up to rationalise or gain better value from the holdings.

Overall Progress - Amber

The delivery plan for this workstream remains on schedule.

CUSTOMER SERVICES WORKSTREAM UPDATE DECEMBER 2010

Reduce Avoidable Contact

A data capture exercise was carried out in November 2010 for those services undertaking SDO reviews where there is customer contact. The results of the data collection exercise are currently being analysed and will be used to help develop the Hartlepool Connect Roll-in Programme.

Migrate Services to Hartlepool Connect

Phase one of the Roll-in Programme has commenced and includes enhancing and extending the end to end processes of existing services.

Hartlepool Connect are implementing a charging structure for bulky household waste service. The service will go live by February 2011.

Extension of existing graffiti reporting service to include pre-payment and booking of Hartlepool Active Response Team services that will generate income from businesses and householders will go live by February 2011.

The Free School Meals service will transfer from Child and Adult Services into the Awards and Benefits Security team of the Customer and Workforce Services Division from mid-April. Free School Meals data will be included in the Housing Benefits application form.

The Roll-in Programme for the next financial year is currently being compiled.

Channel Shifting to more efficient channels

Channel shifting includes reviewing how customer's access services now and how they want to access services in the future and providing a choice of access methods that improve services delivered to customers. This is dependant on a number of projects that are currently underway including; e-forms, payment, bookings, GIS systems, and the new look Council website. The channel shifting programme will link in with the migration of services into the Hartlepool Connect and will assist in the reduction of avoidable contact.

Overall Progress - Amber

The delivery plan for this workstream remains on schedule.

SERVICE DELIVERY OPTIONS REVIEW WORKSTREAM UPDATE - DECEMBER 2010

Year One SDO Programme

All of the Year One reviews have now been considered and agreed by the Business Transformation Programme Board and Cabinet with savings achieved of over £1.3M.

Year Two SDO Programme

With the exception of the Revenues & Benefits review, the rest of the Year Two reviews have now been considered and agreed by the Business Transformation Programme Board and Cabinet with savings achieved of over £1.1M.

BT Programme Board considered the Revenues & Benefits Options Report on the 16th November and referred the review to the Scrutiny Co-ordinating Committee. Scrutiny

Co-ordinating Committee have considered the review on the 10th, 17th December and 7th January. Following the Scrutiny Investigation, Cabinet are scheduled to consider the Options Report on the 24th January. The savings target for this review is £101k.

Overall Progress - Amber

The delivery plan for this workstream remains on schedule.

NON-TRANSACTIONAL SUPPORT SERVICES WORKSTREAM UPDATE DECEMBER 2010

The Iclipse document management system is now stable and considerations are being given as to how this, and workflow, can be used to improve customer service and increase efficiency across the authority.

Two projects are coming to a conclusion with combined savings of potentially £50k. A review of the telephony provision has identified savings of £25k per annum (this is currently the subject of a Scrutiny call in) and a further review of printing arrangements has identified savings of £25k. Further projects are also being progressed.

Overall Progress - Amber

TRANSACTIONAL WORKSTREAM UPDATE DECEMBER 2010

HR / Payroll Project

Work has commenced on the next phase of the project which the development of reporting arrangements, the introduction of the HR modules and employee self-service arrangements. The project plan spans the next 12 months. The current active elements are the Training module, CRB, Discipline and Grievance and the School Workforce Census which are scheduled for introduction between now and April. In addition integration with the corporate document management tool (Iclipse) is also progressing well.

Re-engineer & Standardise Support Services

The phased introduction of upgraded budgetary control reports and the roll-out of web access to the Integra financial management are both complete. These provide the foundations to support a number of the proposed changes for transactional and support services.

Administrative Staff

The administrative staff review has progressed well. Within the Chief Executives department the consultation meetings has been completed and the new structures introduced in December. Similar consolidation processes have also been undertaken within Regeneration and Neighbourhoods, and Child and Adult departments.

Overall Progress – Amber

The delivery plan for this work-stream remains on target.

APPENDIX 3

BUSINESS TRANSFORMATION OVERALL FINANCE PROGRAMME – December 2010

WORKSTREAM	Ongoing Savings Target £'000	Annual Targets				Actual Savings				
		2009/10 for 10/11 budget £'000	2010/11 for 11/12 budget £'000	2011/12 for 12/13 budget £'000	2012/13 for 13/14 budget £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
ORGANISATION and MGT STRUCTURES (incl Admin /PA)	2,555	2,335	2,555	2,555	2,555	126	2,518	2,555	2,555	2,555
SDO	5,835	0	2,522	5,547	5,881	0	0	2,349	2,349	2,349
TRANSACTIONAL	375	30	205	315	315	0	0	86	86	86
NON TRANSACTIONAL	195	35	195	195	195	0	0	12	12	12
ASSET MANAGEMENT	599	50	230	440	599	0	0	209	209	209
CUSTOMER SERVICES	0	0	0	0	0	0	0	0	0	0
TOTAL	9,559	2,450	5,707	9,052	9,545	126	2,518	5,211	5,211	5,211