

# **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM AGENDA**



**Thursday 19 January 2012**

**at 3.00pm**

**in Committee Room B, Civic Centre, Hartlepool**

**REGENERATION AND PLANNING SERVICES SCRUTINY FORUM:**

Councillors Barclay, Cook, Cranney, Gibbon, Lawton, A Marshall, McKenna, Rogan and Turner

Resident Representatives: Ted Jackson, Peter Joyce and John Maxwell

- 1. APOLOGIES FOR ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 3. MINUTES**
  - 3.1 Minutes of the meeting held on 8 December 2011.
- 4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO FINAL REPORTS OF THIS FORUM**

No items
- 5. CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS REFERRED VIA SCRUTINY CO-ORDINATING COMMITTEE**

No items

**6. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS**

- 6.1 Regeneration and Planning Services: Medium Term Financial Strategy (MTF) 2012/13 to 2014/15 – Final Consultation Proposals – *Scrutiny Support Officer*

**7. ITEMS FOR DISCUSSION**

**Mayor's Employment Initiative:**

- 7.1 Information in relation to the recent town-wide employment initiative:-

- (a) Covering Report – *Scrutiny Support Officer*
- (b) Verbal update by the Mayor

**Investigation into Employment and Training Opportunities for Young People Aged 19-25:**

- 7.2 Evidence from North Tees and Hartlepool NHS Foundation Trust:-

- (a) Covering Report – *Scrutiny Support Officer*
- (b) Presentation – *Deputy Director of Education and Organisational Development, North Tees and Hartlepool NHS Foundation Trust*

- 7.3 Evidence from Hartlepool College of Further Education:-

- (a) Covering report – *Scrutiny Support Officer*
- (b) Presentation – *HCFE Workforce Development Manager*

**8. ISSUES IDENTIFIED FROM FORWARD PLAN**

**9. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

**ITEMS FOR INFORMATION**

- i) **Date of Next Meeting Thursday 2 February 2012, commencing at 3.00 pm in Committee Room B, Civic Centre, Hartlepool**

# **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM MINUTES**

**8 December 2011**

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

**Present:**

Councillor: Trevor Rogan (In the Chair)

Councillors: Allan Barclay, Kevin Cranney, Trisha Lawton, Ann Marshall, Chris McKenna and Mike Turner

**Resident Representatives:**

Ted Jackson, Peter Joyce and John Maxwell

**Officers:**

Anthony Steinberg, Economic Development Manager  
Patrick Wilson, Employment Development Officer  
Caron Auckland, Project Officer, Employability  
James Sinclair, Connexions Team Manager  
Elaine Hind, Scrutiny Support Officer  
Angela Armstrong, Principal Democratic Services Officer

**Also in attendance:**

Councillor Marjorie James  
Barry Hockburn, NACRO  
Steve Summers, Caparo  
David Scrafton, Hereema  
Rachel Murphy and Craig Drummond, Avanta  
Jan Hollis and Tracy Jefferies, Hartlepool Carers  
Anne White, J&B Recycling

## **41. Apologies for Absence**

Apologies for absence were received from Councillors Rob Cook and Steve Gibbon.

## **42. Declarations of interest by Members**

None.

## **43. Minutes of the meeting held on 3 November 2011**

Confirmed.

**44. Responses from the Council, the Executive or Committees of the Council to Final Reports of this Forum**

None.

**45. Consideration of request for scrutiny reviews referred via Scrutiny Co-ordinating Committee**

None.

**46. Consideration of progress reports/budget and policy framework documents**

None.

**47. Scrutiny Investigation into Employment and Training Opportunities for Young Adults Aged 19-25 – Evidence from Prime Providers – Covering Report**  
(*Scrutiny Support Officer*)

Members were informed that representatives from the prime providers of the DWP work programme, Avanta, were in attendance to provide information in relation to the investigation into employment and training opportunities in Hartlepool for young people aged 19-25. The representatives from Avanta provided a detailed and comprehensive presentation which detailed how the work programme for the north east would be delivered. The delivery model was aimed at key customer groups over a two-year period and details of how this provided was included within the presentation. The supply chain model included direct delivery providers, 'end to end' partners (the majority of which were voluntary and community sector and 'specialist support' partners.

The representatives from Avanta confirmed that the work programme had been implemented in June 2011 with a significant number of referrals. Members were informed that the performance of the Work Programme was on target, however, statistics to back this up were unavailable due to DWP restrictions that had been placed on the sharing of information at the current time. The representatives from Avanta indicated they would be more than happy to attend a future meeting at a time when they were able to share the statistical information with Members. One area for improvement that had been identified within Avanta's service provision was the use of work placements and this was highlighted as a key area to improve and expand. A number of other key challenges were identified and included within the presentation. Members were informed that as part of the Youth Contract, extra support was available from April 2012 worth almost £1 billion over 3 years and details were included within the presentation.

A discussion ensued which included the following issues.

- (i) Members had concerns that a large national organisation such as Avanta lacked the local knowledge and network needed to provide such a need based service. The representatives from Avanta confirmed that they were involved with the Hartlepool Works Network of local provider, although specialist provision was still needed.
- (ii) It was noted that there was an established network of organisations with an excellent track record working with the most disadvantaged communities and there was concern that a number of these organisations had contacted Avanta with a view to being involved in the implementation of the Work Programme but had no response. The representatives from Avanta were disappointed to hear this and asked that any organisations who had experienced this should contact the representatives from Avanta direct to discuss this further. The Employment Development Officer confirmed that discussions between Avanta and the community and voluntary sector organisations could be facilitated by the Economic Development Team through the Hartlepool Works Consortia with a view to delivering specialist provision. Avanta welcomed an opportunity for the Economic Development Team to organise a meeting and the Employment Development Officer would take this action forward.
- (iii) Although the value of community and voluntary sector organisations was acknowledged, Members were concerned that Avanta were pushing young people into voluntary work and expecting the voluntary organisations to train and supervise them and work with them with no financial support. The representatives confirmed that eight of the 'end to end' partners contracted were organisations from the voluntary sector who were the route to progress certain individuals.
- (iv) In response to a comment from a resident representative, a representative from Avanta confirmed that the cash incentives referred to in relation to the Youth Contract were for the employers. In addition to this, the new programme for pre-employment training had been developed over the years with individuals having their own personalised action plan which was recorded and monitored. There was also the opportunity for individuals to feedback from attendance at pre employment training as well as completing customer satisfaction surveys.
- (v) A Member sought clarification on what were the mandatory activities included within the programme. The representative from Avanta confirmed that it depended on what benefit the individual was currently on but could include work trails and volunteering. However, mandation was used as a tool to encourage engagement and the undertaking of activities.
- (vi) Members were disappointed that the DWP had restricted the circulation of any statistics to back up the performance of the prime provider and the representatives from Avanta shared that disappointment.
- (vii) The Employment Development Officer commented that it was important to understand the numbers of people included in the work programme

with a potential 155,000 adults on the work programme in the north east and 30% expected to go into work. Within the Hartlepool area it was expected that 2000-4000 adults would be part of the work programme each year. It was suggested that the representatives from Avanta should be putting pressure on the DWP to enable them to release their performance information to enable a fuller understanding of how their programme contributed to tackling youth unemployment in the region. The representative from Avanta confirmed that they were currently working to form a Regional Advisory Board to challenge the DWP about what information could be shared. It was expected that progress should be made in this area in the next couple of months.

- (viii) In response to a question from the Employment Development Officer, a representative from Avanta confirmed that a 30% job outcome target was achievable.
- (ix) A Member questioned whether there was any financial support available to support individuals to obtain the necessary certificates and qualifications to work offshore. A representative from Avanta confirmed that depending on the individual's background and ability, funding was available if evidence was provided that sustainable employment was obtainable.
- (x) The representatives from Avanta confirmed that should an individual not have secured employment after two years, there was an exit programme in place and the individual would be referred back to Job Centre Plus. However, it was hoped that even if the individual had not secured employment, they would have progressed closer to the labour market through volunteering and pre-employment training.
- (xi) Members were sceptical that the work programme provided window dressing of the unemployment figures, especially as the latest figures had shown an increase in the number of young people employed. The representatives responded that they could not influence the national economy or defend Government policy and acknowledged that providing sustainable employment opportunities was a challenge in the north east area, but that the aim of the work programme was to progress as many customers as possible into employment. In addition, Members were reassured that all employees of Avanta were committed and passionate about tackling youth unemployment and supporting as many people as possible.
- (xii) A Member questioned if numeracy and literacy training was provided as part of the work programme. The representatives from Avanta confirmed that training requirements were tailored to the individual's requirements with some individuals referred to external partners for training as and when required within the two year work programme.
- (xiii) The representatives from Avanta emphasised the importance of working with and building strong relationships with employers as understanding their needs was vital to the success of the work programme.
- (xiv) A Member referred to the recent successful implementation of the Future Jobs Fund in Hartlepool and questioned how young people would be targeted through the Work Programme. The representative from Avanta had been involved in the Future Jobs Fund and noted the success of the programme in the north east. However, the programme

had identified that a number of young people had not been 'work ready' and the work programme targeted individuals with support to ensure they were work ready.

- (xv) The representative from Avanta commented that one of the key challenges was the motivation of young people as they can feel disheartened by the number of jobs they apply for unsuccessfully.
- (xvi) A number of representatives from expanding local companies were in attendance and were disappointed at the lack of communication between Avanta and themselves and indicated their frustration with the difficulties of employing and training work ready young people. The Economic Development Manager advised that the Economic Development Team could act as a liaison between Avanta and local employers to allow a specialist offer to be developed suitable for employer needs.
- (xvii) Members considered that referring to unemployed individuals who were accessing the work programme as customers was misleading. As once individuals were at the stage of needing the work programme, there was little choice for them and the term customer, inferred that they had a choice.
- (xviii) It was highlighted that a lot of local community and voluntary sector organisations were unable to participate in the provision of services within the work programme due to the need to provide funding in advance of receiving payment. This had resulted in the loss of very experienced and knowledgeable community and voluntary sector workers as they had to secure alternative employment themselves. The Avanta representatives acknowledged that they would not be successful in isolation and needed local organisations to be involved in the delivery of the work programme. It was noted that the work programme would not be financially viable for some organisations to deliver as it was payment by results. However, a representative from Avanta responded that not all organisations would be required to be paid by results and there may be options to procure call off provision in order to pay organisations to deliver specific services without it being necessarily outcome related. Further discussion with local organisations and Economic Development about the alternative options was welcomed.
- (xix) A representative of a large local employer highlighted to the Forum the problems caused for employers by a change from programme lead apprenticeships, where young people attended HCFE for the first year, to employer lead apprenticeships where the young person could only access the course if already employed. The representative advised the Forum that this caused issues as employers were unable to interact with the young people to determine whether they thought they would make a successful apprentice, so employers were less likely to take a chance. The representative also highlighted that there was little chance to talk to children in schools about the roles on offer in the engineering sector.

It was confirmed that representatives from Hartlepool College of Further Education would be in attendance at the meeting of the Scrutiny Forum on 19 January 2012 and all representatives were invited to attend.

The representatives from Avanta and from local companies and organisations were thanked for their attendance and participation in the discussions and were reassured that their comments would be taken on board to inform the final report on the investigation.

### **Recommended**

That the comments above be used to inform the final report of the investigation into employment and training opportunities for young adults aged 19-25.

## **48. Scrutiny Investigation into Employment and Training Opportunities for Young People Aged 19-25 – Views of Employment and Training Service Providers and Local Employers** (*Scrutiny Support Officer*)

Representatives from service providers and local employers were in attendance to discuss employment and training opportunities for young people aged 19-25 in Hartlepool. It was suggested that attendees move into groups to discuss on an informal basis what opportunities for young people to undertake training and gain sustainable employment. A number of questions were detailed in the report in order to facilitate the discussions.

After the discussion groups had taken place, a representative from each group fed back the following key issues highlighted during the discussions.

What was working well:

- (i) Employers and training providers were very passionate about working with young people to get the best out of them.
- (ii) Communication between agencies in Hartlepool, networking and cohesion between the council and private sector were very strong.
- (iii) The knowledge that programmes such as Future Jobs Fund were such a success highlighted that there was a good network of support and experience to support other programmes.
- (iv) The community and voluntary sector were a stabilising factor enabling young people to take their first steps into the world of work, encouraging them to learn by mistakes and not be disheartened.

What was not working as well:

- (v) Some programmes did not allow enough time for the young person to become fully trained.
- (vi) A better understanding of the skills gaps of employers was required for now and in the future.
- (vii) Access to young people in schools was a problem for employers and training providers to discuss training opportunities and career options.
- (viii) There appeared to be a lack of understanding of local needs and



- knowledge within the Avanta work programme.
- (ix) Recognition was needed of the important role the community and voluntary sector had to play in supporting young people.
- (x) The issue of generational role models was discussed with some families experiencing fourth generation of unemployment.

Way forward:

- (xi) Primary schools should target learning through literacy and numeracy to ensure there was a decent standard of education for young people.
- (xii) There should be a return to programme led apprenticeships as opposed to employer led.
- (xiii) Aspirations of schools should be increased to ensure they focus on what young people can achieve.
- (xiv) The issue of local organisations of providing funding up front for the provision of training and support as part of the Avanta work programme be re-examined to enable more local community and voluntary sector organisations to participate.
- (xv) There appeared to be a demand for community programmes especially for individuals with no work experience.
- (xvi) A better understanding of the employers' and individuals' needs and requirements in order to match appropriately and ensure synergy.
- (xvii) The importance of careers events in schools was emphasised, including the involvement of local organisations, companies and training providers. This could be facilitated by the Council.

All participants were thanked for their contribution and assured that all comments would be used to inform the final report in the investigation.

### **Recommended**

The group feedback and comments would be used to inform the Scrutiny Forum's final report for the investigation into employment and training opportunities for young people aged 19-25.

## **49. Issues identified from the Forward Plan**

None.

## **50. Any Other Items which the Chairman Considers are Urgent**

None.

Meeting concluded at 12.40 pm

CHAIR

## **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM**

19 January 2012



**Report of:** Scrutiny Support Officer

**Subject:** REGENERATION AND PLANNING SERVICES:  
MEDIUM TERM FINANCIAL STRATEGY (MTF)  
2012/13 TO 2014/15 - CONSULTATION  
PROPOSALS

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### **1. PURPOSE OF REPORT**

- 1.1 To provide the opportunity, as part of the consultation process in relation to the development of the Council's Medium Term Financial Strategy (MTF) for 2012/13 to 2014/15, for the Regeneration and Planning Services Scrutiny Forum to consider finalised proposals in relation to those service areas of the Regeneration and Neighbourhood Department's budget that fall within its remit.

### **2. BACKGROUND INFORMATION**

- 2.1 As a starting point for the 2012/13 budget process, Cabinet on the 10 October 2011 considered a detailed report in relation to the development of the Council's Medium Term Financial Strategy (MTF) for 2012/13 to 2014/15 and approved details of the consultation process and timetable for consideration of the Executives proposals. In addition to this, it was also brought to the Cabinet's attention that, over and above dealing with core budget issues, the Local Authority will also have to deal with:
- A number of one-off strategic financial issues, around redundancy/early retirement costs, housing market renewal, land remediation costs and capital investment requirements; and
  - The impact of Government Proposals for changing Business Rates and Council Tax funding arrangements; and
  - Changes to Grant regimes.
- 2.2 At the meeting of the Scrutiny Co-ordinating Committee held on 23 September 2011 it was agreed that, as in previous years, consideration of the budget proposals would be split to enable each standing Scrutiny Forum

to look in detail at the service areas that fall within their remit. Comments / observations were then fed back to the Scrutiny Co-ordinating Committee, to enable a formal response to Cabinet on 19 December 2011.

- 2.3 This process was undertaken throughout November 2011, and the comments/observations of each Forum were fed back to the Scrutiny Co-ordinating Committee held on 2 December 2011, for inclusion in the formal Scrutiny response to Cabinet. The Scrutiny Co-ordinating Committee's formal response was received by Cabinet on the 19 December 2011 and the comments/observations expressed were taken into consideration during the finalisation of its Budget and Policy Framework Proposals for 2012/13. Minutes attached at **Appendix 1**.
- 2.4 For Members information, details of the comments / observations formulated by the Forum, as part of the initial budget consultation process, and the Cabinet response to them, are outlined in **Appendix 2**.
- 2.5 The Executive's finalised budget proposals were subsequently considered by the Scrutiny Co-ordinating Committee on 13 January 2012, and repeating the process previously implemented they were referred to the appropriate Scrutiny Forum for consideration. The process to be undertaken during January 2012.
- 2.6 In accordance with the wishes of the Scrutiny Co-ordinating Committee, the Regeneration and Planning Services Scrutiny Forum is today being asked to look in detail at the finalised proposals in relation to those service areas within the Regeneration and Neighbourhoods Department that fall within its remit. Details of the proposals in relation to the Regeneration and Neighbourhoods Department and other corporate areas / issues, which Cabinet have referred to Scrutiny for consideration, are outlined within the following appendices. Please note that these departmental issues are unchanged from the initial proposals referred to the Scrutiny Co-ordinating Committee in October 2011:-

- |                     |   |
|---------------------|---|
| <b>Appendix A -</b> | Proposed pressures;   |
| <b>Appendix B*-</b> | Proposed Savings (Regeneration and Neighbourhoods Department Business Transformation (BT) Programme Budget Reductions); and |
| <b>Appendix C -</b> | Review of Reserves.   |

\*Please note that this now summarises the savings on a project basis to reflect the detailed reports submitted to Cabinet and specific Scrutiny Forums on individual projects.

- 2.7 The comments / observations formulated by each Forum are to be fed back to the Scrutiny Co-ordinating Committee on the 27 January 2012, to enable the submission of a formal Scrutiny response to Cabinet on 6 February 2012.

- 2.8 To assist Members of this Scrutiny Forum in the consideration of the finalised proposals, arrangements have been made for the Director of Regeneration and Neighbourhoods to be in attendance and an invitation to this meeting has also been extended to the relevant Portfolio Holder(s) (attendance subject to availability).

### 3. RECOMMENDATIONS

- 3.1 It is recommended that the Regeneration and Planning Services Scrutiny Forum: -
- a) as part of the Budget and Policy Framework consultation proposals for 2012/2013, consider the (BT) Programme Targets, pressures and reserves relating to the regeneration and planning services areas of service provision within the Regeneration and Neighbourhoods Department; and
  - b) formulates any comments and observations in relation to each to be presented by the Chair of this Scrutiny Forum to the meeting of the Scrutiny Co-ordinating Committee, to be held on 27 January 2012, to enable a formal response to be presented to the Cabinet on 6 February 2012.

**Contact Officer:-** Elaine Hind – Scrutiny Support Officer  
Chief Executive's Department - Corporate Strategy  
Hartlepool Borough Council  
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### BACKGROUND PAPERS

- (i) Report of the Corporate Management Team entitled 'Medium Term Financial Strategy (MTFS) 2012/2013 To 2014/2015' presented to Cabinet on 10 October 2011
- (ii) Minutes from Cabinet - 10 October 2011
- (iii) Report of the Chief Finance Officer entitled 'Medium Term Financial Strategy (MTFS) 2012/2013 To 2014/2015 – Initial Consultation Proposals' presented to Scrutiny Co-ordinating Committee on 14 October 2011
- (iv) Minutes of the Scrutiny Co-ordinating Committee - 14 October 2011
- (v) Report of the Corporate Management Team entitled 'Medium Term Financial Strategy (MTFS) 2012/2013 To 2014/2015' presented to Cabinet on 19 December 2011
- (vi) Minutes from Cabinet - 19 December 2011
- (vii) Report of the Chief Finance Officer entitled 'Medium Term Financial Strategy (MTFS) 2012/2013 To 2014/2015 – Consultation Proposals' presented to Scrutiny Co-ordinating Committee on 13 January 2012

# **CABINET**

## **MINUTES AND DECISION RECORD**

19 December 2011

The meeting commenced at 9.15 am in the Civic Centre, Hartlepool

### **Present:**

The Mayor, Stuart Drummond - In the Chair

Councillors: Jonathan Brash (Housing and Transition Portfolio Holder)  
Robbie Payne (Deputy Mayor) (Finance and Procurement Portfolio Holder),  
Gerard Hall (Adult and Public Health Services Portfolio Holder),  
Cath Hill (Culture, Leisure and Tourism Portfolio Holder),  
Chris Simmons (Children's Services Portfolio Holder),  
Hilary Thompson (Performance Portfolio Holder),

Also Present: Councillor Christopher Akers Belcher, Vice Chair of Scrutiny  
Coordinating Committee and Chair of Children's Services Scrutiny  
Forum.  
Councillors Turner and Wells.

Officers: Nicola Bailey, Acting Chief Executive  
Andrew Atkin, Assistant Chief Executive,  
Chris Little, Chief Finance Officer  
Peter Devlin, Chief Solicitor  
Joanne Machers, Chief Customer and Workforce Services Officer  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Damien Wilson, Assistant Director, Regeneration and Planning  
Graham Frankland, Assistant Director, Resources  
Jill Harrison, Assistant Director, Adult Social Care  
Caroline O'Neill, Assistant Director, Performance and Achievement  
Phil Hornsby, Head of Service  
Joan Stevens, Scrutiny Manager  
Steve Hilton, Public Relations Officer  
David Cosgrove, Democratic Services Team

### **181. Apologies for Absence**

Councillors Pam Hargreaves (Transport and Neighbourhoods Portfolio Holder) and Peter Jackson (Regeneration and Economic Development and Skills Portfolio Holder).  
Councillor Stephen Akers-Belcher, Chair of Health Scrutiny Forum.

**184. Formal Response to the Executive's Medium Term Financial Strategy (MTFS) 2012/2013 to 2014/2015 – Initial Budget Consultations** (*Scrutiny Coordinating Committee*)

**Type of decision**

None.

**Purpose of report**

To provide the formal response of the Scrutiny Coordinating Committee in relation to the Executive's initial proposals for the Medium Term Financial Strategy (MTFS) 2012/2013 to 2014/2015.

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

The Vice-Chair of the Scrutiny Coordinating Committee reported that at the meeting of the Scrutiny Coordinating Committee held on 14 October 2011, consideration was given to the Executive's initial proposals for the Medium Term Financial Strategy (MTFS) 2012/2013 to 2014/2015.

At the meeting it was agreed that, as in previous years, each of the Standing Scrutiny Forums would consider the budget proposals covering the service areas within their remit. Comments / observations were subsequently fed back to the meeting of the Scrutiny Coordinating Committee held on 2 December 2011 to assist in the formulation of this Committee's formal response to Cabinet. The Vice-Chair of Scrutiny Coordinating Committee also highlighted that further consideration would be given to Cabinet's finalised proposals by the Scrutiny Coordinating Committee at its meetings on 13 January 2012 and 27 January 2012.

The Vice-Chair of the Scrutiny Coordinating Committee commented that during the determination of a formal response, Scrutiny Members were largely supportive in principle of the identified saving proposals, pressures, capital receipts, reserves and outturns and were keen to examining in greater detail the final budget proposals, once approved by Cabinet. Details of the specific comments made by each of the scrutiny forums was set out in the report.

Tabled at the meeting was a document setting out Cabinet's initial responses to the scrutiny comments on the initial budget proposals. The Mayor indicated that this would be formally forwarded to scrutiny with the MTFS for further consultation.

**Decision**

That the report be received.

**185. Medium Term Financial Strategy (MTFS) 2012/13 to 2014/15** *(Corporate Management Team)***Type of decision**

Budget and Policy Framework.

**Purpose of report**

The purpose of the report is to update the MTFS and to enable Cabinet to refer formal budget proposals to Scrutiny Coordinating Committee.

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

The Chief Finance Officer referred to the comprehensive report submitted to Cabinet on 10 October 2011 (Minute No.111 refers) and referred to Scrutiny Coordinating Committee on 14 October 2011. The report advised Members that the public sector and the Council are facing the greatest financial challenge which has existed in the past 50 years. This position reflects both national financial issues reflecting the Governments deficit reduction plan and locally the impact of demographic pressures.

The previous report identified two key financial issues facing the Council over the next three years.

- (i) the need to address a £15.083m budget deficit on the current net general fund budget of £91.8m.
- (ii) the need to fund one-off strategic costs of £14m, mainly relating to redundancy/ early retirement costs and unfunded Housing Market Renewal commitments.

The report presented to this meeting provided an update on these issues and other factors relevant to the budget strategy for the next three years.

Existing legislation requires the Government to formally make an annual settlement announcement regarding the allocation of grants to individual Councils. The 2012/13 settlement had not been announced by the Government when this report was prepared and was expected to be issued late on 8th December 2011. An additional appendix to the report had been circulated to Cabinet in advance of the meeting setting out the key issues arising from the formal consultation proposals for the distribution of Formula Grant for 2012/13 issued by the Department for Communities and Local Government on 8 December, 2011.

The Chief Finance Officer confirmed that there were no changes to the initial proposals set out by the government in February 2011 and therefore the grant cut of £4.1m (8%) for 2012/13 had been confirmed. The Chief Finance Officer referred Members to the table in the report comparing Hartlepool's 'spending power' cuts for 2010/11 and 2011/12 with other authorities, which shows the higher cuts facing Hartlepool. The Chief Finance Officer did indicate that the Government had announced that they would abolish Whitehall capping and replace it with Council Tax

referendums.

The Government were proposing thresholds for 'excessive' Council Tax increases which would trigger referendums, as follows:

- 3.5% for local authorities;
- 3.75% for the City of London;
- 4% for the Greater London Authority, police authorities and single purpose fire and rescue authorities.

These proposals needed to be formally approved by Parliament in late January 2012 as part of the final report on the 2012/13 Local Government Finance Settlement. It was expected these thresholds would be subject to annual review by the Government.

If an authority determined to approve a proposed Council Tax increase above the 'excessive' threshold a Council Tax referendum needed to be held not later than the first Thursday in May.

Authorities going down this route effectively needed a 'fall back' budget based on the referendum being unsuccessful. Under this scenario the Council Tax increase would be limited to the 'excessive' increase determined by the Government for triggering a referendum, i.e. 3.5% for 2012/13.

The Government's consultation on the 2012/13 Local Government Finance Settlement closes on 16 January 2012. It was suggested that Hartlepool did not seek a meeting with the Minister and provided only a written response, which it was proposed the Chief Finance Officer agreed with the Mayor.

Key issues that would be covered in the consultation response would be: -

- The fairness of the proposed settlement;
- The concern that funding had not been found to extend Transitional Grant to follow principles adopted for the previous 'floor damping system' which provided protection for a number of years. Particularly against background of Government finding significant funding to freeze Council Tax for 2012/13;
- The concern that the 2012/13 Council Tax freeze grant would only be paid for one year. This proposal clearly recognised that councils need additional funding, but only provided a temporary solution which would increase the financial challenges facing councils in 2013/14. The removal of this funding could not be viewed in isolation and needed to be considered in the context of other changes being made in 2013/14, including re-localisation of business rates, Council Tax Benefit changes and reform of the Local Government funding system.

The Chief Finance Officer went on to highlight the main aspects of the report for Cabinet's information. The matters highlighted sought Cabinet's approval to the detailed consultation issues that were to be referred to



Scrutiny Coordinating Committee. In addition to the fourteen matters that had been set out in the report, the Chief Finance Officer also indicated that in light of the Government announcement on Council Tax Referendums, Cabinet needed to have a view on a potential Council Tax rise.

The Mayor commented that as well as submitting a response on behalf of the Council to the Government's Consultation, Hartlepool would also be part of the joint response of North east Councils being coordinated by the Association of North East Councils (ANEC). This was welcomed by Cabinet members. Members suggested that any response for Hartlepool needed to include the comparison of spending power cuts set out on page 2 of the report as this highlighted the significant and undue pressure the council was being placed under through the government's cuts.

During the debate on the report, the following issues/questions were discussed –

- Would the Furniture Solutions proposal be going through a tendering process. The Director of Regeneration and Neighbourhoods indicated that if agreed it, then yes it would.
- The proposal to create a fund to tackle empty properties as set out in the report was supported.
- Concerns were expressed at the fact Hartlepool didn't qualify for transitional funding for 2012/13.
- Cabinet considered that the public needed to be made fully aware of the situation that would arise in the 2013/14 budget if the government's grant for maintaining a council tax freeze in 2012/13 was accepted. The Chief Finance Officer stated that if the Council did not support a Council Tax rise in 2012/13, then that income was effectively gone forever and this would increase the 2013/14 budget deficit by approximately £1m. Through the consultation response, the Council needed to emphasise that putting the money into transitional funding would have assisted council's more that the money being spent on the council tax freeze. Many other authorities had seen through this and were proposing increases for 2012/13.
- The prudential borrowing to fund the coastal defence works in Seaton Carew was welcomed.
- The revenue saving of £39,000 relating to the Church Square Capital fund was to be considered further.
- It was proposed that an element of capital receipts be utilised in the Central Linear Park to provide changing facilities.
- The Mayor indicated that the Government was hoping that authorities would see the grant to maintain the council tax freeze as a 'gift' but it had huge longer term consequences and with the changes to business rates and the cuts in benefits; a council tax rise of around 5% would be needed in 2013/14 to regain the income lost. Neighbouring authorities had already chosen not to take the grant and were proposing council tax rises of 3% to 3.5%.
- The new council tax rise referendum were discussed and Members commented that it effectively set a ceiling as it was unlikely that a vote

for a rise above the threshold would ever be won. The Mayor considered that through extensive consultation, beyond what was normally undertaken, it could be possible to bring forward the same response as a referendum would. Consultation would need to be geared towards what people didn't want, i.e. service cuts.

Cabinet supported the consultation set out in the report with the additions outlined above. In relation to Council Tax, Cabinet reluctantly agreed to recommend acceptance of the government grant and maintain a council tax freeze for 2012/13. Cabinet did recommend that the consultation with scrutiny include an indicative council tax rise of 3.5% being built into the budgets for 2013/14 and 2014/15.

### **Decision**

1. That the following issues be referred to Scrutiny Coordinating Committee for formal scrutiny:
  - (i) Details of revised outturn detailed in Appendix A to the report and proposal to earmark: -
    - a. £50,000 to provide a cash backed fund for the completion of housing works in default;
    - b. between £29,000 and £359,000 to support the 2012/13 budget; and
    - c. the remaining 2011/12 outturn balance of £867,000 to £1,197,00 to be carried forward to 2013/14 to either support the 2013/14 budget, or to provide a transitional scheme to partly mitigate the impact of changes to the Council Tax Benefit regime.
  - (ii) Seek views on the use of the 2011/12 savings of £76,848 from the Acting Chief Executive arrangements and £21,402 from the joint Head of HR role.
  - (iii) Seek views on the use of the one-off saving arising from the Industrial Action based on an estimated value of £50,000.
  - (iv) Proposed pressures detailed in Appendix B to the report.
  - (v) Revised planning assumptions detailed in Appendix C to the report.
  - (vi) Proposed savings detailed in Appendix D to the report.
  - (vii) Review of Reserves detailed in Appendix E. to the report
  - (viii) Seek views the proposed acceptance of the government's one year grant in order to maintain a council tax freeze for 2012/13 but that indicative council tax rises of 3.5% be set for 2013/14 and 2014/15.

- (ix) Seek views in the proposed strategy for funding the increased costs on the PCP capital schemes detailed in paragraph 4.12 of the report.
  - (x) Seek views on the proposal to create a capital investment fund of between £0.8m and £1.0m to develop a business case to buy and refurbish existing properties to provide affordable houses. This would also need to consider the impact of Section 106 monies secured on the Wynyard development of £1.2m. It was anticipated these monies would be phased over a few years and would increase the total resources to £2.2m.
  - (xi) Seek views on the allocation of the available Furniture Project reserve of £50,000 to kick start this project.
  - (xii) Seek views on whether the Major Regeneration Capital budget of £0.39m should be retained, or the budget should be deleted and a revenue saving of £39,000 taken by removing the Prudential Borrowing repayment budget, subject to the Director or Regeneration and Neighbourhoods providing more information.
  - (xiii) Seek views on the proposal to demolish the Brierton 'top site' building and ancillary buildings.
  - (xiv) Seek views on the proposed purchase of the Ambulance Station.
2. That a written response to 2012/13 Local Government Finance Settlement consultation, which closes on 16 January 2012, be submitted by the Chief Finance Officer following agreement with the Mayor and does not seek a meeting with the Minister.

**P J DEVLIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 23 DECEMBER 2011**

**SUMMARY OF SCRUTINY FEEDBACK ON BUDGET PROPOSALS AND CABINET RESPONSE**

Scrutiny Comments on Cabinet Proposal	Cabinet Response to Scrutiny
<b>Regeneration and Planning Services Scrutiny Forum Comments 3 November 2011</b>	
<p><u>Restructure of Economic Development</u></p> <p>Members raised concerns regarding the loss of 3 posts in the restructure of Economic Development, due to the cessation of Government Grants. Members felt that this would reduce the ability of the department to respond quickly to opportunities to secure grant funding when required.</p> <p>The department is also a resource used by Community Partners in particular who are seeking a statutory/community response to need, this work will be diminished by the reduction proposed and therefore will have the potential to weaken the towns overall economy and will impact disproportionately in deprived neighbourhoods.</p>	<p>The comment is noted in respect of the delivery of the service and the issues raised</p>

**SCHEDULE OF 2012/13 BUDGET PRESSURES - Regeneration and Neighbourhoods Department**

Budget Area	Value of Pressure £'000	Description of Pressure	Comment
Domestic Violence Co-ordinator	17	SBC previously contributed towards the funding of the DV Co-ordinator as part of their efficiency drive they have revisited their structure and will no longer contribute towards this post.	
	17		

**SCHEDULE OF BT PROGRAMME BUDGET REDUCTIONS****APPENDIX B**

6.1

<b>Dept</b>	<b>Projects (Title)</b>	<b>Target savings (£K)</b>	<b>Scrutiny Forum</b>	<b>Date reported to Cabinet</b>
R&N	Community Safety	£50,000	Regeneration & Planning Services Scrutiny Forum	
R&N	Management Savings (achieved in previous financial year)	£75,000	Regeneration & Planning Services Scrutiny Forum	
	<b>Total Target Savings</b>	<b>£125,000</b>		

Created 2010/11 as per Outturn Strategy £'000	Department	Reserve	Actual Balance 31/03/2011 £'000	Reason for/purpose of the Reserve	Total Value of Reserve to be released for One-off Strategic costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
£000			£000		£000	£000	
0	Regeneration & Neighbourhoods	Jobs and the Economy	380	ABG Funding received at the end of 2009/10.	200	180	Funding needed to cover the continued commitment to projects including ILM, Hartlepool Working Solutions and Business Incubation until March 2012.
0	Regeneration & Neighbourhoods	Regeneration & Neighbourhoods MRU	243	Funding set aside to support the ISQ Gateway Project, Vehicle Trackers and a temporary Planning Officer Post.	78	165	Commitment for a Planning Officer Post, Financing of Vehicle Trackers already purchased and funding to support the ISQ Gateway Project.
0	Regeneration & Neighbourhoods	Earmarked Grant Funding	222	Mainly balances remaining in 09/10 which relate to funding given for a specific purpose over more than one year.	104	118	Funding carried forward to fund ITU Management Consultant, Hart Graffiti removal project, Selective Licensing, and Regeneration grant funded schemes which run for more than one year. £10k redundancy provision transferred to Corporate Redundancy Reserve.
0	Regeneration & Neighbourhoods	Seaside Grant	200	Funding set aside to fund expenditure commitments on a Capital Project.	0	200	Capital grant to be used as part of Seaton redevelopment.
154	Regeneration & Neighbourhoods	Economic Development	154	Completion of various ongoing commitments including the Employment and Integration Scheme, Training Placements, Connect to Work, Jobsmart.	13	141	Grants carried forward to support the ESF Going Forward project.
132	Regeneration & Neighbourhoods	Community Safety	132	Local Public Service Agreement Phase 2 reward grant for committed projects approved by Safer Hartlepool Partnership - Domestic Violence.	0	132	Grant administered and controlled by SHP and contractually committed.

Created 2010/11 as per Outturn Strategy £'000	Department	Reserve	Actual Balance 31/03/2011 £'000	Reason for/purpose of the Reserve	Total Value of Reserve to be released for One-off Strategic costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
£000			£000		£000	£000	
112	Regeneration & Neighbourhoods	Licensing	112	Licence Fee Income in Advance - previously this was included on the Balance Sheet as Income in Advance and is now required to be carried forward as an 'Earmarked Reserve' under the new IFRS Code of Accounting Practice. The reserve will cover expenditure	100	12	Needed to support Licensing running costs in 2011/12.
46	Regeneration & Neighbourhoods	Community Safety	46	Completion of various contractual/committed projects including 'Target Hardening' & 'Local Volunteering'.	0	46	Contractual obligations.
0	Regeneration & Neighbourhoods	Economic Development	45	To fund Economic Development staff as temporary programme money ceases.	45	0	N/A
0	Regeneration & Neighbourhoods	Local Plan	32	To part fund the Local Development Framework within Planning.	0	32	Strategic studies needed to support the Local Development Framework.
0	Regeneration & Neighbourhoods	Regeneration Reserve - Specific	21	Mainly grant funding earmarked for future use.	21	0	N/A
15	Regeneration & Neighbourhoods	Economic Development	15	Managed Revenue Underspend earmarked for development of Hartlepool's Economic Regeneration Strategy.	5	10	Has to be carried out.
0	Regeneration & Neighbourhoods	Village Green Hearings etc.	10	Fund legal costs associated with public inquiries in relation to village green applications.	0	10	2 applications already received.
0	Regeneration & Neighbourhoods	Equine Enforcement	10	An increasing problem of unregulated tethering of horses on council land.	0	10	Member decision to implement equine enforcement policy.
<b>459</b>			<b>1,621</b>		<b>565</b>	<b>1,056</b>	



## **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM**

19 January 2012



**Report of:** Scrutiny Support Officer

**Subject:** MAYOR'S EMPLOYMENT INITIATIVE - COVERING  
REPORT

### **1. PURPOSE OF REPORT**

- 1.1 To inform Members that the Mayor has been invited to attend this meeting to provide information in relation to his recent town-wide employment initiative.

### **2. BACKGROUND INFORMATION**

- 2.1 The Mayor has recently undertaken an initiative to encourage each business in Hartlepool to employ an additional person or take on an apprentice, in an attempt to reduce the levels of unemployment within the town.
- 2.2 The Mayor has agreed to attend today's meeting of the Regeneration Planning Services Scrutiny Forum to share the results of this initiative with Members in relation to their investigation into employment and training initiatives for young people aged 19-25.

### **3. RECOMMENDATION**

- 3.1 It is recommended that the Members of the Regeneration and Planning Services Scrutiny Forum consider the information provided by the Mayor in relation to his recent town-wide employment initiative in relation to their investigation into training and employment opportunities for 19-25 year old.

**Contact Officer:-** Elaine Hind – Scrutiny Support Officer  
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### **BACKGROUND PAPERS**

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

## **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM**

19 January 2012



**Report of:** Scrutiny Support Officer

**Subject:** SCRUTINY INVESTIGATION INTO EMPLOYMENT AND TRAINING OPPORTUNITIES FOR YOUNG ADULTS AGED 19 - 25 – EVIDENCE FROM NORTH TEES AND HARTLEPOOL NHS FOUNDATION TRUST - COVERING REPORT

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### **1. PURPOSE OF REPORT**

- 1.1 To inform Members that a representative from the North Tees and Hartlepool NHS Foundation Trust has been invited to attend this meeting to provide information in relation to the investigation into employment and training opportunities in Hartlepool for young people aged 19-25.

### **2. BACKGROUND INFORMATION**

- 2.1 Members will recall that at the meeting of this Forum on 21 July 2011, Members of the Regeneration and Planning Services Scrutiny Forum determined their work programme for the 2011/12 Municipal Year. The issue of employment and training opportunities for young adults aged 19 - 25 was selected as the topic for investigation.
- 2.2 In accordance with the Terms of Reference and Potential Areas of Inquiry / Sources of Evidence for this Scrutiny investigation, a representative from North Tees and Hartlepool NHS Foundation Trust is attendance at today's meeting to provide Members with a presentation outlining the role the trust plays in employing and training young people in the 19-25 age range and how this role may change given the current economic climate and changes within the NHS.

### 3. RECOMMENDATION

- 3.1 It is recommended that the Members of the Regeneration and Planning Services Scrutiny Forum consider the evidence of the representative from North Tees and Hartlepool NHS Foundation Trust in attendance at this meeting and seek clarification on any relevant issues where required.

**Contact Officer:-** Elaine Hind – Scrutiny Support Officer  
Chief Executive's Department – Corporate Strategy  
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e-mail: elaine.hind@hartlepool.gov.uk

### BACKGROUND PAPERS

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

- (i) Report of the Scrutiny Support Officer entitled 'Scrutiny Investigation into Employment and Training Opportunities for Young Adults Aged 19-25 – Scoping Report' Presented to the Regeneration and Planning Services Scrutiny Forum on 1 September 2011.
- (ii) Minutes of the Regeneration and Planning Services Scrutiny Forum 21 July 2011.

## **REGENERATION AND PLANNING SERVICES SCRUTINY FORUM**

19 January 2012



**Report of:** Scrutiny Support Officer

**Subject:** SCRUTINY INVESTIGATION INTO EMPLOYMENT AND TRAINING OPPORTUNITIES FOR YOUNG ADULTS AGED 19 - 25 – EVIDENCE FROM HARTLEPOOL COLLEGE OF FURTHER EDUCATION - COVERING REPORT

### **1. PURPOSE OF REPORT**

- 1.1 To inform Members that a representative from Hartlepool College of Further Education has been invited to attend this meeting to provide information in relation to the investigation into employment and training opportunities in Hartlepool for young people aged 19-25.

### **2. BACKGROUND INFORMATION**

- 2.1 Members will recall that at the meeting of this Forum on 21 July 2011, Members of the Regeneration and Planning Services Scrutiny Forum determined their work programme for the 2011/12 Municipal Year. The issue of employment and training opportunities for young adults aged 19 - 25 was selected as the topic for investigation.
- 2.2 In accordance with the Terms of Reference and Potential Areas of Inquiry / Sources of Evidence for this Scrutiny investigation, a representative from Hartlepool College of Further Education is attendance at today's meeting to provide Members with a presentation outlining the following:-
- Details of Employment and training services provided for 19-25 year olds;
  - Details of apprenticeship schemes offered (including minimum qualification requirements) and links with local businesses;
  - How HCFE services link in with those of other service providers;
  - Any potential developments in programme provision to meet the needs of emerging employment opportunities in the area.

### 3. RECOMMENDATION

- 3.1 It is recommended that the Members of the Regeneration and Planning Services Scrutiny Forum consider the evidence of the representative from Hartlepool College of Further Education in attendance at this meeting and seek clarification on any relevant issues where required.

**Contact Officer:-** Elaine Hind – Scrutiny Support Officer  
Chief Executive's Department – Corporate Strategy  
Hartlepool Borough Council  
Tel: 01429 523647  
e-mail: elaine.hind@hartlepool.gov.uk

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