

Chief Executive's Department  
Civic Centre  
HARTLEPOOL

13 February, 2012

The Mayor (Stuart Drummond)

Councillors Aiken, C Akers-Belcher, S Akers-Belcher, Barday, Brash, Cook, Cranney, Fenwick, Fleet, Fleming, Gibbon, Griffin, Hall, Hargreaves, Hill, Ingham, Jackson, James, Lauderdale, Lawton, A E Lilley, G Lilley, Loynes, Maness, A Marshall, J Marshall, J W Marshall, McKenna, Dr. Morris, Payne, Preece, Richardson, Robinson, Rogan, Shaw, Shields, Simmons, Sirs, Sutheran, Tempest, Thomas, H Thompson, P Thompson, Turner, Wells, Wilcox and Wright.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 23 February, 2012 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

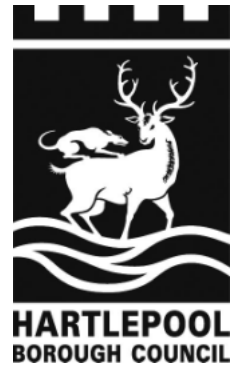
This meeting is convened to take into account any amendment or disagreement (with reasons supplied thereon) that the Executive has with Council's own amendment to the Executive's proposals on the 'Medium Term Financial Strategy – Budget and Policy Framework 2012/2013 to 2014/2015'.

Yours faithfully

N Bailey  
Acting Chief Executive

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# COUNCIL AGENDA



**23 February 2012**

**at 7.00 p.m.**

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

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
- 5 To approve the minutes of the last meeting of the Council held on 9<sup>th</sup> February 2012, as a correct record (to follow).
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
  - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
  - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
  - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given.
8. To deal with any business required by statute to be done.

9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;

None.

12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;

(i) Medium Term Financial Strategy – Budget and Policy Framework 2012/2013 to 2014/2015 (to follow)

13. To consider reports from the Executive:-

(a) Proposals in relation to the Council's budget and policy framework

None.

(b) Proposals for departures from the budget and policy framework

None.

14. To consider any motions in the order in which notice has been received:-

(a) This Council resolves that any variation from the current Budget and Policy Framework and Financial Procedure rules must be considered and determined by full Council.

In addition this Council resolve that the current Financial Procedure rules are to be considered by the Constitutional Committee as part of their ongoing review of the Constitution.

Signed by:-

Councillor C. Akers-Belcher

Councillor M.A. James

Councillor R.W. Cook

Councillor A. Wilcox

Councillor G. Hall

15. To receive the Acting Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

<p style="text-align: center;"><b>COUNCIL</b></p> <p style="text-align: center;"><b>MINUTES OF PROCEEDINGS</b></p> <p style="text-align: center;"><b>9 February 2012</b></p>
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The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

**PRESENT:-**

The Chairman (Councillor C Richardson) presiding:

The Mayor, Stuart Drummond

**COUNCILLORS:**

C Akers-Belcher	S Akers-Belcher	Barclay
Brash	Cook	Cranney
Fenwick	Fleet	Fleming
Gibbon	Hall	Hargreaves
Hill	Ingham	Jackson
James	Lauderdale	Lawton
A Lilley	G Lilley	Loynes
Maness	A Marshall	J W Marshall
McKenna	Dr. Morris	Payne
Preece	Robinson	Rogan
Shields	Simmons	Sirs
Tempest	Thomas	H Thompson
P Thompson	Turner	Wells
Wilcox	Wright	

**OFFICERS:**

Nicola Bailey, Acting Chief Executive  
Andrew Atkin, Assistant Chief Executive  
Peter Devlin, Chief Solicitor  
Chris Little, Chief Finance Officer  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Graham Frankland, Assistant Director, Resources  
Damien Wilson, Assistant Director, Regeneration and Planning  
Jill Harrison, Assistant Director, Child and Adult Services  
Steve Hilton, Public Relations Officer  
Denise Wimpenny, Angela Armstrong and Vicky Bosley, Democratic Services Team

## 127. APOLOGIES FOR ABSENT MEMBERS

Councillors Griffin, Shaw and Sutheran.

## 128. DECLARATIONS OF INTEREST FROM MEMBERS

The Mayor Stuart Drummond and Councillors Brash and Jackson declared prejudicial interests in Minute 138 (i) and left the meeting during consideration of this item of business. Councillor Tempest declared a personal interest in Minute 138 (i).

## 129. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None.

## 130. PUBLIC QUESTION

(i) The following question had been received from Mr Paul Mitchinson to the Mayor, Stuart Drummond

*“Why are full council giving final approval to the core strategy tonight, the 9th February 2012, four days in advance of the beginning of the six week statutory consultation period?”*

The Mayor responded that in accordance with the Budget and Policy Framework guidelines Council were being requested to approve the final draft of the Hartlepool Core Strategy which was known as the Publication Stage. Once approved this final draft was published for a six week consultation period in accordance with a statutory requirement under the planning regulations. The Council would summarise the main issues raised in all duly made representations from the six week consultation period. The summary of issues along with the Core Strategy would be submitted to the Secretary of State who would appoint a Planning Inspector to consider all relevant responses as part of a public examination that would be held later in 2012. The public examination would consider the legal compliance and soundness of the Core Strategy.

In a supplementary question, Mr Mitchinson raised concerns regarding the delay in commencement of the statutory consultation period which was scheduled for July 2011 and questioned the value of this process given that approval was being sought prior to commencement of the statutory consultation process. The Mayor stated that two processes of public statutory consultation had already taken place and reiterated the statutory requirements under the planning regulations together with the approval process.

Whilst one Member supported the comments of the questioner in terms of the value of the process another Member pointed out his active involvement in the consultation process. In response to a request for clarification, the Chief Solicitor outlined the statutory requirements and approval process for the draft core strategy.

(ii) The following question had been received from Ms Christine Blakey to the Mayor, Stuart Drummond

*“What measures are in place to ensure that organisations across our communities have valid Criminal Record Bureau checks in place so that children and vulnerable adults accessing any projects are safe?”*

The Mayor stated that all staff who worked for Hartlepool Borough Council and whose work related to children, young people and vulnerable adults must have an Enhanced CRB check every 3 years, as well as the Council using Safer Recruitment Procedures. The same was true of other statutory services including the NHS; Police, Probation Service etc. The requirements also applied to independent Children's Homes, Fostering Agencies and Adult Care Providers who were regulated and inspected by Ofsted or the Care Quality Commission.

All services that were commissioned by the Council through tendering processes were required to complete a Pre Qualifying Questionnaire to ensure that Safer Recruitment processes were in place.

The Hartlepool Safeguarding Children Board and the Hartlepool Safeguarding Vulnerable Adults Board were the local multi-agency bodies that oversee the local safeguarding arrangements and procedures.

There was a voluntary and community sector representative on the HSCB whose role was to provide a communication channel between the Board and Hartlepool Volunteer Development Agency and in turn with their members to try to ensure that information was disseminated as widely as possible.

Uniformed organisations for children and young people (Scouts; Guides; Army Cadets) had national arrangements in place for CRB checks and child protection procedures.

There were a number of localised small groups or providers of activities for children and young people in particular that would not have checks or policies in place e.g. football teams.

Local Safeguarding bodies had no powers of enforcement or direction over such organisations. However, support was available if requested from both HVDA and the Council who could assist with CRB checks, which were free for volunteers.

Concerns were raised in supplementary questions regarding the number of organisations that did not undertake the relevant checks to ensure children and vulnerable adults were protected. The Mayor responded by reiterating the

Council's safeguarding measures to ensure children and vulnerable adults were protected.

Concerns were raised in supplementary questions regarding the number of organisations that did not undertake the relevant checks to ensure children and vulnerable adults were protected. The Mayor responded by reiterating the Council had safeguarding measures in place to ensure children and vulnerable adults were protected and the Council insisted that those organisations providing services on the Council's behalf also followed Safer Recruitment practices. If any one had any concerns regarding the safety of a vulnerable child or adult then this could be reported into the Council for investigation..

#### 131. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 8 December 2011 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

#### 132. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None.

#### 133. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

None.

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given

- (i) Question from Councillor G Lilley to the Chairman of the Council

*'Following on from the vote of no confidence in the NT&H NHS trust by this Council on the 29 09 2011. When was the official letter sent by you as Chairman of the Council informing the trust of the Council's vote of no confidence.'*

The Chair of the Council confirmed that following the decision from the meeting of the Extraordinary Council a letter had been sent to the Minister of State for Health as agreed.

In a supplementary question, reference was made to a question raised by a member of the public following approval of the minutes at the last Council in

terms of how effective the unanimous vote of no confidence in the Board and Chief Executive of the NHS Trust had been indicating that the Chair of the Council had not advised the Board of the North Tees and Hartlepool NHS Trust of the Council's unanimous vote of no confidence.

The Chair emphasised that the Council's position was clear and as Chair of the Council he had carried out the wishes of the Council accordingly. The Chair responded to comments made by the questioner in terms of reviewing his position as Chair of the Council.

In the subsequent debate that followed the Mayor expressed his wish to withdraw his support from the motion of no confidence in the NHS Trust emphasising the need to work with the Trust to obtain the best health services for the town.

Members of the Council made comment upon and discussed the issues raised by the questioner. With regard to the Mayor's decision to withdraw his support from the motion the Chief Solicitor's advice was sought in terms of the impact of this decision. In response, the Chief Solicitor stated that whilst a different view had been expressed at this meeting, any votes taken in previous meetings that encapsulated a vote of no confidence had been subsequently approved in the minutes and therefore was a formal matter of record.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given.

None.

Minutes of the meetings of the Cleveland Police Authority held on 3<sup>rd</sup> August 2011, 4<sup>th</sup> August 2011, 28<sup>th</sup> September 2011 and 18<sup>th</sup> October 2011 and the meetings of the Cleveland Fire Authority held on 14<sup>th</sup> October 2011 were submitted.

#### 134. BUSINESS REQUIRED BY STATUTE

- (i) Report on Special Urgency Decisions

It was noted that no special urgency decisions had been taken in respect of the period October to December 2011.

#### 135. ANNOUNCEMENTS

The Chair congratulated Councillor Stephen Akers-Belcher on his recent appointment of Assistant General Secretary of the National Association of Councillors.



136. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None.

137. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

- (i) Report of the Constitution Committee – Review of Planning Delegations in relation to serving 215 Notices (Untidy land and buildings)

The Vice Chair of Constitution Committee presented a report which sought approval to amend the terms of the officer delegation scheme in relation to the issuing of Section 215 notices and agree a revised delegation system.

Members of the Planning Committee and Constitution Committee had agreed to amend the scheme of delegations, details of which were attached as appendices to the report. Council was requested to consider the following suggested revisions to the scheme:-

Part 3 – Planning Committee, Delegation 1e) – power to require proper maintenance of land – to be transferred to the Planning Services Manager.

Part 3 – Section 10 – Director of Regeneration and Neighbourhood Services functions – amend point 5 to include “.... Part III and Part VII (Chapter II) of the Town and Country Planning Act 1990....

Part 5 – Planning Code of Practice 1e) – power to require proper maintenance of land – to be transferred to the Planning Services Manager.

RESOLVED – That the proposals of the Constitution Committee, as set out above, be approved and adopted.

138. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

**Further to Minute 128 and prior to consideration of the following item of business The Mayor, Stuart Drummond and Councillors Brash and Jackson declared a prejudicial interest and left the meeting.**

- (i) Report of the Chief Solicitor and Monitoring Officer – Standards Committee Sanction - Councillor John Marshall (Independent)

The Chief Solicitor reported that on 13th December, 2011 the Standards Committee determined that Councillor John Marshall (Independent) had failed to comply with the Council's Code of Conduct in relation to paragraph 3(2)(b)

thereof. It was further determined by the Committee that Councillor Marshall as a sanction, should issue an apology in relation to that finding and should he fail to do so then he should be suspended for a period of one month. As Councillor Marshall failed to issue an apology within the prescribed time as indicated by the Committee, he was suspended for the period commencing 23rd December, 2011 for a period of one month. Where a Member is so suspended it was a consideration for the local authority whether or not that part of a Member's basic allowance covering the period of suspension should be withheld.

The report included background information to the complaint together with consequences of suspension.

Council were requested to determine whether Councillor John Marshall (Independent) should have his basic allowance withheld for the period of his suspension as outlined in the report.

RESOLVED – that no action be taken to withhold Councillor John Marshall (Independent) Basic Allowance for the period of his suspension.

**The Mayor, Stuart Drummond and Councillors Brash and Jackson rejoined the meeting.**

#### 139. REPORT FROM THE EXECUTIVE

- (a) Proposals in relation to the Council's budget and policy framework
- (i) Medium Term Financial Strategy 2011/12 to 2014/15

The Finance and Procurement Portfolio Holder formally presented to Council the Executive's proposals for the Medium Term Financial Strategy 2012/13 to 2014/15. The Portfolio Holder on behalf of Cabinet indicated appreciation for the support received from Scrutiny Co-ordinating Committee during the budget process. The final proposals from Cabinet were set out in the report for Council's consideration.

An amended document had been circulated to reflect the views of Cabinet following the meeting held on 6 February 2012.

The Portfolio Holder moved and commended the final budget proposals as set out in the report. The Mayor commented on the financial pressures facing the Council and thanked everyone involved in setting a particularly challenging budget.

The following amendments were moved and seconded:-

1. "This Council cannot agree to the budget proposal from Cabinet relating to the up-front costs from the ICT, Revenues and Benefits Contract. Our recommendation is to balance our 2012/13 budget by utilising £330k from the Job Evaluation Appeal Reserve. The remainder of the monies identified from

this reserve should be transferred to the General Fund.

The purpose of our decision is because this Council resolves we do not and will not privatise the Revenues and Benefits Service but our decision will allow the Council the opportunity to explore all available options for a new ICT contract, including both privatisation and an in-house option which may realise the maximum savings for the benefit of Hartlepool”

2. “This Council wishes to remove from £2k year on year Mayoral Allowance increase from the budget plus projected increase £9k for all Members which can be identified in the Statement of General Fund requirements 2012/13 and to transfer these amounts to General Fund Balances.”

3. “This Council supports the Scrutiny Co-ordinating Committee’s proposal to establish a “Ward Fund”. This should be established at £181,500 to be allocated equally to all Elected Members to directly address specific resident and ward issues.”

This fund will be created by allocating the under spends from both the Acting Chief Executive arrangements (£76,848) and the Joint Head of HR role (21,402) plus £83,250 from the 2011/12 favourable General Fund outturn for this municipal year.

Council further supports the allocating of the one-off saving arising from last year’s industrial action at £50,000 approximately to a ring-fenced budget for the retraining of staff on the redeployment register. Recommendation from HJTUC to support our members.”

4. “This Council approves the Furniture Project reserve @ £50,000 being allocated to kick start the said project.”

Members of the council made comment upon the proposed amendments.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken in relation to the proposed amendments:-

Those in favour of the recommendation:

Councillors C Akers-Belcher, S Akers-Belcher, Barclay, Cook, Cranney, Fenwick, Fleet, Fleming, Ingham, James, Lawton, Loynes, Maness, A Marshall, J W Marshall, McKenna, Dr. Morris, Preece, Richardson, Robinson, Rogan, Shields, Sirs, Tempest, Thomas, Wells and Wilcox.

Those against the recommendation:

The Mayor, Stuart Drummond  
Councillors Gibbon, Hill, Lauderdale, A E Lilley, G Lilley, H Thompson

Those abstaining:

Councillors Brash, Hall, Hargreaves, Jackson, Payne, Simmons, P Thompson,

Turner and Wright.

The vote was carried.

The substantive motion was agreed as follows:-

### **2011/12 Outturn Strategy**

1. **General Fund Budget 2011/12 Outturn** – approve the proposal to allocate the net underspend (arising from the robust management of budgets, the early achievement of planned 2012/13 savings and net interest savings) of £4.066m to meet specific commitments and support the 2012/13 and 2013/14 budgets as detailed in **Appendix B**, including the funding to cover the potential cost of a Mayoral referendum and the allocation of £2,500 per month to temporarily keep the Seaton Youth Centre open for up to 12 months to provide time to find alternative provision as part of the overall masterplan for Seaton, which Council are requested to note.
2. To note that a final decision on the use of resources allocated within **Appendix B** for Transitional Support to offset Council Tax Benefit Changes of £1.197m and to partly support the loss of the 2012/13 Council Tax freeze grant of £0.697m (£0.727m net of up to £30,000 to temporarily keep the Seaton Youth Centre open for up to 12 months) will be referred to Council in February 2013, as part of the 2013/14 budget process.

### **General Fund Budget 2011/12 Outturn**

3. Council supported Scrutiny Co-ordinating Committee's proposal to establish a Ward Fund at £181,500 to be allocated equally to all Elected Members to directly address specific resident and ward issues. The fund would be created by allocating the under spends from both the Acting Chief Executive arrangements (£76,848), the joint Head of HR role (£21,402) plus £83,250 from the 2011/12 favourable General Fund.
4. Council further supported the allocation of a one-off saving arising from last year's industrial action at approximately £50,000 to a ring-fenced budget for the retraining of staff on the redeployment register in support of a recommendation from Hartlepool Joint Trade Union Committee (HJTUC) to support its members.

### **Capital Outturn 2011/12**

5. Approve the proposals for funding the additional Primary Capital Programme costs of £0.670m as detailed in paragraph 4.18.

### **Early Intervention Grant 2011/12 Outturn**

6. Approve the proposal to allocate the £0.276m underspend to create risk reserves as detailed in paragraph 4.21, to support the delivery of the Early Intervention Strategy which was noted by Council.

### **Housing Scheme 2011/12 Outturn**

7. Approve the principle of allocating the in-year underspend of £0.2m, plus the ongoing saving of £60,000 to support Prudential Borrowing of £1m, plus Section 106 monies secured on the Wynyard development of £1.2m to establish a Housing Capital Investment Fund of £2.2m and note that a detailed business case will be reported to a future Cabinet and Council for using this funding.

### **2012/13 to 2014/15 Capital Programme**

8. Approve the 2012/13 capital programme proposals as detailed in **Appendix J**, which includes:
  1. Details of Capital Grants for the Local Transport Plan, Schools Capital Programme and Adult Social Services and to note that the relevant Portfolio Holders will approve individual schemes which meet Government Grant conditions;
  2. Proposal for using the Council Capital Investment Fund, detailed in **Appendix J**, table 4, including the retention of unallocated funding of between £368,000 and £418,000 to cover emergency capital expenditure, for allocation by Cabinet;
  3. The proposals to allocate £125,000 of the capital receipt from the sale of land for the Steetley Access Road for the provision of facilities to support leisure activities in the central area;
  4. The proposal to allocate £60,000 of the capital receipt from the sale of the Foggy Furze site for the provision of replacement/enhanced bowling facilities if this is required by Sports England;
  5. Retention of a Major Regeneration Capital budget of £0.39m to support detailed business cases to be approved by Cabinet and Council which either attract external fund and / or are strategically important for the town.
9. Approve the purchase of the Ambulance Station site to facilitate the sale of a larger site and increased capital receipt from the resulting 'marriage value', as detailed in **Appendix P. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

### **Strategy for Funding one-off Strategic Costs**

10. Approve the proposed strategy for funding One-off Strategic costs of £14m from a combination of:

1. £1.980m contribution from 2011/12 General Fund outturn;
2. £5.944m contribution from existing reserves following a re-assessment of these reserves and the risks they were originally earmarked to address, as detailed in **Appendix G** (replacement document, as detailed in paragraph 2.2 above) including the release of the £60,000 Budget Consultation reserve;
3. £1.500m from Capital Receipts already achieved; and
4. £4.576m from Capital Receipts to be achieved over the next 2 to 3 years.

### **2012/13 General Fund budget**

11. Approve the proposed funding allocations for implementing the Early Intervention Strategy, totalling £7.1m, as detailed in **Appendix C**. Note this expenditure is funded from the Early Intervention Grant
12. Approve the proposed pressures detailed in **Appendix D** of £1.730m.
13. Approve the strategy for bridging the 2012/13 budget deficit, which reflects the cut in Government grant and the above pressures, from a combination of:
  1. Implementing budget reductions of £1.584m arising from revised planning assumptions detailed in **Appendix E**, including the saving in Members Allowances from a reduction in the number of Councillors from May 2012.
  2. Removing the £2k year on year Mayoral Allowance increase from the budget plus the projected increase of £9k for all Members which could be identified in the Statement of General Fund requirements 2012/13 and to transfer these amounts to General Fund Balances.”
  3. Implementing a Council Tax freeze which will mean the Council will receive a one-year Council Tax freeze grant of £996,514 for 2012/13.
  4. Implementing budget cuts of £5.376m detailed in **Appendix F**.
  5. A contribution from the 2011/12 General Fund Outturn of £215,000, consisting of £186,000 to cover the reduction in the Collection Fund Surplus and £29,000 to cover the residual 2012/13 budget deficit.
14. The budget proposal from Cabinet relating to the up-front costs from the ICT Revenues and Benefits Contract was not approved by Council. Council recommended that £330k be utilised from the job evaluation appeal reserve to replace the ICT/Revenues and Benefits procurement saving and to balance the 2012/13 budget

with the remainder of the monies identified from this reserve to be transferred to the General Fund.

15. The Council explore all available options for a new ICT contract, including both privatisation and in-house options which may realise the maximum savings for the benefit of Hartlepool.
16. That £50,000 be allocated to the Furniture Project Reserve to kick start the said project.
17. Note the budget risk, mitigation strategy and robustness of the budget forecasts advice (sections 9 and 12).

### **2013/14 to 2014/15 Indicative Council Tax increases**

18. Approve indicative Council Tax increases for 2013/14 and 2014/15 of 3.49% per year. Note these proposals will be subject to annual review to reflect changes in the Council's financial position and the Government's announcement of annual trigger points for a Council Tax Referendum.

#### **(ii) Core Strategy**

The Mayor presented the report which sought Council approval to the Local Development Framework Core Strategy Publication Document for the purpose of consultation and subsequent submission to the Secretary of State for communities and Local Government.

The Core Strategy was the key development plan document (DPD) within the Local Development Framework which set out the spatial vision, strategic objectives and core policies for the town for the next 15 years.

It was moved and seconded that:-

- (i) The draft core Strategy Publication Document be approved, for consultation purposes.
- (ii) Authority be granted to the Director of Regeneration and Planning, in consultation with the Cabinet Member with responsibility for Planning Policy, to make any necessary minor amendments resulting from the recommendations of the Sustainability Appraisal and Habitats Regulations Assessment of the Document prior to submission.
- (iii) Subject to no substantive changes to the document being necessary following consultation, approval was granted for subsequent submission to the Secretary of State for Communities and Local Government for independent examination.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded

vote was taken in relation to the proposal:-

Those in favour –

The Mayor, Stuart Drummond,  
Councillors: C Akers-Belcher, S Akers-Belcher, Barclay, Brash, Cook,  
Cranney, Fenwick, Fleet, Fleming, Hall, Hargreaves, Hill, Ingham,  
Jackson, James, Lauderdale, Lawton, Loynes, Maness, A Marshall, J W  
Marshall, McKenna, Morris, Payne, Richardson, Robinson, Rogan,  
Shields, Simmons, Sirs, Tempest, Thomas, H Thompson, P Thompson,  
Turner, Wells and Wilcox.

Those against the recommendation:

Councillor Gibbon, A E Lilley, G Lilley, Preece and Wright

Those abstaining:

None.

The vote was carried.

Motion agreed.

### (iii) Local Development Framework – Annual Monitoring Report 2010/11

Under the Planning and Compulsory Purchase Act 2004, Local Planning Authorities are required to prepare a number of documents which together form the Local Development Framework (LDF) for an area. These documents include:-

(a) a Local Development Scheme (LDS) setting out a rolling programme for the preparation of planning policy documents,

(b) a Statement of Community Involvement (SCI) setting out the standards to be achieved in involving the community in the preparation of planning documents included in the LDS, and

(c) an Annual Monitoring Report (AMR) assessing the progress of preparation work against key milestones identified in the LDS and the effectiveness of existing planning policies.

The last of these three documents covering the period 1st April 2010 to 31st March 2011 was submitted for Council's approval. The full detailed report was available on the Council's website.

It was a statutory requirement that the AMR was submitted to the Secretary of State by 31st December each year. Following approval by the Portfolio Holder, the AMR had been submitted to the Department for Communities and Local Government (DCLG) with an indication that the document required formal



endorsement by Council, as it formed part of the Budget and Policy Framework. Because of the scheduling of Council meetings it had not been possible to secure Council approval before the end of December, but DCLG had confirmed that submission of the draft report would be acceptable in fulfilling the Government's requirements.

It was moved and seconded that the 2010/11 Local Development Framework Annual Monitoring Report be approved.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken in relation to the proposal:-

Those in favour –

The Mayor, Stuart Drummond,  
Councillors: C Akers-Belcher, S Akers-Belcher, Barclay, Brash, Cook, Cranney, Fenwick, Fleet, Fleming, Gibbon, Hall, Hargreaves, Hill, Ingham, Jackson, James, Lauderdale, Lawton, A E Lilley, G Lilley, Loynes, Maness, A Marshall, J W Marshall, McKenna, Morris, Payne, Preece, Richardson, Robinson, Rogan, Shields, Simmons, Sirs, Tempest, Thomas, H Thompson, P Thompson, Turner, Wells, Wilcox and Wright.

Those against the recommendation:

None.

Those abstaining:

None.

The vote was carried.

Motion agreed.

(b) Proposal for Departure from the Budget and Policy Framework

None.

#### 140. MOTIONS ON NOTICE

The following Motion had been received:-

“This Council resolves to amend Section 4 of the Council's Constitution and record within their annual Budget and Policy Framework that any favourable outturn must be allocated to the Council's General Fund. This will ensure that any further allocation of the said monies is subject to Full Council approval”.

Councillor C Akers-Belcher

Councillor T Lawton  
Councillor A Barclay  
Councillor P Ingham  
Councillor M James

The motion was moved and seconded.

Issues arising from the motion were debated by Members.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken in relation to the proposal:-

Those in favour:-

Councillors: C Akers-Belcher, S Akers-Belcher, Barlday, Cook, Cranney, Fenwick, Fleet, Fleming, Ingham, James, Lawton, Loynes, Maness, A Marshall, J W Marshall, McKenna, Morris, Preece, Ricardson, Robinson, Rogan, Shields, Sirs, Tempest, Thomas, P Thompson, Turner, Wells and Wilcox.

Those against:-

The Mayor, Stuart Drummond  
Councillors Gibbon, Hill, Lauderdale, A E Lilley, G Lilley and H Thompson

Those abstaining:

Councillors: Hall, Hargreaves, Jackson, Payne, Simmons and Wright

The vote was carried.

Motion agreed.

#### 141. CHILDREN'S SERVICES SCRUTINY FORUM – CO-OPTED MEMBER

The Acting Chief Executive reported that there were a number of statutory representatives on the membership of the Children's Services Scrutiny Forum. A nomination had been received from the Diocese of Hexham and Newcastle for Mr Lee to replace Mr Relton as the Roman Catholic representative on the Scrutiny Forum for a term of two years. Council's approval to the nomination was requested.

RESOLVED – That Mr Lee be appointed to the Co-opted position on the Children's Services Scrutiny Forum for a term of two years.

#### 142. GENERAL PURPOSES COMMITTEE

The Acting Chief Executive reported that notification had been received that Councillor Aiken had resigned from the General Purposes Committee. Members of the Association of Independent Councillors had advised that they did not wish to nominate to the vacancy arising from the resignation. The instructions of Council were therefore sought in relation to the vacancy on the Committee.

RESOLVED – That Councillor Loynes be appointed to the General Purposes Committee to replace Councillor Aiken.

#### 143. COMPOSITION POLITICAL GROUP – HARTLEPOOL INDEPENDENTS

Council was advised that since the last Council meeting, Councillors Gibbon, A Lilley and G Lilley had formed a political group 'Hartlepool Independents'. The necessary formal notice had been completed.

RESOLVED – That the report be noted.

#### 144. TREASURY MANAGEMENT STRATEGY

The Acting Chief Executive reported on the Authority's Treasury Management Strategy for 2012/2013, which included Prudential Indicators for 2012/2013.

In accordance with best practice guidelines the proposed Strategy was considered by the Audit Committee on 1 December 2011. The Audit Committee endorsed the proposed Strategy, as detailed in Appendix A and approved that it should be referred to Council for consideration and approval.

It was moved and seconded that the following recommendations be approved:-

1. The Prudential Indicators and Limits relating to Capital Expenditure for 2012/2013 to 2014/2015 as detailed in sections 4 and 5 of the report be approved.
2. The continuation of the netting down of investments and borrowings be approved noting that specific loans would be taken out for schemes approved on the basis of individual business cases.
3. The Treasury Prudential Indicators and the Minimum Revenue Provision (MRP) Statement in Section 6 of the report be approved.
4. The Treasury Prudential Indicators as outlined in Section 7 of the report be approved.
5. The Investment Strategy Counterparty Criteria contained within Section 7 of the report be approved, noting that the operational limits would continue to be further restricted.

6. The Treasury Management Limits on Activity, as detailed in Section 8 of the report be approved.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken in relation to the proposal:-

Those in favour:-

The Mayor, Stuart Drummond,  
Councillors: C Akers-Belcher, S Akers-Belcher, Barclay, Cook, Cranney, Fenwick, Fleet, Fleming, Gibbon, Hall, Hargreaves, Hill, Ingham, Jackson, James, Lauderdale, Lawton, A E Lilley, G Lilley, Loynes, Maness, A Marshall, J W Marshall, McKenna, Morris, Payne, Preece, Richardson, Robinson, Rogan, Shields, Simmons, Sirs, Tempest, Thomas, H Thompson, P Thompson, Turner, Wells, Wilcox and Wright.

Those against the recommendation:-

None.

Those abstaining:-

None.

The vote was carried.

Motion agreed.

#### 145. POTENTIAL CHANGE OF DATE/ADDITIONAL COUNCIL MEETING

It was reported that as Members were aware, the budget process each year was not concluded until the Council had approved the necessary statutory calculation of the overall level of Council Tax, including precepts to be levied by the Police and Fire Authorities. Council usually completed this task in a separate meeting after the Council had set its own budget and Council Tax at an earlier meeting.

A Council meeting had been scheduled for 23 February to approve the overall Council Tax level on the anticipation that the Police Authority would have set its budget and Council Tax by this date.

Members were advised that the Council had been informed that the Police Authority would not be determining its budget and therefore its Council Tax precept until Wednesday 29 February. This was a week later than in previous years, although it was within the statutory timescales for Police authorities setting the budget and Council Tax. Accordingly, there would be a requirement this year to hold an additional meeting of the Council on Thursday 1 March to approve the necessary statutory calculation of the overall level of Council Tax, including the Police Authority precept.

Council was therefore requested to –

- (i) agree that an additional ordinary meeting be held on Thursday 1 March 2012 commencing at 7.00 p.m.
- (ii) In light of the failure to agree the Medium Term Financial Strategy, the meeting of Council scheduled to be held on Thursday 23 February 2012 remain in the diary.

A Member emphasised the importance of reminding residents of the Council's decision not to increase Council Tax and the option of the police and fire authorities to increase their precepts which could have an impact on the overall Council Tax level.

RESOLVED –

- (i) That an additional ordinary meeting be held on Thursday 1 March 2012 commencing at 7.00 pm.
- (ii) That the meeting of Council scheduled to be held on Thursday 23 February 2012 remain in the diary.

#### 146. ARMED FORCES COMMUNITY COVENANT

The Acting Chief Executive presented the report which provided details of the aim of the Community Covenant highlighting that many people had become involved in supporting the Service community through Service charities, or more recently by participating in Armed Forces Day. They had shown their support through fundraising, military celebrations and open days, attending homecoming parades and repatriation ceremonies and offering commercial discounts. Even simple demonstrations of support, such as displaying the Armed Forces Day window sticker in cars and businesses, had had a positive effect and boosted the morale of the Armed Forces community. The Community Covenant scheme aimed to build on this local level of support. The aims of the Armed Forces Community Covenant were provided, as set out in the report.

It was reported that Local Authorities and the Armed Forces Community were encouraged to work together to establish a Community Covenant in their area. It was expected that most Community Covenants would be led at Local Authority level. However Unitary Authorities and individual towns may also wish to have a Community Covenant and this was equally welcomed.

The Local Authorities across Tees Valley had been asked to consider showing their commitment by signing up to a local area community covenant. As part of this process other public sector partners had indicated their willingness to have a cross Hartlepool covenant.

Council was asked to indicate its agreement to signing and being a key partner in the community covenant.

RESOLVED – Council agreed to signing and being a key partner in the community covenant.

147. ASSISTANT DIRECTOR (PERFORMANCE AND ACHIEVEMENT)

Members were reminded that this would be the last meeting of Council for Caroline O'Neill, Assistant Director, (Performance and Achievement).

Members spoke in tribute to Caroline's hard work, dedication and overall contribution to improvements within the Child and Adult Services Department and the Council.

The meeting concluded at 8.47 pm

CHAIR

# COUNCIL REPORT

23<sup>rd</sup> February 2012



**Report of:** The Acting Chief Executive, Chief Finance Officer and Chief Solicitor

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS) - BUDGET AND POLICY FRAMEWORK 2012/13 TO 2014/2015

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## 1. PURPOSE OF REPORT

1.1 The purposes of the report are:

- i) To present details of the Mayor's formal objection to the Council's amendments to the 2012/13 budget and policy framework proposals following the meeting of full Council on 9<sup>th</sup> February; and
- ii) To enable full Council to consider the Mayor's objections and to make a final decision on these issues to enable the 2012/13 budget and Council Tax to be set.

## 2. BACKGROUND

- 2.1 In accordance with the Council's Budget and Policy Framework Procedure Rules the Cabinet's proposed 2012/13 budget and Council Tax level were reported to full Council on 9<sup>th</sup> February 2012. These proposals reflected the work undertaken by Cabinet over a number of months and the consultation undertaken as part of the formulation of these proposals.
- 2.2 Full Council considered the detailed Cabinet proposals and resolved to amend those proposals as detailed in **Appendix 1**.
- 2.3 In accordance with the Council's Budget and Policy Framework Procedure rules the Council's decision becomes effective 5 working days after publication unless the Mayor formally objects within that period.
- 2.4 The Mayor must notify the proper officer (the Acting Chief Executive) prior to the decision becoming effective of that objection and give the reasons for the objection. The proper officer must then call a meeting of the full Council within 14 days of the Mayor's objection. At this meeting, Council are required to reconsider the issue in the light of that objection. A final decision will be made on the matter, in accordance with the relevant Budget and Policy Framework Procedure Rules and statutory regulations, on the basis of a two thirds majority of Members present and voting in favour of the Council's changes to the proposals. Where a two thirds majority in favour of

the Council's amendments is not achieved then the Executive's original proposals will stand.

### 3. MAYOR'S OBJECTION TO COUNCIL DECISION OF 9<sup>th</sup> FEBRUARY 2012

- 3.1 The Mayor notified the proper officer on 17<sup>th</sup> February 2012 that he wishes to object to the amendments proposed by Council on 9<sup>th</sup> February 2012, as detailed in **Appendix 2**.
- 3.2 As a meeting of full Council was already scheduled for 23<sup>rd</sup> February 2012 an additional meeting does not need to be scheduled as this issue can be considered at this meeting.
- 3.3 The Mayor has also stated within **Appendix 2** that he does not wish to object to the proposed allocation of the one-off savings from last year's industrial action of approximately £50,000 to retrain staff on the redeployment register as proposed by the Hartlepool Joint Trade Union Committee. The Mayor has stated that he would support this amendment to the original budget proposals referred by Cabinet to Council on 9<sup>th</sup> February.

### 4. CONSIDERATION OF MAYOR'S OBJECTION

- 4.1 To assist Members consideration of the Mayor's objection copies of the reports and supporting information presented to Council on 9<sup>th</sup> February 2012 are provided in a separate book to the agenda.
- 4.2 In accordance with the Council's Budget and Policy Framework Procedure Rules and statutory regulations full Council needs to consider the Mayor's objections and make a final decision on the budget proposals. This decision needs to either:
- i) Confirm the decision made by full Council on 9<sup>th</sup> February as detailed in **Appendix 1** and therefore approve the detailed supporting proposals to implement this decision as set out in **Appendix 3** and supporting statutory calculations detailed in **Appendix 4**;
- OR
- ii) If these proposals are not approved by a two third majority of Members present and voting to note that the Council's amendments are not achieved and the Executive's proposals stand, as detailed in **Appendix 5** (amended to reflect the Mayor's support to allocate the one-off savings from last year's industrial action of approximately £50,000 to retrain staff on the redeployment register as proposed by the Hartlepool Joint Trade Union Committee) and supporting statutory calculations detailed in **Appendix 6**.
- 4.3 As indicated in the MTFs report referred to Council on 9<sup>th</sup> February 2012 the Local Government Act 2003 places a statutory requirement on an Authority's



Chief Finance Officer (CFO) to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. This advice needs to be taken into account before the Council finalises the budget proposals for 2012/13 and makes a decision on the alternatives detailed in the previous paragraph.

- 4.4 The Chief Finance Officer advised both Cabinet and Council that the initial budget proposals referred to Cabinet on 6<sup>th</sup> February 2012 and Council on 9<sup>th</sup> February 2012 were robust and set out the reasons for this advice in the previous MTFS report.
- 4.5 The Chief Finance Officer is required to review this advice to reflect the decisions made by Council on 9<sup>th</sup> February 2012, to ensure full Council is aware of the financial impact before finalising the 2012/13 budget.
- 4.6 This review has been completed and the Chief Finance Officer can confirm that the revised Council proposals, if implemented, would also be robust.
- 4.7 This advice recognises that the alternative Council proposal of using £330,000 from the one-off funding no longer needed to fund back-dated Job Evaluation costs to replace the saving which would have been achieved in 2012/13 from implementing the ICT / Revenues and Benefits procurement will enable a balanced budget to be set for 2012/13.
- 4.8 Whilst, the Chief Finance Officer's statutory advice is only required in relation to the 2012/13 budget and the level of reserves, it is appropriate to formally advise Members that the alternative strategy may not provide the same level of saving in 2013/14 as the proposed ICT / Revenues and Benefits procurement. In this event alternative savings will need to be identified as part of the 2013/14 budget process.
- 4.9 Members have previously acknowledged that they understand this position and believe the alternative strategy will deliver the required alternative savings.

## 5.0 PROPOSALS

- 5.1 In accordance with the Council's Budget and Policy Framework Procedures full Council needs to consider the Mayor's objections and make a final decision on the budget proposals and approve the necessary statutory calculations to set the 2012/13 budget and Council Tax level. This decision needs to either:
- 5.2 Confirm the decision made by full Council on 9<sup>th</sup> February as detailed in **Appendix 1** and therefore approve the detailed supporting proposals to implement this decision as set out in **Appendix 3** and supporting statutory calculations detailed in **Appendix 4**;

### OR

- 5.3 If these proposals are not approved by a two third majority of those Members present and voting to note that the Council's amendments are not achieved and the Executive's proposals stand, as detailed in **Appendix 5** (amended to reflect the Mayor's support to allocate the one-off savings from last year's industrial action of approximately £50,000 to retrain staff on the redeployment register as proposed by the Hartlepool Joint Trade Union Committee) and supporting statutory calculations detailed in **Appendix 6**.

## APPENDIX 1

**AMENDMENTS TO CABINET'S BUDGET PROPOSAL APPROVED BY COUNCIL  
9<sup>th</sup> FEBRUARY 2012**

The following amendments were moved and seconded:-

1. "This Council cannot agree to the budget proposal from Cabinet relating to the up-front costs from the ICT, Revenues and Benefits Contract. Our recommendation is to balance our 2012/13 budget by utilising £330k from the Job Evaluation Appeal Reserve. The remainder of the monies identified from this reserve should be transferred to the General Fund.

The purpose of our decision is because this Council resolves we do not and will not privatise the Revenues and Benefits Service but our decision will allow the Council the opportunity to explore all available options for a new ICT contract, including both privatisation and an in-house option which may realise the maximum savings for the benefit of Hartlepool"

2. "This Council wishes to remove from £2k year on year Mayoral Allowance increase from the budget plus projected increase £9k for all Members which can be identified in the Statement of General Fund requirements 2012/13 and to transfer these amounts to General Fund Balances."
3. "This Council supports the Scrutiny Co-ordinating Committee's proposal to establish a "Ward Fund". This should be established at £181,500 to be allocated equally to all Elected Members to directly address specific resident and ward issues."

This fund will be created by allocating the under spends from both the Acting Chief Executive arrangements (£76,848) and the Joint Head of HR role (21,402) plus £83,250 from the 2011/12 favourable General Fund outturn for this municipal year.

Council further supports the allocating of the one-off saving arising from last year's industrial action at £50,000 approximately to a ring-fenced budget for the retraining of staff on the redeployment register. Recommendation from HJTUC to support our members."

4. "This Council approves the Furniture Project reserve @ £50,000 being allocated to kick start the said project."

## APPENDIX 2

**MAYOR'S OBJECTION TO AMENDMENTS APPROVED BY COUNCIL 9<sup>TH</sup> FEBRUARY 2012**

Dear Nicola,

Council 9th February 2012 – Medium Term Financial Strategy (MTFS) – Budget and Policy Framework 2012/13 to 2014/15

In accordance with your role as proper officer and the requirements of the Budget and Policy Framework Procedure Rules I wish to formally object to the proposed amendments to the Medium Term Financial Strategy proposals approved by full Council on 9th February 2012. I would request that this objection is referred to full Council on 23rd February 2012 for consideration. The reasons for my objection are set out below:

\* ICT / Revenues and Benefits procurement saving and funding strategy for one-off costs

The MTFS report referred to full Council detailed Cabinet's overall proposals for managing the 2012/13 budget deficit, which includes the proposed savings from the ICT / Revenues and Benefits procurement and the funding strategy for the associated one off costs. This proposal would provide significant financial savings over the lifetime of the contract and therefore the entirety of the Medium Term Financial Strategy, existing staff working in Revenues and Benefits would benefit from TUPE+ and the successful supplier would provide new jobs in Hartlepool. Council's decision not to approve the funding strategy for one-off costs will mean these benefits are not achieved. I firmly believe this course of action is absolutely essential to not only provide significant job protection for those staff working in those departments but also to reduce the risk to every other job in the organisation due to the magnitude of the savings.

Cabinet considered a range of options for funding these one off costs and had recommended funding these costs from the release of the Job Evaluation Appeal reserves which is no longer needed. This option maximises the ICT / Revenues and Benefits saving which can be taken in 2012/13 and over the lifetime of the contract. These ongoing and increasing savings reduces the need to make other cuts.

The proposed amendment approved by Council will mean that the ICT / Revenues and Benefits savings of £330,000 will not be achieved in 2012/13. Whilst, Council has proposed how this shortfall can be funded on a temporary basis in 2012/13 they have not identified a permanent solution to address the resulting increase in the budget deficit in 2013/14 nor is there any strategy to address the significant budget deficit this course of action will cause in future years. The confidential information provided with the MTFS report detailed the increasing annual saving from the Revenues and Benefits procurement and these cumulative saving over the lifetime of the contract. These savings significantly exceed the one off costs arising from this procurement.

The decision by Council therefore means that significant replacement savings will need to be made as part of the 2013/14 budget process. Given the scale of cuts implemented in 2011/12 and 2012/13, and the additional cuts which will need to be made in 2013/14 and future years I believe that Council needs to reconsider this issue. The ICT / Revenues and Benefits procurement will provide significant savings over the period 2012/13 to 2018/19, which significantly exceed the one-off costs associated with this proposal, as detailed in the confidential Appendices to the Council report.

\* Establishment of Ward Fund of £181,500

In view of the budget cuts being made for 2012/13 and those which will require to be made in 2013/14 and continuing into 2014/15 I do not support this proposal and propose that these resources should be allocated to support the 2013/14 budget. The availability of this funding to support the budget in 2013/14 could become crucial if full Council does not reconsider the ICT / Revenues and Benefits proposal, as the Council will face a significantly higher budget deficit in 2013/14 without this procurement saving.

\* Furniture Project Reserve of £50,000

In the current austere financial climate I do not believe this service needs to be developed as alternative providers already operate within Hartlepool. Although, I am supportive of the principle I also believe it to be unnecessary to spend this money as Council proposes and that Council should simply direct people to existing services. The £50,000 can then be allocated to support the 2013/14 budget.

I would also point out that I wish to object to the Council's budget recommendation in its entirety due to the reasons mentioned above.

I wish to take this opportunity to clarify my position on the proposal put forward for using the one-off saving arising from last year's industrial action. On reflection I confirm and support the proposal to ring-fence funding of £50,000 to retrain staff on the redeployment register.

Stuart

## APPENDIX 3

**DETAILED SUPPORTING RESOLUTIONS TO PARAGRAPH 5.2 TO IMPLEMENT COUNCIL'S AMENDMENTS TO THE PROPOSED MTFS PROPOSALS AS APPROVED BY FULL COUNCIL ON 9<sup>th</sup> FEBRUARY 2012**

(Where reference is made to a paragraph number or an appendix this refers to the original Cabinet report which is circulated as a separate booklet with the agenda)

**2011/12 Outturn Strategy**

1. **General Fund Budget 2011/12 Outturn** – approve the proposal to allocate the net underspend (arising from the robust management of budgets, the early achievement of planned 2012/13 savings and net interest savings) of £4.066m to meet specific commitments and support the 2012/13 and 2013/14 budgets as detailed in **Appendix B**, including the funding to cover the potential cost of a Mayoral referendum and the allocation of £2,500 per month to temporarily keep the Seaton Youth Centre open for up to 12 months to provide time to find alternative provision as part of the overall masterplan for Seaton, which Council are requested to note.
2. To note that a final decision on the use of resources allocated within **Appendix B** for Transitional Support to offset Council Tax Benefit Changes of £1.197m and to partly support the loss of the 2012/13 Council Tax freeze grant of £0.697m (£0.727m net of up to £30,000 to temporarily keep the Seaton Youth Centre open for up to 12 months) will be referred to Council in February 2013, as part of the 2013/14 budget process.

**General Fund Budget 2011/12 Outturn**

3. Council supported Scrutiny Co-ordinating Committee's proposal to establish a Ward Fund at £181,500 to be allocated equally to all Elected Members to directly address specific resident and ward issues. The fund would be created by allocating the under spends from both the Acting Chief Executive arrangements (£76,848), the joint Head of HR role (£21,402) plus £83,250 from the 2011/12 favourable General Fund.
4. Council further supported the allocation of a one-off saving arising from last year's industrial action at approximately £50,000 to a ring-fenced budget for the retraining of staff on the redeployment register in support of a proposal from Hartlepool Joint Trade Union Committee (HJTUC) to support its members.

**Capital Outturn 2011/12**

5. Approve the proposals for funding the additional Primary Capital Programme costs of £0.670m as detailed in paragraph 4.18.

### Early Intervention Grant 2011/12 Outturn

6. Approve the proposal to allocate the £0.276m underspend to create risk reserves as detailed in paragraph 4.21, to support the delivery of the Early Intervention Strategy which was noted by Council.

### Housing Scheme 2011/12 Outturn

7. Approve the principle of allocating the in-year underspend of £0.2m, plus the ongoing saving of £60,000 to support Prudential Borrowing of £1m, plus Section 106 monies secured on the Wynyard development of £1.2m to establish a Housing Capital Investment Fund of £2.2m and note that a detailed business case will be reported to a future Cabinet and Council for using this funding.

### 2012/13 to 2014/15 Capital Programme

8. Approve the 2012/13 capital programme proposals as detailed in **Appendix J**, which includes:
  1. Details of Capital Grants for the Local Transport Plan, Schools Capital Programme and Adult Social Services and to note that the relevant Portfolio Holders will approve individual schemes which meet Government Grant conditions;
  2. Proposal for using the Council Capital Investment Fund, detailed in **Appendix J**, table 4, including the retention of unallocated funding of between £368,000 and £418,000 to cover emergency capital expenditure, for allocation by Cabinet;
  3. The proposals to allocate £125,000 of the capital receipt from the sale of land for the Steetley Access Road for the provision of facilities to support leisure activities in the central area;
  4. The proposal to allocate £60,000 of the capital receipt from the sale of the Foggy Furze site for the provision of replacement/enhanced bowling facilities if this is required by Sports England;
  5. Retention of a Major Regeneration Capital budget of £0.39m to support detailed business cases to be approved by Cabinet and Council which either attract external fund and / or are strategically important for the town.
9. Approve the purchase of the Ambulance Station site to facilitate the sale of a larger site and increased capital receipt from the resulting 'marriage value', as detailed in **Appendix P**. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

## Strategy for Funding one-off Strategic Costs

10. Approve the proposed strategy for funding One-off Strategic costs of £14m from a combination of:

1. £1.980m contribution from 2011/12 General Fund outturn;
2. £5.944m contribution from existing reserves following a re-assessment of these reserves and the risks they were originally earmarked to address, as detailed in **Appendix G** (replacement document, as detailed in paragraph 2.2 above) including the release of the £60,000 Budget Consultation reserve;
3. £1.500m from Capital Receipts already achieved; and
4. £4.576m from Capital Receipts to be achieved over the next 2 to 3 years.

## 2012/13 General Fund budget

11. Approve the proposed funding allocations for implementing the Early Intervention Strategy, totalling £7.1m, as detailed in **Appendix C**. Note this expenditure is funded from the Early Intervention Grant

12. Approve the proposed pressures detailed in **Appendix D** of £1.730m.

13. Approve the strategy for bridging the 2012/13 budget deficit, which reflects the cut in Government grant and the above pressures, from a combination of:

1. Implementing budget reductions of £1.584m arising from revised planning assumptions detailed in **Appendix E**, including the saving in Members Allowances from a reduction in the number of Councillors from May 2012.
2. Implementing a Council Tax freeze which will mean the Council will receive a one-year Council Tax freeze grant of £996,514 for 2012/13.
3. Implementing budget cuts of £5.376m detailed in **Appendix F**.
4. A contribution from the 2011/12 General Fund Outturn of £215,000, consisting of £186,000 to cover the reduction in the Collection Fund Surplus and £29,000 to cover the residual 2012/13 budget deficit.
5. The budget proposal from Cabinet relating to the up-front costs from the ICT Revenues and Benefits Contract was not approved by Council. Council recommended that £330k be utilised from the job evaluation appeal reserve to replace the ICT/Revenues and Benefits procurement saving and to balance the 2012/13 budget with the remainder of the monies identified from this reserve to be transferred to the General Fund.



- 14.** The Council explore all available options for a new ICT contract, including both privatisation and in-house options which may realise the maximum savings for the benefit of Hartlepool.
- 15.** The £2k year on year Mayoral Allowance increase from the budget plus the projected increase of £9k for all Members which could be identified in the Statement of General Fund requirements 2012/13 be removed and these amounts transferred to General Fund Balances
- 16.** That £50,000 be allocated to the Furniture Project Reserve to kick start the said project.
- 17.** Note the budget risk, mitigation strategy and robustness of the budget forecasts advice (sections 9 and 12).
- 18.** Note the overall General Fund Budget Requirement resulting from the previous proposals as detailed in the Table to this Appendix.

#### **2013/14 to 2014/15 Indicative Council Tax increases**

- 19.** Approve indicative Council Tax increases for 2013/14 and 2014/15 of 3.49% per year. Note these proposals will be subject to annual review to reflect changes in the Council's financial position and the Government's announcement of annual trigger points for a Council Tax Referendum.

**TABLE TO APPENDIX 3 - STATEMENT OF GENERAL FUND REQUIREMENTS 2012/13 TO 2014/2015**  
**(Based on Council's proposed amendments to Cabinet's initial budget proposals)**

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 PROJECTED BUDGET	2014/2015 PROJECTED BUDGET
	£m.	£m.	£m.	£m.
<b>DEPARTMENTAL REQUIREMENTS</b>				
Chief Executives Department	4.501	2.477	2.539	2.602
Rent Allowances/C.Tax benefit not subsidised	1.433	1.469	1.506	1.544
Rent Allowances Grant	(1.216)	(1.246)	(1.277)	(1.309)
Child and Adult Services	51.710	51.699	52.992	54.317
Regeneration & Neighbourhoods Services	21.063	21.039	21.565	22.104
<b>TOTAL DEPARTMENTAL REQUIREMENTS</b>	<b>77.491</b>	<b>75.438</b>	<b>77.325</b>	<b>79.258</b>
Property Budgets	3.127	3.199	3.279	3.361
<b>EXTERNAL REQUIREMENTS</b>				
Magistrates, Probation and Coroners Court	0.197	0.202	0.207	0.212
North Eastern Sea Fisheries Levy	0.032	0.033	0.034	0.035
Flood Defence Levy	0.055	0.070	0.072	0.074
Discretionary NNDR Relief	0.108	0.111	0.114	0.117
<b>CORPORATE COMMITMENTS</b>				
IT.	2.508	0.000	0.000	0.000
Telecoms	0.000	0.106	0.109	0.112
ICT and Revenues & Benefit	0.000	5.253	5.384	5.518
Audit Fees	0.363	0.282	0.289	0.296
Centralised Estimates	7.179	7.081	7.057	7.015
Insurances (Note 1)	0.187	0.299	0.306	0.314
Designated Authority Costs	0.092	0.044	0.045	0.046
Pensions	0.371	0.430	0.441	0.452
Members Allowances	0.374	0.308	0.316	0.324
Mayoral Allowance	0.069	0.069	0.071	0.073
50% Contribution to Director of Public Health	0.000	0.042	0.043	0.044
Emergency Planning	0.087	0.080	0.082	0.084
2012/13 Strategic Contingency (Note 2)	0.410	0.383	0.391	0.402
Job Evaluation and Pay Awards April 2012	1.600	1.410	1.573	1.565
2012/13 Pressures	0.000	1.730	1.773	1.818
Headroom for 2013/14 Pressures	0.000	0.000	1.000	1.025
Headroom for 2014/15 Pressures	0.000	0.000	0.000	1.000
Pressures year 2 and 3 additional costs	0.312	0.000	0.000	0.000
Benefit Subsidy income	(0.300)	(0.300)	0.000	0.000
Removal of Revenue funding & replace with capitalisation	0.000	0.000	(0.250)	(0.250)
LATS income	(0.200)	(0.200)	0.000	0.000
Parish Precepts	0.027	0.026	0.027	0.028
Savings Projects Investigation Costs (C Tax Base)	0.250	0.000	0.000	0.000
Pressure from loss of funding for academies programme	0.000	0.280	0.280	0.280
Car Allowances Savings	0.000	(0.030)	(0.031)	(0.032)
BT efficiencies 2012/13	0.000	(5.376)	(5.510)	(5.648)
Contribution to General Fund Reserves - Mayoral/Members Allowances inflation provision not needed in 2012/13	0.000	0.011	0.011	0.011
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>94.339</b>	<b>90.981</b>	<b>94.438</b>	<b>97.534</b>
Council Tax Percentage Increase	0.0%	0.0%	3.49%	3.49%
Council Tax - Base Income	39.669	39.724	41.561	43.212
Council Tax - Precept Income	0.000	0.026	0.026	0.026
Council Tax - freeze grant 2011/12 regime - payable until 2014/15	0.991	0.991	0.991	0.991
Council Tax - freeze grant 2012/13 regime - 1 year grant	0.000	0.997	0.000	0.000
New Homes Bonus	0.000	0.558	0.838	0.838
Additional New Homes Bonus	0.000	0.210	0.210	0.210
Formula Grant	45.384	41.276	40.616	37.610
Formula Grant - transfer from Specific Grants	6.626	6.210	6.111	5.658
Contribution from Budget Support Fund and other Reserves	0.900	0.000	0.000	0.000
Contribution from 2009/10 Departmental Risk Reserves	0.561	0.000	0.000	0.000
Collection Fund Surplus - removal of 50% C Tax discount	0.000	0.430	0.000	0.000
Collection Fund Surplus/(deficit) - normal activity	0.208	0.014	0.000	0.000
Contribution from 2011/12 Outturn to fund Collection Fund Deficit	0.000	0.186	0.000	0.000
Contribution from Job Evaluation reserves to offset removal ICT / R & B saving	0.000	0.330	0.000	0.000
<b>BUDGET LIMIT</b>	<b>94.339</b>	<b>90.952</b>	<b>90.353</b>	<b>88.545</b>
<b>DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>0.029</b>	<b>4.086</b>	<b>8.988</b>
<b>Less Cumulative cuts in previous years</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(4.188)</b>
<b>New Annual Savings - above BTP</b>	<b>0.000</b>	<b>0.029</b>	<b>4.086</b>	<b>4.800</b>

Note 3

## NOTES

1) Insurances

Following the successful tendering exercise with Redcar and Cleveland Council the insurance budget has now been centralised for management purposes.

	£'000
Budget	187
Inflation	5
Saving from Contract Renewal	(110)
Budget from Departments	217
	<u>299</u>

## 2) Strategic Contingency

	<u>2011/12</u>	<u>2012/2013</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
Energy Costs	150	156	162	168
Repayment severance costs	120	120	120	120
Discretionary Business Rates	51	54	55	58
Revenue Cost of Capitalisation	51	53	54	56
Priorities - Members ICT	38	0	0	0
	<u>410</u>	<u>383</u>	<u>391</u>	<u>402</u>

3) 2012/13 Budget Deficit

	£m
Gross Deficit	7.319
Impact of changes in planning assumptions	<u>(1.584)</u>
	5.735
Departmental Savings	<u>(5.376)</u>
Sub Total	0.359
Contribution from Job Evaluation reserves to offset removal ICT / R & B saving	<u>(0.330)</u>
Deficit to be bridged from 2011/12 Outturn	<u><b>0.029</b></u>

**APPENDIX 4****SUPPORTING STATUTORY RESOLUTIONS TO APPENDIX 3**

- 1 If the recommendations detailed Appendix 3 are approved full Council then needs to approve the following supporting statutory amounts which must be calculated by the Council for 2012/2013 in accordance with the Local Government Finance Act 1992 and relevant regulations:

i) To note that on 15<sup>th</sup> December 2011 the Finance and Procurement Portfolio Holder approved the Council Tax Base for 2012/13 for:

- The whole Council area as 28,000.6 Band D equivalents in accordance with Section 31B of the Local Government Finance Act 1992, as amended; and
- For dwellings in those parts of its area to which a Parish precept relates as follows:

Parish Council Tax bases (Band D Equivalents)

Brierton 12.9	Greatham 669.3
Claxton 15.5	Hart 306.1
Dalton Piercy 101.3	Newton Bewley 32.0
Elwick 451.1	
Headland 998.7	

- 2 That the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £39,724,392.
- 3 That the following amounts be calculated by the Council for 2012/13 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and relevant regulations:-
- (a) £88,242,956 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Local Government Finance Act 1992 and relevant regulations.
- (b) £48,492,948 Being the aggregate of the sums which the Council estimate will be payable to it in respect of redistributed non-domestic rates £47,556,321, Revenue Support Grant £921,868 and the estimate to be paid from the Collection Fund of £14,759 as at 31st March 2012, in accordance with Section 97 (3) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.

- (c) £39,750,008 Being the amount by which the aggregate at 4.3 (a) above exceeds the aggregate at 4.3 (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (including Parish precepts).
- (d) £1,419.61 Being the amount calculated by the Council in accordance with Section 31B of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year (including Parish precepts).
- (e) £25,616 Being the aggregate amount of all special items (Parish precepts of £25,616) referred to in Section 34 (1) of the Local Government Finance Act 1992 and Concurrent Services (£13,582) - as detailed in Table 1 to this Appendix.  
£13,582  
Concurrent Services
- (f) £1,418.70 Being the amount calculated by the Council in accordance with Section 34 (2) of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year 2012/13 (excluding Parish precepts), which has the effect of freezing the Council's element of Council Tax at the current level.
- 4** The Basic Council Tax for 2012/13 calculated in accordance with Section 34 (3) for dwellings in those areas that have a Parish precept as set out in Table 2 to this Appendix.
- 5** Approve in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the aggregate amounts shown in Table 3 to this Appendix the amounts of Council Tax for 2012/13 for each part of the Council's area and each of the categories of dwellings.
- 6** Approve that the Council's basic amount of Council Tax for 2012/13 of £1,418.70, detailed in 4.3 (f) above is not excessive in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.

**TABLES TO APPENDIX 4****2012/13 Council Tax Levels****TABLE 1 - Parish Precepts and Concurrent Functions 2012/2013**

	2012/2013		
	Precept	Concurrent Payment	Total Payment
	£	£	£
Dalton Piercy	5,813	2,839	8,653
Elwick	5,152	6,268	11,420
Greatham	3,201	1,385	4,586
Hart	3,250	3,090	6,340
Headland	8,000	0	8,000
Newton Bewley	200	0	200
	25,616	13,582	39,199

**TABLE 2 - Council Tax For Parish Councils 2012/2013**

	Precept (1)	Parish Tax Base (2)	Parish Council Tax (3) [=(1)/(2)]	Basic Council Tax (4)	Billing Authority's Council Tax (5) [=(3)+(4)]
Parishes	£ p		£ p	£ p	£ p
Dalton Piercy	5,813	101.3	57.38	1,418.70	1,476.08
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Headland	8,000	998.7	8.01	1,418.70	1,426.71
Newton Bewley	200	32.0	6.25	1,418.70	1,424.95

**TABLE 3 - Council Taxes For Each Property Band 2012/2013****(Excluding Police Authority & Fire Authority)**

Parishes	Council Tax Bands							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Dalton Piercy	984.06	1,148.07	1,312.07	1,476.08	1,804.10	2,132.12	2,460.14	2,952.17
Elwick	953.41	1,112.32	1,271.22	1,430.12	1,747.93	2,065.73	2,383.53	2,860.24
Greatham	948.99	1,107.15	1,265.32	1,423.48	1,739.81	2,056.14	2,372.47	2,846.97
Hart	952.88	1,111.69	1,270.50	1,429.32	1,746.94	2,064.57	2,382.20	2,858.63
Headland	951.14	1,109.66	1,268.19	1,426.71	1,743.76	2,060.80	2,377.85	2,853.42
Newton Bewley	949.97	1,108.29	1,266.62	1,424.95	1,741.61	2,058.26	2,374.92	2,849.90
Areas without a Parish Council	945.80	1,103.43	1,261.07	1,418.70	1,733.97	2,049.23	2,364.50	2,837.40

## APPENDIX 5

**DETAILED SUPPORTING RESOLUTIONS TO PARAGRAPH 5.3 TO IMPLEMENT THE MAYOR'S OBJECTIONS NOT TO IMPLEMENT THE PROPOSED AMENDMENTS APPROVED BY FULL COUNCIL ON 9<sup>th</sup> FEBRUARY 2012**

(Where reference is made to a paragraph number or an appendix this refers to the original Cabinet report which is circulated as a separate booklet with the agenda)

**2011/12 Outturn Strategy**

- 1 General Fund Budget 2011/12 Outturn** – approve the proposal to allocate the net underspend (arising from the robust management of budgets, the early achievement of planned 2012/13 savings and net interest savings) of £4.066m to meet specific commitments and support the 2012/13 and 2013/14 budgets as detailed in **Appendix B**, including the funding to cover the potential cost of a Mayoral referendum and the allocation of £2,500 per month to temporarily keep the Seaton Youth Centre open for up to 12 months to provide time to find alternative provision as part of the overall masterplan for Seaton, which Council are requested to note.
- 2** To note that a final decision on the use of resources allocated within **Appendix B** for Transitional Support to offset Council Tax Benefit Changes of £1.197m and to partly support the loss of the 2012/13 Council Tax freeze grant of £0.697m (£0.727m net of up to £30,000 to temporarily keep the Seaton Youth Centre open for up to 12 months) will be referred to Council in February 2013, as part of the 2013/14 budget process.

**General Fund Budget 2011/12 Outturn – specific issues**

- 3** Cabinet do not support the Scrutiny Co-ordinating Committee proposal to establish a total 'Ward Fund' of £181,500 to address specific Ward issues arising after the election not covered by existing budgets. Cabinet propose allocating this funding to support the General Fund budget in 2013/14. The fund would be created by allocating the underspends from the Acting Chief Executive arrangements (£76,848), the joint Head of HR role (£21,402), plus the amount identified in **Appendix B** (£83,000) from the 2011/12 General Fund Outturn.
- 4** Cabinet support Council's proposal to allocate the one-off saving arising from last year's industrial action at approximately £50,000 to a ring-fenced budget for the retraining of staff on the redeployment register in support of a proposal from Hartlepool Joint Trade Union Committee (HJTUC) to support its members.

**Capital Outturn 2011/12**

- 5** Approve the proposal for funding the additional Primary Capital Programme costs of £0.670m as detailed in paragraph 4.18.

**Early Intervention Grant 2011/12 Outturn**

- 6 Approve the proposal to allocate the £0.276m underspend to create risk reserves as detailed in paragraph 4.21, to support the delivery of the Early Intervention Strategy, which Council are requested to note.

**Housing Scheme 2011/12 Outturn**

- 7 Approve the principle of allocating the in-year underspend of £0.2m, plus the ongoing saving of £60,000 to support Prudential Borrowing of £1m, plus Section 106 monies secured on the Wynyard development of £1.2m to establish a Housing Capital Investment Fund of £2.2m; and to note that a detailed business case will be reported to a future Cabinet and Council for using this funding.

**2012/13 to 2014/15 Capital Programme**

- 8 Approve the 2012/13 capital programme proposals as detailed in **Appendix J**, which includes:
  1. Details of Capital Grants for the Local Transport Plan, Schools Capital Programme and Adult Social Services and to note that the relevant Portfolio Holders will approve individual schemes which meet Government Grant conditions;
  2. Proposal for using the Council Capital Investment Fund, detailed in **Appendix J**, table 4, including the retention of unallocated funding of between £368,000 and £418,000 to cover emergency capital expenditure, for allocation by Cabinet;
  3. The proposals to allocate £125,000 of the capital receipt from the sale of land for the Steetley Access Road for the provision of facilities to support leisure activities in the central area;
  4. The proposal to allocate £60,000 of the capital receipt from the sale of the Foggy Furze site for the provision of replacement/enhanced bowling facilities if this is required by Sports England;
  5. Retention of a Major Regeneration Capital budget of £0.39m to support detailed business cases to be approved by Cabinet and Council which either attract external fund and / or are strategically important for the town.
9. Approve the purchase of the Ambulance Station site to facilitate the sale of a larger site and increased capital receipt from the resulting 'marriage value', as detailed in **Appendix P**. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**



**Strategy for Funding one-off Strategic Costs**

10. Approve the proposed strategy for funding One-off Strategic costs of £14m from a combination of:
1. £1.980m contribution from 2011/12 General Fund outturn;
  2. £5.944m contribution from existing reserves following a re-assessment of these reserves and the risks they were originally earmarked to address, as detailed in **Appendix G** (replacement document, as detailed in paragraph 2.2 above) including the release of the £60,000 Budget Consultation reserve;
  3. £1.500m from Capital Receipts already achieved; and
  4. £4.576m from Capital Receipts to be achieved over the next 2 to 3 years.

**2012/13 General Fund budget**

11. Approve the proposed funding allocations for implementing the Early Intervention Strategy, totalling £7.1m, as detailed in **Appendix C**. Note this expenditure is funded from the Early Intervention Grant.
12. Approve the proposed pressures detailed in **Appendix D** of £1.730m.
13. Approve the strategy for bridging the 2012/13 budget deficit, which reflects the cut in Government grant and the above pressures, from a combination of:
1. Implementing budget reductions of £1.584m arising from revised planning assumptions detailed in **Appendix E**, including the saving in Members Allowances from a reduction in the number of Councillors from May 2012;
  2. Implementing a Council Tax freeze which will mean the Council will receive a one-year Council Tax freeze grant of £996,514 for 2012/13;
  3. Implementing budget cuts of £5.376m detailed in **Appendix F** and the proposed saving from the ICT / Revenues and Benefits Procurement;
  4. A contribution from the 2011/12 General Fund Outturn of £215,000, consisting of £186,000 to cover the reduction in the Collection Fund Surplus and £29,000 to cover the residual 2012/13 budget deficit.
14. Approve that the one-off costs of achieving the ICT / Revenues and Benefits contract savings are funded from the reallocation of one-off funding which is no longer needed to fund back-dated Job Evaluation costs (i.e. Option 1 detailed in paragraph 5.21) and that the residual balance of this reserve will transfer to the General Fund Reserve. This funding proposal will maximise

the value of the ICT / Revenues and Benefits savings which can be used to reduce the budget deficits. These savings will commence in 2012/13 and will continue to increase in each year of the 7 year contract. **Appendix Q provides an analysis of the one off costs and cumulative ICT savings. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

15. Approve that in the current climate the available Furniture Project reserve of £50,000 is not allocated to kick start this project.
16. Note the budget risk, mitigation strategy and robustness of the budget forecasts advice (sections 9 and 12).
17. Note the overall General Fund Budget Requirement resulting from the previous proposals as detailed in the Table to this Appendix.

#### **2013/14 to 2014/15 Indicative Council Tax increases**

18. Approve indicative Council Tax increases for 2013/14 and 2014/15 of 3.49% per year. Note these proposals will be subject to annual review to reflect changes in the Council's financial position and the Government's announcement of annual trigger points for a Council Tax Referendum.

TABLE TO APPENDIX 5 - STATEMENT OF GENERAL FUND REQUIREMENTS 2012/13 TO 2014/2015

(Based on Cabinet's initial proposals)

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 PROJECTED BUDGET	2014/2015 PROJECTED BUDGET
	£m.	£m.	£m.	£m.
<b>DEPARTMENTAL REQUIREMENTS</b>				
Chief Executives Department	4.501	2.477	2.539	2.602
Rent Allowances/C.Tax benefit not subsidised	1.433	1.469	1.506	1.544
Rent Allowances Grant	(1.216)	(1.246)	(1.277)	(1.309)
Child and Adult Services	51.710	51.699	52.992	54.317
Regeneration & Neighbourhoods Services	21.063	21.039	21.565	22.104
<b>TOTAL DEPARTMENTAL REQUIREMENTS</b>	<b>77.491</b>	<b>75.438</b>	<b>77.325</b>	<b>79.258</b>
Property Budgets	3.127	3.199	3.279	3.361
<b>EXTERNAL REQUIREMENTS</b>				
Magistrates, Probation and Coroners Court	0.197	0.202	0.207	0.212
North Eastern Sea Fisheries Levy	0.032	0.033	0.034	0.035
Flood Defence Levy	0.055	0.070	0.072	0.074
Discretionary NNDR Relief	0.108	0.111	0.114	0.117
<b>CORPORATE COMMITMENTS</b>				
I.T.	2.508	0.000	0.000	0.000
Telecoms	0.000	0.106	0.109	0.112
ICT and Revenues & Benefit Contract	0.000	5.253	5.384	5.518
Savings from Revenues & Benefit and ICT Contract	0.000	(0.330)	(0.536)	(0.790)
Audit Fees	0.363	0.282	0.289	0.296
Centralised Estimates	7.179	7.081	7.057	7.015
Insurances (Note 1)	0.187	0.299	0.306	0.314
Designated Authority Costs	0.092	0.044	0.045	0.046
Pensions	0.371	0.430	0.441	0.452
Members Allowances	0.374	0.317	0.325	0.333
Mayoral Allowance	0.069	0.071	0.073	0.075
50% Contribution to Director of Public Health	0.000	0.042	0.043	0.044
Emergency Planning	0.087	0.080	0.082	0.084
2012/13 Strategic Contingency (Note 2)	0.410	0.383	0.391	0.402
Job Evaluation and Pay Awards April 2012	1.600	1.410	1.573	1.565
2012/13 Pressures	0.000	1.730	1.773	1.818
Headroom for 2013/14 Pressures	0.000	0.000	1.000	1.025
Headroom for 2014/15 Pressures	0.000	0.000	0.000	1.000
Pressures year 2 and 3 additional costs	0.312	0.000	0.000	0.000
Benefit Subsidy income	(0.300)	(0.300)	0.000	0.000
Removal of Revenue funding & replace with capitalisation	0.000	0.000	(0.250)	(0.250)
LATS income	(0.200)	(0.200)	0.000	0.000
Parish Precepts	0.027	0.026	0.027	0.028
Savings Projects Investigation Costs (C Tax Base)	0.250	0.000	0.000	0.000
Pressure from loss of funding for academies programme	0.000	0.280	0.280	0.280
Car Allowances Savings	0.000	(0.030)	(0.031)	(0.032)
BT efficiencies 2012/13	0.000	(5.376)	(5.510)	(5.648)
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>94.339</b>	<b>90.651</b>	<b>93.902</b>	<b>96.744</b>
Council Tax Percentage Increase	0.0%	0.0%	3.49%	3.49%
Council Tax - Base Income	39.669	39.724	41.561	43.212
Council Tax - Precept Income	0.000	0.026	0.026	0.026
Council Tax - freeze grant 2011/12 regime - payable until 2014/15	0.991	0.991	0.991	0.991
Council Tax - freeze grant 2012/13 regime - 1 year grant	0.000	0.997	0.000	0.000
New Homes Bonus	0.000	0.558	0.838	0.838
Additional New Homes Bonus	0.000	0.210	0.210	0.210
Formula Grant	45.384	41.276	40.616	37.610
Formula Grant - transfer from Specific Grants	6.626	6.210	6.111	5.658
Contribution from Budget Support Fund and other Reserves	0.900	0.000	0.000	0.000
Contribution from 2009/10 Departmental Risk Reserves	0.561	0.000	0.000	0.000
Collection Fund Surplus - removal of 50% C Tax discount	0.000	0.430	0.000	0.000
Collection Fund Surplus/(deficit) - normal activity	0.208	0.014	0.000	0.000
Contribution from 2011/12 Outturn to fund Collection Fund Deficit	0.000	0.186	0.000	0.000
<b>BUDGET LIMIT</b>	<b>94.339</b>	<b>90.622</b>	<b>90.353</b>	<b>88.545</b>
<b>DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>0.029</b>	<b>3.550</b>	<b>8.198</b>
<b>Less Cumulative cuts in previous years</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(3.639)</b>
<b>New Annual Savings - above BTP</b>	<b>0.000</b>	<b>0.029</b>	<b>3.550</b>	<b>4.560</b>

Note 3

## NOTES

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Deficit to be bridged from 2011/12 Outturn	<u><b>0.029</b></u>

**APPENDIX 6****SUPPORTING STATUTORY RESOLUTIONS TO APPENDIX 5**

- 1** If the recommendations detailed in Appendix 5 are approved full Council then needs to approve the following supporting statutory amounts which must be calculated by the Council for 2012/2013 in accordance with the Local Government Finance Act 1992 and relevant regulations:

i) To note that on 15<sup>th</sup> December 2011 the Finance and Procurement Portfolio Holder approved the Council Tax Base for 2012/13 for:

- The whole Council area as 28,000.6 Band D equivalents in accordance with Section 31B of the Local Government Finance Act 1992, as amended; and
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**TABLE 3 - Council Taxes For Each Property Band 2012/2013****(Excluding Police Authority & Fire Authority)**

Parishes	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Dalton Piercy	984.06	1,148.07	1,312.07	1,476.08	1,804.10	2,132.12	2,460.14	2,952.17
Elwick	953.41	1,112.32	1,271.22	1,430.12	1,747.93	2,065.73	2,383.53	2,860.24
Greatham	948.99	1,107.15	1,265.32	1,423.48	1,739.81	2,056.14	2,372.47	2,846.97
Hart	952.88	1,111.69	1,270.50	1,429.32	1,746.94	2,064.57	2,382.20	2,858.63
Headland	951.14	1,109.66	1,268.19	1,426.71	1,743.76	2,060.80	2,377.85	2,853.42
Newton Bewley	949.97	1,108.29	1,266.62	1,424.95	1,741.61	2,058.26	2,374.92	2,849.90
Areas without a Parish Council	945.80	1,103.43	1,261.07	1,418.70	1,733.97	2,049.23	2,364.50	2,837.40

**MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO**  
**2014/15**

**COPY OF REPORTS AND SUPPORTING**  
**DOCUMENT PRESENTED TO COUNCIL**  
**9<sup>th</sup> FEBRUARY 2012**

**Summary of Contents**

1. Council Report 9 February 2012 – MTFS – Budget and Policy Framework 2012/13 to 2014/15
2. Extract from the Supplementary Council Report of 9 February 2012 – MTFS – Budget and Policy Framework 2012/13 to 2014/15
3. MTFS 2012/12/13 to 2014/15 – Detailed General Fund Budget Requirement



**Section 1 - Council Report 9 February 2012 – MTFS – Budget and Policy Framework 2012/13 to 2014/15**

- Note the copy of the document attached incorporates the replacement Appendices G and H circulated separately to the main agenda papers for the Council meeting on 9 February 2012. The revised Appendices had been updated to reflect an incorrect column heading and a minor error in column total of £5,000.

# COUNCIL REPORT

9 February 2012



**Report of:** The Cabinet

**Subject:** MEDIUM TERM FINANCIAL STRATEGY – BUDGET  
AND POLICY FRAMEWORK 2012/2013 TO  
2014/2015

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## 1. PURPOSE OF REPORT

- 1.1 To present details of the proposed Medium Term Financial Strategy (MTFS).

## 2. BACKGROUND

- 2.1 In accordance with the Constitution Cabinet is responsible for preparing the initial MTFS proposals, which are then referred to Scrutiny Co-ordinating Committee for consideration. Cabinet is also then responsible for preparing the final budget proposals, which includes the proposed Council Tax level for 2012/2013, which are then referred to Council for consideration. The final stages for completing this process and then issuing Council Tax bills are extremely tight and the key dates are as follows:

- Cabinet 6 February 2012 – approves the MTFS proposals to be referred to Council;
- Council 9 February 2012 – consider Cabinet's MTFS proposals, including the Council's own Council Tax for 2012/2013;
- Council 1 March 2012 ( subject to approval) – approves the overall Council Tax levels, including Fire and Police Authority precepts. This is the same day the Police Authority are scheduled to set their Budget and Council Tax, which is within the prescribed deadline for setting their Budget and Council Tax.

## 3. CONSIDERATION OF BUDGET PROPOSALS BY COUNCIL

- 3.1 As indicated above Cabinet will finalise the budget proposals, including the 2012/2013 proposed Council Tax level, it wishes to refer to Council at its meeting on 9 February 2012. To enable all Members to familiarise themselves with the issues affecting next years budget a copy of the detailed 2012/2013 to 2014/2015 MTFS Report is attached at Appendix A. Detailed departmental budgets are included in a separate booklet with the agenda papers for today's meeting. The figures for departmental budgets

exclude new pressures and proposed budget reductions which are detailed separately in the MTFS as these proposals need considering by Council.

- 3.2 The key issues included in the latest Cabinet report have previously been considered by Cabinet at their meetings between October 2011 and January 2012. These issues have also been referred to Scrutiny Co-ordinating Committee for consideration.
- 3.3 Once Cabinet have finalised their proposals a further report will, if necessary, be issued to Council to advise Members of any changes to the proposals detailed in the attached report.
- 3.4 In addition to the specific proposals detailed in the Cabinet report, Council will also need to consider a range of statutory calculations to support the proposed Council Tax increase level. Assuming Cabinet confirm their initial proposal to freeze Council Tax these statutory calculations still need to be made and approved by Council. These calculations will also incorporate details of Council Tax levels for Parish Councils.

#### **4. ROBUSTNESS OF BUDGET FORECASTS, RISK ASSESSMENT AND RESERVES**

- 4.1 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 adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This latter 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.
- 4.2 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) have again written to chief finance officers reminding them and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help chief finance officers discharge their responsibilities.
- 4.3 It is important to view my advice and formal report as the culmination of the budget process in which a lot of detailed work has already taken place with Cabinet, Scrutiny, the Corporate Management Team, senior managers and detailed work undertaken by my own Finance staff. This overall approach enables me to advise Members that in my professional opinion the budget forecasts suggested in this report for 2012/13 are robust. My 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. The proposed savings are the key issue affecting the robustness of the proposed budget. If Members do not approve these proposals the budget forecasts will not be robust as overall expenditure will inevitably exceed available resources;

- The assessment by the Corporate Management Team of the achievability and sustainability of proposed budget reductions for 2012/13. The assessment of the proposed savings reflects the process adopted for identifying, managing and implementing these measures. This includes action taken in the current year to implement proposals earlier to ensure a full year saving is achieved in 2012/13. It also reflects a risk assessment of proposed savings based on an assessment of the level of pay, non-pay savings and increased income savings;
- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provision for potential pay awards for April 2012;
- A prudent provision for inflation on non pay budgets and income budgets during 2012/2013;
- The identification of specific pressures and inclusion of these commitments within the overall budget requirement;
- An assessment of 'One-off Strategic' costs over the three years 2012/13 to 2014/15 (£14m) and the earmarking of funding (£9.5m) to partly fund these costs and the development of a planned capital receipts strategy to fund the remaining costs (£4.5m);
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The maintenance of uncommitted General Fund Reserves of £3.462m, which equates to 3.8% of the 2012/13 budget;

4.4 This advice is equally relevant to Council when considering this report.

## **5. CONCLUSION**

5.1 This report provides the detailed information to support the 2012/2013 budget proposals which will be referred to Council by Cabinet following their meeting on 6 February 2012.

5.2 Details of the issues Cabinet will be referring to Council are provided in paragraph 14 of the MTFs report which is attached at Appendix A. A revised schedule will be issued before your meeting to detail any changes made by Cabinet and to detail the statutory Council Tax setting resolutions.



**Report of:** Corporate Management Team

**Subject:** MEDIUM TERM FINANCIAL STRATEGY  
(MTFS) 2012/13 TO 2014/15

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## **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 9<sup>th</sup> February 2012.

### **2. SUMMARY OF CONTENTS**

- 2.1 Previous budget reports have advised Members that the Government have provided a 4 year Spending Review for the Public Sector. For Local Government this only provided detailed Grant allocations for individual councils for two years (2011/12 and 2012/13) and headline Grant cuts in total Local Government funding for a further two years (2013/14 and 2014/15). These grant cuts are front loaded, with the greatest cuts in 2011/12 and then 2012/13.
- 2.2 The Government measured grant reductions in terms of reductions in 'spending power'. On this basis the cut in Hartlepool's Formula Grant per person in the first two years of the Spending Review is more than twice the national average. In cash terms the reductions in the Council's Grants in 2011/12 and 2012/13 are significant, as

summarised below.

	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%

- 2.3 As a result of these grant cuts the current MTFS anticipates that the Council will need to make aggregate cuts of between **£13.8m** and **£14.6m** by the start of 2014/15. The lower forecast is based on indicative Council Tax increases of 3.49% (i.e. just below the current Council Tax referendum threshold) for 2013/14 and 2014/15. The higher forecast is based on indicative Council Tax increases of 2.5%, to reflect the impact of the Government reducing the Council Tax referendum thresholds for 2013/14 and 2014/15. These cuts need to be made on an annual basis as deferring cuts is not an option as the position would become unmanageable.
- 2.4 Detailed proposals for balancing the 2012/13 budget have been identified which includes making cuts in departmental budgets of £5.387m, savings from ICT / Revenues and Benefits procurement and the revision of planning forecasts. The latter includes a range of issues which reduce the budget deficit and do not impact on services.
- 2.5 The report purposes a Council Tax freeze for 2012/13. This will be financially neutral for 2012/13 as the Council will receive a one-year Council Tax freeze grant of £1m to offset the loss of additional income from not increasing Council Tax. In 2013/14 the permanent reduction in Council Tax income will need to be addressed by making additional savings as the Council Tax referendum regime will effectively prevent the Council from replacing this income from a higher Council Tax increase in 2013/14. This position is reflected in the forecast deficits detailed in paragraph 2.3.
- 2.6 The Council also needs to fund one-off strategic costs, including redundancy/early retirement costs and Housing Market Renewal (HMR) commitments, which it is estimated will total **£14m**. Funding of **£9.424m** has been identified for these one-off costs from reviewing reserves, the initial 2011/12 forecast outturn and capital receipts already achieved, leaving a funding shortfall of **£4.576m**.

- 2.7 It is anticipated that a package of additional land sales over the next few years should address this shortfall. As these one-off strategic costs will be phased over the next three years it is anticipated that a capital receipts strategy can be developed which matches the annual need for resources with the achievement of capital receipts. This will include the purchase of land for resale within the next three years where there is a robust business case and this does not increase financial risk.
- 2.9 Assuming these land sales can be achieved within the required timescale this will avoid a revenue budget pressure from having to use Prudential Borrowing to fund the shortfall.
- 2.10 The report indicates that positive action taken during 2011/12 to achieve planned savings earlier makes the 2012/13 budget more robust and also provides a one off financial benefit in 2011/12. Similarly, action taken during 2011/12 to robustly manage expenditure, including holding posts vacant provides a one-off financial benefit and has also helped reduce the number of compulsory redundancy required for 2012/13 by providing vacant posts which can be deleted or increasing redeployment opportunities. Robust management of budgets will need to continue in future years to help address the significant and sustained financial challenges facing the Council.
- 2.11 In summary the report advises Members that the Council faces a very difficult financial position over the next three years, both in addressing an ongoing budget deficit of between **£13.8m** and **£14.6m** and the need to fund unavoidable one-off strategic costs of **£14m**.
- 2.12 The proposals detailed in the report and the recommendations to be referred to Council provide a robust financial base for managing the significant and ongoing financial challenges facing the Council over the next three years. Whilst, the Council has already made significant budget cuts over the last 3 years, further significant cuts still need to be made and these will become increasingly difficult to achieve. It is therefore essential that the Council balances the 2012/13 budget on a sustainable basis, earmarks the benefits of the favourable 2011/12 outturn to address future financial risks and begins work early in the new financial year on proposals for addressing the 2013/14 and 2014/15 budget deficits.

### **3. RELEVANCE TO CABINET**

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

### **4. TYPE OF DECISION**

- 4.1 Budget and Policy Framework.

**5. DECISION MAKING ROUTE**

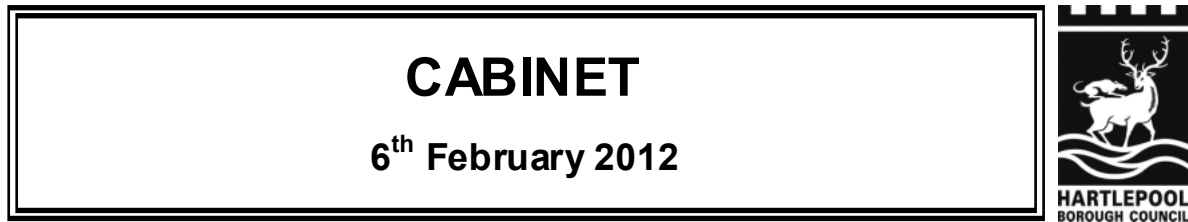
5.1 Council 9<sup>th</sup> February 2012.

**6. DECISION(S) REQUIRED**

6.1 It is recommended that Cabinet:

- i) Note the report;
- ii) Approve the recommendations to be referred to Council as detailed in section 14.





**Report of:** Corporate Management Team

**Subject:** MEDIUM TERM FINANCIAL STRATEGY  
(MTFS) 2012/13 TO 2014/15

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## **SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 The purposes of the report are:

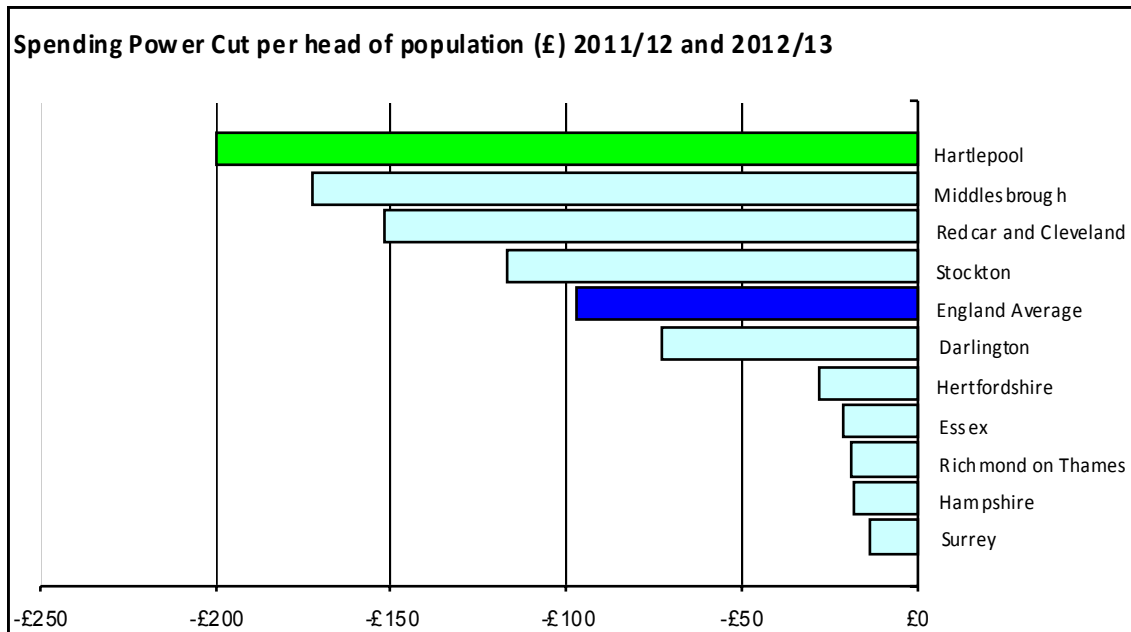
- i) to provide details of the Council's financial position, and
- ii) to enable Cabinet to approve the budget proposals to be referred to Council on 9<sup>th</sup> February 2012.

### **2.0 BACKGROUND**

2.1 This report brings together issues considered and reported to Cabinet and referred to Scrutiny Co-ordinating Committee between October 2011 and January 2012. The report enables Cabinet to finalise the budget proposals it wishes to refer to Council on 9<sup>th</sup> February 2012.

2.2 Previous reports have advised Members that the public sector and the Council are facing the greatest financial challenges which have existed in the past 50 years. This position reflects both national financial issues reflecting the Government's deficit reduction plan and the impact of demographic pressures.

2.3 As reported previously the Government's deficit reduction plan reduces total support for local authorities by 26% over the four years up to 2014/15. These cuts are front loaded in 2011/12 and 2012/13. As highlighted in the following tables the gross spending power reductions for 2011/12 and 2012/13 have a disproportionate impact on councils with greater dependency on Government Grant (reflecting previous assessment of need) and less ability to raise income from Council Tax (reflecting the make up of the local housing stock). This includes Hartlepool and the other North East councils.



2.4 The overall spending reduction for Hartlepool detailed in the above table consists of the following components:

	Cumulative reduction 11/12 & 12/13		
	Per resident	%	Amount £'m
Core Formula Grant	£110	20%	10.2
Specific and ABG transferred into Core Formula Grant	£17	21%	1.6
Specific and ABG transferred into Early Intervention Grant	£21	21%	1.9
Sub Total	£148	20%	13.7
Working Neighbourhoods Fund	£52	100%	4.9
Gross Spending Power reduction	£200	25%	18.6

2.5 The recent publication of reports by the OECD (Organisation for Economic Co-operation and Development) the OBR (Office for Budget Responsibility) and the Chancellor's Autumn Statement all confirm the serious economic challenges facing the UK. These reports indicate that economic growth is lower than expected and the economy will take longer to recover. As a result the Government will need to borrow more and it will take longer to address the national budget deficit. This position increases the risk of a further phase of public sector austerity before, and continuing after, the next election. For Hartlepool this

increases the risk that the actual grant cuts for 2013/14 and 2014/15 will be greater than the current MTFS forecasts. In addition, the Chancellor's Autumn Statement indicated that public sector spending cuts will extend beyond the current Spending Review. For Local Authorities this is likely to mean further grant cuts for 2015/16 and beyond. Further information is needed from the Government to quantify these issues and details will be reported later in the year when the MTFS is rolled forward.

2.6 The previous reports identified two key financial issues facing the Council over the next 3 years:

- i) the need to address a £15m budget deficit (with a risk the deficit could increase if grant cuts for 2013/14 and 2014/15 are greater than the MTFS forecasts) 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.

2.7 This report provides an update on issues previously reported and covers the following issues:

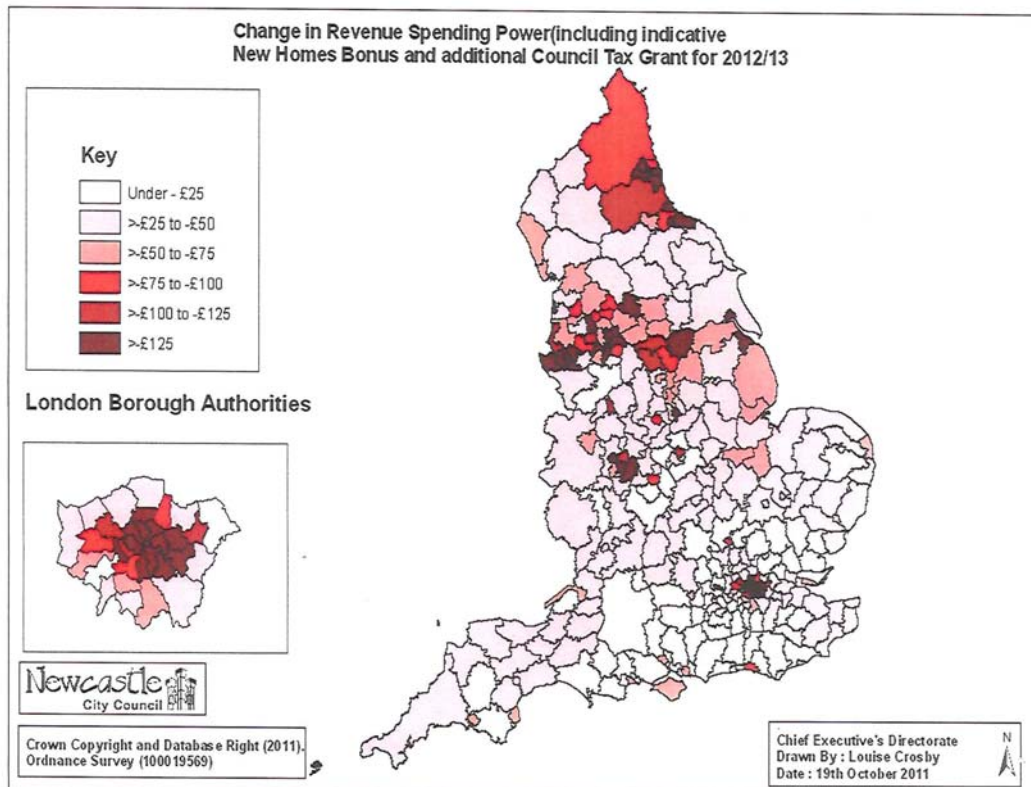
- Settlement Announcement 2012/13;
- Forecast Outturn 2011/12;
- General Fund Budget 2012/13 to 2014/15;
- Council Tax 2012/13 and impact on 2013/14 and 2014/15 budget deficits;
- One-off Strategic Financial Issues and funding strategy;
- Capital Issues 2012/13;
- Budget Risks;
- Consultation
- Equality Impact Assessments
- Robustness of Budget Forecasts;
- Conclusions;
- Recommendations.

### **3.0 SETTLEMENT ANNOUNCEMENT 2012/13**

3.1 Existing legislation requires the Government to formally consult on an annual basis on the allocation of grants to individual Councils. The 2012/13 provisional grant settlement was issued on 8<sup>th</sup> December 2011 and the consultation period ends on 16<sup>th</sup> January 2012. Following the completion of the consultation period the Government will present final 2012/13 grant allocations to Parliament.

3.2 An analysis of the cumulative impact of changes in Spending Power (including the positive impact of the New Homes Bonus and Council Tax freeze grant for 2012/13, but excluding Working Neighbourhoods

Funds, which was not previously paid to all councils) has been undertaken by Newcastle City Council on behalf of the Association of North East Councils. This analysis highlights the continuing disproportionate impact of net spending cuts per residents on areas with the greatest dependency on Government grants, which reflects needs and the lower ability to fund services locally from Council Tax, as summarised in the table below. The darker areas show authorities with the highest cumulative spending power reductions:



The above table highlights the additional net spending power reductions for 2012/13 (i.e. Grant cuts less New Homes Bonus and Council Tax freeze grant) and the following key issues are identified:

- Hartlepool has the 9<sup>th</sup> highest spending power reduction in England of £46.74 per person for 2012/13
  - National Average £38.95 – if Hartlepool's spending power cut had been limited to the national average the grant cut would have been £0.75m lower;
  - South East Average £20.75 – if Hartlepool's spending power cut had been limited to the national average the grant cut would have been £2.4m lower;

- Hartlepool has the 2<sup>nd</sup> highest reduction in the North East – South Tyneside is highest at £50.69 per person
- The North East has 8 councils in the top 50 league table for spending power reductions

3.3 The key elements of the 2012/13 provisional grant settlement covered the following areas:

- Confirmation of the provisional Formula Grant allocations for 2012/13 announced in January 2011. For Hartlepool, this confirms the Core Formula Grant cut for 2012/13 included in the MTFS of £4.1m (an 8% cut). This grant cut confirms the cumulative cut in the Core Formula Grant over 2 years of 20%. The following table summarises the grant cuts previously reported to Members for 2011/12 and 2012/13.

	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%

- The announcement that Council Tax Referendum arrangements will apply for 2012/13, which is a year earlier than the Government had previously indicated. The Government have indicated that for most local authorities referendums will be triggered if Council Tax increases exceed 3.5% (3.75% for the City of London and 4% for the Greater London Authority, police authorities and single purpose fire and rescue authority). The Government have indicated that detailed regulations covering the conduct Council Tax referendums still need to be approved by both Houses of Parliament. This may not be complete until after individual local authorities have set their 2012/13 budgets and Council Tax levels;
- The announcement that Transitional Funding for 2012/13 will be paid to authorities with an 8.8% reduction in 'spending power'. Nationally only 12 local authorities will receive Transitional Funding for 2012/13, totalling £20m, compared to 44 local authorities in 2011/12 (which received total Transitional Funding of £96m). Hartlepool received the 16<sup>th</sup> highest cash allocation of Transitional Funding (£1.7m) in 2011/12 owing to the front loading of grant cuts. Hartlepool will not receive Transitional Funding in 2012/13.

- 3.4 At the time of preparing this report the final Grant Settlement for 2012/13 had not been issued by the Government, although there are not expected to be any changes from the provisional settlement. The Local Government Association (LGA) has indicated that the Government may delay the final settlement until the 8<sup>th</sup> February and asked if this would cause councils any problems. I have advised the LGA of our concerns and the implications this has for setting the 2012/13 budget. A verbal update will be provided at your meeting if there are any changes or further information becomes available.
- 3.5 The grant position for 2013/14 and 2014/15 is still uncertain and for planning purposes the current MTFS anticipates that the national grant cuts will apply at a local level. As reported previously this is anticipated to be an optimistic planning assumption as changes to the grant system are likely to disproportionately disadvantage Hartlepool. In addition, the Chancellors recent Autumn Statement outlines a longer period of public sector austerity which could result in higher overall cuts in local authority grants in 2013/14 and 2014/15 than currently planned. This is likely to mean actual grant cuts for Hartlepool for these years will be higher than the current MTFS planning assumptions. Further information is needed from the Government to quantify these issues and details will be reported later in the year when the MTFS is rolled forward. In the meantime the existing planning assumption indicated that significant additional cuts will need to be made in 2013/14 and 2014/15.
- 3.6 A copy of the response sent by the Mayor to the DCLG on the 2012/13 grant settlement is attached at **Appendix A**.

#### **4.0 FORECAST OUTTURN 2011/12**

- 4.1 Details of the forecast outturn have been reported to Cabinet in October and December 2011. This information and the latest position are included in this report to enable Cabinet to finalise detailed proposals to be referred to Council as part of the 2012/13 budget process. The objectives of the proposed outturn strategy are to set aside resources to manage financial risks, support future budgets and to address specific policy priorities. The proposals form an integral part of the financial strategy for managing the impact of continuing grant cuts in 2012/13 and future years and setting a robust budget for 2012/13.
- 4.2 Details of the outturns for different areas of the Council's operations are provided in the following paragraphs.
- 4.3 **General Fund Budget**
- 4.4 Details of the overall General Fund Outturn are summarised in **Appendix B**. The October MTFS report provided an initial assessment of the forecast outturn based on work undertaken in the summer and

forecast an under spend of £1.98m. This mainly reflected the early achievement of sustainable savings for 2012/13 and the temporary benefit from netting down investments and borrowings, which is not sustainable. Cabinet agreed with the proposal to allocate these resources towards the funding strategy for one-off strategic costs to avoid these significant costs increasing the annual budget deficits facing the Council over the next three years.

- 4.5 A comprehensive update of the initial forecast outturn was completed and reported in December. This was based on a detailed analysis of current expenditure levels at the time, expected trends for the remainder of the financial year and information available at the time. The December forecasts also reflected the continued action by departments to manage expenditure robustly to maximise financial flexibility and to assist the achievement of the budget reductions which will be required next year (2012/13). This includes keeping posts vacant to either enable permanent savings to be made, or to enable staff to be redeployed and avoiding other expenditure where this can be achieved without an adverse impact on services in the current year.
- 4.6 The December outturns forecast an additional year end underspend of £1.276m. Cabinet has indicated that the majority of this funding should be allocated to provide financial flexibility in 2013/14 to manage the impact of the Government's Council Tax Benefit reforms. This reform will transfer responsibility for Council Tax Benefit to individual councils and reduce available funding by 10%. Councils will be required to protect low income pensioners receiving Council Tax Benefits and this will mean other groups face reductions of 15% to 20%. The available funding from the 2011/12 outturn will enable the Council to provide local transitional support, if Members determine this is a priority area.
- 4.7 As indicated previously further work was needed on the 2011/12 forecast outturn position, including areas which could not be reviewed until December 2011, or January 2012. This work has now been complete. In overall terms there is anticipated to be an additional net benefit in the current year of £0.810m. This position reflects a number of factors:
- Additional underspends on Departmental budgets – this reflects the continued robust management of budgets and action to achieve 2012/13 savings earlier;
  - Corporate budgets – detailed work has been completed to assess the impact on pay budgets of a range of factors covering incremental progression for staff in post, Job Evaluation appeal costs, actual staff turnover for 2011/12 and pay award savings from the national decision by the Local Government Employers organisation not to pay the £250 flat rate increase for staff earning £21,000 or below for 2011/12 from April 2011. Where these issues provide an ongoing saving this has been reflected in 2012/13

budget as part of strategy to bridge the budget gap. This reduces the budget cuts which may need to be made in 2012/13;

- Collection Fund – an initial assessment of the Collection Fund surplus available to support the 2012/13 was completed in January 2011. This position has recently been reviewed and the anticipated surplus has reduced from £200,000 to £14,000. To avoid this reduction increasing the 2012/13 budget gap it is recommended that this shortfall is funded from the 2011/12 outturn. The budget forecasts for 2013/14 and 2014/15 assume the Collection Fund position is financially neutral on the General Fund.

4.8 There are still some areas of the outturn which require finalising and these may impact on the final position. These areas cover gas and electricity budgets, which it is expected will be broadly on target owing to NEPO securing lower prices and usage in the first half of the winter being less than expected owing to the milder weather to date. There is a risk that adult social care costs will increase as a result of the PCT taking a more robust approach to assessing and reviewing health needs than in the past, which legitimately increases costs to the Council in some cases. It is hoped that these issues will be broadly neutral, although the final position will depend on the weather, demand and the level of care (eg with an aging population with increasingly complex needs) versus health need of individuals.

4.9 It is suggested that the additional 2011/12 net underspend is carried forward to support the 2013/14 budget. This will enable Members to determine a proposed strategy for using this money which reduces financial risk and helps protect the Council's medium term position. The proposed strategy can then be referred to Council in February 2013 for a final decision. This approach will enable an informed decision to be made in the context of the budget position for 2013/14 and 2014/15. In particular, it will enable Members to assess:

- the actual level of grant cuts for Hartlepool for 2013/14 and 2014/15, which it is expected will exceed the national reductions and therefore increase the forecast budget deficits;
- the extent that national and local grant cuts are increased as a result of the Chancellor's Autumn statement;
- the extent that national and local grant cuts increase to clawback savings from a 1% pay cap by the Treasury;
- the extent that national and local grant cuts are increased as a result of any reduction in Employer's Pension Contributions arising from changes to the Local Government Pension scheme, which are likely to be clawed back by the Treasury;
- the detailed impact of the re-localisation of Business Rates, in particular the arrangements for managing in-year reductions in income, which is a major risk for Hartlepool given the level of rates for the power station;



- the detailed impact of Council Tax Benefit changes, including arrangements for managing a demand lead service with a cash limited budget, arrangements for funding in-year costs increases and the impact on Council Tax increases on funding provided by the Government for Council Tax Benefits.
- 4.10 Depending on the impact of the above risks the Council may wish to allocate this money for one year to offset the loss of the 2012/13 Council Tax freeze grant.
- 4.11 In summary the General Fund outturn reflects a number of one-off factors arising from action to manage budgets robustly, including holding posts vacant, the early achievement of savings needed to balance next years budget and the impact of netting down investments and borrowings. The outturn also includes external factors which are financially beneficial, including the national decision to freeze local authority pay for the second successive year. Where these issues are permanent they are reflected in the 2012/13 budget and this has reduced the level of cuts which will need to be made to balance next year's budget. Details of the overall outturn forecast are summarised in **Appendix B**, which provides details of proposals previously approved by Cabinet to allocate these resources to protect the Council's future financial position.
- 4.12 The outturn forecasts do not include the 2011/12 savings arising from the temporary Acting Chief Executive and associated roles of £76,848. Council has previously resolved it wishes to determine how this one-off underspend is to be used (and any recurring underspend in 2012/13 from the current temporary arrangements being extended if this arises). Similarly the 2011/12 forecast outturn does not include the saving of £21,402 from the joint Head of HR role with Darlington.
- 4.13 The outturn forecast also excludes the one-off saving arising from the Industrial Action on 30 November. Owing to the shorter timescales for preparing the December payroll the detailed calculation of this saving will be completed in February. The level of saving will depend on the actual mix of staff who took Industrial Action. The last time there was Industrial Action in 2008 the saving was £50,000 for each day, which is an appropriate planning figure at this stage.
- 4.14 Scrutiny Co-ordinating Committee has suggested that to offset the removal of funding for the Neighbourhood Forums that it would be appropriate to establish a 'Ward Fund' to address minor issues not covered within the overall budget. A figure of £7,000 per Member has been suggested for use after May, which would require £231,000. The one-off benefits identified in paragraphs 4.12 and 4.13 total approximately £148,000. This amount could be supplemented from the final 2011/12 outturn to provide the funding suggested by Scrutiny Co-ordinating Committee. Cabinet needs to determine if it wishes to

support the Scrutiny Co-ordinating Committee and allocate the £231,000 to establish a total 'Ward Fund' of £231,000.

#### 4.15 Forecast Capital Outturn 2011/12

4.16 The current capital programme consists of 346 schemes with a total value of £49.3m. A detailed assessment of the capital programme has also been completed and most schemes are progressing as planned.

4.17 As reported in December the Council secured funding from the previous Government's Primary Capital Programme (PCP) for the first phases of a major investment in primary schools. This funding has enabled major schemes to be undertaken at Rossmere and Jesmond Road schools, which had a total capital budget of £8.4m. The designs for the schools have transferred Building Schools for the Future (BSF) experience into the primary sector and have been well received by the schools in terms of the look and functionality of the buildings and the way that teaching and learning have been transformed. The withdrawal of the PCP funding has left these two projects in isolation in both financial and estate transformation terms.

4.18 These schemes were innovative and path finding designs. The cost of these schemes has exceeded the available PCP funding and the termination of this grant regime means the Council will not receive any additional funding. Therefore the additional cost of £0.670m will need to be funded by the Council, from the following funding sources:

- |  | <b>£'000</b> |
|--|--------------|
| • Child and Adult Services revenue contribution. This contribution has been reflected in the forecast revenue outturn.   | 149          |
| • Reinstatement and release of 'Property Services and Facilities Management' reserve. This reserve was created from the surplus generated by Trading Accounts in previous years and allocated to cover the costs of potential remedial works and / or to protect against income volatility. The overall review of risks and reserves completed in the summer proposed releasing this reserve to help fund the strategic one off costs. It is now proposed this reserve is reinstated and allocated towards the additional PCP costs. | 100          |
| • Council Capital Fund. A number of schemes have cost less than forecast and the existing programme has been reassessed. These measures release funding of £0.421m.  | 421          |

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**670**

**4.19 Early Intervention Grant 2011/12 Forecast Outturn**

4.20 A detailed report was presented to Cabinet on 19 December on the Early Intervention Strategy, linked to the Early Intervention Grant (EIG) which outlined proposals for remodelling the services for future delivery. The current financial year is therefore very much a transitional year with a number of services either ceasing and/or being put on hold subject to the outcome of this review. This review has resulted in an anticipated net underspend of £0.274m against the 2011/12 EIG budget of £6.9m.

4.21 The EIG report proposed allocating this underspend to create a reserve to be used in 2012/13 to:

- Fund two fixed term contract commissioning officers to ensure there is sufficient capacity within the service to meet the commissioning and contracting requirements associated with the grant; and
- Provide transitional monies to voluntary and community sector services that are being re-commissioned to prevent any break in service delivery.

4.22 Details of the proposals for using the EIG in 2012/13 (reported to Cabinet on 19 December 2011) are detailed in **Appendix C**.

**4.23 Housing Scheme Forecast Outturn**

4.24 This scheme involved the construction of 82 houses at Gladys Worthy Court, Golden Meadows and Charles Street which were funded from a combination of Homes and Communities Agency (HCA) grant and Prudential Borrowing. These schemes were only financially viable as a result of the HCA grant which reduced the level of borrowing to be repaid from rental income.

4.25 The Business Case for this scheme assumed a prudent level for interest rates on the required Prudential Borrowing to reflect uncertainty in the financial markets and the lead time before approving the scheme and the need to actually borrow monies.

4.26 As part of the overall Treasury Management Strategy for the Council the borrowing for this scheme has been delayed and in the current year this provides a one-off saving of £200,000. A specific loan for this scheme has now been drawn down from the Public Works Loans Board.

4.27 The action taken to delay the borrowing decision has enabled the scheme to benefit from fixing the interest rate at a lower level than expected when the business case was prepared. This decision will then provide an ongoing saving of £60,000 which would support Prudential Borrowing.

4.28 In line with Cabinet's earlier guidance allocating both the one-off resources of £200,000 and the ongoing saving of £60,000 will create a capital investment fund of between £0.8m and £1.0m to develop a business case and refurbish existing properties to provide affordable houses. This will also need to consider the impact of Section 106 monies secured on the Wynyard development of £1.2m. It is anticipated these monies will be phased over a few years and will increase the total resources to £2.2m. A detailed business case for using these resources will need to be developed and referred to Cabinet and Council for approval.

#### 4.29 **Department of Health and PCT one-off funding allocations**

4.30 Department of Health and PCT budget arrangements have less year end flexibility to carry forward resources at the end of the financial year than local authorities. At a national level this often results in additional one-off funding from the Department of Health to councils being provided towards the year end. Similarly, the Council works closely with the local PCT to ensure resources allocated to the Hartlepool area are retained in the town. To address these issues the Council carries forward this funding at the end of the financial year to meet defined national and / or local spending priorities defined or agreed with the funders. This funding is for social care services that impact on health outcomes and have longer term benefits. Details of the specific issues for 2011/12 are summarised in the following paragraphs.

4.31 The Department of Health have recently (3<sup>rd</sup> January) advised councils that additional one-off funding will be provided in the current year. In service terms this funding is beneficial for Hartlepool as it maximises the financial resources available to support services in the town, although the unexpected announcement of this funding makes service plans and financial impact more difficult. This funding could not have been anticipated and arises from underspends in Department of Health budgets. Passing this money to councils enables this funding to be spent by the Department of Health. The funding is given under Section 256 of the 2006 NHS Act and must be spent on Adult Social Care which delivers long term health gains. Hartlepool will receive a one-off allocation of £0.305m. In accounting terms this specific ring fenced income will be carried forward at the year end by the Council as a reserve. In accordance with the Department of Health letter of condition, this funding will be earmarked to fund the following areas:

- Ongoing support for vulnerable people in their own homes to prevent delayed discharges from hospital
- Development of best practise approaches to ensure integrated system change, which will have longer term impact on delayed discharges beyond this financial year.

4.32 As previously reported the Council received the first year of specific funding for reablement of £1.3m in 2011/12 and will receive a further £1.2m in 2012/13. This funding was also transferred under Section 256 and councils were charged to create joint, sustainable plans with PCT's for use of the resources. The Council and PCT formulated this plan and it was signed off in July 2011. The plan is for a minimum of 2 years (dependent upon continued resources once funding transfers from PCT's to GP Consortia). Owing to the transformational nature of the plans and use of resources the implementation of the various schemes did not start until September 2011. This will lead to an underspend in the current year of £0.465m, which will be carried forward to fund commitments in 2012/13. In accounting terms this specific ring fenced income will be carried forward at the year end by the Council as a reserve. The implementation of the plan will extend beyond March 2013 in accordance with original agreement of the joint priorities.

4.33 The Council will also benefit from additional PCT funding which has recently been allocated by the PCT as part of their in year budget management. Officers are currently negotiating with the PCT to finalise the amount of funding to be allocated to Hartlepool and expect an allocation of £0.395m. The Council will be required to earmark this additional funding for specific initiatives agreed with the PCT. This late funding could not have been anticipated and arises from an underspend in PCT budgets. Passing this funding to the Council enables this funding to be spent by the PCT. In accounting terms this additional funding will be carried forward at the year end by the Council as a reserve. In accordance with agreements reached with the PCT this funding will be earmarked to fund the following areas:

- Low Level Support for Carers (including short breaks).
- Aids, Adaptations & Housing Related Support
- Falls Awareness and Services
- Variety of Public Health agendas impacting upon vulnerable groups (including an allocation to support the implementation of the Hearing Loss Strategy).

#### 4.34 **Annual Statement of Accounts - Outturn Position**

4.35 The Council is a complex organisation and the previous paragraphs provide an overview of the Council's financial position based on service and operational management arrangements. The management accounts provide financial accountability and transparency for different operational areas. It also enables Members to make strategic financial decisions on individual operational areas to reflect specific funding requirements and service needs, as outlined in the previous paragraphs.

4.36 At the year end the statutory Financial Accounts consolidate this information to provide a summary of the overall financial position at the

31 March. The presentation of the statutory Financial Accounts follows defined international accounting practices which are designed to enable comparisons to be made between different councils. These arrangements present financial information in a different way, although the underlying figures are the same. A reconciliation of the management accounts and statutory accounts will be provided when the statutory accounts are prepared.

## 5.0 GENERAL FUND BUDGET 2012/13 to 2014/15

- 5.1 The initial planning assumptions reported in February 2011 have been reviewed to reflect actual pressures identified against the budget headroom and a range of other changes. In overall terms these issues increased the budget deficit for the next three years from £14.7m to £15.131m. The main reason for the increase in the forecast deficit is the permanent reduction in Council Tax income from implementing a Council Tax freeze in 2012/11. The following table details the annual budget deficits for the next three years:

	Revised Deficit
	£ m
2012/13	5.735*
2013/14	4.172
2014/15	5.224
Total budgets reductions required by 2014/15	15.131

\* Deficit reported in December 2011 of £6.7m net of additional benefit from reviewing planning assumptions of £1.04m.

The above deficits assume Council Tax is frozen for 2012/13 and the Council receives the one-off Council Tax freeze grant for 2012/13. The forecasts for 2013/14 to 2014/15 assume annual Council Tax increases of 2.5%. The implications of increasing Council Tax by more than 2.5% in 2013/14 and 2014/15 are considered in more detail in section 6.

The forecasts also assume Hartlepool's Formula Grant cuts for 2013/14 and 2014/15 are the same as the national reductions announced for these years of 1.6% and 7.4% respectively. Assuming these additional national grant cuts are applied to Hartlepool the cumulative reduction over the 4 years to 2014/15 will be 29%. As previously reported this is increasingly anticipated to be an optimistic assumption and higher actual increases may be implemented.

## 5.2 Budget Pressures 2012/13

- 5.3 Pressures previously identified totalled £1.730m, which exceeds the budget headroom of £1m, as detailed in **Appendix D**.

- 5.4 The pressures include £0.45m for older people commissioning to cover demographic pressures and renegotiation of fees for older people's care home provision. Work on future fee levels is underway and early indications are that the pressure in this area may be higher. It is anticipated that any increase in fees will be phased in over a period of time and the pressure for 2012/13 capped at £0.45m. This is not yet guaranteed and depends on the successful completion of negotiations with providers. The strategy of phasing the increase will commit part of the budget headroom for 2013/14, which will reduce flexibility to manage other pressures that may arise without increasing future years' deficits. A detailed report on quality in care homes and care fees was reported to Cabinet on 19 December 2011.

**5.5 Review of Planning Assumptions**

- 5.6 An initial review of planning assumptions was reported in October and identified a reduction in costs for 2012/13 from a variety of factors which did not impact on services. This included lower external Audit Fees, insurance procurement savings and anticipated income from the New Homes Bonus grant.
- 5.7 A further review of planning assumptions was reported in December. This identified a number of additional benefits, including at a national level the Local Government Employers Organisation decision not to apply an April 2011 pay award for any staff. This will be the second year (third year for Chief Officers) there has been a pay freeze.
- 5.8 The December review of planning assumptions also included the announcement by the Government of actual New Homes Bonus grant allocations for 2012/13 which were higher than anticipated. This income is sustainable for 6 years and can therefore be built into the current MTFS. As previously reported there is a risk that future national allocations of New Homes Bonus may exceed available funding. The Government have stated any shortfall will be funded by reducing the national allocation for Formula Grant (the main revenue grant paid to local authorities). Whilst, this has not happened for 2012/13, this is a continuing risk and will increase the longer the New Homes Bonus exists.
- 5.9 At a local level the December review of planning assumptions included Cabinet's decision to remove the 50% Council Tax exemption for vacant domestic properties.
- 5.10 Details of these issues are provided in **Appendix E** which shows a total reduction in the 2012/13 budget deficit of £1.584m from factors which do not impact adversely on services.

**5.11 Strategy for Managing 2012/13 Budget Deficit**

- 5.12 As indicated in previous MTFS reports the changes in planning assumptions provide a significant benefit which could not have been anticipated when work on the 2012/13 budget commenced. These factors reduce the level of cuts which need to be made to services to balance the 2012/13 budget.
- 5.13 After reflecting these benefits the Council still needs to bridge a budget gap of £5.735m. The majority of this reduction will need to come from departmental budgets.
- 5.14 Detailed reports covering a wide range of departmental saving proposals have been considered by Cabinet, which in total will save £5.376m from April 2012, as detailed in **Appendix F**. The planning, management and implementation of some of these measures in the current year provides a one-off benefit. More importantly these measures provide a robust financial base for 2012/13, which will be challenging given the scale of cuts implemented in the current year and further reductions required from April 2012.
- 5.15 **Impact of ICT / Revenues and Benefits Procurement**
- 5.16 Assuming the ICT / Revenues and Benefits procurement proceeds this will provide a 2012/13 saving of £0.330m, net of the planned contingency. These savings will increase on an annual basis over the lifetime of the contract. The additional savings from this contract will help to begin to address the overall budget deficits forecast for 2013/14 and 2014/15. The additional savings beyond 2014/15 will also help offset further grant reductions which will inevitably be made in these years, thereby reducing the cuts which would otherwise need to be made in other services.
- 5.17 The achievement of the ICT / Revenues and Benefits savings will require the Council to fund some one-off costs. These costs need to be assessed in the context of the overall savings over the lifetime of the contract. A robust financial appraisal of the ICT / Revenues and Benefits procurement savings has been completed. This assessment includes the potential establishment of a contingency provision to determine a minimum prudent level of cumulative savings. If this contingency is not needed there will be a higher cumulative saving, which is the option officers would work towards achieving. These savings will commence in 2012/13 and will increase in each year of the contract. **Appendix Q** provides an analysis of the one off costs and cumulative ICT savings. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).



- 5.18 The ability to begin to take these saving into account in 2012/13 is dependant on the one of costs of this contract being funded up front. Assuming this can be achieved there is a net deficit of £0.029m for 2012/13 as summarised below:

	£ m
Gross 2012/13 Deficit	7.319
Impact of changes in planning assumptions	(1.584)
	5.735
Departmental savings	(5.376)
Sub total	0.359
ICT /Revenues and Benefits procurement saving (year 1 saving)	(0.330)
Deficit still to be bridged	0.029

- 5.19 It is proposed that the residual deficit for 2012/13 of £0.029m is funded from the 2011/12 outturn. This proposal defers a small additional deficit of £0.029m to 2013/14.
- 5.20 In terms of funding the one-off costs of the ICT / Revenues and Benefits procurement three alternatives options are identified for Cabinet's consideration in the following paragraphs. Options 1 and 2 would enable the full year 1 savings to be taken into account when setting the 2012/13 budget. Option 3 would provide a lower benefit in 2012/13. Details of these options are provided in the following paragraphs.
- 5.21 **Option 1** – The MTFs report and the ICT / Revenues and Benefits Procurement reports to Cabinet on 19<sup>th</sup> December suggested that these one-off costs should be funded from the release of the Job Evaluation Appeal reserve. A detailed assessment of commitments against this reserve has recently been completed to reflect the substantial completion of appeals and risk assessment of outstanding liabilities. This review would provide the necessary funding.
- 5.22 **Option 2** - would be to fund these costs from the increased General Fund Outturn identified earlier in the report with a contribution from the initial outturn reported in December 2011. This option would reduce the 2011/12 underspend which could be carried forward to 2012/13 to help manage the reduction in funding for Council Tax Benefits and to address the loss of the Council Tax freeze grant in 2013/14.
- 5.23 **Option 3** - would be to fund these costs from the annual ICT / Revenues and Benefits procurement savings. As reported in the detailed financial assessment of the ICT / Revenues and Benefits this option requires a temporary loan facility repayable from the annual procurement saving. Owing to the financial position of the Council over the next few years it was previously reported that the maximum loan period would need to be limited to 4 years, although a shorter period would be more prudent.

- 5.24 Adopting option 3 will result in annual loan repayment costs of £241,000 for 4 years. This would reduce the net saving available to reduce the overall 2012/13 budget to £89,000. Therefore, the unfunded budget gap will increase from £29,000 to £270,000. At this stage in the budget process it will not be possible to identify alternative savings to address the increased budget deficit. Therefore, this amount will need to be funded from the 2011/12 outturn for one year. Funding the revised 2012/13 budget deficit from the 2011/12 outturn will not provide a permanent solution and will increase the budget gap in 2013/14 by £241,000.

	£'000
2012/13 Deficit before ICT / Revenue and Benefits procurement saving	359
Less - Gross ICT / Revenues and Benefits saving	(330)
Sub Total – Net Saving	29
Add – Loan repayment costs to be funded over 4 years from gross ICT / Revenues and Benefits saving	241
Revised 2012/13 Budget Deficit	270

- 5.25 It is recommended that the initial funding strategy, i.e. Option 1 is adopted for funding the ICT / Revenues and Benefits one-off costs. This option enables a saving to be taken in 2012/13 towards reducing the overall budget from the ICT / Revenue and Benefits procurement. It also enables part of the 2011/12 outturn to be carried forward to 2013/14 to help address a reduction in funding for Council Tax Benefits and to partly address the removal of the Council Tax freeze grant in 2013/14.

## **6.0 COUNCIL TAX 2012/13 AND IMPACT ON 2013/14 AND 2014/15 BUDGET DEFICITS**

- 6.1 Previous reports have provided a detailed assessment of the impact of increasing Council Tax for 2012/13 by 2.5% (the indicative increase approved in February 2011), implementing a higher increase, or freezing Council Tax for 2012/13 to enable the Council to be eligible to receive the one-off Council Tax freeze grant for 2012/13.
- 6.2 The 2012/13 Council Tax freeze regime recognises that authorities need to increase income to partly protect services and offset an element of the grant cuts. The Council Tax freeze regime increases local authority dependency on Central Government funding. The 2012/13 scheme only provides a temporary solution as the grant will only be paid for one year. Experience of multi-year Council Tax freezes in Scotland illustrates the financial problems this stores up for future years for both individual local authorities and the national Government. In Scotland the devolved Government has addressed

this issue by continuing to provide additional grants to local authorities. This option is not available in England owing to the overall position of the Public Finances and the Government's clear statement that the 2012/13 Council Tax freeze grant is one-off, funded from in-year savings.

- 6.3 The 2012/13 Council Tax freeze regime makes financial and service planning even more difficult as local authorities are only being provided funding for one year, which will be removed in 2013/14. The removal of this funding will need to be addressed in 2013/14 from further cuts.
- 6.4 In 2012/13 the alternatives of increasing Council Tax by 2.5% or freezing Council Tax are financially neutral as both provide an income of £1m for Hartlepool. This is not the position in 2013/14 as only the option of increasing Council Tax in 2012/13 provides a permanent income stream.
- 6.5 The Government's 2012/13 Council Tax freeze scheme is different to the 2011/12 Council Tax freeze scheme which provided funding for 4 years to offset the permanent loss of income from freezing Council Tax in 2011/12.
- 6.6 Previous reports have also advised Cabinet of the Government's announcement that Council Tax referendums will apply for 2012/13 if the proposed Council Tax increase exceeds a pre-determined threshold. For most councils including Hartlepool the referendum threshold is 3.5% for 2012/13. The referendum threshold will be subject to annual review by the Government and subject to Parliamentary approval. The Council Tax referendum arrangements will mean that any authority seeking to offset the loss of the 2012/13 Council Tax freeze grant by increasing Council Tax in 2013/14 above the threshold will need to gain public support for a Council Tax increase through a legally binding Council Tax referendum. Authorities will also have to fund the costs of holding the Council Tax referendum. Gaining public support to increase Council Tax at a higher rate will be extremely challenging and a significant risk for financial planning.
- 6.7 Cabinet has also considered the impact of potentially increasing Council Tax by up to 3.49% (i.e. below the current referendum threshold) on the budget positions for 2012/13 to 2014/15.
- 6.8 Consideration has also been given to the impact of a 2012/13 Council Tax increase on household budgets. Many households have faced sustained financial pressures from inflation and / or pay restraint.
- 6.9 To enable Cabinet to make a final decision on the level of Council Tax for 2012/13 the following table compares the initial planning assumption of annual Council Tax increases of 2.5% with three alternative scenarios, which reflect the announcement of the 2012/13

Council Tax referendum arrangements. The table also reflects the final 2012/13 budget proposal outlined earlier in this report, including the assumption that the ICT / Revenues and Benefits procurement saving is achieved and the one-off costs are funded upfront.

- 6.10 If an alternative option is adopted for funding the ICT / Revenues and Benefits one-off costs this will increase the deficits detailed in this section. Similarly, if this proposal is not implemented this will mean that significant additional budget cuts will be made in each of the next three years to offset the loss of ICT / Revenues and Benefits savings.
- 6.11 Cabinet has previously indicated that they are minded to freeze Council Tax for 2012/13 and have recognised that this will permanently reduce the Council Tax income base by £1m. To partly mitigate this reduction Cabinet proposed indicative Council Tax increase of 3.49% for 2013/14 and 2014/15 – Option 2 as detailed below.
- Alternative option 1 - this shows the impact of freezing Council Tax in 2012/13 and then implementing annual Council Tax increases of 2.5%. This level of Council Tax increase highlights the impact of a lower trigger for Council Tax referendum applying in the future. This option increases the 2013/14 budget gap by around £1m and therefore the total savings over the next three years increase to £14.6m. In addition, the ongoing Council Tax base in 2014/15 is £1m lower than the initial planning assumption.
  - Alternative option 2 - this shows the impact of freezing Council Tax in 2012/13 and then implementing annual Council Tax increases in 2013/14 and 2014/15 of 3.49%. These increases are just below the 2012/13 Council Tax referendum threshold of 3.5%, although the Government may set lower thresholds for these years so these increases cannot be guaranteed. This option broadly keeps the cumulative savings at £13.8m.
  - Alternative option 3 - this shows the impact of moving from annual Council Tax increases of 2.5% to 3.49% starting in 2012/13. These increases are just below the 2012/13 Council Tax referendum threshold of 3.5%, although the Government may set lower thresholds for future years so the 2013/14 and 2014/15 increases cannot be guaranteed. This option is included to enable Members to consider the impact of this level of annual Council Tax increase on the budget position. This option potentially reduces the cumulative deficit to £12.4m and increases the ongoing Council Tax base in 2014/15.

The following table summarises the above options and highlights the cumulative budget deficits over the next three years and the 2014/15 base Council Tax income.

	Council Tax increase			Forecast Budget Deficits				2014/15 Base Council Tax income £'m
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	Cumulative	
				£'m	£'m	£'m	£'m	
Initial planning forecasts	2.5%	2.5%	2.5%	5.735	2.950	4.960	13.645	43.4
Alternative Option 1	0% Freeze grant accessed	2.5%	2.5%	5.735	3.950	4.960	14.645	42.4
Alternative Option 2	0% Freeze grant accessed	3.49%	3.49%	5.735	3.550	4.560	13.845	43.2
Alternative Option 3	3.49%	3.49%	3.49%	5.335	2.550	4.560	12.445	44.6

6.12 The maximum financial flexibility would be achieved by increasing Council Tax for 2012/13 by 3.49%, although this would increase household bills. The increase in annual Council Tax bills for Hartlepool Council services of increases of 2.5% or 3.49% are summarised in the following table:

Council Tax Increase	Council Tax Bands - Additional Council Tax For Hartlepool Council Services (to nearest £)							
	A £	B £	C £	D £	E £	F £	G £	H £
2.50%	24	28	32	35	43	51	59	71
3.49%	33	39	44	50	61	72	83	99

% of Households in each Council Tax Band	55.2%	16.4%	14.3%	7.4%	3.7%	1.5%	1.1%	0.1%
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6.13 Cabinet needs to confirm that they wish to propose a Council Tax freeze for 2012/13 and indicative increases of 3.49% for 2013/14 and 2014/15. The indicative increases will need to be reviewed annually to reflect the Government's annual setting of trigger points for Council Tax Referendum.

## 7.0 ONE-OFF STRATEGIC FINANCIAL ISSUES AND FUNDING STRATEGY

7.1 The previous MTFS report provided a comprehensive analysis of one-off strategic costs for the next three years covering:

- Redundancy and early retirement costs arising from cutting the revenue budget by £15m before the start of 2014/15;
- Housing Market Renewal costs;
- Land Remediation costs;
- Capital Investment requirements.

7.2 The assessment of Housing Market Renewal commitments anticipated the Councils bid for transitional funding of £2m being successful. The Government have recently confirmed allocations of transitional funding and Hartlepool will receive £2m. There have been no changes affecting the net value of the other commitments and the Council will need to earmark funding of £14m for these issues.

7.3 As reported previously funding of £9.424 has been identified towards meeting these costs as follows:

- Review of Reserves and Risks £5.944m

A comprehensive review of Reserves and the risk being managed from reserves has been completed and this has identified £5.944m of reserves which can be released towards funding one-off Strategic Costs. **Appendix G** provides a detailed schedule of reserves, including details of reserves which can be released, and explanation of the reasons individual reserves need to be maintained. **Appendix H** provides an analysis of the forecast use of these reserves over the next 3 years.

As reported in October 2011 the Council also holds other specific reserves for defined purposes, including

- Reserves held in trust for schools which cannot be spent by the Council;
- Capital reserves earmarked to fund capital expenditure commitments rephased into 2011/12;
- Lotteries and Museum Acquisitions Reserves and
- The 2011/12 Budget Support Fund, which is allocated to fund the General Fund budget in 2011/12.

For completeness details of these reserves are provided in **Appendix I**.

- 2011/12 Initial Outturn (reported 10 October 2011) £1.980m

This funding is still available and earmarked to partly fund one-off Strategic costs.

- Capital Receipts already achieved £1.500m

This funding is still available and earmarked to partly fund one-off Strategic costs.

7.4 The one-off Strategic costs exceed the resources identified above by £4.576m. It is anticipated this shortfall can be bridged from additional capital receipts over the next three years. Achieving this level of capital receipts in the current climate will be challenging and need careful management. The Director of Regeneration and Neighbourhoods indicates that whilst this will be challenging there is demand from developers for smaller development sites across Hartlepool. Therefore, the sites identified for disposal are expected to be attractive and should achieve the required capital receipts. If capital receipts are not achieved as forecast, costs may then need to be funded from Prudential Borrowing, either on a short-term or long term basis. This would have an unbudgeted revenue cost.

7.5 The proposal to dispose of the Foggy Furze site will be dependant upon allocating up to £60,000 of the capital receipt to re-provide the bowling green. Similarly, £125,000 of the capital receipt from disposing of the sale of land for the Steetley Access Road will be required for the provision of facilities to support leisure activities in the central area.

7.6 Capital receipts will mainly be achieved in 2012/13 and 2013/14 and it is anticipated the monies will be received to meet phased expenditure commitments. This position will need to be managed carefully and regular progress reports will be submitted to Cabinet. As reported previously an initial assessment of the phasing of these expenditure commitments has been completed. The initial phasing may change, although the overall costs are a robust assessment of the commitments and future liabilities facing the Council.

7.7 Business cases will also be developed on a case by case basis for asset purchases which provide increased capital receipts through 'marriage values' and / or property rationalisation. Individual business cases will be referred to Cabinet and Council for approval. A detailed property acquisition / development strategy report was presented to Cabinet on 23<sup>rd</sup> January 2012, setting out the principles for delivering this strategy. The report also provided a business case for the first project to purchase the Ambulance Station. This proposal needs to be referred to full Council for approval.

#### 7.8 **Furniture Solutions Project**

7.9 The Director of Regeneration and Neighbourhoods submitted a comprehensive report to Cabinet on 10 October outlining proposals for development of a Furniture Solutions Project. The report proposed using the available Furniture Project reserve of £50,000, over two years to kick start the scheme, with the intention of the operator working to sustain the scheme beyond 2013/14.

7.10 Cabinet needs to determine if they wish to include this proposal in the budget proposals to be referred to Council.

#### 8.0 **CAPITAL ISSUES 2012/13**

8.1 There are two elements to the capital programme, firstly projects funded from Government Capital 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**.

## 8.2 Government Capital Allocations

- 8.3 Capital allocations have now been provided by the Government covering the Local Transport Plan, Children's Services and Adult Social Services. These allocations will now all be funded from capital grants, rather from supported Government Prudential borrowing allocations. This avoids a future budget pressure as the Council does not need to make provision for loan repayment costs. The level of funding for these areas for 2011/12 and 2012/13 is detailed below:

	2011/12 £'000	2012/13 £'000	Increase/ (decrease)
Local Transport Plan	1,349	1,410	61
Education Services	2,449	1,700	(749)
Adult Social Services	252	258	6
Total Government Capital Allocations	4,050	3,368	(682)

- 8.4 Detailed proposals for using the above allocations will be approved by the relevant Portfolio Holder to ensure the Government funding conditions are met and the grant can be drawn down by the Council. Proposals for using the Education Capital allocation will be approved by the Schools Forum and the Portfolio Holder.

## 8.5 Local Capital Allocations

- 8.6 There are a number of capital issues which need addressing as detailed in the following paragraphs:

### 8.7 Council Capital Fund £1m

- 8.8 In response to the reductions in revenue grants and the resulting budget deficits Members previously reviewed the sustainability of using prudential borrowing to support a range of local capital priorities. As a result of this review a single capital allocation, to be known as the 'Council Capital Fund' was established. For 2011/12 this was funded using prudential borrowing and the repayment costs were built into the budget forecasts as a commitment against the headroom included for revenue pressures. For 2012/13 this capital allocation has been included in the 'One-off Strategic' costs detailed earlier in the report and a budget provision of £1m allocated. This funding will be released on a priority basis. Detailed proposals for allocating £0.632m of this funding are detailed in **Appendix J, Table 4**. Proposals for allocating the remaining funding will be referred on a case by case basis to Cabinet and Council for approval.

### 8.9 Major Regeneration Capital budget of £390,000

This budget provision was originally allocated to match fund major Regeneration Projects and will be funded from Prudential Borrowing if used. This budget had provisionally been allocated for the potential



Church Square scheme. This scheme has been put on hold and Cabinet could therefore remove the capital budget permanently. This would provide a revenue saving of £39,000 as the budget for supporting Prudential Borrowing would not be needed.

Alternatively Cabinet may wish to retain this budget to provide flexibility for future regeneration capital schemes, including opportunities to match fund other capital funding regimes. Individual proposals would be referred to Cabinet and Council for approval.

It is recommended that this capital budget is retained for 2012/13. If this budget is not needed during 2012/13 Members can review whether this provision needs to be maintained for 2013/14 when next year's budget proposals are considered.

#### 8.10 Brierton Site

A detailed master plan needs to be developed setting out the potential options for this site and it is expected this will be reported to Members in June 2012. There is a more immediate need to make a decision on the 'top site' building and ancillary buildings which will not be needed. It is recommended that this building is demolished as soon as practical at an estimated cost of £0.2m. Demolition costs will need to be funded from existing capital receipts and need to be quantified to enable this issue to be reflected in the final budget proposals to be referred to Council in February. If this building is not demolished provision will need to be made for security costs and these will need to be funded from the uncommitted 2011/12 revenue outturn. This would reduce the value of these resources which can be carried forward to 2013/14 to help manage the financial challenges in that year.

#### 8.11 Seaton Carew Coastal Strategy

The previous MTFS report identified a potential capital match funding commitment requirement for this scheme to secure Environment Agency grant funding. It is anticipated that a match funding commitment from the Council of £0.5m will be required to secure an Environment Agency grant of £3.2m.

As reported previously the Council's contribution will be funded from Prudential Borrowing and the loan repayment costs paid for from the existing Coast Protection revenue budget.

#### 8.12 Cremators Replacement

It was previously determined to fund this scheme from Prudential Borrowing and to fund the annual repayment costs from an increase in cremation fees. As part of the business case for this scheme the fee increase was implemented in 2010 to provide a contribution towards the overall scheme costs. The business case was based on an initial

assessment of the works which would be needed and also the costs of undertaking these works. Detailed specifications and tendering for the supply of this specialist equipment have now been completed. The total costs are greater than initially anticipated. However, interest rates are now lower than when the initial business case was prepared and as a result the costs of increased borrowing can be funded from the available fee income. The capital programme has been updated to reflect the higher capital costs for this scheme.

## **9.0 BUDGET RISKS**

- 9.1 The previous MTFS report indicated that the Council will need to manage an increasing number of financial and non-financial risks.
- 9.2 Internally the financial risks cover a range of issues and the report outlines proposals for managing and funding these risks, which cover:
- Implementing significant sustainable budget reductions in each of the next three years;
  - Managing significant one-off strategic costs, including redundancy/early retirement costs and Housing Market Renewal commitments;
  - Continuing demand lead and demographic pressures.
- 9.3 Additional risks are beginning to emerge in relation to services provided to schools, which have a total estimated value for 2012/13 of £3.9m. If these services are not bought back the Council will face additional redundancy costs and reductions in anticipated income. Depending on the scale of schools which do not continue to buy back services this could make some services unviable. This is an annual risk, which for 2012/13 has increased as schools will face a tough financial settlement, which at best will be a cash freeze in funding. Against this background and pay freezes for Council staff there will be significant pressure to maintain, or even reduce existing charges, to retain school contracts. This risk will not be removed until schools notify the Council of the services they will buy and schools have until the end of June to respond. No provision has been made to manage this risk and if it arises this will need to be managed in 2012/13 from within the overall budget.
- 9.4 The level of grant cuts for 2013/14 and 2014/15 is only known at a national level and these reductions are reflected in the MTFS. However, the actual grant cuts for Hartlepool could be higher and this would increase the forecast budget deficit. The level of future grant cuts may also be affected by the Government's 1% pay cap, as grant allocations may be scaled back to enable the Government to claw these savings back. It is hoped that if this happens the additional reduction in Hartlepool's grant will be offset by a lower pay increase than was anticipated in the MTFS. This cannot be guaranteed and the position will need updating when more information is available.

Similarly, the Chancellor's Autumn statement suggests that there will be further cuts in funding from 2015/16.

- 9.5 Significant external financial risks arise from the Government's proposals to re-localise Business Rates and to transfer responsibility for Council Tax Benefits to councils (total expenditure around £11m and 15,000 claimants). These proposals mean fundamental changes to the system for funding local authorities and will have a significant impact for 2013/14 and future years. The exact impact will not be known until the Government issues final proposals. A detailed report on these issues, including the impact on Hartlepool, will be prepared when more information is available.
- 9.6 There are also potential risks from a range of other Government proposals and these are highlighted below to inform Members of the complex financial issues facing the Council. At this stage no provision is made within the MTFS for these issues as there is insufficient information to assess these risks and the potential financial impact:
- The Early Intervention Grant and the level of floor damping currently being paid to Hartlepool, which if removed could lead to a further reduction in this grant of £2.5m. It is anticipated this grant will be rolled up into the main Formula Grant from 2013/14, which would complicate the position and make changes in grant levels more difficult to track;
  - Land Charges – a national court case could require all Councils to refund previous land charges and these costs could exceed the resources previously earmarked to manage this risk;
  - Legal Aid, Sentencing and Punishment of Offenders Bill – the devolution of funding responsibility for the costs of youth remands is a complex issue. The Local Government Association is currently working with the Government to ensure the full, true cost of youth remands is transferred to council budgets, including a realistic estimate of the reductions in young people remanded to secure custody as a result of changes in the Bill.
- 9.7 On a more positive note the Government recently published the NHS Operating Framework and confirmed that NHS funding for social care services (£1.2m in 2012/13) that support improved healthy outcomes will continue in 2013/14 and 2014/15. The previous guarantee only went up to March 2013. This announcement removes the risk of this national NHS supported funding not continuing beyond 2012/13, although allocations for 2013/14 and 2014/15 have not yet been announced. However, detailed agreements will still need to be reached at a local level with GP's to continue existing use of these resources.
- 9.8 Non-financial risks are equally significant and will also need to be managed, and include:

- capacity of the organisation to manage the budget position over the next few years and the unavoidable budget reductions. This also includes capacity to set up new ways of working, such as trust and partnership working with other councils;
- capacity of the organisation to manage legislative changes, such as implementing a local Council Tax Benefit system and responding to other Government initiatives.

## 10.0 CONSULTATION

- 10.1 Details of feedback on the budget proposal identified in December from Scrutiny Co-ordinating Committee are provided in a separate report. Cabinet needs to consider these proposals before referring the final budget proposal to Council.
- 10.2 Minutes of the consultation meetings held with the Trade Unions and Representatives of the Business Sector are provided in **Appendix K**.

## 11.0 EQUALITY IMPACT ASSESSMENTS

- 11.1 Cabinet / Council are reminded that in making financial decisions the Council is required to demonstrate that those decisions are made in a fair, transparent and accountable way, considering the needs and the 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. The Equality & Human Rights Commission has published a guide for decision-makers which is attached as **Appendix L**.
- 11.2 Equality Impact Assessments (EIA) have therefore been undertaken and reviewed by Officers throughout the proposal, consultation and consideration process to enable Elected Members to satisfy themselves that they are able to consider fully the proposed changes and the likely impact at the point of making decisions. A copy of the template Equality Impact Assessment which has been used is attached as **Appendix M**.
- 11.3 Each EIA has been independently reviewed and subject to internal challenge together with an overall central assessment to determine the cumulative impact on each individual “protected characteristic” to identify where specific consultation requirements are needed. Each EIA has sought to identify whether:
- there is no major change to the service if the proposal is implemented;
  - adjustments or changes should be made to the proposal;
  - the proposal should continue even though there may be an impact, or;
  - the proposal should be stopped or removed.

- 11.4 Although the greatest overall potential impact is in relation to Age and Disability strands it has been assessed that there is no requirement to arrange further corporate consultation in relation to the budget proposals. The EIAs specify actions that will be undertaken to ensure impact is minimised and arrangements are in place to ensure those actions are regularly monitored, reviewed and updated if any adverse impact is identified during monitoring.

## **12.0 ROBUSTNESS OF BUDGET FORECASTS – CHIEF FINANCE OFFICER'S PROFESSIONAL ADVICE**

- 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 adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This latter 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 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) have again written to chief finance officers reminding them and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help chief finance officers discharge their responsibilities.
- 12.3 It is important to view my advice and formal report as the culmination of the budget process in which a lot of detailed work has already taken place with Cabinet, Scrutiny, the Corporate Management Team, senior managers and detailed work undertaken by my own Finance staff. This overall approach enables me to advise Members that in my professional opinion the budget forecasts suggested in this report for 2012/13 are robust. My 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. The proposed savings are the key issue affecting the robustness of the proposed budget. If Members do not approve these proposals the budget forecasts will not be robust as overall expenditure will inevitably exceed available resources;
  - The assessment by the Corporate Management Team of the achievability and sustainability of proposed budget reductions for 2012/13. The assessment of the proposed savings reflects the process adopted for identifying, managing and implementing these measures. This includes action taken in the current year to implement proposals earlier to ensure a full year saving is achieved in 2012/13. It also reflects a risk assessment of

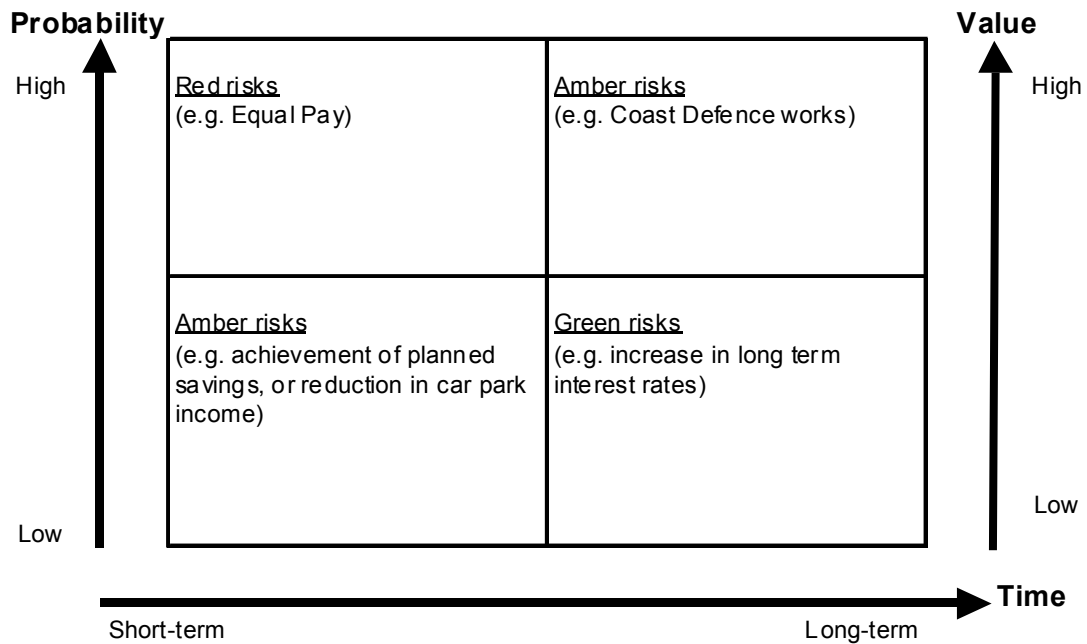
proposed savings based on an assessment of the level of pay, non-pay savings and increased income savings;

- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provision for potential pay awards for April 2012;
- A prudent provision for inflation on non pay budgets and income budgets during 2012/2013;
- The identification of specific pressures and inclusion of these commitments within the overall budget requirement;
- An assessment of 'One-off Strategic' costs over the three years 2012/13 to 2014/15 (£14m) and the earmarking of funding (£9.5m) to partly fund these costs and the development of a planned capital receipts strategy to fund the remaining costs (£4.5m);
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The maintenance of uncommitted General Fund Reserves of £3.462m, which equates to 3.8% of the 2012/13 budget;

12.4 Further details of the key financial assumptions underpinning the budget are detailed at **Appendix N**.

12.5 The robustness of the budget forecasts also takes account of the main areas of risk affecting the budget for 2012/13 and the specific reserves earmarked to manage these risks. 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.

12.6 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 O**).



12.7 In addition as detailed early in the report, a comprehensive review of risks identified in previous years and reserves earmarked to manage these issues was completed as part of the 2012/13 budget process. The review identified risks which have reduced and/or no longer exists. This review identified resources which can be released to partly fund the forecast 'One-off Strategic Cost' over the three years 2012/13 to 2014/15, which have also been identified as part of the budget process. The identification of these resources avoids these one-off Strategic commitments significantly increasing the budget deficits to an unmanageable level over the next three years.

### 13. CONCLUSIONS

13.1 Whilst the report expresses the financial position and financial risks facing the Council over the next three years in monetary terms, these issues are fundamentally about the future nature and shape of the Council and services – sustainability, levels and methods of delivery.

13.2 The financial challenges facing the public sector and councils are greater than anything which has existed in the past 50 years. This position was underlined by the Chancellor's Autumn 2011 Statement which anticipates higher borrowing, lower growth and a longer period of public sector austerity. These factors increase the risk that grant cuts for 2013/14 and 2014/15 are likely to be higher than currently forecast. The budget forecast for 2013/14 onwards will need to be reviewed when more information is available.

13.3 Addressing ongoing reductions in Government grant will require the Council to adopt a range of measures including reassessing priorities, new ways of working, including issues such as joint working with other councils/organisations, trading companies and trusts where these provide financial savings and protect services.

- 13.4 For councils 2012/13 is the second year of the Coalition Government's two year detailed settlement for local authorities, which has front loaded grant cuts. For Hartlepool, this has resulted in a cumulative cut in the Formula Grant (the main Government grant) for these two years of 20% - a £10.2 million ongoing funding cut. For the second successive year this is the key factor driving the budget position and the need to make significant budget reductions in 2012/13.
- 13.5 The current MTFs anticipates that the Council will need to make aggregate cuts of between **£13.8m** and **£14.6m** by the start of 2014/15. The lower forecast is based on indicative Council Tax increases of 3.49% (i.e. just below the current Council Tax referendum threshold) for 2013/14 and 2014/15. The higher forecast is based on indicative Council Tax increases of 2.5%, to reflect the impact of the Government reducing the Council Tax referendum thresholds for 2013/14 and 2014/15. These cuts need to be made on an annual basis as deferring cuts is not an option as the position would become unmanageable.
- 13.6 Detailed proposals for balancing the 2012/13 budget have been identified which includes making cuts to departmental budgets. The proposals also include permanent corporate benefits which do not impact on services. These proposals leave a residual budget deficit for 2012/13 of £29,000, which it is suggested is funded from the 2011/12 outturn.
- 13.7 The cuts in departmental budgets include a range of measures to protect services and jobs, including the re-badging of Adult Social Care services against the social care funding transferred from the PCT. The corporate benefits include the year one saving from the ICT / Revenues and Benefits procurement, which will provide significant increasing annual savings over the 7 years of the contract, protect existing jobs and bring new jobs to Hartlepool. If this contract is not awarded these benefits and savings will not be achieved and alternative cuts will need to be identified. Over the lifetime of the contract significant cumulative savings are anticipated to be achieved, although there will be one-off costs to enable these savings to be realised. Appendix Q provides an analysis of the one off costs and cumulative ICT savings. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 13.8 The proposals for balancing the 2012/13 budget provide a robust financial base for addressing the significant financial challenges facing the Council in 2013/14 and 2014/15. Based on current forecasts significant additional budget cuts will need to be made in these years. These cuts will become increasingly difficult to achieve given the scale



of cuts implemented over the last 3 years. Inevitably future cuts will have a much greater impact on service levels and staffing numbers.

- 13.9 The report outlines the implications of the level of Council Tax set for 2012/13 and future years on the Council's overall financial position. In particular the report highlights the impact of freezing Council Tax in 2012/13 on the financial position in future years.
- 13.10 The proposal to earmark specific funding for One-off Strategic Costs, which includes Redundancy / Early Retirement costs (which all councils are required to pay to staff age 55 or older who are made redundant) and unfunded Housing Market Renewal commitments, protects the Council's medium term financial position. These proposals also reduce the risk that these costs will need to be funded from the General Fund budget which would increase the level of cuts which will need to be made. There is a risk that a significant element of the one-off Strategic Costs is anticipated to be funded from capital receipts to be achieved over the next three years. This position will need to be managed carefully and regular progress reports will be submitted to Cabinet.
- 13.11 The positive action taken during 2011/12 to achieve planned savings earlier makes the 2012/13 budget more robust and also provides a one off financial benefit in 2011/12. Similarly, action taken during 2011/12 to robustly manage expenditure, including holding posts vacant provides a one-off financial benefit and has also helped reduce the number of compulsory redundancy required for 2012/13 by providing vacant posts which can be deleted or increasing redeployment opportunities. Robust management of budgets will need to continue in future years to help address the significant and sustained financial challenges facing the Council.
- 13.12 The 2011/12 outturn also provides uncommitted resources which it is recommended are carried forward to 2013/14. The report proposes allocating some of these resources to provide a local transitional scheme to help manage the implementation of a localised Council Tax Benefit scheme, which will have to be managed with 10% less funding than is currently provided by the Government. Council will also need to manage a demand lead benefit with a cash limited budget. In addition, the 2011/12 outturn also provides resources which it is proposed are allocated to partly address the impact of the 2012/13 one-off Council Tax freeze grant being withdrawn in 2013/14. A final decision on the use of these monies will be made as part of the 2013/14 budget and this provides more time to consult on these proposals.
- 13.13 In summary the proposals detailed in the report and the recommendation to be referred to Council provide a robust financial base for managing the significant and ongoing financial challenges facing the Council over the next three years. Whilst, the Council has already made significant budget cuts over the last 3 years, further significant cuts still need to be made. Further cuts will become

increasingly difficult to achieve. It is therefore essential that the Council balances the 2012/13 budget on a sustainable basis, earmarks the benefits of the favourable 2011/12 outturn to address future financial risks and begins work early in the new financial year on proposals for addressing the 2013/14 and 2014/15 budget deficits.

#### 14. RECOMMENDATIONS

14.1 It is recommended that the following proposals are referred to Council:

##### 14.2 2011/12 Outturn Strategy

14.3 **General Fund Budget 2011/12 Outturn** – approve the proposal to allocate the net underspend (arising from the robust management of budgets, the early achievement of planned 2012/13 savings and net interest savings) of £4.066m to meet specific commitments and support the 2012/13 and 2013/14 budgets as detailed in **Appendix B**, and refer this proposal to Council to note.

14.4 To note that a final decision on the use of resources allocated within **Appendix B** for Transitional Support to offset Council Tax Benefit Changes of £1.197m and to partly support the loss of the 2012/13 Council Tax freeze grant of £0.727m will be referred to Council in February 2013, as part of the 2013/14 budget process.

14.5 **General Fund Budget 2011/12 Outturn – specific issues** - Cabinet needs to determine if it wishes to support the Scrutiny Co-ordinating Committee proposal to establish a total 'Ward Fund' of £231,000, which will provide £7,000 per Member to address specific Ward issues arising after the election not covered by existing budgets. This proposal could be funded by allocating the underspends from the Acting Chief Executive arrangements (£76,848), the joint Head of HR role (£21,402) and the one-off saving arising from the Industrial Action (estimated value of £50,000), plus the amount identified in Appendix B (£83,000) from the 2011/12 General Fund Outturn.

14.6 **Capital Outturn 2011/12** – approve the proposal for funding the additional Primary Capital Programme costs of £0.670m as detailed in paragraph 4.18.

14.7 **Early Intervention Grant 2011/12 Outturn** – approve the proposal to allocate the £0.276m underspend to create risk reserves as detailed in paragraph 4.21, to support the delivery of the Early Intervention Strategy, and refer this proposal to Council to note.

##### 14.8 Housing Scheme 2011/12 Outturn

14.9 Approve the principle of allocating the in-year underspend of £0.2m, plus the ongoing saving of £60,000 to support Prudential Borrowing of

£1m, plus Section 106 monies secured on the Wynyard development of £1.2m to establish a Housing Capital Investment Fund of £2.2m; and

14.10 To note that a detailed business case will be reported to a future Cabinet and Council for using this funding.

**14.11 2012/13 to 2014/15 Capital Programme**

14.12 Approve the 2012/13 capital programme proposals as detailed in **Appendix J**, which includes:

1. Details of Capital Grants for the Local Transport Plan, Schools Capital Programme and Adult Social Services and to note that the relevant Portfolio Holders will approve individual schemes which meet Government Grant conditions;
2. Proposal for using the Council Capital Investment Fund, detailed in **Appendix J**, table 4;
3. The proposals to allocate £125,000 of the capital receipt from the sale of land for the Steetley Access Road for the provision of facilities to support leisure activities in the central area;
4. The proposal to allocate £60,000 of the capital receipt from the sale of the Foggy Furze site for the provision of replacement/enhanced bowling facilities if this is required by Sports England;
5. Retention of a Major Regeneration Capital budget of £0.39m to support detailed business cases to be approved by Cabinet and Council which either attract external fund and / or are strategically important for the town.

**14.13 Approve the purchase of the Ambulance Station site to facilitate the sale of a larger site and increased capital receipt from the resulting 'marriage value', as detailed in Appendix P. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

**14.14 Strategy for Funding one-off Strategic Costs**

14.15 Approve the proposed strategy for funding One-off Strategic costs of £14m from a combination of:

1. £1.980m contribution from 2011/12 General Fund outturn;
2. £5.944m contribution from existing reserves following a re-assessment of these reserves and the risks they where originally earmarked to address, as detailed in **Appendix G**;
3. £1.500m from Capital Receipts already achieved; and
4. £4.576m from Capital Receipts to be achieved over the next 2 to 3 years.

14.16 **2012/13 General Fund budget**

14.17 Approve the proposed funding allocations for implementing the Early Intervention Strategy, totalling £7.1m, as detailed in **Appendix C**. Note this expenditure is funded from the Early Intervention Grant

14.18 Approve the proposed pressures detailed in **Appendix D** of £1.730m.

14.19 Approve the strategy for bridging the 2012/13 budget deficit, which reflects the cut in Government and the above pressures, from a combination of:

1. Implementing budget reductions of £1.584m arising from revised planning assumptions detailed in **Appendix E**;
2. Implementing a Council Tax freeze which will mean the Council will receive a one-year Council Tax freeze grant of £997,000 for 2012/13;
3. Implementing budget cuts of £5.376m detailed in **Appendix F** and the proposed saving from the ICT / Revenues and Benefits Procurement;
4. A contribution from the 2011/12 General Fund Outturn of £215,000, consisting of £186,000 to cover the reduction in the Collection Fund Surplus and £29,000 to cover the residual 2012/13 budget deficit.

**14.20** Consider the 3 options for funding the one-off costs of achieving the ICT / Revenues and Benefits contract savings detailed in paragraphs 5.20 to 5.25 and reconfirm the Cabinet decision of 19<sup>th</sup> December 2011 to refer Option 1 (i.e. the reallocation of one-off funding which is no longer needed to fund back-dated Job Evaluation costs) to fund these one-off costs. The residual balance of this reserve will transfer to General Fund Reserves. This funding proposal will maximise the value of the ICT / Revenues and Benefits savings which can be used reduce the budget deficits. These savings will commence in 2012/13 and will continue to increase in each year of the 7 year contract. **Appendix Q provides an analysis of the one off costs and cumulative ICT savings. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

14.21 Approve the allocation of the available Furniture Project reserve of £50,000 to kick start this project.

14.22 Note the budget risk, mitigation strategy and robustness of the budget forecasts advice (sections 9 and 12).

**14.23 2013/14 to 2014/15 Indicative Council Tax increases**

- 14.24 Approve indicative Council Tax increases for 2013/14 and 2014/15 of 3.49% per year. Note these proposals will be subject to annual review to reflect changes in the Council's financial position and the Government's announcement of annual trigger points for Council Tax Referendum.

**Stuart Drummond**  
**Mayor**

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5 January 2012

Secretary of State for Communities and Local Government  
c/o Mr Andrew Lock  
Zone 5 / J2  
Eland House  
Bressenden Place  
LONDON  
SW1E 5DU

Dear Secretary of State,

### **2012/13 Local Government Finance Settlement**

In view of the second successive year of significant grant reductions facing Hartlepool Borough Council my Cabinet and I have decided not to seek a meeting with Ministers regarding the 2012/13 Local Government Finance settlement consultation, as we do not believe it would be appropriate to spend public money sending a delegation (however small) to London.

Whilst, we will not be seeking a meeting with Ministers, there are a number of extremely important issues which we again wish to bring to your attention. In response to the 2011/12 Local Government Finance Settlement I wrote to express my concerns about the 2011/12 settlement and the indicative 2012/13 settlement, in particular:

- The fairness and equity of grant cuts for different areas which generally resulted in higher spending power reductions for more deprived areas of the country. For Hartlepool the 2011/12 spending power cut was 8.8%, compared to a national average of 4.4%.

The relative harshness of Hartlepool's 2011/12 grant settlement was even more stark in comparison to the very low reductions in other areas of the country, for example Kent 1.82%, Essex 1.31%, Hampshire 0.95%, Wokingham 0.63%, and Surrey 0.31% - I could go on;

- The impact of front loading grant reductions.

In my response to last year's settlement I urged the Government to reconsider the proposed 2012/13 spending power cuts and to implement reductions which were fairer

## 4.1 APPENDIX A

to all authorities. It is extremely disappointing that the 2012/13 settlement is in line with that first proposed in February 2011. The Government have missed the opportunity to address the disproportionate spending power cuts implemented in 2011/12 for the more deprived areas of the country and seem to have put stability before fairness of distribution.

This decision now locks the grant cuts in for future years and for Hartlepool results in a 2012/13 spending power reduction of £141.98 per dwelling, which is nearly twice the national average of £75.66.

Over the first two years of the Spending Review Hartlepool has suffered cumulative spending power cuts significantly greater than the national average, as summarised below :

Spending Power Reduction	Hartlepool	National Average
2011/12	8.8%	4.4%
2012/13	5.7%	3.3%
Cumulative Spending Power Reduction	14.5%	7.7%

The cumulative spending power cut increases the financial challenges my Council will face managing demographic pressures, the impact of re-localising business rates and changes to the Council Tax Benefit system. In my view it is essential that future changes to the Local Government funding system adequately take account of the higher spending power cuts which have now been implemented in more deprived areas of the country. I believe these areas, including Hartlepool, have made a disproportionate contribution towards the Government's overall deficit reduction plan.

The cuts in the Hartlepool's grant funding also have an adverse economic impact as they reduce spending in the local economy, both directly by the Council and indirectly as a result of cuts in the Council workforce. This makes it more difficult to rebalance the local economy and reduce dependency on public sector employment.

I previously suggested that for 2012/13 the Government should have put more money into the Transitional Funding arrangements to make them fairer and more equitable and also reflect the principles adopted for the old 'floor damping system'.

Under the previous floor damping system Hartlepool Borough Council's 2010/11 Formula Grant was reduced by £2.4 million as a result of the floor damping adjustment. Since 2006/07 the Council has lost approximately £11 million of grant through the floor damping system. Clearly, if these arrangements had not been in place Hartlepool Borough Council and more importantly our residents would have benefitted from higher annual Formula Grant allocations for the last five years. This would have provided a more robust financial foundation for managing cuts in grant funding over the next few years. It seems perverse that in both 2011/12 and 2012/13 Hartlepool continues to contribute to these arrangements, whilst suffering some of the highest spending power cuts in the country. This does not meet the Coalition Government's principle of 'fairness'.

#### 4.1 APPENDIX A

I therefore suggested last year that it seemed appropriate to provide a similar level of protection for Hartlepool people by extending the Transitional Funding for 4 years to all authorities eligible for funding in 2011/12, ideally at the 2011/12 level. Alternatively, I also suggested that Transitional Funding could be provided on a phased basis – 100% in 2011/12, 75% 2012/13, 50% 2013/14 and 25% 2014/15. It is extremely disappointing that the Government have maintained the Transitional Funding arrangements first proposed in February 2011 and reduced the national funding to £20 million for 2012/13. I would ask Ministers to reconsider this position.

It is particularly disappointing that the Government have identified funding to enable councils to freeze their Council Tax in 2012/13, as the Government could have chosen to allocate part of this funding to extend the Transitional Grant arrangements. Whilst, this would have reduced the overall sum available to fund the Council Tax freeze grant it would have still enabled a Council Tax freeze grant of around 2.3% to be paid. Overall this would provide a fairer settlement for all councils.

In the current financial climate I clearly share the Government's desire to help households. However, the proposal to provide a one-year Council Tax freeze grant for 2012/13 is not necessarily the best way of providing this support to households and it does not target this support to those most in need.

Equally importantly, the Council Tax freeze proposal seems to recognise that councils face significant financial challenges in 2012/13, but only provides a one year grant. Councils which choose to freeze Council Tax in 2012/13 will therefore face an additional budget problem in 2013/14 when this grant is removed. This does not seem a sensible way to plan local services, particularly given the financial challenges councils will face from April 2013 from continuing demographic and inflation pressures, re-location of business rates and changes to Council Tax Benefits.

The Government needs to recognise that cuts in grant mean that a greater proportion of council expenditure is being funded from Council Tax. If the Government are committed to localism councils should be free to determine the level Council Tax. If the Government want to freeze Council Tax they should provide permanent additional funding to enable councils to plan effectively in the medium term.

With regard to the proposals for Business Rate Retention I welcome the Government's recent announcement that the 'tariff and top-ups' will be uprated by the business rates multiplier. I am still very concerned that basing the 'tariff and top-ups' on the 2012/13 baseline will lock the disproportionate grant cuts into future funding levels and would ask that the Government looks at this again. Similarly, I am concerned that the proposal for a ten year 'reset' period for tariffs and top-ups will prove difficult given the current economic uncertainties. As the new system is a fundamental change in the funding arrangements for councils I would urge the Government to undertake an earlier reset to address changes in business rate income across the country, demographic pressures and changes in needs and resources.

In relation to the proposals to localise support for Council Tax Benefit I continued to be extremely concerned that this issue is going to have a greater adverse impact on councils serving more deprived communities. These councils have generally suffered significantly higher spending power reductions in 2011/12 and 2012/13. The proposals



**APPENDIX A**

to reduce Council Tax Benefit by 10% will therefore have a disproportionate impact on people living in these areas, including increasing the number of children living in poverty, and will have a knock on impact on the local economy. It seems perverse that the Government can find funding to freeze Council Tax for a second year, which benefits all households irrespective of need, whilst at the same time proposing changes which will reduce support for some of the most vulnerable people in society. I am also concerned that the proposed timescale is unrealistic and would suggest the Government considers delaying these changes until 2013/14 to enable councils to be effectively plan and implement these changes.

In summary I would request that the Government

- Recognises the spending power cuts implemented for 2011/12 and 2012/13 when considering future reductions in Local Government funding;
- Reconsiders the arrangements for Transitional Funding to be applied for 2012/13 to provide a longer period of protection based on spending power cuts for both 2011/12 and 2012/13;
- Addresses the financial impact of only providing the 2012/13 Council Tax freeze for one year.

Yours sincerely



**Stuart Drummond**  
**Elected Mayor**

**2011/12 GENERAL FUND FORECAST OUTTURN**

	Cost/(saving) £'M £m	Comment on Forecast Outturn
<b>Table 1 - Position 10.10.11</b>		
Centralised Estimates	(1.350)	Forecast outturn reflects impact of current interest rate structures and continuation of existing Treasury Management Strategy of netting down investments and borrowings. This strategy is not sustainable as reserves will be used up and interest rates will increase. In the current year this strategy is providing a lower net cost and reducing investment counter party risk.
Advance 2012/13 BTP 2 Savings	(0.900)	<p>The BTP 2 programme is planned to deliver total savings of £5.3m towards the £6.6m budget deficit for 2012/13. Owing to the complexity and long lead times for a number of BTP 2 initiatives implementation of some projects has commenced in the current year. This is necessary to ensure the full year savings will be achieved from 1<sup>st</sup> April 2012. The achievement of these savings is essential if the Council is to set a balanced budget for 2012/13 and has confidence that proposed saving will be achieved and are sustainable.</p> <p>There will be a part year benefit in the current year from implementing these savings earlier. Assuming other areas of the overall 2011/12 budget are on target at the year end these savings will be available as a one-off benefit.</p>
Insurance Renewal Saving (part year)	(0.080)	A tendering exercise for the renewal of external insurance has recently been completed with Redcar and Cleveland Council. It had not been expected that this would produce a saving owing to the national and international position of the insurance market and trends towards higher premiums. It had been hoped that the Council's claims record would result in premiums being frozen at the 2010/11 level for 3 years. Owing to the particularly competitive premiums submitted for Public Liability insurance a 30% reduction in overall external premiums has been achieved. Assuming there is not an adverse change in the Council's claims experience this saving should be sustainable for 3 years. There is also an option to extend the contract for a further 2 years, if both parties agree.
New Homes Bonus	(0.270)	Since the 2011/12 budget was set the Government have provided details of how the New Homes Bonus will work and details of the year 1 allocations.
External Audit Fees	(0.090)	The Audit Commission announced reductions in current fees after the 2011/12 budget was set. For planning purposes it is assumed that these reductions will be sustainable. There is a risk that when responsibility for appointing External Auditors transfers to individual authorities that these reductions may not be sustainable. This position will need to be kept under review.
Income Shortfall - Building Control and Development Control	0.500	The level of income in the current year is being affected by the continued weakness in the economy and a total shortfall of up to £0.25m is currently expected for these areas. This shortfall will need covering in 2011/12. Further work is needed to assess the ongoing position in 2012/13 and the scope for reducing costs. For planning purposes it would be prudent to earmark £0.25m from the current years outturn to cover these trends continuing into 2012/13. Hopefully, the economy will begin to recover before 2013/14 and avoid this becoming a permanent pressure.
School Meals shortfall	0.070	A total subsidy of £0.14m is needed for this service. It had been hoped to fund this amount from the retained element of the Dedicated Schools Grant (DSG) in 2011/12. However, owing to pressure on this budget it is only possible to make a £70k contribution. Therefore, the remaining cost needs to be funded from the Council's own resources in the current year. As pressure on the DSG will increase in 2012/13 a permanent solution for funding the £0.14m subsidy will need to be developed. This issue is currently being reviewed and details will be reported to a future Cabinet meeting.

Casual Workers Statutory Holiday Pay	0.080	Working time regulations require employers to pay casual workers holiday pay and arrangements have been implemented to comply with these requirements on an ongoing basis. Where these costs arise they will be funded from departmental base budgets. There is a significant risk that the Council will be required to fund holiday back pay claims to 01.10.07 and an assessment of these costs has been made. It would therefore be prudent to set money aside for costs as part of the 2011/12 outturn strategy.
Concessionary Fare	0.060	This pressure covers the tri-annual cost of replacing Concessionary Fare passes. As no provision is included within the base budget for this cost provision needs to be made within the 2011/12 outturn to avoid this being a pressure in 2012/13.
<b>Net Forecast Outturn - October Cabinet Report</b>	<b>(1.980)</b>	
<b><u>Table 2 - Position 19.12.11</u></b>		
<u>Local issues</u>		
Forecast Departmental Underspend	(0.181)	Since the start of the current year Departments have, as a result of the continuing need to make significant ongoing budget reductions over the next 3 years, continued to manage expenditure robustly to maximise financial flexibility and to assist the achievement of the budget reductions which will be required next year (2012/13). This includes keeping posts vacant to either enable permanent savings to be made, or to enable staff to be redeployed and avoiding other expenditure where this can be achieved without an adverse impact on services in the current year. These measures are anticipated to provide a one-off underspend against departmental budgets in the current year of £0.181m.
Additional Income Shortfalls	0.154	An assessment of forecast income shortfalls for the shopping centre, car parking and land charges income has also been completed. In total these shortfalls are anticipated to be £0.728m in the current year, which is £0.154m more than the reserves set aside to manage this shortfall. The 2012/13 budget forecasts include a pressure of £0.668m to address these issues on a permanent basis.
Additional Advance 2012/13 Savings	(0.180)	The position on the achievement of savings in advance of next year has also been reviewed and in the current year these savings total £1.08m. This is slightly higher than the initial estimate reported on 10th October 2011 of £0.9m and reflects the ongoing effective planning, management and delivery of the programme designed to achieve savings next year.
IT Contract payments	(0.150)	Prudent accruals for outstanding contract variances had been made in previous years accounts on the assumption that these amounts would be needed. Following the agreement of outstanding issues there is a one-off benefit of £150,000.
Pensions/Designated Authority costs	(0.050)	The outturn reflects a minor reduction in the employers overall pension contribution and small reduction in designated authority costs. Both will continue into 2012/13 and future years.
Energy Savings	(0.150)	Energy price increases in the current year are less than anticipated owing to the proactive energy procurement strategy pursued by NEPO to buy the 2011/12 energy requirement in advance of need. This is not expected to be sustainable as current energy prices already exceed the prices paid in 2011/12 and further increases are expected in 2012/13.
Discretionary Rate Relief	(0.050)	Applicants for discretionary rate relief from businesses is less than expected and this trend is expected to continue.
Benefit Subsidy Income	(0.200)	The current benefit subsidy regime is expected to provide a one-off benefit in 2011/12. This is not sustainable as the Government have already indicated that when Council Tax Benefit is localised there will be a 10% grant cut. It is anticipated that this will be preceded in 2012/13 with cut in the benefit subsidy regime.

Church Square Loan Repayment	(0.039)	Following the deferral of this project there will be a one-off saving in the 2011/12 loan repayment costs. This could become a permanent saving if Members determine to permanently delete the Prudential Borrowing budget of £390,000 from the capital programme.
Provision for Mayoral Referendum	0.070	One off costs of holding a referendum.
<u>National Issues</u> April 2011 pay award saving	(0.500)	The base budget for 2011/12 included a significantly reduced provision for a cost of living pay award in April 2011 which assumed the national agreement of a flat rate increase for public sector employees earning less than £21,000 of £250. It is now expected that this arrangement will not apply to local authority staff. If this is the case there will be a one-off saving in 2011/12 and a continuing saving from 2012/13. This issues continues to be a risk and it would be prudent to maintain this provision until the national position is clearer.
<b>Net Forecast Outturn - December Cabinet Report</b>	<b>(1.276)</b>	
<b><u>Table 3 - Position 06.02.12</u></b>		
Collection Fund	0.186	It is a statutory requirement to review the Collection Fund prior to the 31st January to determine whether there is a surplus or deficit. An initial assessment in January 2011 has forecast a surplus of £0.200m. However, following a detailed assessment on the current position which reflects the impact of the recession the actual surplus is £0.014m, a reduction of £0.186m.
Forecast Departmental Underspend	(0.176)	This reflects the continued robust management of budgets to achieve 2012/13 savings earlier.
Forecast Corporately Underspend	(0.820)	Work has been completed to calculate actual impact on pay budgets of a range of factors covering incremental progression for staff in post, JE appeals, turnover and pay award savings. Where these issues provide an ongoing saving this has been reflected in the 2012/13 budget as part of the strategy to bridge the budget gap without cutting services.
<b>Net Forecast Outturn - February Cabinet Report</b>	<b>(0.810)</b>	
<b>Total Forecast Outturn General Fund</b>	<b>(4.066)</b>	

**TABLE 4 : PROPOSED USE OF 2011/12 GENERAL FUND OUTTURN TO SUPPORT THE 2012/13 AND 2013/14 BUDGETS**

	Carry Forward to Fund 2012/2013 Commitments £m	Carry Forward to Fund 2013/2014 Commitments £m	Total £m
Strategic One-Off Costs	1.650	0.330	1.980
Works in Default Empty Homes	0.050		0.050
2012/13 Budget Defect	0.029		0.029
Transitional Support to Offset Council Tax Benefit Cuts	-	1.197	1.197
Contribution to Members Ward Issues Budget	0.083		0.083
Support 2013/14 Budget and Loss of 2012/13 Council Tax Freeze Grant		0.727	0.727
	1.812	2.254	4.066

\* Subject to review as part of the 2013/2014 budget process.

**Early Intervention Grant (EIG) Proposed Budget Allocation for 2012/2013**

<b>Function</b>	<b>Proposed Allocation 2012/2013 ( £'000)</b>
Central Information Hub	254
2 year old Nursery Placements	210
Early Years Statutory duties	320
Children Centre's and Early Years pathway	1,300
Integrated Locality Teams x 2	1,007
Commissioned Services	1,181
Short Break Provision for disabled children	300
Centralised Functions and Recharges	708
Universal Youth Provision	314
Grant funding to support community initiatives for children and young people	20
Central One Stop Shop Facility	300
Youth Opportunity Fund and Young Inspectors Programme	143
Small Steps SEN support team	173
Communication, Speech and Language Service	120
Cusp of Care Service	300
Unallocated monies to accommodate rising 2 Year old nursery places in 2013/2014	450
<b>Total</b>	<b>7,100</b>

**PRESSURES TO BE FUNDED****SCHEDULE OF 2012/13 BUDGET PRESSURES - Corporate items**

Budget Area	Value of Pressure £'000	Description of Pressure	Comment
Income Shortfalls:- - Car Park Income - Shopping Centre - Land Charges	392 146 130	Adverse income trends have now continued for over 2 years for these areas and now need to be recognised as permanent budget pressures.	
Security Arrangements	19	A Health & Safety review of security arrangements in a number of buildings accessed by the public highlighted a specific concern relating to the Civic Centre. Cabinet determined to include a pressure for security arrangements at the Civic Centre.	
	<b>687</b>		

**SCHEDULE OF 2012/13 BUDGET PRESSURES - Child and Adult Services**

Budget Area	Value of Pressure £'000	Description of Pressure	Comment
Older People Commissioning	450	There are two elements within this above inflationary pressure. The first relates to increased demographic pressures owing to an ageing population and increased prevalence of dementia, resulting in more older people requiring care and support with increasingly complex needs. The second element relates to fees payable to older people care home providers which are due for renegotiation from October 2011. These fees need to be set at a level which is comparative with other councils and ensures that local providers remain economically viable and able to invest in the sector locally. An initial assessment of these pressures has been made and this will need to be reviewed when detailed negotiations have been completed and a new cost of care model developed. It is worth noting that Hartlepool currently pays the lowest care home fees (for older people) in the North East region. There is potential to stage increases should the model identify a significant uplift in fees, although this would commit part of the headroom included in future years budget forecasts for pressures. A more detailed report on older peoples care home fees will be presented to Cabinet in November / December.	Pressure may be higher and further work is needed to quantify this issue - detailed report to Cabinet in Nov / Dec 2011.
School Catering	140	The 2011/12 base budget anticipated a £0.14m subsidy for this service from the Dedicated Schools Grant (DSG). This level of subsidy will not be possible in 2011/12 and a £0.07m pressures has been recognised in the 2011/12 outturn strategy. From 2012/13 there will be no DSG subsidy for this service. Alternative measures for funding this pressure for 2012/13 are being investigated and will be reported to a future Cabinet. At this stage it is prudent to make provision for this potential pressure.	The Schools Forum ( 11/1/12) have agreed the former Healthy Eating Grant of £0.147m will be allocated to support this service in 2012/13. If this had not been approved there would have been an additional pressure.
Brierton Sports Centre	100	Brierton Sports Centre has been run since it's inception as a Community Facility managed by Brierton School. Since the closure of Brierton School and the decant of Dyke House School the facility has been managed directly by Dyke House School. Dyke House School have advised that after December 2011 (when they return to the Dyke House site) they will relinquish their management of the site. Early indications show that there would be a potential revenue cost of circa £100K per annum to maintain the facility for community use. In relation to the part year pressure in the current year this can be covered by a virement within existing budgets. There is a review underway of the future of the Brierton site - there is potential for an additional £100K capital pressure if equipment funded by Dyke House is removed from the site.	
	<b>690</b>		

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

Budget Area	Value of Pressure £'000	Description of Pressure	Comment
Concessionary Fares	113	Above inflation increase in the cost of providing Concessionary Fares.	
Waste Collection DERV	25	Projected costs for 2012 /13 based on 189,000 litres @ £1.18/litre = £223,000. Budget for 2012 / 13 (current +2.5%)	
Street Cleansing DERV	33	on same basis as above	
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.	
Waste Disposal (other)	165	Increase in Landfill Tax and gate fee, which includes rateable value increase and legislative change of law increase.	
	<b>353</b>		
Total All Areas Headroom included in budget forecasts	1,730 (1,000)		
Additional Pressures	730		



SCHEDULE OF CHANGES IN PLANNING ASSUMPTIONS 2012/13

i) External Audit Fees reduction

The Audit Commission announced reductions in current fees after the 2011/12 budget was set. For planning purposes it is assumed that these reductions will be sustainable. There is a risk that when responsibility for appointing External Auditors transfers to individual authorities these reductions may not be sustainable. This position will need to be kept under review.

ii) Insurance Renewal saving

A tendering exercise for the renewal of external insurance has recently been completed with Redcar and Cleveland Council. It had not been expected that this would produce a saving owing to the national and international position of the insurance market and trends towards higher premiums. It had been hoped that the Council's claims record would result in premiums being frozen at the 2010/11 for 3 years. Owing to the particularly competitive premiums submitted for Public Liability Insurance a 30% reduction in overall external premiums has been achieved. Assuming there is not an adverse change in the Council's claims experience this saving should be sustainable for 3 years. There is also an option to extend the contract for a further 2 years, if both parties agree.

iii) New Homes Bonus

Since the 2011/12 budget was set the Government have provided details of how the New Homes Bonus will work. This benefit can now be built into the MTFS. The final allocations provided by the Government were higher than anticipated in October and this additional benefit has been included in the MTFS. As indicated previously there is a risk that if more funding is needed for the New Homes Bonus at a national level as a result of higher than expected housing growth this additional funding will be top sliced from the main revenue grant for Local Authorities. This situation would lead to higher core grant cuts as it would be driven by higher levels of house building in the South East than other areas of the country.

New Homes Bonus is paid for 6 years and funding will peak in 2016/17, before falling back on an annual basis over the next 6 years. This assumes there are no future changes in the scheme, which cannot be guaranteed. However, for the period of the current MTFS the anticipated income is expected to be sustainable. The position will need to be reviewed on an annual basis as part of the budget process.

iv) Members Allowances

Assuming there are no changes in the Basic Allowance and the value and / or number of Special Responsibility Allowances when the number of Councillors reduces from 47 to 33 there will be saving in the total cost of allowances.



- v) Increase in pressures  
Pressures identified exceed the headroom included in the MTFS. Further details are provided in Appendix D.
- vi) Land Tax Allowance Scheme termination  
The Government have announced that this scheme will terminate in 2013/14. The income generated by the Council from this scheme will not be sustainable and needs to be built into the MTFS.
- vii) Benefit Subsidy Income reduction  
The existing MTFS forecast includes an annual benefit of £0.3m from the existing Benefit Subsidy system. This has been used to support the overall budget and protect front line services. The introduction of the 'Universal Credit' and the transfer of Council Tax Benefits to councils mean that this income will not be sustainable. This needs to be built into the MTFS from 2013/14.
- viii) Reduction in Formula Grant – Academies Programme  
In 2011/12 the Government top-sliced funding transferring into the Formula Grant to fund the national academy programme. The Government have recently issued consultation proposals to make a further top slicing of the Formula Grant in 2012/13. The Council's response to the consultation has suggested that this approach is unfair as it does not take account of the number of new academies in an area. Therefore, it was suggested funding should only be taken from those authorities with new academies and this should be based on a fixed amount per academy. As it is unlikely the Government will change the consultation proposals provision for this funding loss needs to be made in the budget forecasts.
- ix) Salary Turnover Savings and Pay Awards – April 2011 and April 2012  
The base budget assumes that there will be staff turnover and therefore the Council does not budget for 100% of salary costs. As budgets are reduced and there are less employment opportunities in other councils and the wider economy this position is not sustainable. This risk was recognised on a temporary basis when the 2011/12 budget was set and is being managed through the Strategic Risk Reserve in 2011/12. A permanent solution is needed to significantly reduce this risk for 2013/14 and to hopefully remove it entirely by 2014/15. The base figure is £1.3m and it is proposed to reduce this to £0.65m for 2012/13.

This reduction will be offset by reducing the provision included in the base budget for cost of living pay awards April 2011 and April 2012, which it is expected will be lower than previously anticipated. This

proposal will reduce the ongoing provision to a marginal level which will be sufficient to cover the payment of the flat rate increase of £250 for employees earning less than £21,000. The MTFS for 2013/14

assumes there will be increased pressure for a cost of living pay award from April 2013 as pay levels will have been constrained for a number of years at a time of relatively high inflation. At this stage the provision for April 2013 is at a prudent level, albeit still very significantly below current inflation levels. In the event that the whole of this provision is not needed it would be prudent to make a further reduction in the salary turnover allowance as part of the 2013/14 budget process.

ix) Removal of Empty Home Council Tax Exemption

There is a net ongoing benefit of £0.21m from removing the 50% Council Tax exemption for vacant domestic properties. There is a possibility that the Government may legislate to implement this change from 2013/14. By acting a year early the Council will receive this benefit for 2012/13 and potentially lock this benefit into the base line the Government will use for calculating 'tariff and top-up' payments for the reformed Business Rates system.

SUMMARY OF CHANGES IN PLANNING ASSUMPTIONS 2012/13

	2012/13 £'M	2013/14 £'M	2014/15 £'M
<u>Changes in planning assumptions</u>			
External Audit Fees reduction	(0.090)	(0.090)	(0.090)
Insurance Renewal saving	(0.110)	(0.110)	(0.110)
<u>New Homes Bonus</u>			
- Year 1 Payment - Actual	(0.278)	(0.278)	(0.278)
- Year 2 Payment - Initial Forecast	(0.280)	(0.280)	(0.280)
- Year 2 Actual increase in Initial Forecast	(0.210)	(0.210)	(0.210)
- Year 3 Payment - Forecast	0.000	(0.280)	(0.280)
Members allowances saving	(0.066)	(0.068)	(0.070)
Landfill Allowance Trading Scheme termination	0.000	0.200	0.200
Benefit Subsidy income reduction	0.000	0.300	0.300
Reduction in Formula Grant - Academies Programme	0.280	0.280	0.280
April 2011 Pay Award Saving	(0.500)	(0.500)	(0.500)
Removal of 50% Exemption for Empty Properties	(0.210)	(0.210)	(0.210)
Designated Authority	(0.050)	(0.050)	(0.050)
National Insurance Saving	(0.040)	(0.040)	(0.040)
Car Allowance	(0.030)	(0.030)	(0.030)
<b>Total cost/(reduction) of changes in Planning assumptions</b>	<b>(1.584)</b>	<b>(1.366)</b>	<b>(1.368)</b>

**BUSINESS TRANSFORMATION SAVINGS**

**4.1  
APPENDIX F**

Dept	Projects (Title)	Scrutiny Forum	Date reported to Cabinet	Savings agreed and to be defunded £000
C&A	Education Services & Out of School Activities	Children's Services Scrutiny Forum	5th December	128
C&A	Children's Social Care & Safeguarding	Children's Services Scrutiny Forum	5th December	408
C&A	Support Services	Children's Services Scrutiny Forum	5th December	115
C&A	Transport	Children's Services Scrutiny Forum	5th December	160
C&A	Community Pool Grants	Adults & Community Services Scrutiny Forum	21st November	49
C&A	Community Services Review	Adults & Community Services Scrutiny Forum	5th December	298
C&A	Adult Social Care	Adults & Community Services Scrutiny Forum	5th December	1,600
C&A	Projects Currently Unallocated (not planned to be identified as a number of projects are forecasted to over achieve targets)			
	<b>Total C &amp; A</b>			<b>2,758</b>
R&N	Asset Management	Neighbourhood Services Scrutiny Forum	19th December	277
R&N	Property	Neighbourhood Services Scrutiny Forum	7th November	220
R&N	Traffic	Neighbourhood Services Scrutiny Forum	7th November	524
R&N	Management of Housing/Public Protection	Neighbourhood Services Scrutiny Forum	24th October	584
R&N	Neighbourhood Management/Facilities	Neighbourhood Services Scrutiny Forum	26th September	90
R&N	Waste Management	Neighbourhood Services Scrutiny Forum	10th October	90
R&N	Parks & Recreation	Adults & Community Services Scrutiny Forum	24th October	45
R&N	Community Safety	Regeneration & Planning Services Scrutiny Forum		50
R&N	Projects Currently Unallocated (not planned to be identified as a number of projects are forecasted to over achieve targets)			
R&N	Management Savings (achieved in previous financial year)	Regeneration & Planning Services Scrutiny Forum		75
	<b>Total R &amp; N</b>			<b>1,955</b>
CEX	Customer & Support Services	Scrutiny Co-ordinating Committee	5th December	148
CEX	Benefits, Council Tax and Transactional Shared Services	Scrutiny Co-ordinating Committee	19th December	209
CEX	Corporate Strategy	Scrutiny Co-ordinating Committee	5th December	220
CEX	Training Support Provision	Scrutiny Co-ordinating Committee		27
CEX	Joint HR Services with Darlington	Scrutiny Co-ordinating Committee	30th August	50
CEX	Legal Services			9
	<b>Total CEX</b>			<b>663</b>
	<b>Total Target Savings</b>		<b>Total Savings Achieved</b>	<b>5,376</b>

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

RESERVES TO BE REVIEWED (NOT COMMITTED NOR HELD IN TRUST)

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 Strategic One Off Costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
185	Adult	Supporting People Reserve	972	Reserve created from Grant underspend and earmarked for potential clawback. To be used to fund transition arrangements following SDO reductions taking place during 2011/12.	786	186	Reserve created in 10/11 to be utilised in 2011/12 to fund the transitional costs of reducing contracts to providers following the significant cuts in resources made to Supporting People funding. If the full £185k is not required, the balance can be released
0	Adult	Adult Education	570	Created from LSC (Learning Skills Council) grant fund to address short and long term pressures from within the Adult Education service.	40	530	Remainder of reserve is specific grant funding which needs to be held as can be subject to recall by LSC linked to numbers of students supported.
421	Adult	Older People - SRR	421	Increased income received in 2010/11. To be used to fund demographic pressures on Older People.	0	421	New reserve created in March 2011 as Strategic Risk Reserve owing to the very significant demographic pressures in Older People Services.
188	Adult	Social Care Reform Grant	359	Reserve created from specific received grant in 2010/11. To be used to fund project slippage in 2011/12 and 2012/13.	171	188	Reserve to be utilised to fund commitments relating to temporary staffing in 2011/12 and 2012/13.
0	Adult	Mill House	146	The reserve arose from a rates rebate following a review of the leisure centre rateable values in 2006/07.	0	146	Member decision to agree whether reserve should be transferred to capital funding or for ongoing maintenance within the overall council
0	Adult	Tall Ships Reserve	139	This reserve has been set aside to support the Tall Ships visit in 2010	0	139	As reported in the 2010/11 Outturn Strategy this amount is available should any residual should any contractual commitments arise in 11/12 - a review will be undertaken throughout the year. A strategy for using any residual balance can be developed as part of the 2012/13 budget process.
0	Adult	Seaton CC 'Management'	108	Balance carried forward from previous years. Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.	0	108	Reserve to be held to contribute to any development proposals currently being discussed at Cabinet
100	Adult	Reablement Funding	100	PCT income received for reablement of service users.	0	100	New reserve created in March 2011 re PCT specific funding received in March 2011 for agreed outcomes - timing delays - expected to spend full reserve
0	Adult	Respite Provision for Autism	80	Income received from PCT for use to provide capital for creation of specialist housing provision of Autism respite	0	80	Specific funding provided by PCT to contribute to capital scheme which has not come to fruition. Negotiations underway with interested parties to utilise the resources to attain long term benefits for the investment, non-use may lead to return of resources.
0	Adult	CSDP Contribution to capital	68	Reserve created from revenue to increase capital reserve for Adaptations for Disabled people.	0	68	Reserve to be utilised for DFG's to expedite waiting lists and ensure ongoing care costs are reduced.
8	Adult	Community Grants Pool	59	Reserve created year on year from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community.	0	59	Member decision
0	Adult	Carer Emergency Respite Care service	54	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. Service now in place and usage has levelled out so reserve no longer required	54	0	N/A

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

RESERVES TO BE REVIEWED (NOT COMMITTED NOR HELD IN TRUST)

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 Strategic One Off Costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
26	Adult	Mental Health Capacity Act specific grants	53	Reserve created from a mixture of PCT/grant funding.	27	26	Contribution from PCT in 10/11 towards costs for 11/12 post - in year underspends led to non use of residual reserve.
0	Adult	Tobacco Control	43	Reserve created owing to grant income provided to carry out work over a 2 year period.	0	43	Needed to fund staffing posts to meet the terms & conditions of the original grant - exit strategy in place for staffing etc.
0	Adult	Telecare GD, DOH, Preventative Technology Grant c/fwd	41	Reserve created from under utilised specific grant to create a equipment replacement fund. Alternative funding provided by the PCT	41	0	N/A
13	Adult	DOH Grant Stroke Care	34	Reserve created from specific grant.	21	13	Reserve required to continue to temporarily fund two Stroke Clubs within the community as per DOH specific grant.
0	Adult	Public Health Phys Activity	29	Reserve created from PCT monies. Monies to be awarded by HBC in grants to the community and voluntary sector on behalf of the PCT.	0	29	PCT funding for community and Voluntary Sector activities
21	Adult	Campus Reprovisioning Grant	21	Reserve created from specific received grant in 2010/11. To be used to fund project slippage in 2011/12.	0	21	Reserve to be utilised to offset unfunded costs in Campus Reprovision via NHS funding transfer - work underway to reduce ongoing contract costs through staffing changes currently covered by TUPE.
0	Adult	Adult Social Care	20	Income from PCT for various social care expenditure i.e., OT equipment, IT for Care homes Residual balance not required for project	20	0	N/A
12	Adult	Archaeology Projects	16	Reserve to be used for specific archaeology projects following SDO reductions.	4	12	Specific project underway to move archaeological items from Bunker - will be complete by September 2011
0	Adult	Renaissance in the Regions	14	Reserve created from unspent grant funding to support the overall HUB shared by all 4 Tees Valley Authorities	0	14	Specific grant underspend to support the overall hub - expected to be spent by September 2011
0	Adult	Sports Activities - various	14	Underspend on grants for sports & health activities	0	14	To be utilised for Olympic event summer 2011
0	Adult	Grayfields Pitch Improvements	13	Reserve created to complete the pitch improvements at Grayfields.	0	13	Delayed owing to weather condition expected to be completed by September 2011
11	Adult	Library System Improvements	11	Reserve set aside to fund Library System improvements in line with Government requirements for Data Protection and Security.	0	11	Upgrade of Library systems being installed June, tested and completed by July
0	Adult	Sir William Gray House Storage Facilities	8	Reserve created to secure match funding from Heritage Lottery Fund to improve collections storage and facilities at Sir William Gray House	0	8	Specific project underway to move archaeological items from Bunker - will be complete by September 2011
5	Adult	Sports & Recreation - Sports Awards	7	To fund sports coaches training awards	0	7	To be utilised for Olympic event summer 2011
7	Adult	Marketing Reserve	7	Reserve to be used to fund Marketing expenditure in 2011/12 to generate increased income as part of the SDO target.	0	7	To be utilised this summer
0	Adult	Health Walks programme Natural England	6	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	0	6	Plan to spend reserve by September
0	Adult	Adult Social Care - Communities for Health Grant	6	Specific grant received close to 2008-09 year end - residual balance not needed. Residual balance not required for project	6	0	N/A

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0	Adult	Archaeology - Monograph Series	5	Creation of reserve to ensure completion of project and ensure no loss of external funding for the overall project.	0	5	Fund to be used to print the series and meet conditions of grants received.
0	Adult	Culture Shock Community Engagement Project	2	Reserve created to make up shortfall of income from Heritage Lottery Fund for the project - residual balance not needed.	2	0	N/A
0	Adult	Throston Library Youth Worker	1	Reserve created to fund sessional Youth Worker at Throston Library. - residual balance not needed.	1	0	N/A
0	Adult	Development of Historic Quay	1	Residual balance, not needed.	1	0	N/A
0	Chief Execs	Chief Executive's Department Ring Fenced Grants	196	Created from ring-fenced grant and to be carried forward to fund specific 2011/12 expenditure commitments	0	196	Ring Fenced Grants carried forward e.g. PCT Health and Wellbeing Grant.
10	Chief Execs	Corporate Strategy - Divisional Restructure	113	Created to facilitate the changes required to deliver the savings for the 2012/13 budget round in respect of staffing structures and the required changes. All to be released, this has been set aside to cover one-off strategic costs to deliver budget savings for 12/13.	113	0	N/A
0	Chief Execs	Financial Inclusion	150	Created to fund the Financial Inclusion Programme	56	94	£44,000 committed 2011/12 to fund Financial Inclusion Development Manager post and £50,000 to pump prime Financial Inclusion Initiatives e.g. Furniture Scheme, Bank of Hartlepool etc.
68	Chief Execs	Corporate Strategy - ICT System Development	84	Created to fund temporary development resources for enhancements of current ICT systems such as e-bookings and EDRMS and costs attributable to the rationalisation of systems to achieve savings from the provision of ICT.	24	60	A portion can be released after a review of potential costs. There will be costs to realising some of the potential savings which may be driven out from the base contract but the risk is minimised if we do go out for re-procurement early hence the reduction.
0	Chief Execs	Finance R & B	64	Created to fund cost of IT equipment / services.	19	45	Needed to fund ongoing costs of ICT developments / enhancements, costs of homeworkers.
0	Chief Execs	Finance - IT Investment	62	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority	0	62	To be used in 2011/12 as contributions towards HR/Payroll Investment.
0	Chief Execs	Contact Centre	51	Created to enable department to manage budget over more than one year.	13	38	£38k committed for call recording.
25	Chief Execs	Corporate Strategy - ICT Contract Review	50	Created to fund potential costs in relation to the re-procurement and or change of arrangements in respect of the Councils current ICT arrangements.	0	50	It may be possible to release this reserve in approximately October dependant on either progress on the outsourcing as most costs will be identified by this stage or there will be a requirement to look to re-let the contract in 2013 if there is not decision, this is to avoid a corporate call on resources to deliver this. The budget (or part of it) will be required as the contract will need re-letting.
50	Chief Execs	Finance - Accountancy Section	50	Created to fund temporary appointments to cover maternity leaves during 2011-12.	0	50	Needed to fund temporary appointments to cover maternity leaves during 2011-12.
50	Chief Execs	Finance R & B - Specific Grant Reduction	50	Created to reduce the impact of Department of Work and Pensions specific grant reduction.	50	0	N/A
0	Chief Execs	Finance - IT Developments R&B	41	Created to fund IT development costs to cope with new DWP Security requirements and further Kirona scripting changes.	20	21	£21k needed to fund scripting requirements for DWP.

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0	Chief Execs	Finance - Audit Section	35	Created to enable department to manage budget over more than one year.	35	0	N/A
0	Chief Execs	Registrars	35	Created for improvements to the Registrars building	25	10	£10k needed to fund remainder of office moves (secure file storage) and replacement of statutory IT system.
33	Chief Execs	Corporate Strategy - Joint Working	33	Created to enable department to manage budget over more than one year.	33	0	N/A
20	Chief Execs	Corporate Strategy - Performance Management	30	Created to enable department to manage budget over more than one year.	15	15	On review a portion of this can be released as the expected costs of managing this change have reduced.
30	Chief Execs	Contact Centre	30	Created to fund software integrations including Corporate Workflow and upgrade Queue Management System.	15	15	£15k needed to fund software integrations including corporate workflow and queue management system.
13	Chief Execs	Corporate Strategy - Enhancing Council Profile	28	Created to fund temporary costs in development and establishing arrangements for enhancing and maintaining the Councils profile including social networking, public relations and other associated elements.	13	15	It is unclear at the moment if there will be any development costs to address the Cabinet decision to progress social media. This work is ongoing and there may be technical changes required to websites etc. This is to avoid having to call on departmental contributions to fund this.
0	Chief Execs	Support to Members	27	Created to enable department to manage budget over more than one year.	27	0	N/A
0	Chief Execs	Finance -Accommodation	26	Created to support future years accommodation costs.	26	0	N/A
24	Chief Execs	Legal Registration and Members	24	Created to fund temporary additional staffing within the Legal Section. Also, additional costs in postage for the renewal of Personal Identifiers for Electoral Registration which must be completed every five years.	0	24	Needed to fund temporary additional staffing within the Legal Section. Also, additional costs in postage for the renewal of Personal Identifiers for Electoral Registration which must be completed every five years.
0	Chief Execs	Finance - Accountancy Section	24	Created to enable department to manage budget over more than one year.	24	0	N/A
0	Chief Execs	Corporate Strategy - Working from Home Surplus	23	Created to manage the costs of homeworking key fobs between financial years	10	13	Use is variable and costs vary from year to year, this allows the costs to be managed and also deals with balancing costs in respect of blackberry server environment. £10k could be released after an assessment of cost and use over the last 2 years.
0	Chief Execs	Finance R & B - Contact Centre/Benefits e-form	20	Created to fund costs of e-form development	20	0	N/A
20	Chief Execs	Finance R & B - Atlas Project	20	Created to fund the additional funding required to match DWP Atlas grant received to complete project.	0	20	Needed in 2011/12 for HBC costs of DWP project.
0	Chief Execs	People Framework Development	18	Created to enable department to manage budget over more than one year.	0	18	Needed to fund new and on-going staff requirements in response to changes in the organisation e.g. developing competency standards, building and sharing capacity, Management Academy etc.
1	Chief Execs	Corporate Strategy - Corporate Consultation	16	Created to enable department to manage budget over more than one year.	0	16	This has specifically been carried through to enable the changes required as a result of budget consultation reductions last year to be managed in this year.
0	Chief Execs	Finance R & B - Internal Bailiff Development	16	Created to fund costs associated with Internal Bailiff Development	0	16	Fully committed for Bailiff pilot scheme.
15	Chief Execs	Registrars	15	Created for redecoration of new marriage/ceremonies room at the Borough Hall and some software integrations/upgrades.	0	15	Needed for redecoration of new marriage/ceremonies room at the Borough Hall and some software integrations/upgrades.

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15	Chief Execs	Finance R & B - Council Tax Rebate Development	15	Created for funding towards Council Tax Rebate Scheme Software Development.	0	15	Fund ICT costs associated with new Council Tax Rebate Scheme arising from new Welfare Reform Bill - requirement irrespective of procurement exercise.
10	Chief Execs	Finance R & B - Zipporah Corporate Booking System	10	Created to fund Development work linked to Zipporah Corporate Booking System.	0	10	Committed in 2011-12 to ensure integration to payment system as part of corporate booking system.
10	Chief Execs	Finance R & B - Software Projects	10	Created for funding towards BACS and DD's Software Project Developments.	0	10	Committed in 2011/12 and 2012/13 as part of modernisation and efficiency improvements to payments of creditors and receipts processing routines.
0	Chief Execs	Finance R & B - Intercept Software	6	Created to fund costs of Intercept Software	6	0	N/A
5	Chief Execs	Finance R & B - Payment Card Industry	5	Created to fund Payment Card Industry security review.	0	5	Banking Industry requirement, will be committed 2011/12 as per Internal Audit report.
5	Chief Execs	Finance R & B - Integration Import	5	Created for funding toward ICT Integration Import for Department of Work and Pension deductions from DWP Welfare Benefits to Council Tax System.	0	5	Development costs needed in 2011/12 irrespective of Benefits procurement outcome and work completed in August 2011.
0	Chief Execs	Finance R & B - FSM System	4	Created to fund costs of FSM System	0	4	Committed for on-going support & maintenance costs of FSM system.
0	Chief Execs	Resource Investment - HR	3	Created to enable department to manage budget over more than one year.	0	3	£3k committed for Safer Recruitment file checks.
0	Chief Execs	Finance R & B - New Scanner	3	Created to fund costs of a new scanner	3	0	N/A
0	Chief Execs	Chairman's Charity Reserve	1	Chairman's Charity Fund Reserve.	0	1	N/A
0	Chief Execs	HR Service Improvement	1	Created to enable department to manage budget over more than one year.	1	0	N/A
0	Chief Execs	Mayors Charity Fund Reserve	1	Mayor's Charity Fund Reserve.	0	1	N/A
267	Children's	Looked After Children	1,066	Contribution to the Safeguarding and Specialist Services for the development of Looked After Children in this volatile area.	0	1,066	Volatile area and risky to release reserve with increasing numbers of looked after children
	Children's	Brierton/Dyke House BSF Costs	300	Created to fund the costs of transporting Dyke House pupils to the Brierton Site during the BSF redevelopment of Dyke House School.	0	300	Funding of costs including specialist advisors etc and BSF costs
0	Children's	Think Family	299	2010/11 balance of grant funding to be carried forward into 2011/12 to assist with continuation of service following reductions in 2011/12 grant allocations as part of the Early Intervention Grant.	50	249	This is used as part of invest to save work, piloting children on edge of care, including support and training for foster carers. Residual £50k not required.
0	Children's	BSF Implementation Costs	242	This is the revenue reserve to fund the revenue costs of the School Transformation Team.	0	242	Profiled to fund Transformation Team staffing and BSF costs
0	Children's	Ring-Fenced Grants	227	A number of ring-fenced grants were underspent at the end of 2009/10 and 2010/11 therefore this Reserve was created in order to carry the funding forward into future years.	41	186	<b>Breastfeeding</b> - £58k to support PCT initiative <b>NDC - Learning Initiatives Ready for Baby</b> - £5k <b>Children's Fund</b> - £68k funding agreed by members as part of 2011/12 budget setting <b>Education Business Partnerships</b> - £5k to work with vulnerable young people



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0	Children's	Youth Offending Reserve	206	Ring-Fenced as YOS is a Partnership Budget. Created from planned underspends in previous years to fund YOS initiatives.	40	166	Funding to manage Service, payment of rent for premises and cost of redundancy appeals (4 staff supernumerary) £40k can be released
0	Children's	Community Facilities in Schools - Children's Services Funding	154	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 on this Reserve during 2009/10. In 2010/11 there was also base budget provision of £100k which an element contributed towards the deficit at the St John Vianney Children's Centre. The balance of this budget has been transferred to this Reserve. The base budget has been deleted as part of the savings exercise so this is now a 'Contingency' budget.	54	100	To hold balance as a contingency, 11/12 to be a transitional year. Reserve maybe required to support school
0	Children's	School Rates	116	This was created to manage the volatility of business rate charges within school budgets. Following the implementation of the Dedicated school Grant which now finances any schools rates volatility, and the 2010 review of rateable valuations, this reserve is no longer required.	116	0	N/A
85	Children's	Raising Educational Achievement	85	Incorporates funding to ensure the most vulnerable young people are tracked and supported to remain in education.	0	85	Required to meet needs of vulnerable young people are supported in education, especially those who are at risk of entering the Youth Justice System
2	Children's	Positive Activities for Young People	77	2010/11 balance of grant funding to be carried forward into 2011/12 to assist with continuation of service following reductions in 2011/12 grant allocations as part of the Early Intervention Grant.	0	77	Funding required to meet the needs of vulnerable young people and are engaged in purposeful activities, especially those at risk of entering the Youth Justice system
0	Children's	Early Years Development Childcare Plan	57	This reserve has been created to develop the provision of services for 3 and 4 year olds. Not required for funding services	57	0	N/A
0	Children's	Community Facilities in Schools - Corporate Funding	50	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. Reserve not required. Contingency already in place if required	50	0	N/A
	Children's	Carlton Outdoor Centre	66	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.	0	66	Required to support Carlton Centre following withdrawal of funding by other LAs
33	Children's	Sustainable Travel/Post 16 Travel	33	Funding towards Post-16 travel previously funded by government grants.	0	33	Pathfinder grant for Post 16 students stopped in 11/12. Currently piloting scheme where colleges pay cost of travel, required as contingency
	Children's	Raising Educational Achievement	32	Incorporates funding to enhance the Educational achievement and experience through Playing for Success.	0	32	To fund salaries to continue initiative with Hartlepool FC until Aug 11

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32	Children's	City Learning Centre	32	This is Contingency funding to enable the continuation of the service based at the Space to Learn Centre. Not required as planned	32	0	N/A
15	Children's	Educational Psychologists	30	Created to support initiative at Springwell school during 2011/12.	0	30	Supporting the bursars of 2 student psychologists, including one at Springwell School
0	Children's	Local Safeguarding Children's Board (Partnership Funding)	29	Ring-Fenced Reserve - This is Partnership Funding with other bodies so not all HBC funding; Relates to underspends carried forward.	0	29	Partnership funding held by LA, ringfenced to support Serious Case Reviews
0	Children's	Workforce Development	25	2010/11 balance of grant funding to be carried forward into 2011/12	0	25	CWDC specific grant funding to support Agency Social Workers and to cover social work training costs for the academic year
0	Children's	Child Poverty Local Duties	21	Late Notification of ABG allocation to be carried forward to fund targeted family work in 2011/12	0	21	One off funding required to pilot targeted intervention work with identified poverty issues
0	Children's	Parenting Support	20	This was created from additional income over and above the grant generated from the Parenting Support Programme in 2007/08. Over achievement of income, not required for core service.	20	0	N/A
0	Children's	Teenage Pregnancy	20	Reserve was created from income generated by the Teenage Pregnancy initiative which has been set aside to enhance the TP Programme. Funding not required as planned	20	0	N/A
0	Children's	Swimming Pool Maintenance	20	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. Not required as previously planned for pool floor.	20	0	N/A
0	Children's	Youth Service - General	10	Youth Advisory Group Balances and youth centre catering surpluses have been carried forward from previous years to fund service developments.	10	0	N/A
3	Children's	Raising Educational Achievement	9	Incorporates funding to enhance the Educational achievement and experience through Playing for Success.	0	9	Specific grant funding to fund salaries to continue initiative with Hartlepool FC until Aug 11
0	Children's	Care Matters	4	Contribution to the Safeguarding and Specialist Services for the development of Looked After Children in this volatile area.	0	4	Required to fund educational visits during Summer 2011 for LAC
2	Children's	Youth Opportunity Grants	2	Specific Grant Awards given to the Young People for activities during 2011/12.	0	2	Activities booked with young people in 11/12

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0	Corporate	Insurance Fund	5,030	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.	1,400	3,630	Insurance tenders have recently been received and a comprehensive review of the Insurance fund has been completed. This review indicated that £1.4m can be released from this reserve. The remaining balance needs to be maintained to meet know claims already received.
394	Corporate	General Fund	3,856	The overall general risk reserve is held to manage emergency expenditure and any use would need to be repaid to maintain the value of this reserve	394	3,462	Reserve which can be releases consists of £89,000 transfer into this reserves from 2010/11 outturn and £305,000 unused Transitional Grant transferred to the reserve. The remaining balance equates to 3.8% of the net General Fund budget and needs to be maintained to manage unforeseen risks.
874	Corporate	Strategic Risk Reserve	3,252	The overall general risk reserve has been set up to help fund risks highlighted in the Cabinet report of 8.2.10	0	3,252	This reserve covers risk of Equal Pay/Equal Value claims, 2011/12 Salary Turnover shortfall and income shortfall for Land Charges, Car Parking and Shopping Centre and therefore cannot be released as these costs would then have to be meet by making in year savings.
0	Corporate	Incinerator	600	Created to fund one-off costs arising from the temporary closure of the incinerator	200	400	Commitment has reduced from estimated costs identified in February 2011.
0	Corporate	Interest Equalisation	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.	400	0	N/A
0	Corporate	Business Transformation Set Up Costs	262	Funds set aside for Implementation costs of Business Transformation Programme	0	262	Earmarked to fund office moves programme / property rationalisation and ICT/Revenues and benefits contract costs
0	Corporate	Income Tax & VAT Partial Exempt Res	250	Created to manage potential income tax and VAT partial exemption risks	250	0	N/A
0	Corporate	Carbon Reduction	196	The Carbon Reduction Commitment is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisation, this reserve is set aside to fund the payment of Carbon Allowances in 2011/12 and 2012/13	0	196	Fully committed to cover Carbon Reduction Commitment costs in 2011/12 and 2012/13.
0	Corporate	Area Based Grant	142	ABG carried forward from 2008/09	72	70	Committed to support Healthy Eating Co-ordinator post in 2011/12 and 2012/13
0	Corporate	Emergency Planning	116	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.	0	116	Reserve held on behalf of 4 authorities for Emergency Planning and only a proportion belongs to Hartlepool.

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0	Corporate	Bank Income	114	Created during 2008/09 Closure	114	0	N/A
0	Corporate	Corporate Funding Reserve	84	Corporate ICT reserve. No longer required	84	0	N/A
0	Corporate	Budget Consultation	60	Created to fund budget consultation arrangements	60	0	N/A
0	Corporate	Core Strategy Inquiry	55	To fund one-off costs of core strategy enquiry	0	55	Committed to fund enquiry costs in 2012/12.
0	Corporate	Strategic Procurement Review Reserve	50	To fund the strategic review of corporate procurement practices and strategy in order to assess efficiency and effectiveness and develop new strategies for the future.	50	0	N/A
0	Corporate	Civic Chain Reserve	46	Replacement of Mayors chain	0	46	Committed as part of 2011/12 budget and allocated to keep 3 community centres open for up to 9 months.
0	Corporate	NDC Fund	45	Reserve created in 2007/08 to support future expenditure on New Deal for Communities Project	0	45	Reserve established from NDC underspend and will be transferred to the NDC Trust in 2011/2012
0	Corporate	Maritime Av Remedial	38	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.	38	0	N/A
0	Corporate	Early Capital Equalisation	33	Created to fund repayment costs of capitalising revenue expenditure as part of budget strategy	33	0	N/A
0	Corporate	Cash finder Savings	16	Savings arising from PWC study	16	0	N/A
0	Corporate	Cabinet Projects	4	This reserve is to be used to fund one-off Cabinet Initiatives	4	0	N/A
0	Corporate	Income Equalisation Reserve	1	Residual balance not needed	1	0	N/A
0	Corporate	Salary Sacrifice	1	This reserve was created in 2010/11 to capture NI and Pension Savings generated by the Salary Sacrifice for Cars scheme to fund future pensions liabilities	0	1	Cabinet agreed to earmark NI savings to offset potential pension liabilities in 2013/14
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.	103	119	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 support strategic one-off costs.
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.

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

RESERVES TO BE REVIEWED (NOT COMMITTED NOR HELD IN TRUST)

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 Strategic One Off Costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
144	Regeneration & Neighbourhoods	Selective Licensing	144	Income generated from fees required to fund the scheme over a 5 year period.	0	144	Needed to fund running costs for the scheme over 5 years.
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.
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 in 2011/12.	100	12	Need to support Licensing running costs in 2011/12.
100	Regeneration & Neighbourhoods	Property Services and Facilities Management	100	Use of some of the surplus generated by Trading Accounts to cover the costs of potential remedial works and protect against future income volatility.	0	100	N/A
0	Regeneration & Neighbourhoods	Housing Reserve	96	Various housing expenditure including, selective licensing, IT costs and CADCAM.	0	96	Includes Selective Licensing which requires funding for staff for a further 4 years, Housing IT system upgrades and funding set aside to cover future CADCAM liabilities.
0	Regeneration & Neighbourhoods	Empty Homes	80	To implement / match fund a TV wide pilot to bring Empty homes back into use	0	80	Funding to deliver phase 1 in partnership with HH and match funding Towards bid for HCA funding previously approved by Members.
0	Regeneration & Neighbourhoods	Stranton Nursery	70	Expand and improve retail facilities as previously agreed by Members	0	70	Work already underway
0	Regeneration & Neighbourhoods	Baden Street	55	Balance required to fully implement phase 1 of scheme approved by Members	0	55	Not possible to reduce scheme. To scale back the scheme at this stage would not have the desired effect on reducing antisocial behaviour and would not address the issue of inadequate management of privately rented housing stock
50	Regeneration & Neighbourhoods	Cemetery & Crematoria	50	Planned use of additional income carried forward to partly fund new cremators as previously agreed by Members as part of funding strategy for this project.	0	50	Funding to reduce prudential borrowing costs.
0	Regeneration & Neighbourhoods	Allotments	50	Implementation of the Council's Allotment Development Strategy as agreed by Members	0	50	Insufficient revenue budget to invest in service asset improvement.
0	Regeneration & Neighbourhoods	Winter Maintenance	50	Purchase of winter maintenance equipment	0	50	Replace existing equipment
0	Regeneration & Neighbourhoods	Furniture Project	50	To implement the findings of the scrutiny review into reduction of child poverty and increasing access to affordable credit.	0	50	To pilot a scheme to be approved by Members
46	Regeneration & Neighbourhoods	Community Safety	46	Completion of various contractual/committed projects including 'Target Hardening' & 'Local Volunteering'.	0	46	Contractual obligations.
46	Regeneration & Neighbourhoods	ITU	46	Carry forward of grant set aside to support the running costs of the Integrated Transport Unit (ITU).	0	46	Needed to support staffing costs.
0	Regeneration & Neighbourhoods	Economic Development	45	To fund Economic Development staff as temporary programme money ceases.	45	0	N/A

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

RESERVES TO BE REVIEWED (NOT COMMITTED NOR HELD IN TRUST)

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 Strategic One Off Costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
37	Regeneration & Neighbourhoods	Urban & Planning Policy	37	Relates to the part carry forward of funding identified to support major regeneration projects such as the Innovation and Skills Quarter (ISQ) Gateway and development of Church Square. The reserve is to support feasibility costs and contribute match funding towards external funding bids.	0	37	Church Square capital refurbishment commitment.
35	Regeneration & Neighbourhoods	Social Housing New Build	35	Relates to the surplus generated by the New Social Housing which needs to be set aside to cover future maintenance costs in accordance with the approved business case for this project.	0	35	Need to maintain a separate account to fund the lifecycle costs associated with the 82 properties built.
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.
31	Regeneration & Neighbourhoods	Neighbourhood Management	31	Carry forward of NDC (New Deal for Communities) funding to continue scheme.	4	27	£4k released to cover one-off strategic costs - remainder needed for salary costs.
27	Regeneration & Neighbourhoods	Economic Development	27	Carry forward of Income generated by Graffiti Project which is required to meet ongoing running costs associated with future income generation opportunities.	13	14	Scheme has ceased. Funding was required to fund ongoing staffing costs and exit costs.
0	Regeneration & Neighbourhoods	Building Maintenance Remedial	22	Traditionally all building projects require remedial work following their completion and this is a quarter of the figure spent last year.	0	22	Without this reserve there will be a pressure on the trading account
0	Regeneration & Neighbourhoods	Regeneration Reserve - Specific	21	Mainly grant funding earmarked for future use.	21	0	N/A
0	Regeneration & Neighbourhoods	Greatham Community Centre	20	Remedial works necessary upon surrender of lease	0	20	Complete
0	Regeneration & Neighbourhoods	H & S Training	20	Legislative requirements for operational staff to be trained to HSE set standards	0	20	Legal requirement
18	Regeneration & Neighbourhoods	Property Services and Facilities Management	18	Completion of various commitments under the Invest to Save programme.	0	18	Previously agreed to fund further invest to save projects.
16	Regeneration & Neighbourhoods	Speed Cameras	16	Relates to the funding ring fenced for the Tees Valley Camera Partnership.	0	16	Ring Fenced funding.
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.
11	Regeneration & Neighbourhoods	Tree Works	11	Tree Works - completion of planned programme	11	0	N/A
0	Regeneration & Neighbourhoods	Neighbourhood Community Development Projects	10	With loss of WNF funding needed to support neighbourhood meetings.	0	10	Unavoidable costs which would have to be borne by revenue account.
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.
7	Regeneration & Neighbourhoods	Housing	7	Committed for Housing Condition Survey/Strategic Housing Market Assessment.	0	7	Has to be carried out.

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

RESERVES TO BE REVIEWED (NOT COMMITTED NOR HELD IN TRUST)

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 Strategic One Off Costs £'000	Value of Reserve to be retained £'000	Reason for retention of reserve
5	Regeneration & Neighbourhoods	Neighbourhood Management	5	NDC (New Deal for Communities) Cohesion project - reserves allocated to complete project in 2011/12.	0	5	Needed to complete project in 11/12.
3	Regeneration & Neighbourhoods	Dog Warden	3	Dog Warden - earmarked for funding of new bins which were not received by year end	3	0	N/A
4,097			25,381		5,944	19,437	

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

## APPENDIX H

## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Supporting People Reserve	186	Reserve created from Grant underspend and earmarked for potential clawback. To be used to fund transition arrangements following SDO reductions taking place during 2011/12.	(90)	(96)			(186)	0
Adult Education	530	Created from LSC (Learning Skills Council) grant fund to address short and long term pressures from within the Adult Education service.	(250)	(115)	(115)		(480)	50
Older People - SRR	421	Increased income received in 2010/11. To be held in reserve to fund potential demographic pressures in Older People services similarly to the Children's Placement reserve.			(421)		(421)	0
Social Care Reform Grant	188	Reserve created from specific received grant in 2010/11. To be used to fund project slippage in 2011/12 and 2012/13.	(82)	(106)			(188)	0
Mill House	146	The reserve arose from a rates rebate following a review of the leisure centre rateable values in 2006/07.					0	146
Tall Ships Reserve	139	This reserve has been set aside to support the Tall Ships visit in 2010	(35)	(104)			(139)	0
Seaton CC 'Management'	108	Balance carried forward from previous years. Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.					0	108
Reablement Funding	100	PCT income received for reablement of service users.	(100)				(100)	0
Respite Provision for Autism	80	Income received from PCT for use to provide capital for creation of specialist housing provision of Autism respite, reserve carried forward to 12/13 and used for specific grants to Disability groups.		(80)			(80)	0
CSDP Contribution to capital	68	Reserve created from revenue to increase capital reserve for Adaptations for Disabled people.		(68)			(68)	0
Community Grants Pool	59	Reserve created year on year from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community.	(59)				(59)	0
Mental Health Capacity Act specific grants	26	Reserve created from a mixture of PCT/grant funding.		(26)			(26)	0
Tobacco Control	43	Reserve created owing to grant income provided to carry out work over a 2 year period.	(43)				(43)	0
DOH Grant Stroke Care	13	Reserve created from specific grant.		(13)			(13)	0



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Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Public Health Phys Activity	29	Reserve created from PCT monies. Monies to be awarded by HBC in grants to the community and voluntary sector on behalf of the PCT.	(29)				(29)	0
Campus Reprovisioning Grant	21	Reserve created from specific received grant in 2010/11. To be used to fund project slippage in 2011/12.	(21)				(21)	0
Archaeology Projects	12	Reserve to be used for specific archaeology projects following SDO reductions.	(12)				(12)	0
Renaissance in the Regions	14	Reserve created from unspent grant funding to support the overall HUB shared by all 4 Tees Valley Authorities	(14)				(14)	0
Sports Activities - various	14	Underspend on grants for sports & health activities	(14)				(14)	0
Grayfields Pitch Improvements	13	Reserve created to complete the pitch improvements at Grayfields.					0	13
Library System Improvements	11	Reserve set aside to fund Library System improvements in line with Government requirements for Data Protection and Security.	(11)				(11)	0
Sir William Gray House Storage Facilities	8	Reserve created to secure match funding from Heritage Lottery Fund to improve collections storage and facilities at Sir William Gray House	(8)				(8)	0
Sports & Recreation - Sports Awards	7	To fund sports coaches training awards	(7)				(7)	0
Marketing Reserve	7	Reserve to be used to fund Marketing expenditure in 2011/12 to generate increased income as part of the SDO target.	(7)				(7)	0
Health Walks programme Natural England	6	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	(6)				(6)	0
Archaeology - Monograph Series	5	Creation of reserve to ensure completion of project and ensure no loss of external funding for the overall project.	(5)				(5)	0
Chief Executive's Department Ring Fenced	196	Created from ring-fenced grant and to be carried forward to fund specific 2011/12 expenditure commitments	(101)	(42)	(53)		(196)	0
Financial Inclusion	94	Created to fund the Financial Inclusion Programme	(94)				(94)	0

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

## APPENDIX H

## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Corporate Strategy - ICT System Development	60	Created to fund temporary development resources for enhancements of current ICT systems such as e-bookings and EDRMS and costs attributable to the rationalisation of systems to achieve savings from the provision of ICT.	(12)	(48)			(60)	0
Finance R & B	45	Created to fund cost of IT equipment / services.	(45)				(45)	0
Finance - IT Investment	62	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority.	(62)				(62)	0
Contact Centre	38	Created to enable department to manage budget over more than one year.	(38)				(38)	0
Corporate Strategy - ICT Contract Review	50	Created to fund potential costs in relation to the re-procurement and or change of arrangements in respect of the Councils current ICT arrangements.		(50)			(50)	0
Finance - Accountancy Section	50	Created to fund temporary appointments to cover maternity leaves during 2011-12.	(30)	(20)			(50)	0
Finance - IT Developments R&B	21	Created to fund IT development costs to cope with new DWP Security requirements and further Kirona scripting changes.	(21)				(21)	0
Registrars	10	Created for improvements to the Registrars building		(10)			(10)	0
Corporate Strategy - Performance Management	15	Created to enable department to manage budget over more than one year.	(2)	(13)			(15)	0
Contact Centre	15	Created to fund software integrations including Corporate Workflow and upgrade Queue Management System.		(15)			(15)	0
Corporate Strategy - Enhancing Council Profile	15	Created to fund temporary costs in development and establishing arrangements for enhancing and maintaining the Councils profile including social networking, public relations and other associated elements.	(3)	(12)			(15)	0
Legal Registration and Members	24	Created to fund temporary additional staffing within the Legal Section. Also, additional costs in postage for the renewal of Personal Identifiers for Electoral Registration which must be completed every five years.	(24)				(24)	0
Corporate Strategy - Working from Home Surplus	13	Created to manage the costs of homeworking key fobs between financial years		(13)			(13)	0

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

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## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Finance R & B - Atlas Project	20	Created to fund the additional funding required to match DWP Atlas grant received to complete project.		(20)			(20)	0
People Framework	18	Created to enable department to manage budget over more than one year.	(1)	(17)			(18)	0
Corporate Strategy - Corporate Consultation	16	Created to enable department to manage budget over more than one year.	(8)	(8)			(16)	0
Finance R & B - Internal Bailiff Development	16	Created to fund costs associated with Internal Bailiff Development	(16)				(16)	0
Registrars	15	Created for redecoration of new marriage/ceremonies room at the Borough Hall and some software integrations/upgrades.	(15)				(15)	0
Finance R & B - Council Tax Rebate Development	15	Created for funding towards Council Tax Rebate Scheme Software Development.		(15)			(15)	0
Finance R & B - Zipporah Corporate Booking System	10	Created to fund Development work linked to Zipporah Corporate Booking System.	(10)				(10)	0
Finance R & B - Software Projects	10	Created for funding towards BACS and DD's Software Project Developments.	(10)				(10)	0
Finance R & B - Payment Card Industry	5	Created to fund Payment Card Industry security review.	(5)				(5)	0
Finance R & B - Integration Import	5	Created for funding toward ICT Integration Import for Department of Work and Pension deductions from DWP Welfare Benefits to Council Tax System.	(5)				(5)	0
Finance R & B - FSM System	4	Created to fund costs of FSM System	(4)				(4)	0
Resource Investment - HR	3	Created to enable department to manage budget over more than one year.	(3)				(3)	0
Chairman's Charity Reserve	1	Chairman's Charity Fund Reserve.	(1)				(1)	0
Mayors Charity Fund Reserve	1	Mayor's Charity Fund Reserve.	(1)				(1)	0
Looked After Children	1,066	Contribution to the Safeguarding and Specialist Services for the development of Looked After Children in this volatile area.		(474)	(474)	(118)	(1,066)	0
Brierton/Dyke House BSF Costs	300	Created to fund the costs of transporting Dyke House pupils to the Brierton site during the BSF redevelopment of Dyke House School.	(220)				(220)	80

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

## APPENDIX H

## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Think Family	249	2010/11 balance of grant funding to be carried forward into future years to assist with continuation of service following reductions in grant allocations and as part of the Early Intervention Strategy.	(34)	(215)			(249)	0
BSF Implementation Costs	242	This is the revenue reserve to fund the revenue costs of the School Transformation Team.	(112)	(130)			(242)	0
Ring-Fenced Grants	186	A number of ring-fenced grants were underspent at the end of 2009/10 and 2010/11 therefore this Reserve was created in order to carry the funding forward into future years.	(86)	(100)			(186)	0
Youth Offending Reserve	166	Ring-Fenced as YOS is a Partnership Budget. Created from planned underspends in previous years to fund YOS initiatives.					0	166
Community Facilities in Schools - Children's Services Funding	100	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 on this Reserve during 2009/10. In 2010/11 there was also base budget provision of £100k which an element contributed towards the deficit at the St John Vianney Children's Centre. The balance of this budget has been transferred to this Reserve. The base budget has been deleted as part of the savings exercise so this is now a 'Contingency' budget.					0	100
School Rates	0	This was created to manage the volatility of business rate charges within school budgets. Following the implementation of the Dedicated school Grant which now finances any schools rates volatility, and the 2010 review of rateable valuations, this reserve is no longer required.					0	0
Raising Educational Achievement	85	Incorporates funding to ensure the most vulnerable young people are tracked and supported to remain in education.	(27)	(58)			(85)	0
Positive Activities for Young People	77	2010/11 balance of grant funding to be carried forward into 2011/12 to assist with continuation of service following reductions in 2011/12 grant allocations as part of the Early Intervention Grant.	(77)				(77)	0
Carlton Outdoor Centre	66	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.	(66)				(66)	0

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

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## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Sustainable Travel/Post 16	33	Funding towards Post-16 travel previously funded by government grants.	(6)				(6)	27
Raising Educational Achievement	32	Incorporates funding to enhance the Educational achievement and experience through Playing for Success.	(32)				(32)	0
Educational Psychologists	30	Created to support initiatives at Springwell school during 2011/12 with a further contribution in 2011/12 to fund maternity cover and bursaries.	15	(45)			(30)	0
Local Safeguarding Children's Board (Partnership Funding)	29	Ring-Fenced Reserve - This is Partnership Funding with other bodies so not all HBC funding; Relates to underspends carried forward.	(29)				(29)	0
Workforce Development	25	2010/11 balance of grant funding to be carried forward into 2011/12			(25)		(25)	0
Child Poverty Local Duties	21	Late Notification of ABG allocation to be carried forward to fund targeted family work in 2011/12	(21)				(21)	0
Raising Educational Achievement	9	Incorporates funding to enhance the Educational achievement and experience through Playing for Success.	(2)				(2)	7
Care Matters	4	Contribution to the Safeguarding and Specialist Services for the development of Looked After Children in this volatile area.	(4)				(4)	0
Youth Opportunity Grants	2	Specific Grant Awards given to the Young People for activities during 2011/12.	(2)				(2)	0
Insurance Fund	3,630	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.					0	3,630
General Fund	3,462	The overall general risk reserve is held to manage emergency expenditure and any use would need to be repaid to maintain the value of this reserve					0	3,462

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Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Strategic Risk Reserve	3,252	The overall general risk reserve has been set up to help fund risks highlighted in the Cabinet report of 8.2.10					0	3,252
Incinerator	400	Created to fund one-off costs arising from the temporary closure of the incinerator	(400)				(400)	0
Business Transformation Set Up Costs	262	Funds set aside for Implementation costs of Business Transformation Programme	(92)	(170)			(262)	0
Carbon Reduction	196	The Carbon Reduction Commitment is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisation, this reserve is set aside to fund the payment of Carbon Allowances in 2011/12 and 2012/13	(100)	(96)			(196)	0
Area Based Grant	70	ABG carried forward from 2008/09					0	70
Emergency Planning	116	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.					0	116
Core Strategy Inquiry	55	To fund one-off costs of core strategy enquiry					0	55
Civic Chain Reserve	46	Replacement of Mayors chain	(46)				(46)	0
NDC Fund	45	Reserve created in 2007/08 to support future expenditure on New Deal for Communities Project	(37)	(8)			(45)	0
Salary Sacrifice	1	This reserve was created in 2010/11 to capture NI and Pension Savings generated by the Salary Sacrifice for Cars scheme to fund future pensions liabilities					0	1
Jobs and the Economy	180	ABG Funding received at the end of 2009/10.	(180)				(180)	0
Regeneration & Neighbourhoods MRU	165	Funding set aside to support the ISQ Gateway Project, Vehicle Trackers, works at Tanfield Nursery and a temporary Planning Officer Post.	(78)	(87)			(165)	0
Earmarked Grant Funding	119	Mainly balances remaining in 09/10 which relate to funding given for a specific purpose over more than one year.	(110)	(9)			(119)	0
Seaside Grant	200	Funding set aside to fund expenditure commitments on a Capital Project		(200)			(200)	0
Economic Development	141	Completion of various ongoing commitments including the Employment and Integration Scheme, Training Placements, Connect to Work, Jobsmart.	(141)				(141)	0

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			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Selective Licensing	144	Income generated from fees required to fund the scheme over a 5 year period.		(10)	(50)	(84)	(144)	0
Community Safety	132	Local Public Service Agreement Phase 2 reward grant for committed projects approved by Safer Hartlepool Partnership - Domestic Violence.	(81)	(51)			(132)	0
Licensing	12	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 in 2011/12.	(12)				(12)	0
Property Services and Facilities Management	100	Use of some of the surplus generated by Trading Accounts to cover the costs of potential remedial works and protect against future income volatility.	(100)				(100)	0
Housing Reserve	96	Various housing expenditure including, selective licensing, IT costs and CAD/CAM.	(56)	(40)			(96)	0
Empty Homes	80	To implement / match fund a Tees Valley wide pilot to bring Empty homes back into use	(80)				(80)	0
Stranton Nursery	70	Expand and improve retail facilities as previously agreed by Members		(70)			(70)	0
Baden Street	55	Balance required to fully implement Phase 1 of scheme approved by Members	(29)	(26)			(55)	0
Cemetery & Crematoria	50	Planned use of additional income carried forward to partly fund new cremators as previously agreed by Members as part of funding strategy for this project.		(50)			(50)	0
Allotments	50	Implementation of the Council's Allotment Development Strategy as agreed by Members	(50)				(50)	0
Winter Maintenance	50	Purchase of winter maintenance equipment	(50)				(50)	0
Furniture Project	50	To implement the findings of the scrutiny review into reduction of child poverty and increasing access to affordable credit.		(50)			(50)	0
Community Safety	46	Completion of various contractual/committed projects including 'Target Hardening' & 'Local Volunteering'.	(46)				(46)	0
ITU	46	Carry forward of grant set aside to support the running costs of the Integrated Transport Unit (ITU).	(46)				(46)	0
Urban & Planning Policy	37	Relates to the part carry forward of funding identified to support major regeneration projects such as the Innovation and Skills Quarter (ISQ) Gateway and development of Church Square. The reserve is to support feasibility costs and contribute match funding towards external funding bids.		(37)			(37)	0

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

## APPENDIX H

## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Social Housing New Build	35	Relates to the surplus generated by the New Social Housing which needs to be set aside to cover future maintenance costs in accordance with the approved business case for this project.			(35)		(35)	0
Local Plan	32	To part fund the Local Development Framework within Planning			(32)		(32)	0
Neighbourhood Management	27	Carry forward of NDC (New Deal for Communities) funding to continue scheme.	(27)				(27)	0
Economic Development	14	Carry forward of Income generated by Graffiti Project which is required to meet ongoing running costs associated with future income generation opportunities.	(14)				(14)	0
Building Maintenance Remedial	22	Traditionally all building projects require remedial work following their completion and this is a quarter of the figure spent last year.	(22)				(22)	0
Greatham Community Centre	20	Remedial works necessary upon surrender of lease	(20)				(20)	0
H & S Training	20	Legislative requirements for operational staff to be trained to HSE set standards	(20)				(20)	0
Property Services and Facilities Management	18	Completion of various commitments under the Invest to Save programme.	(18)				(18)	0
Speed Cameras	16	Relates to the funding ring fenced for the Tees Valley Camera Partnership.	(16)				(16)	0
Economic Development	10	Managed Revenue Underspend earmarked for development of Hartlepool's Economic Regeneration Strategy	(10)				(10)	0
Neighbourhood Community Development Projects	10	With loss of WNF funding needed to support neighbourhood meetings.	(10)				(10)	0
Village Green Hearings etc.	10	Fund legal costs associated with public inquiries in relation to village green applications	(10)				(10)	0
Equine Enforcement	10	An increasing problem of unregulated tethering of horses on council land	(10)				(10)	0
Housing	7	Committed for Housing Condition Survey/Strategic Housing Market Assessment.	(7)				(7)	0
Neighbourhood Management	5	NDC (New Deal for Communities) Cohesion project - reserves allocated to complete project in 2011/12.	(5)				(5)	0



## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2011

## APPENDIX H

## PLANNED USE OF RESERVES (NOT COMMITTED NOR HELD IN TRUST)

Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
			2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
Strategic Risk Reserve	5,944	This reserve was created following the review of reserves. The funding is earmarked to meet one-off commitments		(2,080)	(1,170)	(2,694)	(5,944)	0
	25,381		(3,930)	(4,897)	(2,375)	(2,896)	(14,098)	11,283

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2012

## RESERVES COMMITTED OR HELD IN TRUST

Created 2010/11 as per Outturn Strategy £'000	Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
				2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
0	Brierton Closure - Salary Protection Fund	48	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. The salary protection arrangements end in 2012/13.	(48)				(48)	0
0	Transitional Support Fund	75	Ring-fenced Reserve (DSG) - In previous years the Schools Forum have allocated revenue funding towards Transitional Support Fund which is to fund (requiring Schools 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. Schools Forum agreed to utilise this Reserve within the 2011/12 Schools Budget.	(75)				(75)	0
0	Dedicated Schools Grant - LA Underspend from Previous Yrs	687	The Dedicated Schools Grant (DSG) is a ring-fenced grant for use on 'schools' budgets only. The balance arises from under spends in 2010/11 on the local authority elements of the DSG, specifically Home and Hospital teaching, PRU and salary abatements. The balance also includes a 'contingency' element to cover any potential liability arising from changes in the payment of Standards Fund.	(25)	(93)			(118)	569
0	Transitional Support Fund	80	Ring-fenced Reserve (DSG) - In previous years the Schools Forum have allocated revenue funding towards Transitional Support Fund which is to fund (requiring Schools 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 balance is to be reviewed by Schools Forum in June 2012.	(25)				(25)	55
0	Community Facilities in Schools - Schools Funding	237	This is the net surpluses / deficits from various Schools Community Facilities 'rolled forward' into the next financial year. To enable Community Facilities within Schools to manage their budgets over more than one financial year.					0	237
0	Extended Schools - Out of School Care Balances	155	Ring-Fenced Reserve as Schools Funding. This Reserve consists of the balances of schools 'Out of School Clubs' eg. Breakfast Clubs and former NOF-funded schemes.					0	155
21	Schools Broadband	21	Created to provide a Contingency in case a number of schools withdraw from the Broadband contract which still had a further year to run. New contract to commence in 2012/13 so funding may be required towards this.		(21)			(21)	0
0	Extended Schools - Other Funding School Balances	140	Ring-Fenced Reserve as Schools Funding. This Reserve consists of the balances of schools funding which is outside main budget share eg. NCSL.	(32)				(32)	108
0	Schools	4,417	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.	(583)				(583)	3,834

## HARTLEPOOL BOROUGH COUNCIL - RESERVE BALANCES AS AT 31 MARCH 2012

## RESERVES COMMITTED OR HELD IN TRUST

Created 2010/11 as per Outturn Strategy £'000	Reserve	Revised Balance of Reserves 2011/2012 £'000	Reason for/purpose of the Reserve	Planned Use of Reserve					Estimated Balance at 31/03/15 £000
				2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000	
0	School Loans	(4)	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.	1	1	2		4	0
0	School DSO Invoices	(3)	Negative Reserve - This is offset against School Balances for Statement of Accounts purposes.	3				3	0
21	<b>TOTAL SCHOOLS</b>	<b>5,853</b>		<b>(784)</b>	<b>(113)</b>	<b>2</b>	<b>0</b>	<b>(895)</b>	<b>4,958</b>
0	Capital Funding	4,569	This reserve is fully committed to fund rephased capital expenditure.	(4,569)				(4,569)	0
0	Capital Grants Unapplied	2,976	Capital grants received in 2010/11 which will fund capital payments in 2011/12	(2,976)				(2,976)	0
0	<b>TOTAL CAPITAL</b>	<b>7,545</b>		<b>(7,545)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,545)</b>	<b>0</b>
0	Civic Lottery	417	The Lotteries Reserve, consists of the proceeds of the civic lottery and donations received. It is used for grants and donations to local organisations.					0	417
0	Maritime Festival	1	To support the bi annual event, next event 2012-13		(1)			(1)	0
0	Museums Acquisition	66	To support the purchase of museums exhibits					0	66
0	<b>TOTAL LOTTERIES AND MUSEUM ACQUISITION RESERVES</b>	<b>484</b>		<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>484</b>
161	Budget Support Fund	874	To support the overall budget. Budget strategy anticipates using £7 million as reported previously.	(874)				(874)	0
0	Budget Support Fund 10-11	561	To support the overall budget. Budget strategy anticipates using £7 million as reported previously.	(561)				(561)	0
0	LATS - Budget Support Fund	172	To support the Budget Strategy.	(172)				(172)	0
161	<b>TOTAL BUDGET SUPPORT FUND</b>	<b>1,607</b>		<b>(1,607)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,607)</b>	<b>0</b>
182	<b>GRAND TOTAL</b>	<b>15,490</b>		<b>(9,935)</b>	<b>(114)</b>	<b>2</b>	<b>0</b>	<b>(10,047)</b>	<b>5,443</b>

**FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2012/13 TO 2014/15**

TABLE 1 - FORECAST CAPITAL RESOURCES 2012/13 to 2014/15

Total Resources 2011/12		Forecast Resources 2012/2013				Forecast Resources 2013/2014 (Provisional)				Forecast Resources 2014/2015 (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
	<b><u>Supported Service Specific Allocations</u></b>												
1,349	- Local Transport Plan	0	0	1,410	1,410	0	0	1,410	1,410	0	0	1,556	1,556
2,449	- Schools Capital Programme	0	0	1,700	1,700	0	0	1,700	1,700	0	0	1,700	1,700
252	- Adult Social Services	0	0	258	258	0	0	258	258	0	0	258	258
4,050	Total Supported Service Specific Allocations	0	0	3,368	3,368	0	0	3,368	3,368	0	0	3,514	3,514
	<b><u>Unsupported Corporate Prudential Borrowing</u></b>												
1,200	Council Capital Fund	0	0	0	0	0	0	0	0	0	0	0	0
1,200		0	0	0	0	0	0	0	0	0	0	0	0
	<b><u>Unsupported Departmental Prudential Borrowing</u></b>												
0	Stranton Lodge and Cremators	1,615	0	0	1,615								
45	Replacement Wheelie Bins	45	0	0	45	45	0	0	45	45	0	0	45
1,441	Vehicle Procurement - See Table 3	1,962	0	0	1,962	1,256	0	0	1,256	1,232	0	0	1,232
1,486		3,622	0	0	3,622	1,301	0	0	1,301	1,277	0	0	1,277
	<b><u>Useable Capital Receipts and RCCO</u></b>												
628	Schools Capital Programme (Dedicated Schools Grant)	0	628	0	628	0	628	0	628	0	628	0	628
628		0	628	0	628	0	628	0	628	0	628	0	628
	<b><u>Specifically Funded Schemes</u></b>												
5,579	Building Schools for the Future - Design & Build	0	0	0	0	0	0	0	0	0	0	0	0
2,214	Building Schools for the Future - ICT	0	0	815	815	0	0	421	421	0	0	0	0
433	Disabled Facilities Grant (DFG) - Indicative Allocation	0	0	433	433	0	0	433	433	0	0	433	433
1,820	Seaton Carew - Coastal Defence	0	0	2,000	2,000	0	0	0	0	0	0	0	0
0	Town Wall - Coastal Defence	0	0	1,200	1,200	0	0	0	0	0	0	0	0
65	Aiming High for Disabled Children	0	0	0	0	0	0	0	0	0	0	0	0
245	Devolved Formula Capital (Schools)	0	0	244	244	0	0	244	244	0	0	244	244
0	Council Capital Fund - See Table 4	0	1,000	0	1,000	0	0	0	0	0	0	0	0
1,019	Tees Valley Bus Network Infrastructure (TVBNI)												
0	- York Road Layout Improvements	0	0	600	600	0	0	0	0	0	0	0	0
0	- Burn Valley Roundabout Re-profiling	0	0	700	700	0	0	0	0	0	0	0	0
0	- Brenda Road/Belle Vue Roundabout Re-profiling	0	0	350	350	0	0	0	0	0	0	0	0
0	- Catcote Road/Elwick Road Junction Widening	0	0	144	144	0	0	0	0	0	0	0	0
0	- To be allocated	0	0	0	0	0	0	972	972	0	0	1,392	1,392
0	Demolition of Brierton School*	0	200	0	200	0	0	0	0	0	0	0	0
0	Foggy Furze Site Replace Bowling Facility*	0	60	0	60	0	0	0	0	0	0	0	0
0	Central Area Leisure Activities	0	125	0	125	0	0	0	0	0	0	0	0
11,375		0	1,385	6,486	7,871	0	0	2,070	2,070	0	0	2,069	2,069
18,739	Total Forecast Resources	3,622	2,013	9,854	15,489	1,301	628	5,438	7,367	1,277	628	5,583	7,488

Note that 2013/2014 and 2014/2015 figures are indicative only and will be reviewed on an annual basis.

Central Area Leisure Activities scheme is to be funded from the sale of the Steetly access road.

\* These schemes are included to enable capital receipts from specific land sales to be achieved.

**FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2012/13 TO 2014/15**

TABLE 2 - FORECAST CAPITAL EXPENDITURE COMMITMENTS 2012/13 TO 2014/15

Total Resources 2010/11  £'000		Forecast Expenditure Commitments 2012/2013				Forecast Expenditure Commitments 2013/2014 (Provisional)				Forecast Expenditure Commitments 2014/2015 (Provisional)			
		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
	<b><u>Specifically Funded Schemes</u></b>												
5,579	Building Schools for the Future - Design & Build	0	0	0	0	0	0	0	0	0	0	0	0
2,214	Building Schools for the Future - ICT	0	815	0	815	0	421	0	421	0	0	0	0
433	Disabled Facilities Grant (DFG) - Indicative Allocation	0	433	0	433	0	433	0	433	0	433	0	433
245	Devolved Formula Capital (Schools)	0	244	0	244	0	244	0	244	0	244	0	244
1,820	Seaton Carew - Coastal Defence	0	2,000	0	2,000	0	0	0	0	0	0	0	0
0	Town Wall - Coastal Defence	0	1,200	0	1,200	0	0	0	0	0	0	0	0
65	Aiming High For Disabled Children	0	0	0	0	0	0	0	0	0	0	0	0
1,200	Council Capital Fund - See Table 4	1,000	0	0	1,000	0	0	0	0	0	0	0	0
1,019	Tees Valley Bus Network Infrastructure (TVBNI)												
	- York Road Layout Improvements	0	600	0	600	0	0	0	0	0	0	0	0
	- Burn Valley Roundabout Re-profiling	0	700	0	700	0	0	0	0	0	0	0	0
	- Brenda Road/Belle Vue Roundabout Re-profiling	0	350	0	350	0	0	0	0	0	0	0	0
	- Catcote Road/Elwick Road Junction Widening	0	144	0	144	0	0	0	0	0	0	0	0
	- To be allocated	0	0	0	0	0	972	0	972	0	1,392	0	1,392
0	Demolition of Brierton School	0	200	0	200	0	0	0	0	0	0	0	0
0	Foggy Furze Site Replace Bowling Facility	0	60	0	60	0	0	0	0	0	0	0	0
0	Central Area Leisure Activities	0	125	0	125	0	0	0	0	0	0	0	0
12,575		1,000	6,871	0	7,871	0	2,070	0	2,070	0	2,069	0	2,069
	<b><u>Misc Schemes</u></b>												
628	Schools Capital Programme (Dedicated Schools Grant)	628	0	0	628	628	0	0	628	628	0	0	628
628		628	0	0	628	628	0	0	628	628	0	0	628
	<b><u>Unsupported Departmental Prudential Borrowing</u></b>												
0	Stranton Lodge and Cremators	0	1,615	0	1,615	0	0	0	0	0	0	0	0
45	Replacement Wheelie Bins	0	45	0	45	0	45	0	45	0	45	0	45
1,441	Vehicle Procurement - See Table 3	0	1,962	0	1,962	0	1,256	0	1,256	0	1,232	0	1,232
1,486		0	3,622	0	3,622	0	1,301	0	1,301	0	1,277	0	1,277
	<b><u>Supported Service Specific Priorities</u></b>												
1,349	- Local Transport Plan	1,410	0	0	1,410	1,410	0	0	1,410	1,556	0	0	1,556
2,449	- Schools Capital Programme	0	1,700	0	1,700	0	1,700	0	1,700	0	0	0	1,700
252	- Adult Social Services	0	258	0	258	0	258	0	258	0	0	0	258
4,050		1,410	1,958	0	3,368	1,410	1,958	0	3,368	1,556	0	0	3,514
18,739	Total Forecast Commitments	3,038	12,451	0	15,489	2,038	5,329	0	7,367	2,184	3,346	0	7,488



## **BUDGET CONSULTATION MEETING WITH TRADE UNION REPRESENTATIVES**

**Minutes of Meeting held on 05 January 2012  
at 4:00pm in the Mayor's Office, Level 2, Civic Centre**

**Present:** ***Hartlepool Borough Council Officers***  
Stuart Drummond, Mayor  
Nicola Bailey, Acting Chief Executive  
Chris Little, Chief Finance Officer  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Jill Harrison, Assistant Director Adult Services  
Councillor G Hall  
Councillor J Brash  
Councillor C Simmons  
Councillor P Jackson

***Trade Union Representatives***

Edwin Jeffries  
Steve Williams  
Tony Watson  
Malcolm Sullivan  
Debbie Kenny  
Sue Garrington  
Andy Waite

***Apologies:***

Councillor P Jackson  
Andrew Atkin, Assistant Chief Executive  
Joanne Machers, Chief Customer & Workforce Services Officer  
Councillor C Hill  
Councillor R Payne  
Councillor H Thompson  
Councillor P Hargreaves

*Sam Durham, PA to CEMT (Minutes)*

<b>1.</b>	<b>Presentation</b>
<p>CL reported on Hartlepool's financial future and sought views from the Trade Unions. A detailed overview of the following issues was provided:</p> <ul style="list-style-type: none"> <li>- Spending Review provided overall financial direction of Government Spending;</li> <li>- Local Government Settlement confirms cuts to Council funding;</li> <li>- Local Impact for 2012/13;</li> <li>- The Council's 2012/13 to 2014/15 Budget;</li> <li>- 2011/12 Forecast outturn;</li> <li>- Localising support for Council Tax;</li> <li>- Proposals for Business Rates Retention.</li> </ul>	
Comments Made	Response
The Trade Union representatives explained that they recognise the current financial position.	
The Northern Echo shows figures that Hartlepool is one of the worst effected Authorities can you confirm?	Figures would need looking into. Hartlepool receives more in Government funding than some areas. Confirmation of figures will be included in February's Cabinet report and circulated for information.
With regards to Business Rates Retention will, or has pressure been applied?	Tariffs and top ups are the best result to help maintain services and the best options for such fundamental changes.
Mayor questioned sharing growth of enterprise zones that other authorities may be interested.	
The Trade Unions Representatives referred to page 11 of the Cabinet report regarding job evaluation, outlining that there is no mention of reduced risks through equal pay. They feel there is a need to review and get money into the core funding.	The report was submitted to Cabinet in December. Significant costs have been paid and some are still awaiting approval. A review will need to take place at this stage next year. Better risk assessments of costs could be provided to Cabinet in the next 12 months; risks are currently unknown.
The Trade Unions Representatives explained that they do not feel we should ignore the Government position but suggest lowering pay freezes in the future. The impact on services and jobs and the next steps to take need to be looked at.	A number of suggestions have been provided in the report for Members to consider. No decisions can be made without paying money out. If Council Tax is not increased then jobs will be lost.
Trade Unions outlined the fact that there will be no pay increase for the next 2 years. As a result the Council may face industrial action.	There is a risk that further grant reductions maybe implemented in future years as the government may wish to claw back savings from the proposed pay cap.
How many jobs are expected to be lost?	Currently there are 42 voluntary / compulsory redundancies. Another 12 are being worked through; this includes all those with contracts coming to an end in March.



## **BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES**

**Minutes of Meeting held on 16 January 2012  
at 4.00pm in the Mayor's Office, Level 2, Civic Centre**

**Present:**        ***Hartlepool Borough Council Officers***  
Stuart Drummond, Mayor  
Nicola Bailey, Acting Chief Executive  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Chris Little, Chief Finance Officer  
Andrew Atkin, Assistant Chief Executive  
Jill Harrison, Assistant Director Adult Social Care  
Antony Steinberg, Economic Development Manager  
Councillor C Hill  
Councillor J Brash  
Councillor G Hall  
Councillor H Thompson  
Councillor P Hargreaves  
Councillor R Payne  
Councillor C Simmons

***Business Representatives***

Peter Olson  
Adrian Liddell  
Brian Beaumont  
Dianne Hitchen  
Ray Priestman

***Apologies:***

John Megson  
Joanne Machers

*Sam Durham, PA to CEMT (Minutes)*



<b>1.</b>	<b>Presentation</b>
<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"> <li>- Spending Review provided overall financial direction of Government Spending;</li> <li>- Local Government Settlement confirms cuts to Council funding;</li> <li>- Local Impact for 2012/13;</li> <li>- The Council's 2012/13 to 2014/15 Budget;</li> <li>- 2011/12 Forecast outturn;</li> <li>- Localising support for Council Tax;</li> <li>- Proposals for Business Rates Retention.</li> </ul>	
<b>Comments Made</b>	<b>Response</b>
The Business Partners asked for further clarity on Business Rates referring to Enterprise Zones.	Hartlepool will be a top up Authority when the new Business Rates system is implemented. The Enterprise Zone will not impact on this payment.
Councillor Hall questioned the local impact of spending power cuts recently reported in the press.	These figures only covered the additional spending power reductions for 2012/13 and not the cumulative position for 2011/12 and 2012/13. In general terms both the cumulative figures and the figures for 2012/13 show a disproportionate cut in Hartlepool funding compared to the national average.
What effect will the budget cuts have on business support programmes? With regards to new business in the town and growth of these businesses?	Support to businesses has been reduced but we are hoping to carry forward funding.  There has been an impact on the service and support provided by Economic Development to businesses. They aim to continue to source external funding where appropriate.
Is there anything further to the budget that that could change to help support local businesses?  A balance is needed between the best deal and that best for business.	Regeneration are currently looking into future projects. The Enterprise Zone is a valuable scheme to help with new businesses.  Dave Stubbs commented that thresholds have been raised. One problem with businesses is that they are being told to get the best deal they can. He felt that small companies should get together collectively and bid.  Antony Steinberg advised working on support to business, helping with paperwork etc.
What do you think about mentoring schemes? These would be beneficial for old and new businesses.	Mentoring is already available if required.
Is there anything done when tenders are coming up to actively advise small businesses?	Yes, all information is available on the website.

If capital receipts do not happen will there be an implication on future years?	There is a possibility we would have to borrow. Regeneration are currently looking into future bids for land etc. We are confident £4.5m can be achieved.
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The Business Partners thanked the group for the opportunity to come along to the briefing and explained they understand the difficult position the Council are in and are happy with the decisions made.

# Making fair financial decisions

**This guidance has been updated to reflect the new equality duty which came into force on 5 April 2011. It provides advice about the general equality duty. Advice about the specific duties will be added at a later date when the specific duties regulations for England and Scotland have been finalised.**

## **Introduction**

With major reductions in public spending, public authorities in Britain are being required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker or 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 new public sector equality duty (the equality duty) does not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it stop you from making decisions which may affect one group more than another group. The equality duty enables 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 protected groups (or protected characteristics under the Equality Act 2010).

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

## **What the law requires**

Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected groups covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the equality duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had 'due regard'.

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

## **Aim of this guide**

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

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

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website:

[http://www.equalityhumanrights.com/uploaded\\_files/EqualityAct/PSED/equality\\_analysis\\_guidance.pdf](http://www.equalityhumanrights.com/uploaded_files/EqualityAct/PSED/equality_analysis_guidance.pdf)

## **The benefits of assessing the impact on equality**

By law, your assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making
- Consider ways of mitigating or avoiding any adverse impacts.

Such assessments do not have to take the form of a document called an equality impact assessment. If you choose not to develop a document of this type, then some alternative approach which systematically assesses any adverse impacts of a change in policy, procedure or practice will be required.

Assessing impact on equality is not an end in itself and it should be tailored to, and be proportionate to, the decision that is being made.

Whether it is proportionate for an authority to conduct an assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people from the protected groups.

We recommend that you document your assessment of the impact on equality when developing financial proposals. This will 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 impacts on particular protected groups.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, 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 information about equality is a better quality decision. Assessments of impact on equality 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:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

## When should your assessments be carried out?

Assessments of the impact on equality 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 in your workforce and/or for your community, should always be subject to a thorough assessment. This includes proposals to outsource or procure any of the functions of your organisation. 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 its impact on equality, you should question whether this enables you to consider fully the proposed changes and its likely impact. Decisions not to assess the impact on equality 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 the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people.

## What should I be looking for in my assessments?

Assessments of impact on equality need to be based on relevant information and 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 on equality of a major financial proposal is likely to need significantly more effort and resources dedicated to ensuring effective engagement, than a simple assessment of a proposal to save money by changing staff travel arrangements.

There is no prescribed format for assessing the impact on equality, but the following questions and answers provide guidance to assist you in determining whether you consider that an assessment is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom 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 protected groups.

Joint working with your public authority partners will also help you to consider thoroughly the impact of your joint 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 if the decisions were considered in isolation.

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

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

- **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected groups. No-one can give you a better insight into how proposed changes will have an impact on, 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 impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected groups are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

• **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment 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 assessment of the impact on equality, and more than one may apply to a single proposal:

**Outcome 1: No major change required** when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

**Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality.** Are you satisfied that the proposed adjustments will remove the barriers identified?

**Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality.** In this case, the justification should be included in the assessment 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 assessment shows actual or potential unlawful discrimination.

• **Are there plans to alleviate any negative impacts?**

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify 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.

**Example:** A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. 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 impacts, 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. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

- **Are there plans to monitor the actual impact of the proposal?**

Although assessments of impact on equality will help to anticipate a proposal's likely effect 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 on equality of relevant decisions?**

If you have not carried out an assessment of impact on equality 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.

**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 of the impact on equality risk making poor and unfair decisions that could

discriminate against particular protected groups and perpetuate or worsen inequality.

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

## Impact Assessment Form

Department	Division	Section	Owner/Officer
Function/ Service			
Information Available			
Relevance	Age		
<i>Identify which strands are relevant to the area you are reviewing or changing</i>			
	Disability		
	Gender Re-assignment		
	Race		
	Religion		
	Sex		
	Sexual Orientation		
	Marriage & Civil Partnership		
Pregnancy & Maternity			
Information Gaps			
What is the Impact			
Addressing the impact	1. No Impact - No Major Change		
	2. Adjust/Change Policy		
	3. Adverse Impact but Continue as is		
	4. Stop/Remove Policy/Proposal		
Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing		00/00/00	
Date Published		00/00/00	
Date Assessment Carried out		00/00/00	

## **SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET**

<b>Budget Assumption</b>	<b>Financial Standing and Management</b>
The treatment of inflation and interest rates	<p>The proposed resource allocations for 2012/13 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 a reduced allowance for staff turnover to reflect current market conditions.</p> <p>Interest exposure is managed through the Treasury Management Strategy.</p>
The treatment of demand led pressures	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 specific instances it will not be possible in 2012/2013 to absorb some demand pressures and appropriate provision has been included in the budget requirement for 2012/13, to meet these commitments.
The treatment of planned efficiency savings/productivity gains	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 2012/13 are part of the Business Transformation Programme. Work undertaken 2011/12 to deliver these savings in advance makes the 2012/13 budget position more robust and sustainable.
The availability of other funding to deal with major contingencies and the adequacy of provisions	<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>
The strength of financial reporting arrangements and the Authority's track	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are

record of budget monitoring	identified and corrective action taken before the year end, either at departmental or corporate level. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.
Equal Pay/ Equal Value Claims	<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 1<sup>st</sup> April 2007. The Council substantially completed Job Evaluation Appeals.</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>

**2012/13 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	2012/13 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay	Amber	46,000	52%	The MTFS includes provision for a cost of living pay award from 1st April 2012. There is likely to be downward pressure on this area, owing to the impact of the recession. The allowance included in the budget for staff turnover has been reduced to reflect the current labour market.
Higher costs of borrowing and/ or lower investment returns	Green	7081	0.08	<p>This budget covers annual principal repayments and net interest on the Council's borrowings and investments. 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>There is still a risk that LOBO loans maybe recalled. However, as interest rates on these loans are now higher then 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.</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>
Planned Maintenance Budget	Amber	221	0.2%	<p>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.</p> <p>The Revenue Budget Strategy includes provision to support Prudential Borrowing to fund £1.0m of capital priorities.</p>
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.

## CHILD &amp; ADULT SERVICES

Financial Risk	Risk Rating	2012/13 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Individual Pupils Budget allocated during the year to schools for high level SEN pupils	Green	1,882	N/A	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 number 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	1,392	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).
Carlton Outdoor Education Centre	Red	68	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 all other LA's have withdrawn from the agreement resulting in an increase in the external income target for the Centre. 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 has recently been 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. This service is DSG funded.
Increased Demand for Looked After Children Placements	Red	5,003	5.7%	There is a national trend of increasing numbers and increased costs for the placement of children with foster parents or in residential establishments. This particular area is highly volatile and subject to unexpected increases in the numbers of children. A Looked After Children Risk Reserve has been created and is budgeted to be utilised during 2012/13.
Schools Buy-Back Income	Amber	(388)	-0.4%	Buy back income underpins a range of departmental services which are therefore susceptible to loss of income.
Demographic changes in Older People	Amber	9,786	11.1%	<p>Increasing number of elderly people, high percentage of chronic health problems and market pressures on price.</p> <p>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 demographic changes can impact on levels of contribution.</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</p> <p>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>



Financial Risk	Risk Rating	2012/13 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Demographic changes in Working Age Adults	Red	9,476	10.7%	<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>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 demographic changes can impact on levels of contribution.</p> <p>Investment in medium term identified along with development of alternatives to residential care e.g. 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 and 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	(1,409)	-1.6%	The nature of Cultural Services and Sport & Recreations' 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.
Non-achievement of income targets - PCT specific Income	Amber	(3,543)	-4.0%	<p>PCT income is received to contribute to cover the costs of packages for individuals with social care needs, to contribute to specific services and most recently to invest in Social Care services that lead to a long term health benefit.</p> <p>Risks exist for joint packages whereby an individuals circumstances can change and the level at which the PCT are liable to contribute can decrease. Investment priorities can change year on year for PCT's and investment can reduce for certain services. Recent funding received is temporary in nature and therefore use to cover existing services can lead to a long term budget pressure.</p>

## REGENERATION &amp; NEIGHBOURHOODS

Financial Risk	Risk Rating	2012/13 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Car Parking	Amber	1,811	2.0%	<p>Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk that the planned level of income may not be achieved.</p> <p>The risk car parking income shortfalls has been addressed by a permanent reduction in this budget.</p>
Fee Income - Planning & Building Control	Amber	706	0.8%	<p>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.</p> <p>A specific reserve has been earmarked to address an anticipated shortfall in this income in 2012/13</p>
Rent Income - Economic Development Service	Green	204	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 2012/13.

**Section 2 - Extract from the Supplementary Council Report of 9 February  
2012 – MTFS – Budget and Policy Framework 2012/13 to 2014/15**

- This document summarises the final budget proposals approved by Cabinet on 6 February 2012 and referred to full Council on 9 February for consideration.

## **Extract from the Supplementary Council Report of 9 February 2012 – MTFS – Budget and Policy Framework 2012/13 to 2014/15**

- This document summarises the final budget proposals approved by Cabinet on 6 February 2012 and referred to full Council on 9 February for consideration.
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### **3. PROPOSALS**

- 3.1 The proposals which Cabinet wishes Council to consider were detailed in Section 14 of the Cabinet report, some of which required Cabinet to determine its preferred option. Cabinet has considered these issues and has also made a number of amendments to the initial proposals.
- 3.2 Therefore, for clarity Cabinet's final proposals are detailed below. Where reference is made to a paragraph number or appendix this refers to the original Cabinet report booklet circulated with the main agenda, unless otherwise stated.
- 3.3 **2011/12 Outturn Strategy**
- 3.4 **General Fund Budget 2011/12 Outturn** – approve the proposal to allocate the net underspend (arising from the robust management of budgets, the early achievement of planned 2012/13 savings and net interest savings) of £4.066m to meet specific commitments and support the 2012/13 and 2013/14 budgets as detailed in **Appendix B**, including the funding to cover the potential cost of a Mayoral referendum, which Council are requested to note.
- 3.5 To note that a final decision on the use of resources allocated within **Appendix B** for Transitional Support to offset Council Tax Benefit Changes of £1.197m and to partly support the loss of the 2012/13 Council Tax freeze grant of £0.727m will be referred to Council in February 2013, as part of the 2013/14 budget process.
- 3.6 **General Fund Budget 2011/12 Outturn – specific issues** - Cabinet do not support the Scrutiny Co-ordinating Committee proposal to establish a total 'Ward Fund' of £231,000, which will provide £7,000 per Member to address specific Ward issues arising after the election not covered by existing budgets. Cabinet propose allocating this funding to support the General Fund budget in 2013/14. The total funding of £231,000 would be funded by allocating the underspends from the Acting Chief Executive arrangements (£76,848), the joint Head of HR role (£21,402) and the one-off saving arising from the Industrial Action (estimated value of £50,000), plus the amount identified in **Appendix B** (£83,000) from the 2011/12 General Fund Outturn.

**3.7 Capital Outturn 2011/12** – approve the proposal for funding the additional Primary Capital Programme costs of £0.670m as detailed in paragraph 4.18.

**3.8 Early Intervention Grant 2011/12 Outturn** – approve the proposal to allocate the £0.276m underspend to create risk reserves as detailed in paragraph 4.21, to support the delivery of the Early Intervention Strategy, which Council are requested to note.

**3.9 Housing Scheme 2011/12 Outturn**

**3.10** Approve the principle of allocating the in-year underspend of £0.2m, plus the ongoing saving of £60,000 to support Prudential Borrowing of £1m, plus Section 106 monies secured on the Wynyard development of £1.2m to establish a Housing Capital Investment Fund of £2.2m; and

**3.11** To note that a detailed business case will be reported to a future Cabinet and Council for using this funding.

**3.12 2012/13 to 2014/15 Capital Programme**

**3.13** Approve the 2012/13 capital programme proposals as detailed in **Appendix J**, which includes:

1. Details of Capital Grants for the Local Transport Plan, Schools Capital Programme and Adult Social Services and to note that the relevant Portfolio Holders will approve individual schemes which meet Government Grant conditions;
2. Proposal for using the Council Capital Investment Fund, detailed in **Appendix J**, table 4, including the retention of unallocated funding of between £368,000 and £418,000 to cover emergency capital expenditure, for allocation by Cabinet;
3. The proposals to allocate £125,000 of the capital receipt from the sale of land for the Steetley Access Road for the provision of facilities to support leisure activities in the central area;
4. The proposal to allocate £60,000 of the capital receipt from the sale of the Foggy Furze site for the provision of replacement/enhanced bowling facilities if this is required by Sports England;
5. Retention of a Major Regeneration Capital budget of £0.39m to support detailed business cases to be approved by Cabinet and Council which either attract external fund and / or are strategically important for the town.

**3.14** Approve the purchase of the Ambulance Station site to facilitate the sale of a larger site and increased capital receipt from the resulting 'marriage value', as detailed in **Appendix P**. **This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

### **3.15 Strategy for Funding one-off Strategic Costs**

**3.16** Approve the proposed strategy for funding One-off Strategic costs of £14m from a combination of:

1. £1.980m contribution from 2011/12 General Fund outturn;
2. £5.944m contribution from existing reserves following a re-assessment of these reserves and the risks they were originally earmarked to address, as detailed in **Appendix G** (replacement document, as detailed in paragraph 2.2 above) including the release of the £60,000 Budget Consultation reserve;
3. £1.500m from Capital Receipts already achieved; and
4. £4.576m from Capital Receipts to be achieved over the next 2 to 3 years.

### **3.17 2012/13 General Fund budget**

**3.18** Approve the proposed funding allocations for implementing the Early Intervention Strategy, totalling £7.1m, as detailed in **Appendix C**. Note this expenditure is funded from the Early Intervention Grant

**3.19** Approve the proposed pressures detailed in **Appendix D** of £1.730m.

**3.20** Approve the strategy for bridging the 2012/13 budget deficit, which reflects the cut in Government grant and the above pressures, from a combination of:

1. Implementing budget reductions of £1.584m arising from revised planning assumptions detailed in **Appendix E**, including the saving in Members Allowances from a reduction in the number of Councillors from May 2012;
2. Implementing a Council Tax freeze which will mean the Council will receive a one-year Council Tax freeze grant of £996,514 for 2012/13;
3. Implementing budget cuts of £5.376m detailed in **Appendix F** and the proposed saving from the ICT / Revenues and Benefits Procurement;
4. A contribution from the 2011/12 General Fund Outturn of £215,000, consisting of £186,000 to cover the reduction in the Collection Fund Surplus and £29,000 to cover the residual 2012/13 budget deficit.

**3.21** Approve that the one-off costs of achieving the ICT / Revenues and Benefits contract savings are funded from the reallocation of one-off funding which is no longer needed to fund back-dated Job Evaluation costs (i.e. Option 1 detailed in paragraph 5.21) and that the residual balance of this reserve will transfer to the General Fund Reserve. This funding proposal will maximise the value of the ICT / Revenues and Benefits savings which can be used to reduce the budget deficits. These savings will commence in 2012/13 and will continue to increase in each year of the 7 year contract. **Appendix Q provides an analysis of the one off costs and cumulative ICT savings.**

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

**3.22** Approve that in the current climate the available Furniture Project reserve of £50,000 is not allocated to kick start this project.

**3.23** Note the budget risk, mitigation strategy and robustness of the budget forecasts advice (sections 9 and 12).

**3.24 2013/14 to 2014/15 Indicative Council Tax increases**

**3.25** Approve indicative Council Tax increases for 2013/14 and 2014/15 of 3.49% per year. Note these proposals will be subject to annual review to reflect changes in the Council's financial position and the Government's announcement of annual trigger points for a Council Tax Referendum.

**Section 3 - MTFS 2012/12/13 to 2014/15 – Detailed General Fund Budget Requirement**

- This document provides detailed supporting budget allocations to the MTFS report detailed at item 1 above.

# **MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO 2014/15 - DETAILED GENERAL FUND BUI REQUIREMENT**

## **SUMMARY OF CONTENTS**

General Fund Summary  
Chief Executives  
Child and Adult Services  
Regeneration and Neighbourhoods



**STATEMENT OF GENERAL FUND REQUIREMENTS 2012/13 TO 2014/2015**

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 PROJECTED BUDGET	2014/2015 PROJECTED BUDGET
	£m.	£m.	£m.	£m.
<b>DEPARTMENTAL REQUIREMENTS</b>				
Chief Executives Department	4.501	2.477	2.539	2.602
Rent Allowances/C.Tax benefit not subsidised	1.433	1.469	1.506	1.544
Rent Allowances Grant	(1.216)	(1.246)	(1.277)	(1.309)
Child and Adult Services	51.710	51.699	52.992	54.317
Regeneration & Neighbourhoods Services	21.063	21.039	21.565	22.104
<b>TOTAL DEPARTMENTAL REQUIREMENTS</b>	<b>77.491</b>	<b>75.438</b>	<b>77.325</b>	<b>79.258</b>
Property Budgets	3.127	3.199	3.279	3.361
<b>EXTERNAL REQUIREMENTS</b>				
Magistrates, Probation and Coroners Court	0.197	0.202	0.207	0.212
North Eastern Sea Fisheries Levy	0.032	0.033	0.034	0.035
Flood Defence Levy	0.055	0.070	0.072	0.074
Discretionary NNDR Relief	0.108	0.111	0.114	0.117
<b>CORPORATE COMMITMENTS</b>				
I.T.	2.508	0.000	0.000	0.000
Telecoms	0.000	0.106	0.109	0.112
ICT and Revenues & Benefit Contract	0.000	5.253	5.384	5.518
Savings from Revenues & Benefit and ICT Contract	0.000	(0.330)	(0.536)	(0.790)
Audit Fees	0.363	0.282	0.289	0.296
Centralised Estimates	7.179	7.081	7.057	7.015
Insurances (Note 1)	0.187	0.299	0.306	0.314
Designated Authority Costs	0.092	0.044	0.045	0.046
Pensions	0.371	0.430	0.441	0.452
Members Allowances	0.374	0.317	0.325	0.333
Mayoral Allowance	0.069	0.071	0.073	0.075
50% Contribution to Director of Public Health	0.000	0.042	0.043	0.044
Emergency Planning	0.087	0.080	0.082	0.084
2012/13 Strategic Contingency (Note 2)	0.410	0.383	0.391	0.402
Job Evaluation and Pay Awards April 2012	1.600	1.411	1.573	1.565
2012/13 Pressures	0.000	1.730	1.773	1.818
Headroom for 2013/14 Pressures	0.000	0.000	1.000	1.025
Headroom for 2014/15 Pressures	0.000	0.000	0.000	1.000
Pressures year 2 and 3 additional costs	0.312	0.000	0.000	0.000
Benefit Subsidy income	(0.300)	(0.300)	0.000	0.000
Removal of Revenue funding & replace with capitalisation	0.000	0.000	(0.250)	(0.250)
LATS income	(0.200)	(0.200)	0.000	0.000
Parish Precepts	0.027	0.026	0.027	0.028
Savings Projects Investigation Costs (C Tax Base)	0.250	0.000	0.000	0.000
Pressure from loss of funding for academies programme	0.000	0.280	0.280	0.280
Car Allowances Savings	0.000	(0.030)	(0.031)	(0.032)
BT efficiencies 2012/13	0.000	(5.376)	(5.510)	(5.648)
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>94.339</b>	<b>90.652</b>	<b>93.902</b>	<b>96.744</b>
Council Tax Percentage Increase	0.0%	0.0%	3.49%	3.49%
Council Tax - Base Income	39.669	39.724	41.561	43.212
Council Tax - Precept Income	0.000	0.026	0.026	0.026
Council Tax - freeze grant 2011/12 regime - payable until 2014/15	0.991	0.991	0.991	0.991
Council Tax - freeze grant 2012/13 regime - 1 year grant	0.000	0.997	0.000	0.000
New Homes Bonus	0.000	0.558	0.838	0.838
Additional New Homes Bonus	0.000	0.210	0.210	0.210
Formula Grant	45.384	41.276	40.616	37.610
Formula Grant - transfer from Specific Grants	6.626	6.210	6.111	5.658
Impact of ring fencing grants transferring to Formula grant	0.000	0.000	0.000	0.000
Contribution from Budget Support Fund and other Reserves	0.900	0.000	0.000	0.000
Contribution from 2009/10 Departmental Risk Reserves	0.561	0.000	0.000	0.000
Collection Fund Surplus - removal of 50% C Tax discount	0.000	0.430	0.000	0.000
Collection Fund Surplus/(deficit) - normal activity	0.208	0.014	0.000	0.000
Contribution from 2011/12 Outturn to fund Collection Fund Deficit	0.000	0.186	0.000	0.000
<b>BUDGET LIMIT</b>	<b>94.339</b>	<b>90.622</b>	<b>90.353</b>	<b>88.545</b>
<b>DEFICIT/(SURPLUS)</b>	<b>0.000</b>	<b>0.029</b>	<b>3.550</b>	<b>8.198</b>
<b>Less Cumulative cuts in previous years</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(3.639)</b>
<b>New Annual Savings - above BTP</b>	<b>0.000</b>	<b>0.029</b>	<b>3.550</b>	<b>4.560</b>

Note 3

## NOTES

### 1) Insurances

Following the successful tendering exercise with Redcar and Cleveland Council the insurance budget has now been centralised for management purposes.

	£'000
Budget	187
Inflation	5
Saving from Contract Renewal	(110)
Budget from Departments	217
	<u>299</u>

### 2) Strategic Contingency

	<u>2011/12</u>	<u>2012/2013</u>	<u>2013/14</u>	<u>2014/15</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Energy Costs	150	156	162	168
Repayment severance costs	120	120	120	120
Discretionary Business Rates	51	54	55	58
Revenue Cost of Capitalisation	51	53	54	56
Priorities - Members ICT	38	0	0	0
	<u>410</u>	<u>383</u>	<u>391</u>	<u>402</u>

### 3) 2012/13 Budget Deficit

	£m
Gross Deficit	7.319
Impact of changes in planning assumptions	(1.584)
	<u>5.735</u>
Departmental Savings	(5.376)
Sub Total	<u>0.359</u>
ICT/Revenues and Benefits Procurement Savings (Yr 1)	(0.330)
Deficit to be bridged from 2011/12 Outturn	<u>0.029</u>

**2012/2013 BUDGET - CHIEF EXECUTIVES SUMMARY**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
117.0	Public Relations	116.0	0.0	22.0	(22.0)	0.0	0.0	116.0
195.0	Democratic Services	196.0	0.0	0.0	0.0	0.0	0.0	196.0
1,024.0	Corporate Strategy and Public Consultation	976.0	0.0	0.0	0.0	144.0	(144.0)	976.0
126.0	Support to Members	126.0	0.0	0.0	0.0	0.0	0.0	126.0
(146.0)	Other Office Services	(170.0)	0.0	0.0	0.0	0.0	0.0	(170.0)
136.0	Hartlepool Partnership	134.0	0.0	0.0	0.0	0.0	0.0	134.0
1,238.0	Hartlepool Connect	1,017.0	0.0	0.0	0.0	15.0	(15.0)	1,017.0
10.0	Registration Services	(36.0)	0.0	0.0	0.0	10.0	(10.0)	(36.0)
(456.0)	Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1,313.0	Corporate Finance	1,312.0	0.0	14.0	(14.0)	20.0	(20.0)	1,312.0
203.0	Internal Audit	201.0	0.0	0.0	0.0	0.0	0.0	201.0
681.0	Shared Services	544.0	0.0	0.0	0.0	0.0	0.0	544.0
908.0	Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141.0	Fraud	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(184.0)	Revenue and Benefits Central	(1,062.0)	0.0	0.0	0.0	35.0	(35.0)	(1,062.0)
491.0	Legal Services	490.0	0.0	0.0	0.0	0.0	0.0	490.0
623.0	Human Resources & Health and Safety	599.0	0.0	2.0	(2.0)	59.0	(59.0)	599.0
53.0	Training and Equality	66.0	0.0	0.0	0.0	0.0	0.0	66.0
68.0	Housing & Council Tax Benefit	70.0	0.0	0.0	0.0	0.0	0.0	70.0
(938.0)	Shopping Centre	(961.0)	0.0	0.0	0.0	0.0	0.0	(961.0)
(1,483.0)	Central Administration Recharges	(1,520.0)	0.0	0.0	0.0	0.0	0.0	(1,520.0)
179.0	Municipal Elections and Registration of Electors	181.0	0.0	0.0	0.0	0.0	0.0	181.0
419.0	Corporate Expenses	421.0	0.0	0.0	0.0	0.0	0.0	421.0
<b>4,718.0</b>	<b>Net Budget Requirement</b>	<b>2,700.0</b>	<b>0.0</b>	<b>38.0</b>	<b>(38.0)</b>	<b>283.0</b>	<b>(283.0)</b>	<b>2,700.0</b>

**2012/2013 BUDGET - SERVICE UNIT: PUBLIC RELATIONS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Relations</u>						
128.0	Direct costs - Employees	128.0	0.0	0.0	0.0	0.0	128.0
85.0	- Other	87.0	0.0	0.0	(22.0)	0.0	65.0
213.0	Total Direct Cost	215.0	0.0	0.0	(22.0)	0.0	193.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(96.0)	Income	(99.0)	0.0	22.0	0.0	0.0	(77.0)
117.0	Gross Budget Requirement	116.0	0.0	22.0	(22.0)	0.0	116.0
0.0	Use Of Departmental Reserves					0.0	0.0
117.0	Net Budget Requirement	116.0	0.0	22.0	(22.0)	0.0	116.0

**2012/2013 BUDGET - SERVICE UNIT: DEMOCRATIC SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Democratic Services</u>						
178.0	Direct costs - Employees	178.0	0.0	0.0	0.0	0.0	178.0
18.0	- Other	19.0	0.0	0.0	0.0	0.0	19.0
196.0	Total Direct Cost	197.0	0.0	0.0	0.0	0.0	197.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1.0)	Income	(1.0)	0.0	0.0	0.0	0.0	(1.0)
195.0	Gross Budget Requirement	196.0	0.0	0.0	0.0	0.0	196.0
0.0	Use Of Departmental Reserves					0.0	0.0
195.0	Net Budget Requirement	196.0	0.0	0.0	0.0	0.0	196.0

**2012/2013 BUDGET - SERVICE UNIT: CORPORATE STRATEGY AND PUBLIC CONSULTATION**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Corporate Strategy and Public Consultation</u>						
900.0	Direct costs - Employees	916.0	0.0	0.0	0.0	0.0	916.0
133.0	- Other	69.0	0.0	0.0	0.0	144.0	213.0
1,033.0	Total Direct Cost	985.0	0.0	0.0	0.0	144.0	1,129.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(9.0)	Income	(9.0)	0.0	0.0	0.0	0.0	(9.0)
1,024.0	Gross Budget Requirement	976.0	0.0	0.0	0.0	144.0	1,120.0
0.0	Use Of Departmental Reserves					(144.0)	(144.0)
1,024.0	Net Budget Requirement	976.0	0.0	0.0	0.0	0.0	976.0

**2012/2013 BUDGET - SERVICE UNIT: SUPPORT TO MEMBERS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Support to Members</u>						
75.0	Direct costs - Employees	75.0	0.0	0.0	0.0	0.0	75.0
43.0	- Other	44.0	0.0	0.0	0.0	0.0	44.0
118.0	Total Direct Cost	119.0	0.0	0.0	0.0	0.0	119.0
8.0	Support Recharges	7.0	0.0	0.0	0.0	0.0	7.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
126.0	Gross Budget Requirement	126.0	0.0	0.0	0.0	0.0	126.0
0.0	Use Of Departmental Reserves					0.0	0.0
126.0	Net Budget Requirement	126.0	0.0	0.0	0.0	0.0	126.0

**2012/2013 BUDGET - SERVICE UNIT: OTHER OFFICE SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other Office Services</u>						
55.0	Direct costs - Employees	54.0	0.0	0.0	0.0	0.0	54.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
55.0	Total Direct Cost	54.0	0.0	0.0	0.0	0.0	54.0
7.0	Support Recharges	7.0	0.0	0.0	0.0	0.0	7.0
(208.0)	Income	(231.0)	0.0	0.0	0.0	0.0	(231.0)
(146.0)	Gross Budget Requirement	(170.0)	0.0	0.0	0.0	0.0	(170.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(146.0)	Net Budget Requirement	(170.0)	0.0	0.0	0.0	0.0	(170.0)

**2012/2013 BUDGET - SERVICE UNIT: HARTLEPOOL PARTNERSHIP**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Hartlepool Partnership</u>						
116.0	Direct costs - Employees	116.0	0.0	0.0	0.0	0.0	116.0
20.0	- Other	18.0	0.0	0.0	0.0	0.0	18.0
136.0	Total Direct Cost	134.0	0.0	0.0	0.0	0.0	134.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
136.0	Gross Budget Requirement	134.0	0.0	0.0	0.0	0.0	134.0
0.0	Use Of Departmental Reserves					0.0	0.0
136.0	Net Budget Requirement	134.0	0.0	0.0	0.0	0.0	134.0

**2012/2013 BUDGET - SERVICE UNIT: HARTLEPOOL CONNECT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Hartlepool Connect</u>						
1,053.0	Direct costs - Employees	961.0	0.0	0.0	0.0	0.0	961.0
191.0	- Other	62.0	0.0	0.0	0.0	15.0	77.0
1,244.0	Total Direct Cost	1,023.0	0.0	0.0	0.0	15.0	1,038.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(6.0)	Income	(6.0)	0.0	0.0	0.0	0.0	(6.0)
1,238.0	Gross Budget Requirement	1,017.0	0.0	0.0	0.0	15.0	1,032.0
0.0	Use Of Departmental Reserves					(15.0)	(15.0)
1,238.0	Net Budget Requirement	1,017.0	0.0	0.0	0.0	0.0	1,017.0

**2012/2013 BUDGET - SERVICE UNIT: COMMISSIONING - REGISTRATION SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Registration Services</u>						
128.0	Direct costs - Employees	87.0	0.0	0.0	0.0	0.0	87.0
19.0	- Other	17.0	0.0	0.0	0.0	10.0	27.0
147.0	Total Direct Cost	104.0	0.0	0.0	0.0	10.0	114.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(137.0)	Income	(140.0)	0.0	0.0	0.0	0.0	(140.0)
10.0	Gross Budget Requirement	(36.0)	0.0	0.0	0.0	10.0	(26.0)
0.0	Use Of Departmental Reserves					(10.0)	(10.0)
10.0	Net Budget Requirement	(36.0)	0.0	0.0	0.0	0.0	(36.0)

**2012/2013 BUDGET - SERVICE UNIT: BENEFITS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Benefits</u>						
885.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
63.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
948.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1,404.0)	Income	0.0	0.0	0.0	0.0	0.0	0.0
(456.0)	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0	0.0
(456.0)	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: CORPORATE FINANCE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Corporate Finance</u>						
1,687.0	Direct costs - Employees	1,722.0	0.0	0.0	0.0	20.0	1,742.0
129.0	- Other	105.0	0.0	0.0	(6.0)	0.0	99.0
1,816.0	Total Direct Cost	1,827.0	0.0	0.0	(6.0)	20.0	1,841.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(503.0)	Income	(515.0)	0.0	14.0	(8.0)	0.0	(509.0)
1,313.0	Gross Budget Requirement	1,312.0	0.0	14.0	(14.0)	20.0	1,332.0
0.0	Use Of Departmental Reserves					(20.0)	(20.0)
1,313.0	Net Budget Requirement	1,312.0	0.0	14.0	(14.0)	0.0	1,312.0

**2012/2013 BUDGET - SERVICE UNIT: INTERNAL AUDIT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Internal Audit</u>						
232.0	Direct costs - Employees	237.0	0.0	0.0	0.0	0.0	237.0
22.0	- Other	16.0	0.0	0.0	0.0	0.0	16.0
254.0	Total Direct Cost	253.0	0.0	0.0	0.0	0.0	253.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(51.0)	Income	(52.0)	0.0	0.0	0.0	0.0	(52.0)
203.0	Gross Budget Requirement	201.0	0.0	0.0	0.0	0.0	201.0
0.0	Use Of Departmental Reserves					0.0	0.0
203.0	Net Budget Requirement	201.0	0.0	0.0	0.0	0.0	201.0

**2012/2013 BUDGET - SERVICE UNIT: SHARED SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Shared Services</u>						
828.0	Direct costs - Employees	698.0	0.0	0.0	0.0	0.0	698.0
204.0	- Other	206.0	0.0	0.0	0.0	0.0	206.0
1,032.0	Total Direct Cost	904.0	0.0	0.0	0.0	0.0	904.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(351.0)	Income	(360.0)	0.0	0.0	0.0	0.0	(360.0)
681.0	Gross Budget Requirement	544.0	0.0	0.0	0.0	0.0	544.0
0.0	Use Of Departmental Reserves					0.0	0.0
681.0	Net Budget Requirement	544.0	0.0	0.0	0.0	0.0	544.0

**2012/2013 BUDGET - SERVICE UNIT: REVENUES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Revenues</b>						
722.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
186.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
908.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
908.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0	0.0
908.0	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: FRAUD**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Fraud</b>						
126.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
15.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
141.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
141.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0	0.0
141.0	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: REVENUE AND BENEFITS CENTRAL**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Revenue and Benefits Central</b>						
76.0	Direct costs - Employees	661.0	0.0	0.0	0.0	0.0	661.0
162.0	- Other	148.0	0.0	0.0	0.0	35.0	183.0
238.0	Total Direct Cost	809.0	0.0	0.0	0.0	35.0	844.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(422.0)	Income	(1,871.0)	0.0	0.0	0.0	0.0	(1,871.0)
(184.0)	Gross Budget Requirement	(1,062.0)	0.0	0.0	0.0	35.0	(1,027.0)
0.0	Use Of Departmental Reserves					(35.0)	(35.0)
(184.0)	Net Budget Requirement	(1,062.0)	0.0	0.0	0.0	0.0	(1,062.0)



**2012/2013 BUDGET - SERVICE UNIT: LEGAL SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Legal Services</u>						
561.0	Direct costs - Employees	574.0	0.0	0.0	0.0	0.0	574.0
49.0	- Other	38.0	0.0	0.0	0.0	0.0	38.0
610.0	Total Direct Cost	612.0	0.0	0.0	0.0	0.0	612.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(119.0)	Income	(122.0)	0.0	0.0	0.0	0.0	(122.0)
491.0	Gross Budget Requirement	490.0	0.0	0.0	0.0	0.0	490.0
0.0	Use Of Departmental Reserves					0.0	0.0
491.0	Net Budget Requirement	490.0	0.0	0.0	0.0	0.0	490.0

**2012/2013 BUDGET - SERVICE UNIT: HUMAN RESOURCES & HEALTH AND SAFETY**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Human Resources &amp; Health and Safety</u>						
859.0	Direct costs - Employees	872.0	0.0	0.0	0.0	42.0	914.0
54.0	- Other	24.0	0.0	0.0	(2.0)	0.0	22.0
913.0	Total Direct Cost	896.0	0.0	0.0	(2.0)	42.0	936.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(290.0)	Income	(297.0)	0.0	2.0	0.0	17.0	(278.0)
623.0	Gross Budget Requirement	599.0	0.0	2.0	(2.0)	59.0	658.0
0.0	Use Of Departmental Reserves					(59.0)	(59.0)
623.0	Net Budget Requirement	599.0	0.0	2.0	(2.0)	0.0	599.0

**2012/2013 BUDGET - SERVICE UNIT: TRAINING AND EQUALITY**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Training and Equality</u>						
24.0	Direct costs - Employees	37.0	0.0	0.0	0.0	0.0	37.0
29.0	- Other	29.0	0.0	0.0	0.0	0.0	29.0
53.0	Total Direct Cost	66.0	0.0	0.0	0.0	0.0	66.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
53.0	Gross Budget Requirement	66.0	0.0	0.0	0.0	0.0	66.0
0.0	Use Of Departmental Reserves					0.0	0.0
53.0	Net Budget Requirement	66.0	0.0	0.0	0.0	0.0	66.0

**2012/2013 BUDGET - SERVICE UNIT: COUNCIL TAX AND HOUSING BENEFITS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Council Tax and Housing Benefits</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
53,803.0	- Other	55,148.0	0.0	0.0	0.0	0.0	55,148.0
53,803.0	Total Direct Cost	55,148.0	0.0	0.0	0.0	0.0	55,148.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(53,735.0)	Income	(55,078.0)	0.0	0.0	0.0	0.0	(55,078.0)
68.0	Gross Budget Requirement	70.0	0.0	0.0	0.0	0.0	70.0
0.0	Use Of Departmental Reserves					0.0	0.0
68.0	Net Budget Requirement	70.0	0.0	0.0	0.0	0.0	70.0

**2012/2013 BUDGET - SERVICE UNIT: SHOPPING CENTRE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Shopping Centre</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(938.0)	Income	(961.0)	0.0	0.0	0.0	0.0	(961.0)
(938.0)	Gross Budget Requirement	(961.0)	0.0	0.0	0.0	0.0	(961.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(938.0)	Net Budget Requirement	(961.0)	0.0	0.0	0.0	0.0	(961.0)

**2012/2013 BUDGET - SERVICE UNIT: CENTRAL ADMINISTRATION CHARGES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Central Administration Charges</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1,483.0)	Income	(1,520.0)	0.0	0.0	0.0	0.0	(1,520.0)
(1,483.0)	Gross Budget Requirement	(1,520.0)	0.0	0.0	0.0	0.0	(1,520.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(1,483.0)	Net Budget Requirement	(1,520.0)	0.0	0.0	0.0	0.0	(1,520.0)

**2011/2012 BUDGET - SERVICE UNIT: MUNICIPAL ELECTIONS AND REGISTRATION OF ELECTORS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Municipal Elections &amp; Registration of Electors</u>						
122.0	Direct costs - Employees	123.0	0.0	0.0	0.0	0.0	123.0
58.0	- Other	59.0	0.0	0.0	0.0	0.0	59.0
180.0	Total Direct Cost	182.0	0.0	0.0	0.0	0.0	182.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1.0)	Income	(1.0)	0.0	0.0	0.0	0.0	(1.0)
179.0	Gross Budget Requirement	181.0	0.0	0.0	0.0	0.0	181.0
0.0	Use Of Departmental Reserves					0.0	0.0
179.0	Net Budget Requirement	181.0	0.0	0.0	0.0	0.0	181.0

**2012/2013 BUDGET - SERVICE UNIT: CORPORATE EXPENSES**

**The unit contributes to the achievement of the following corporate objectives:**

This is one of 4 budgets, lettered from (A) to (D), which either do not fall within a Service Unit, or are recharged to a Service Unit as a support charge.

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Victoria Park</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
1.0	- Other	1.0	0.0	0.0	0.0	0.0	1.0
1.0	Total Direct Cost	1.0	0.0	0.0	0.0	0.0	1.0
1.0	Support Recharges	1.0	0.0	0.0	0.0	0.0	1.0
(24.0)	Income	(24.0)	0.0	0.0	0.0	0.0	(24.0)
(22.0)	Gross Budget Requirement A	(23.0)	0.0	0.0	0.0	0.0	(23.0)
	<u>Corporate Management Running Expenses</u>						
292.0	Direct costs - Employees	293.0	0.0	0.0	0.0	0.0	293.0
11.0	- Other	12.0	0.0	0.0	0.0	0.0	12.0
303.0	Total Direct Cost	305.0	0.0	0.0	0.0	0.0	305.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
303.0	Gross Budget Requirement B	305.0	0.0	0.0	0.0	0.0	305.0
	<u>Trade Union Representative</u>						
44.0	Direct costs - Employees	44.0	0.0	0.0	0.0	0.0	44.0
1.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
45.0	Total Direct Cost	44.0	0.0	0.0	0.0	0.0	44.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
45.0	Gross Budget Requirement C	44.0	0.0	0.0	0.0	0.0	44.0
	<u>Central Council Expenses</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
93.0	- Other	95.0	0.0	0.0	0.0	0.0	95.0
93.0	Total Direct Cost	95.0	0.0	0.0	0.0	0.0	95.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
93.0	Gross Budget Requirement D	95.0	0.0	0.0	0.0	0.0	95.0
419.0	Gross Budget Requirement of (A) to (D)	421.0	0.0	0.0	0.0	0.0	421.0
0.0	Use Of Departmental Reserves					0.0	0
419.0	Net Budget Requirement	421.0	0.0	0.0	0.0	0.0	421.0

**2012/2013 BUDGET - CHILD AND ADULT SERVICES SUMMARY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<b><u>Child</u></b>							
2,078.0	Access to Education	2,112.0	0.0	39.0	(28.0)	225.0	(225.0)	2,123.0
1,038.0	Central Support Services	1,060.0	0.0	0.0	0.0	0.0	0.0	1,060.0
11,637.0	Children & Families	11,834.0	(26.0)	21.0	(21.0)	474.0	(474.0)	11,808.0
142.0	Children's Fund	144.0	0.0	0.0	0.0	265.0	(265.0)	144.0
80.0	Early Years	80.0	0.0	0.0	0.0	50.0	(50.0)	80.0
104.0	Information, Sharing and Assessment	103.0	0.0	0.0	0.0	0.0	0.0	103.0
1,560.0	Other School Related Expenditure	1,397.0	0.0	0.0	0.0	0.0	0.0	1,397.0
23.0	Play & Care	18.0	0.0	0.0	0.0	0.0	0.0	18.0
1,665.0	Raising Educational Achievement	1,414.0	(16.0)	982.0	(980.0)	0.0	0.0	1,400.0
4,034.0	Special Educational Needs	4,071.0	0.0	142.0	(153.0)	45.0	(45.0)	4,060.0
589.0	Strategic Management	580.0	0.0	2.0	(4.0)	0.0	0.0	578.0
501.0	Youth Offending	504.0	0.0	159.0	(159.0)	0.0	0.0	504.0
475.0	Integrated Youth Service	459.0	0.0	53.0	(53.0)	58.0	(58.0)	459.0
67,125.0	Individual Schools Budget	65,902.0	0.0	0.0	0.0	0.0	0.0	65,902.0
(73,797.0)	Dedicated Schools Grant	(72,321.0)	0.0	0.0	0.0	0.0	0.0	(72,321.0)
<b>17,254.0</b>	<b>Sub-Total Child</b>	<b>17,357.0</b>	<b>(42.0)</b>	<b>1,398.0</b>	<b>(1,398.0)</b>	<b>1,117.0</b>	<b>(1,117.0)</b>	<b>17,315.0</b>
	<b><u>Adult</u></b>							
0.0	Adult Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Archaeology	24.0	0.0	25.0	(25.0)	0.0	0.0	24.0
416.0	Carers & Assistive Technology	420.0	0.0	0.0	0.0	0.0	0.0	420.0
4,453.0	Commissioning - Adults	4,447.0	(317.0)	100.0	(100.0)	186.0	(186.0)	4,130.0
1,367.0	Commissioning - Mental Health	1,396.0	0.0	82.0	(115.0)	27.0	(27.0)	1,363.0
9,580.0	Commissioning - Older People	9,820.0	(4.0)	383.0	(383.0)	0.0	0.0	9,816.0
5,938.0	Commissioning - Working Age Adults	6,081.0	(31.0)	275.0	(275.0)	0.0	0.0	6,050.0
155.0	Community Centres	155.0	0.0	14.0	(15.0)	0.0	0.0	154.0
226.0	Complaints, Investigations & Public Information	229.0	0.0	2.0	(3.0)	0.0	0.0	228.0
714.0	Cultural Services	725.0	0.0	78.0	(78.0)	36.0	(36.0)	725.0
1,216.0	Departmental Running Costs	1,126.0	0.0	43.0	(42.0)	4.0	(4.0)	1,127.0
27.0	DAT Pooled Budget	27.0	0.0	1.0	(1.0)	0.0	0.0	27.0
1,194.0	Direct Care & Support Team	1,191.0	0.0	4.0	(15.0)	0.0	0.0	1,180.0
457.0	Grants to Community & Voluntary Organisations	469.0	0.0	0.0	0.0	0.0	0.0	469.0



**2012/2013 BUDGET - CHILD AND ADULT SERVICES SUMMARY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
481.0	Learning Disability & Transition Social Work Teams	489.0	0.0	1.0	0.0	11.0	(11.0)	490.0
1,347.0	Libraries	1,259.0	0.0	10.0	(10.0)	0.0	0.0	1,259.0
2,272.0	Locality & Safeguarding Social Work Teams	2,269.0	(5.0)	94.0	(84.0)	46.0	(46.0)	2,274.0
960.0	Mental Health Services	978.0	0.0	35.0	(2.0)	0.0	0.0	1,011.0
1,299.0	Occupational Therapy Services & Disability Equipment	1,323.0	0.0	5.0	(5.0)	0.0	0.0	1,323.0
0.0	Renaissance in the Regions	0.0	0.0	46.0	(46.0)	0.0	0.0	0.0
273.0	Workforce Planning & Development	270.0	0.0	27.0	(25.0)	0.0	0.0	272.0
888.0	Sport, Leisure & Recreational Facilities	880.0	0.0	17.0	(17.0)	26.0	(26.0)	880.0
1,167.0	Working Age Adults Day Services	1,162.0	0.0	8.0	(9.0)	0.0	0.0	1,161.0
<b>34,456.0</b>	<b>Sub-Total Adult</b>	<b>34,740.0</b>	<b>(357.0)</b>	<b>1,250.0</b>	<b>(1,250.0)</b>	<b>336.0</b>	<b>(336.0)</b>	<b>34,383.0</b>
<b>51,710.0</b>	<b>Net Budget Requirement</b>	<b>52,097.0</b>	<b>(399.0)</b>	<b>2,648.0</b>	<b>(2,648.0)</b>	<b>1,453.0</b>	<b>(1,453.0)</b>	<b>51,698.0</b>

**2012/2013 BUDGET - SERVICE UNIT: ACCESS TO EDUCATION**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b><u>Buildings and School Places</u></b>						
38.0	Direct costs - Employees	38.0	0.0	0.0	0.0	141.0	179.0
25.0	- Other	23.0	0.0	0.0	0.0	60.0	83.0
63.0	Total Direct Cost	61.0	0.0	0.0	0.0	201.0	262.0
52.0	Support Recharges	53.0	0.0	0.0	0.0	24.0	77.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
115.0	Gross Budget Requirement	114.0	0.0	0.0	0.0	225.0	339.0
	<b><u>Home to School Transport</u></b>						
315.0	Direct costs - Employees	320.0	0.0	0.0	0.0	0.0	320.0
1,207.0	- Other	1,236.0	0.0	0.0	(27.0)	0.0	1,209.0
1,522.0	Total Direct Cost	1,556.0	0.0	0.0	(27.0)	0.0	1,529.0
14.0	Support Recharges	15.0	0.0	0.0	0.0	0.0	15.0
(175.0)	Income	(179.0)	0.0	27.0	0.0	0.0	(152.0)
1,361.0	Gross Budget Requirement	1,392.0	0.0	27.0	(27.0)	0.0	1,392.0
	<b><u>Attendance and Behaviour</u></b>						
327.0	Direct costs - Employees	327.0	0.0	10.0	0.0	0.0	337.0
191.0	- Other	191.0	0.0	2.0	(1.0)	0.0	192.0
518.0	Total Direct Cost	518.0	0.0	12.0	(1.0)	0.0	529.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
518.0	Gross Budget Requirement	518.0	0.0	12.0	(1.0)	0.0	529.0
	<b><u>Admissions</u></b>						
78.0	Direct costs - Employees	78.0	0.0	0.0	0.0	0.0	78.0
20.0	- Other	20.0	0.0	0.0	0.0	0.0	20.0
98.0	Total Direct Cost	98.0	0.0	0.0	0.0	0.0	98.0
(2.0)	Support Recharges	2.0	0.0	0.0	0.0	0.0	2.0
(12.0)	Income	(12.0)	0.0	0.0	0.0	0.0	(12.0)
84.0	Gross Budget Requirement	88.0	0.0	0.0	0.0	0.0	88.0
2,078.0	Total Gross Budget Requirement	2,112.0	0.0	39.0	(28.0)	225.0	2,348.0
0.0	Use Of Departmental Reserves					(225.0)	(225.0)
2,078.0	Net Budget Requirement	2,112.0	0.0	39.0	(28.0)	0.0	2,123.0

**Department Budget Pressures**

These mainly relate to the cessation of the Transport Pathfinder Grant (Post-16) from the 2011/12 Academic Year as colleges are now directly responsible for this.

**Department Budget Reductions to Fund Pressures**

Reductions in expenditure to reflect the transfer to colleges of the responsibilities previously funded by the Transport Pathfinder Grant.

**One Off Costs Funded from Department Reserves**

These relate to the costs of the Schools Transformation Team.



**2012/2013 BUDGET - SERVICE UNIT: CENTRAL SUPPORT SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Central Support Services</b>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Total Direct Cost	0.0	0.0	0.0	0.0	0.0	0.0
1,038.0	Support Recharges	1,060.0	0.0	0.0	0.0	0.0	1,060.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
1,038.0	Gross Budget Requirement	1,060.0	0.0	0.0	0.0	0.0	1,060.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,038.0	Net Budget Requirement	1,060.0	0.0	0.0	0.0	0.0	1,060.0

**2012/2013 BUDGET - SERVICE UNIT: CHILDREN & FAMILIES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Children &amp; Families</b>						
4,704.0	Direct costs - Employees	4,897.0	0.0	0.0	0.0	0.0	4,897.0
7,317.0	- Other	7,353.0	(26.0)	0.0	(21.0)	474.0	7,780.0
12,021.0	Total Direct Cost	12,250.0	(26.0)	0.0	(21.0)	474.0	12,677.0
124.0	Support Recharges	125.0	0.0	0.0	0.0	0.0	125.0
(508.0)	Income	(541.0)	0.0	21.0	0.0	0.0	(520.0)
11,637.0	Gross Budget Requirement	11,834.0	(26.0)	21.0	(21.0)	474.0	12,282.0
0.0	Use Of Departmental Reserves					(474.0)	(474.0)
11,637.0	Net Budget Requirement	11,834.0	(26.0)	21.0	(21.0)	0.0	11,808.0

**Budget Reductions**

This reflects the previously notified reductions in the former CAMHS, Care Matters, Carers and Child Death Review Grants which have now been mainstreamed into the Revenue Support Grant.

**Department Budget Pressures**

This relates to adoption income from other LA's not anticipated being received in 2012/13.

**Department Budget Reductions to Fund Pressures**

Savings mainly relate to various supplies and services budgets.

**One Off Costs Funded from Department Reserves**

Based on the latest estimates of numbers of children and budgeted costings this represents the proposed usage of the Looked After Children Reserve.

**2012/2013 BUDGET - SERVICE UNIT: CHILDREN'S FUND**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Children's Fund</u>						
382.0	Direct costs - Employees	403.0	0.0	0.0	0.0	13.0	416.0
808.0	- Other	792.0	0.0	0.0	0.0	252.0	1,044.0
1,190.0	Total Direct Cost	1,195.0	0.0	0.0	0.0	265.0	1,460.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1,048.0)	Income	(1,051.0)	0.0	0.0	0.0	0.0	(1,051.0)
142.0	Gross Budget Requirement	144.0	0.0	0.0	0.0	265.0	409.0
0.0	Use Of Departmental Reserves					(265.0)	(265.0)
142.0	Net Budget Requirement	144.0	0.0	0.0	0.0	0.0	144.0

**One Off Costs Funded from Department Reserves**

This relates to the former Think Family Reserve which is to be used towards the Supporting Foster Carer and Sessional Work Pilots and the Young Persons Substance Misuse Reserve which will fund research into the impact of service provision.

**2012/2013 BUDGET - SERVICE UNIT: EARLY YEARS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Early Years</u>						
1,807.0	Direct costs - Employees	1,379.0	0.0	0.0	0.0	0.0	1,379.0
2,475.0	- Other	2,670.0	0.0	0.0	0.0	50.0	2,720.0
4,282.0	Total Direct Cost	4,049.0	0.0	0.0	0.0	50.0	4,099.0
1.0	Support Recharges	1.0	0.0	0.0	0.0	0.0	1.0
(4,203.0)	Income	(3,970.0)	0.0	0.0	0.0	0.0	(3,970.0)
80.0	Gross Budget Requirement	80.0	0.0	0.0	0.0	50.0	130.0
0.0	Use Of Departmental Reserves					(50.0)	(50.0)
80.0	Net Budget Requirement	80.0	0.0	0.0	0.0	0.0	80.0

**One Off Costs Funded from Department Reserves**

This reflects the funding towards the promotion of Breast Feeding programme during 2012/13.



**2012/2013 BUDGET - SERVICE UNIT: INFORMATION SHARING & ASSESSMENT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Information Sharing &amp; Assessment</u>						
89.0	Direct costs - Employees	93.0	0.0	0.0	0.0	0.0	93.0
15.0	- Other	10.0	0.0	0.0	0.0	0.0	10.0
104.0	Total Direct Cost	103.0	0.0	0.0	0.0	0.0	103.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
104.0	Gross Budget Requirement	103.0	0.0	0.0	0.0	0.0	103.0
0.0	Use Of Departmental Reserves					0.0	0.0
104.0	Net Budget Requirement	103.0	0.0	0.0	0.0	0.0	103.0

**2012/2013 BUDGET - SERVICE UNIT: OTHER SCHOOL RELATED EXPENDITURE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other School Related Expenditure</u>						
651.0	Direct costs - Employees	665.0	0.0	0.0	0.0	0.0	665.0
2,813.0	- Other	3,865.0	0.0	0.0	0.0	0.0	3,865.0
3,464.0	Total Direct Cost	4,530.0	0.0	0.0	0.0	0.0	4,530.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1,904.0)	Income	(3,133.0)	0.0	0.0	0.0	0.0	(3,133.0)
1,560.0	Gross Budget Requirement	1,397.0	0.0	0.0	0.0	0.0	1,397.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,560.0	Net Budget Requirement	1,397.0	0.0	0.0	0.0	0.0	1,397.0

**2012/2013 BUDGET - SERVICE UNIT: PLAY & CARE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Play &amp; Care</u>						
196.0	Direct costs - Employees	198.0	0.0	0.0	0.0	0.0	198.0
75.0	- Other	75.0	0.0	0.0	0.0	0.0	75.0
271.0	Total Direct Cost	273.0	0.0	0.0	0.0	0.0	273.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(248.0)	Income	(255.0)	0.0	0.0	0.0	0.0	(255.0)
23.0	Gross Budget Requirement	18.0	0.0	0.0	0.0	0.0	18.0
0.0	Use Of Departmental Reserves					0.0	0.0
23.0	Net Budget Requirement	18.0	0.0	0.0	0.0	0.0	18.0

**2012/2013 BUDGET - SERVICE UNIT: RAISING EDUCATIONAL ACHIEVEMENT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Raising Educational Achievement</u>						
1,706.0	Direct costs - Employees	1,611.0	(16.0)	7.0	(243.0)	0.0	1,359.0
2,175.0	- Other	2,054.0	0.0	108.0	(519.0)	0.0	1,643.0
3,881.0	Total Direct Cost	3,665.0	(16.0)	115.0	(762.0)	0.0	3,002.0
6.0	Support Recharges	6.0	0.0	0.0	0.0	0.0	6.0
(2,222.0)	Income	(2,257.0)	0.0	867.0	(218.0)	0.0	(1,608.0)
1,665.0	Gross Budget Requirement	1,414.0	(16.0)	982.0	(980.0)	0.0	1,400.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,665.0	Net Budget Requirement	1,414.0	(16.0)	982.0	(980.0)	0.0	1,400.0

**Budget Reductions**

This reflects the previously notified reductions in the former LSC Staff Transfer Grant which have now been mainstreamed into the Revenue Support Grant.

**Department Budget Pressures**

This mainly relates to reduced income resulting from the ending of the Diploma and Young Apprenticeships Grants following national changes to the schools curriculum, the cessation of Standards Funds Grants and the withdrawal of Middlesbrough BC from the Carlton Outdoor Centre joint arrangement after the setting of the 2011/12 budget.

**Department Budget Reductions to Fund Pressures**

This mainly relates to reduced expenditure and funding to schools following the ending of the Diploma and Young Apprenticeships Grants, the deletion of vacant Advisors posts and an increase in the external hire income target at Carlton Outdoor Centre.

**2012/2013 BUDGET - SERVICE UNIT: SPECIAL EDUCATIONAL NEEDS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Special Educational Needs</b>						
1,278.0	Direct costs - Employees	1,272.0	0.0	66.0	(42.0)	45.0	1,341.0
3,595.0	- Other	3,640.0	0.0	51.0	(56.0)	0.0	3,635.0
4,873.0	Total Direct Cost	4,912.0	0.0	117.0	(98.0)	45.0	4,976.0
24.0	Support Recharges	24.0	0.0	0.0	0.0	0.0	24.0
(863.0)	Income	(865.0)	0.0	25.0	(55.0)	0.0	(895.0)
4,034.0	Gross Budget Requirement	4,071.0	0.0	142.0	(153.0)	45.0	4,105.0
0.0	Use Of Departmental Reserves					(45.0)	(45.0)
4,034.0	Net Budget Requirement	4,071.0	0.0	142.0	(153.0)	0.0	4,060.0

**Department Budget Pressures**

These mainly relate to the extension of contracts for temporary trainee posts within the Education Psychology Team and the cessation of Standards Funds Grants.

**Department Budget Reductions to Fund Pressures**

These include increased income from schools towards the Education Psychology service.

**One Off Costs Funded from Department Reserves**

This mainly relates to the temporary employment of maternity cover within the Education Psychology Team.

**2012/2013 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Strategic Management</b>						
573.0	Direct costs - Employees	581.0	0.0	0.0	(4.0)	0.0	577.0
108.0	- Other	93.0	0.0	0.0	0.0	0.0	93.0
681.0	Total Direct Cost	674.0	0.0	0.0	(4.0)	0.0	670.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(92.0)	Income	(94.0)	0.0	2.0	0.0	0.0	(92.0)
589.0	Gross Budget Requirement	580.0	0.0	2.0	(4.0)	0.0	578.0
0.0	Use Of Departmental Reserves					0.0	0.0
589.0	Net Budget Requirement	580.0	0.0	2.0	(4.0)	0.0	578.0



**2012/2013 BUDGET - SERVICE UNIT: YOUTH OFFENDING**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Youth Offending</u>						
784.0	Direct costs - Employees	788.0	0.0	10.0	(12.0)	0.0	786.0
360.0	- Other	368.0	0.0	1.0	(147.0)	0.0	222.0
1,144.0	Total Direct Cost	1,156.0	0.0	11.0	(159.0)	0.0	1,008.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(643.0)	Income	(652.0)	0.0	148.0	0.0	0.0	(504.0)
501.0	Gross Budget Requirement	504.0	0.0	159.0	(159.0)	0.0	504.0
0.0	Use Of Departmental Reserves					0.0	0.0
501.0	Net Budget Requirement	504.0	0.0	159.0	(159.0)	0.0	504.0

**Department Budget Pressures**

The 2012/13 grant allocation from the Youth Justice Board has not been announced however, they have been consulting nationally on a range of options relating to proposed grant reductions. The budget has been set based on the largest proposed grant reduction.

**Department Budget Reductions to Fund Pressures**

These mainly relate to reductions in external contracts, activity budgets and various supplies and services budgets.

**2012/2013 BUDGET - SERVICE UNIT: INTEGRATED YOUTH SERVICE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Integrated Youth Service</u>						
1,328.0	Direct costs - Employees	1,380.0	0.0	32.0	(16.0)	58.0	1,454.0
697.0	- Other	674.0	0.0	5.0	(29.0)	0.0	650.0
2,025.0	Total Direct Cost	2,054.0	0.0	37.0	(45.0)	58.0	2,104.0
5.0	Support Recharges	4.0	0.0	0.0	(4.0)	0.0	0.0
(1,555.0)	Income	(1,599.0)	0.0	16.0	(4.0)	0.0	(1,587.0)
475.0	Gross Budget Requirement	459.0	0.0	53.0	(53.0)	58.0	517.0
0.0	Use Of Departmental Reserves					(58.0)	(58.0)
475.0	Net Budget Requirement	459.0	0.0	53.0	(53.0)	0.0	459.0

**Department Budget Pressures**

These mainly relate to the funding of staff increments and a reduction in income at Brinkburn Youth Centre.

**Department Budget Reductions to Fund Pressures**

These mainly relate to the deletion of some overtime and casual staffing budgets and savings within various supplies and services budgets.

**One Off Costs Funded from Department Reserves**

This relates to the funding of workforce development training in the 0-19 strategy.

**2012/2013 BUDGET - SERVICE UNIT: INDIVIDUAL SCHOOLS BUDGET**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
69,440.0	Individual Schools Budget (ISB)	68,217.0	0.0	0.0	0.0	0.0	68,217.0
(2,315.0)	Income	(2,315.0)	0.0	0.0	0.0	0.0	(2,315.0)



67,125.0	Gross Budget Requirement	65,902.0	0.0	0.0	0.0	0.0	65,902.0
0.0	Use Of Departmental Reserves					0.0	0.0
67,125.0	Net Budget Requirement	65,902.0	0.0	0.0	0.0	0.0	65,902.0

**2012/2013 BUDGET - SERVICE UNIT: ADULT EDUCATION**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Adult Education</b>						
959.0	Direct costs - Employees	803.0	0.0	0.0	0.0	0.0	803.0
187.0	- Other	194.0	0.0	0.0	0.0	0.0	194.0
1,146.0	Total Direct Cost	997.0	0.0	0.0	0.0	0.0	997.0
0.0	Support Recharges	320.0	0.0	0.0	0.0	0.0	320.0
(1,146.0)	Income	(1,317.0)	0.0	0.0	0.0	0.0	(1,317.0)
0.0	Gross Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves					0.0	0.0
0.0	Net Budget Requirement	0.0	0.0	0.0	0.0	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: ARCHAEOLOGY**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Archaeology</b>						
110.0	Direct costs - Employees	110.0	0.0	0.0	0.0	0.0	110.0
22.0	- Other	23.0	0.0	18.0	(8.0)	0.0	33.0
132.0	Total Direct Cost	133.0	0.0	18.0	(8.0)	0.0	143.0
12.0	Support Recharges	12.0	0.0	0.0	0.0	0.0	12.0
(118.0)	Income	(121.0)	0.0	7.0	(17.0)	0.0	(131.0)
26.0	Gross Budget Requirement	24.0	0.0	25.0	(25.0)	0.0	24.0
0.0	Use Of Departmental Reserves					0.0	0.0
26.0	Net Budget Requirement	24.0	0.0	25.0	(25.0)	0.0	24.0

**2012/2013 BUDGET - SERVICE UNIT: CARERS AND ASSISTIVE TECHNOLOGY**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Carers and Assistive Technology</b>						
45.0	Direct costs - Employees	46.0	0.0	0.0	0.0	0.0	46.0
455.0	- Other	458.0	0.0	0.0	0.0	0.0	458.0
500.0	Total Direct Cost	504.0	0.0	0.0	0.0	0.0	504.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(84.0)	Income	(84.0)	0.0	0.0	0.0	0.0	(84.0)
416.0	Gross Budget Requirement	420.0	0.0	0.0	0.0	0.0	420.0
0.0	Use Of Departmental Reserves					0.0	0.0
416.0	Net Budget Requirement	420.0	0.0	0.0	0.0	0.0	420.0

**2012/2013 BUDGET - SERVICE UNIT: COMMISSIONING - ADULTS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Adults</u>						
1,351.0	Direct costs - Employees	1,364.0	(47.0)	0.0	(100.0)	49.0	1,266.0
4,019.0	- Other	4,001.0	(270.0)	0.0	0.0	137.0	3,868.0
5,370.0	Total Direct Cost	5,365.0	(317.0)	0.0	(100.0)	186.0	5,134.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(917.0)	Income	(918.0)	0.0	100.0	0.0	0.0	(818.0)
4,453.0	Gross Budget Requirement	4,447.0	(317.0)	100.0	(100.0)	186.0	4,316.0
0.0	Use Of Departmental Reserves					(186.0)	(186.0)
4,453.0	Net Budget Requirement	4,447.0	(317.0)	100.0	(100.0)	0.0	4,130.0

**2012/2013 BUDGET - SERVICE UNIT: COMMISSIONING - MENTAL HEALTH**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Mental Health</u>						
138.0	Direct costs - Employees	140.0	0.0	2.0	(7.0)	27.0	162.0
1,642.0	- Other	1,679.0	0.0	80.0	(54.0)	0.0	1,705.0
1,780.0	Total Direct Cost	1,819.0	0.0	82.0	(61.0)	27.0	1,867.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(413.0)	Income	(423.0)	0.0	0.0	(54.0)	0.0	(477.0)
1,367.0	Gross Budget Requirement	1,396.0	0.0	82.0	(115.0)	27.0	1,390.0
0.0	Use Of Departmental Reserves					(27.0)	(27.0)
1,367.0	Net Budget Requirement	1,396.0	0.0	82.0	(115.0)	0.0	1,363.0

**2012/2013 BUDGET - SERVICE UNIT: COMMISSIONING - OLDER PEOPLE**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Older People</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
16,943.0	- Other	17,360.0	(4.0)	383.0	(32.0)	0.0	17,707.0
16,943.0	Total Direct Cost	17,360.0	(4.0)	383.0	(32.0)	0.0	17,707.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(7,363.0)	Income	(7,540.0)	0.0	0.0	(351.0)	0.0	(7,891.0)
9,580.0	Gross Budget Requirement	9,820.0	(4.0)	383.0	(383.0)	0.0	9,816.0
0.0	Use Of Departmental Reserves					0.0	0.0
9,580.0	Net Budget Requirement	9,820.0	(4.0)	383.0	(383.0)	0.0	9,816.0

**2012/2013 BUDGET - SERVICE UNIT: COMMISSIONING - WORKING AGE ADULTS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Working Age Adults</u>						
24.0	Direct costs - Employees	25.0	(25.0)	0.0	0.0	0.0	0.0
9,869.0	- Other	10,110.0	(6.0)	275.0	(14.0)	0.0	10,365.0
9,893.0	Total Direct Cost	10,135.0	(31.0)	275.0	(14.0)	0.0	10,365.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(3,955.0)	Income	(4,054.0)	0.0	0.0	(261.0)	0.0	(4,315.0)
5,938.0	Gross Budget Requirement	6,081.0	(31.0)	275.0	(275.0)	0.0	6,050.0
0.0	Use Of Departmental Reserves					0.0	0.0
5,938.0	Net Budget Requirement	6,081.0	(31.0)	275.0	(275.0)	0.0	6,050.0

**2012/2013 BUDGET - SERVICE UNIT: COMMUNITY CENTRES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Centres</u>						
143.0	Direct costs - Employees	147.0	0.0	0.0	(1.0)	0.0	146.0
53.0	- Other	49.0	0.0	4.0	(14.0)	0.0	39.0
196.0	Total Direct Cost	196.0	0.0	4.0	(15.0)	0.0	185.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(41.0)	Income	(41.0)	0.0	10.0	0.0	0.0	(31.0)
155.0	Gross Budget Requirement	155.0	0.0	14.0	(15.0)	0.0	154.0
0.0	Use Of Departmental Reserves					0.0	0.0
155.0	Net Budget Requirement	155.0	0.0	14.0	(15.0)	0.0	154.0

**2012/2013 BUDGET - SERVICE UNIT: COMPLAINTS, INVESTIGATIONS & PUBLIC INFORMATION**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Complaints, Investigations &amp; Public Information</u>						
136.0	Direct costs - Employees	140.0	0.0	0.0	(1.0)	0.0	139.0
90.0	- Other	89.0	0.0	2.0	(2.0)	0.0	89.0
226.0	Total Direct Cost	229.0	0.0	2.0	(3.0)	0.0	228.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
226.0	Gross Budget Requirement	229.0	0.0	2.0	(3.0)	0.0	228.0
0.0	Use Of Departmental Reserves					0.0	0.0
226.0	Net Budget Requirement	229.0	0.0	2.0	(3.0)	0.0	228.0

**2012/2013 BUDGET - SERVICE UNIT: CULTURAL SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Cultural Services</u>						
886.0	Direct costs - Employees	907.0	0.0	0.0	0.0	0.0	907.0
425.0	- Other	430.0	0.0	78.0	(13.0)	36.0	531.0
1,311.0	Total Direct Cost	1,337.0	0.0	78.0	(13.0)	36.0	1,438.0
1.0	Support Recharges	1.0	0.0	0.0	0.0	0.0	1.0
(598.0)	Income	(613.0)	0.0	0.0	(65.0)	0.0	(678.0)
714.0	Gross Budget Requirement	725.0	0.0	78.0	(78.0)	36.0	761.0
0.0	Use Of Departmental Reserves					(36.0)	(36.0)
714.0	Net Budget Requirement	725.0	0.0	78.0	(78.0)	0.0	725.0

**2012/2013 BUDGET - SERVICE UNIT: DEPARTMENTAL RUNNING COSTS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Departmental Running Costs</u>						
966.0	Direct costs - Employees	978.0	0.0	18.0	(17.0)	4.0	983.0
245.0	- Other	143.0	0.0	25.0	(25.0)	0.0	143.0
1,211.0	Total Direct Cost	1,121.0	0.0	43.0	(42.0)	4.0	1,126.0
5.0	Support Recharges	5.0	0.0	0.0	0.0	0.0	5.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
1,216.0	Gross Budget Requirement	1,126.0	0.0	43.0	(42.0)	4.0	1,131.0
0.0	Use Of Departmental Reserves					(4.0)	(4.0)
1,216.0	Net Budget Requirement	1,126.0	0.0	43.0	(42.0)	0.0	1,127.0

**2012/2013 BUDGET - SERVICE UNIT: DAT POOLED BUDGET**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>DAT Pooled Budget</u>						
315.0	Direct costs - Employees	315.0	0.0	1.0	0.0	0.0	316.0
2,527.0	- Other	2,538.0	0.0	0.0	(1.0)	0.0	2,537.0
2,842.0	Total Direct Cost	2,853.0	0.0	1.0	(1.0)	0.0	2,853.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(2,815.0)	Income	(2,826.0)	0.0	0.0	0.0	0.0	(2,826.0)
27.0	Gross Budget Requirement	27.0	0.0	1.0	(1.0)	0.0	27.0
0.0	Use Of Departmental Reserves					0.0	0.0
27.0	Net Budget Requirement	27.0	0.0	1.0	(1.0)	0.0	27.0

**2012/2013 BUDGET - SERVICE UNIT: DIRECT CARE & SUPPORT TEAM**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Direct Care &amp; Support Team</b>						
1,318.0	Direct costs - Employees	1,367.0	0.0	0.0	(1.0)	0.0	1,366.0
152.0	- Other	107.0	0.0	4.0	(14.0)	0.0	97.0
1,470.0	Total Direct Cost	1,474.0	0.0	4.0	(15.0)	0.0	1,463.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(276.0)	Income	(283.0)	0.0	0.0	0.0	0.0	(283.0)
1,194.0	Gross Budget Requirement	1,191.0	0.0	4.0	(15.0)	0.0	1,180.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,194.0	Net Budget Requirement	1,191.0	0.0	4.0	(15.0)	0.0	1,180.0

**2012/2013 BUDGET - SERVICE UNIT: GRANTS TO COMMUNITY & VOLUNTARY ORGANISATIONS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Grants to Community &amp; Voluntary Organisations</b>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
457.0	- Other	469.0	0.0	0.0	0.0	0.0	469.0
457.0	Total Direct Cost	469.0	0.0	0.0	0.0	0.0	469.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
457.0	Gross Budget Requirement	469.0	0.0	0.0	0.0	0.0	469.0
0.0	Use Of Departmental Reserves					0.0	0.0
457.0	Net Budget Requirement	469.0	0.0	0.0	0.0	0.0	469.0

**2012/2013 BUDGET - SERVICE UNIT: LEARNING DISABILITY & TRANSITIONS SOCIAL WORK TEAMS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Learning Disability &amp; Transitions Social Work Teams</b>						
493.0	Direct costs - Employees	504.0	0.0	0.0	0.0	6.0	510.0
7.0	- Other	5.0	0.0	1.0	0.0	5.0	11.0
500.0	Total Direct Cost	509.0	0.0	1.0	0.0	11.0	521.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(19.0)	Income	(20.0)	0.0	0.0	0.0	0.0	(20.0)
481.0	Gross Budget Requirement	489.0	0.0	1.0	0.0	11.0	501.0
0.0	Use Of Departmental Reserves					(11.0)	(11.0)
481.0	Net Budget Requirement	489.0	0.0	1.0	0.0	0.0	490.0





**2012/2013 BUDGET - SERVICE UNIT: LIBRARIES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Libraries</u>						
915.0	Direct costs - Employees	907.0	0.0	0.0	0.0	0.0	907.0
458.0	- Other	378.0	0.0	10.0	(9.0)	0.0	379.0
1,373.0	Total Direct Cost	1,285.0	0.0	10.0	(9.0)	0.0	1,286.0
5.0	Support Recharges	5.0	0.0	0.0	0.0	0.0	5.0
(31.0)	Income	(31.0)	0.0	0.0	(1.0)	0.0	(32.0)
1,347.0	Gross Budget Requirement	1,259.0	0.0	10.0	(10.0)	0.0	1,259.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,347.0	Net Budget Requirement	1,259.0	0.0	10.0	(10.0)	0.0	1,259.0

**2012/2013 BUDGET - SERVICE UNIT: LOCALITY & SAFEGUARDING SOCIAL WORK TEAMS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Locality &amp; Safeguarding Social Work Teams</u>						
2,130.0	Direct costs - Employees	2,171.0	0.0	0.0	(1.0)	33.0	2,203.0
235.0	- Other	193.0	(5.0)	94.0	(21.0)	13.0	274.0
2,365.0	Total Direct Cost	2,364.0	(5.0)	94.0	(22.0)	46.0	2,477.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(93.0)	Income	(95.0)	0.0	0.0	(62.0)	0.0	(157.0)
2,272.0	Gross Budget Requirement	2,269.0	(5.0)	94.0	(84.0)	46.0	2,320.0
0.0	Use Of Departmental Reserves					(46.0)	(46.0)
2,272.0	Net Budget Requirement	2,269.0	(5.0)	94.0	(84.0)	0.0	2,274.0

**2012/2013 BUDGET - SERVICE UNIT: MENTAL HEALTH SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b><u>Mental Health Services</u></b>						
990.0	Direct costs - Employees	1,011.0	0.0	7.0	0.0	0.0	1,018.0
121.0	- Other	122.0	0.0	28.0	(2.0)	0.0	148.0
1,111.0	Total Direct Cost	1,133.0	0.0	35.0	(2.0)	0.0	1,166.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(151.0)	Income	(155.0)	0.0	0.0	0.0	0.0	(155.0)
960.0	Gross Budget Requirement	978.0	0.0	35.0	(2.0)	0.0	1,011.0
0.0	Use Of Departmental Reserves					0.0	0.0
960.0	Net Budget Requirement	978.0	0.0	35.0	(2.0)	0.0	1,011.0

**2012/2013 BUDGET - SERVICE UNIT: OCCUPATIONAL THERAPY SERVICES & DISABILITY EQUIPMENT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b><u>Occupational Therapy Services &amp; Disability Equipment</u></b>						
631.0	Direct costs - Employees	643.0	0.0	0.0	0.0	0.0	643.0
787.0	- Other	799.0	0.0	5.0	(5.0)	0.0	799.0
1,418.0	Total Direct Cost	1,442.0	0.0	5.0	(5.0)	0.0	1,442.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(119.0)	Income	(119.0)	0.0	0.0	0.0	0.0	(119.0)
1,299.0	Gross Budget Requirement	1,323.0	0.0	5.0	(5.0)	0.0	1,323.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,299.0	Net Budget Requirement	1,323.0	0.0	5.0	(5.0)	0.0	1,323.0

**2012/2013 BUDGET - SERVICE UNIT: RENAISSANCE IN THE REGIONS**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b><u>Renaissance In the Regions</u></b>						
262.0	Direct costs - Employees	262.0	0.0	41.0	(17.0)	0.0	286.0
100.0	- Other	100.0	0.0	3.0	(29.0)	0.0	74.0
362.0	Total Direct Cost	362.0	0.0	44.0	(46.0)	0.0	360.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(362.0)	Income	(362.0)	0.0	2.0	0.0	0.0	(360.0)
0.0	Gross Budget Requirement	0.0	0.0	46.0	(46.0)	0.0	0.0
0.0	Use Of Departmental Reserves					0.0	0.0
0.0	Net Budget Requirement	0.0	0.0	46.0	(46.0)	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: WORKFORCE PLANNING & DEVELOPMENT**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Workforce Planning &amp; Development</u>						
222.0	Direct costs - Employees	225.0	0.0	1.0	(15.0)	0.0	211.0
134.0	- Other	130.0	0.0	(24.0)	(10.0)	0.0	96.0
356.0	Total Direct Cost	355.0	0.0	(23.0)	(25.0)	0.0	307.0
0.0	Support Recharges	0.0	0.0	1.0	0.0	0.0	1.0
(83.0)	Income	(85.0)	0.0	49.0	0.0	0.0	(36.0)
273.0	Gross Budget Requirement	270.0	0.0	27.0	(25.0)	0.0	272.0
0.0	Use Of Departmental Reserves					0.0	0.0
273.0	Net Budget Requirement	270.0	0.0	27.0	(25.0)	0.0	272.0

**2012/2013 BUDGET - SERVICE UNIT: SPORT, LEISURE & RECREATIONAL FACILITIES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sport, Leisure &amp; Recreational Facilities</u>						
1,258.0	Direct costs - Employees	1,292.0	0.0	0.0	(14.0)	0.0	1,278.0
304.0	- Other	278.0	0.0	17.0	(3.0)	0.0	292.0
1,562.0	Total Direct Cost	1,570.0	0.0	17.0	(17.0)	0.0	1,570.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(674.0)	Income	(690.0)	0.0	0.0	0.0	26.0	(664.0)
888.0	Gross Budget Requirement	880.0	0.0	17.0	(17.0)	26.0	906.0
0.0	Use Of Departmental Reserves					(26.0)	(26.0)
888.0	Net Budget Requirement	880.0	0.0	17.0	(17.0)	0.0	880.0

**2012/2013 BUDGET - SERVICE UNIT: WORKING AGE ADULTS DAY SERVICES**

Approved Budget 2011/2012	Service Unit	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Working Age Adults Day Services</u>						
798.0	Direct costs - Employees	818.0	0.0	0.0	0.0	0.0	818.0
454.0	- Other	431.0	0.0	8.0	(9.0)	0.0	430.0
1,252.0	Total Direct Cost	1,249.0	0.0	8.0	(9.0)	0.0	1,248.0
3.0	Support Recharges	4.0	0.0	0.0	0.0	0.0	4.0
(88.0)	Income	(91.0)	0.0	0.0	0.0	0.0	(91.0)
1,167.0	Gross Budget Requirement	1,162.0	0.0	8.0	(9.0)	0.0	1,161.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,167.0	Net Budget Requirement	1,162.0	0.0	8.0	(9.0)	0.0	1,161.0

**2012/2013 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
290.0	Asset Management	290.0	0.0	0.0	0.0	0.0	0.0	290.0
(113.0)	Building Consultancy	(113.0)	0.0	0.0	0.0	0.0	0.0	(113.0)
(27.0)	Building Control	(30.0)	0.0	0.0	0.0	0.0	0.0	(30.0)
80.0	CADCAM	80.0	0.0	0.0	0.0	0.0	0.0	80.0
(1,013.0)	Car Parks	(1,095.0)	0.0	0.0	0.0	0.0	0.0	(1,095.0)
(20.0)	Cemetery & Crematorium	(20.0)	0.0	0.0	0.0	145.0	(145.0)	(20.0)
556.0	Community Safety	529.0	0.0	49.0	(49.0)	51.0	(51.0)	529.0
659.0	Consumer Services	652.0	0.0	0.0	0.0	0.0	0.0	652.0
240.0	Development Control	231.0	0.0	0.0	0.0	9.0	(9.0)	231.0
1,073.0	Economic Development	1,070.0	(3.0)	0.0	0.0	0.0	0.0	1,067.0
470.0	Engineering Consultancy	470.0	0.0	0.0	0.0	0.0	0.0	470.0
12.0	Environmental Protection	10.0	0.0	0.0	0.0	0.0	0.0	10.0
697.0	Facilities Management	709.0	0.0	0.0	0.0	0.0	0.0	709.0
32.0	General Allotments	32.0	0.0	0.0	0.0	0.0	0.0	32.0
(4.0)	Grounds Maintenance	(4.0)	0.0	0.0	0.0	0.0	0.0	(4.0)
1,599.0	Highways Maintenance	1,598.0	0.0	0.0	0.0	0.0	0.0	1,598.0
644.0	Highways Liability	661.0	0.0	0.0	0.0	0.0	0.0	661.0
(183.0)	Highways Trading	(180.0)	0.0	0.0	0.0	0.0	0.0	(180.0)
507.0	Highways Traffic & Transportation Management	507.0	(7.0)	0.0	0.0	0.0	0.0	500.0
714.0	Housing Services	698.0	0.0	0.0	0.0	50.0	(50.0)	698.0
95.0	(ITU) Passenger Transport	99.0	0.0	0.0	0.0	0.0	0.0	99.0
364.0	(ITU) Road Safety	360.0	0.0	0.0	0.0	13.0	(13.0)	360.0
(207.0)	(ITU) Vehicle Fleet	(193.0)	0.0	0.0	0.0	0.0	0.0	(193.0)
(5.0)	Logistics	(4.0)	0.0	0.0	0.0	0.0	0.0	(4.0)
(83.0)	Outdoor Markets	(83.0)	0.0	0.0	0.0	0.0	0.0	(83.0)
(1.0)	National Driver Offender Rehabilitation	(1.0)	0.0	0.0	0.0	0.0	0.0	(1.0)
2,384.0	Neighbourhood Management	2,369.0	0.0	0.0	0.0	0.0	0.0	2,369.0
1,165.0	Network Infrastructure	1,177.0	0.0	0.0	0.0	0.0	0.0	1,177.0
2,361.0	Parks & Countryside	2,356.0	0.0	0.0	0.0	0.0	0.0	2,356.0
(78.0)	Property Management	(77.0)	0.0	0.0	0.0	0.0	0.0	(77.0)
133.0	Procurement	133.0	0.0	0.0	0.0	0.0	0.0	133.0
(44.0)	Reprographics	(44.0)	0.0	0.0	0.0	0.0	0.0	(44.0)
1,102.0	Strategic Management & Admin	1,215.0	0.0	0.0	0.0	0.0	0.0	1,215.0
53.0	Sustainable Development Policy	53.0	0.0	0.0	0.0	0.0	0.0	53.0
2,318.0	Sustainable Transport	2,318.0	0.0	0.0	0.0	0.0	0.0	2,318.0
566.0	Urban & Planning Policy	560.0	0.0	0.0	0.0	226.0	(226.0)	560.0
4,727.0	Waste & Environmental Services	4,716.0	0.0	0.0	0.0	0.0	0.0	4,716.0
<b>21,063.0</b>	<b>Net Budget Requirement</b>	<b>21,049.0</b>	<b>(10.0)</b>	<b>49.0</b>	<b>(49.0)</b>	<b>494.0</b>	<b>(494.0)</b>	<b>21,039.0</b>

**2012/2013 BUDGET - SERVICE UNIT: ASSET MANAGEMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Asset Management</u>						
224.0	Direct costs - Employees	224.0	0.0	0.0	0.0	0.0	224.0
77.0	- Other	77.0	0.0	0.0	0.0	0.0	77.0
301.0	Total Direct Cost	301.0	0.0	0.0	0.0	0.0	301.0
234.0	Support Recharges	234.0	0.0	0.0	0.0	0.0	234.0
(245.0)	Income	(245.0)	0.0	0.0	0.0	0.0	(245.0)
290.0	Gross Budget Requirement	290.0	0.0	0.0	0.0	0.0	290.0
0.0	Use Of Departmental Reserves					0.0	0.0
290.0	Net Budget Requirement	290.0	0.0	0.0	0.0	0.0	290.0

**2012/2013 BUDGET - SERVICE UNIT: BUILDING CONSULTANCY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Building Consultancy</u>						
951.0	Direct costs - Employees	951.0	0.0	0.0	0.0	0.0	951.0
62.0	- Other	62.0	0.0	0.0	0.0	0.0	62.0
1,013.0	Total Direct Cost	1,013.0	0.0	0.0	0.0	0.0	1,013.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(1,126.0)	Income	(1,126.0)	0.0	0.0	0.0	0.0	(1,126.0)
(113.0)	Gross Budget Requirement	(113.0)	0.0	0.0	0.0	0.0	(113.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(113.0)	Net Budget Requirement	(113.0)	0.0	0.0	0.0	0.0	(113.0)

**2012/2013 BUDGET - SERVICE UNIT: BUILDING CONTROL**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Building Control</u>						
226.0	Direct costs - Employees	227.0	0.0	0.0	0.0	0.0	227.0
24.0	- Other	20.0	0.0	0.0	0.0	0.0	20.0
250.0	Total Direct Cost	247.0	0.0	0.0	0.0	0.0	247.0
9.0	Support Recharges	9.0	0.0	0.0	0.0	0.0	9.0
(286.0)	Income	(286.0)	0.0	0.0	0.0	0.0	(286.0)
(27.0)	Gross Budget Requirement	(30.0)	0.0	0.0	0.0	0.0	(30.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(27.0)	Net Budget Requirement	(30.0)	0.0	0.0	0.0	0.0	(30.0)

**2012/2013 BUDGET - SERVICE UNIT: CADCAM**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>CADCAM</b>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
80.0	- Other	80.0	0.0	0.0	0.0	0.0	80.0
80.0	Total Direct Cost	80.0	0.0	0.0	0.0	0.0	80.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
80.0	Gross Budget Requirement	80.0	0.0	0.0	0.0	0.0	80.0
0.0	Use Of Departmental Reserves					0.0	0.0
80.0	Net Budget Requirement	80.0	0.0	0.0	0.0	0.0	80.0

**2012/2013 BUDGET - SERVICE UNIT: CAR PARKS**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Car Parks</b>						
309.0	Direct costs - Employees	309.0	0.0	0.0	0.0	0.0	309.0
485.0	- Other	441.0	0.0	0.0	0.0	0.0	441.0
794.0	Total Direct Cost	750.0	0.0	0.0	0.0	0.0	750.0
9.0	Support Recharges	9.0	0.0	0.0	0.0	0.0	9.0
(1,816.0)	Income	(1,854.0)	0.0	0.0	0.0	0.0	(1,854.0)
(1,013.0)	Gross Budget Requirement	(1,095.0)	0.0	0.0	0.0	0.0	(1,095.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(1,013.0)	Net Budget Requirement	(1,095.0)	0.0	0.0	0.0	0.0	(1,095.0)

**2012/2013 BUDGET - SERVICE UNIT: CEMETERY & CREMATORIUM**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<b>Cemetery &amp; Crematorium</b>						
131.0	Direct costs - Employees	131.0	0.0	0.0	0.0	0.0	131.0
533.0	- Other	533.0	0.0	0.0	0.0	145.0	678.0
664.0	Total Direct Cost	664.0	0.0	0.0	0.0	145.0	809.0
4.0	Support Recharges	4.0	0.0	0.0	0.0	0.0	4.0
(688.0)	Income	(688.0)	0.0	0.0	0.0	0.0	(688.0)
(20.0)	Gross Budget Requirement	(20.0)	0.0	0.0	0.0	145.0	125.0
0.0	Use Of Departmental Reserves					(145.0)	(145.0)
(20.0)	Net Budget Requirement	(20.0)	0.0	0.0	0.0	0.0	(20.0)

**One-off Costs Funded From Reserves**

Planned use of additional income carried forward to partly fund new cremators, and expand and improve the retail facilities at Tanfield Road Nursery, as previously agreed by Members.

**2012/2013 BUDGET - SERVICE UNIT: COMMUNITY SAFETY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Safety</u>						
429.0	Direct costs - Employees	413.0	0.0	0.0	(22.0)	0.0	391.0
399.0	- Other	388.0	0.0	3.0	(27.0)	51.0	415.0
828.0	Total Direct Cost	801.0	0.0	3.0	(49.0)	51.0	806.0
13.0	Support Recharges	13.0	0.0	0.0	0.0	0.0	13.0
(285.0)	Income	(285.0)	0.0	46.0	0.0	0.0	(239.0)
556.0	Gross Budget Requirement	529.0	0.0	49.0	(49.0)	51.0	580.0
0.0	Use Of Departmental Reserves					(51.0)	(51.0)
556.0	Net Budget Requirement	529.0	0.0	49.0	(49.0)	0.0	529.0

**Dept Budget Pressures**

Pressure resulting from the loss of Income from Stockton Borough Council for the Domestic Violence Post.

**One-off Costs Funded From Reserves**

Local Public Service Agreement Phase 2 reward grant for committed projects approved by Safer Hartlepool Partnership.

**2012/2013 BUDGET - SERVICE UNIT: CONSUMER SERVICES**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Consumer Services</u>						
812.0	Direct costs - Employees	812.0	0.0	0.0	0.0	0.0	812.0
173.0	- Other	166.0	0.0	0.0	0.0	0.0	166.0
985.0	Total Direct Cost	978.0	0.0	0.0	0.0	0.0	978.0
16.0	Support Recharges	16.0	0.0	0.0	0.0	0.0	16.0
(342.0)	Income	(342.0)	0.0	0.0	0.0	0.0	(342.0)
659.0	Gross Budget Requirement	652.0	0.0	0.0	0.0	0.0	652.0
0.0	Use Of Departmental Reserves					0.0	0.0
659.0	Net Budget Requirement	652.0	0.0	0.0	0.0	0.0	652.0

**2012/2013 BUDGET - SERVICE UNIT: DEVELOPMENT CONTROL**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Development Control</u>						
552.0	Direct costs - Employees	553.0	0.0	0.0	0.0	9.0	562.0
119.0	- Other	109.0	0.0	0.0	0.0	0.0	109.0
671.0	Total Direct Cost	662.0	0.0	0.0	0.0	9.0	671.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(431.0)	Income	(431.0)	0.0	0.0	0.0	0.0	(431.0)
240.0	Gross Budget Requirement	231.0	0.0	0.0	0.0	9.0	240.0
0.0	Use Of Departmental Reserves					(9.0)	(9.0)
240.0	Net Budget Requirement	231.0	0.0	0.0	0.0	0.0	231.0

**One-off Costs Funded From Reserves**

Earmarked grant funding allocated to fund staffing costs in Development Control over two years.

**2012/2013 BUDGET - SERVICE UNIT: ECONOMIC DEVELOPMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Economic Development</u>						
767.0	Direct costs - Employees	772.0	0.0	0.0	0.0	0.0	772.0
630.0	- Other	622.0	(3.0)	0.0	0.0	0.0	619.0
1,397.0	Total Direct Cost	1,394.0	(3.0)	0.0	0.0	0.0	1,391.0
11.0	Support Recharges	11.0	0.0	0.0	0.0	0.0	11.0
(335.0)	Income	(335.0)	0.0	0.0	0.0	0.0	(335.0)
1,073.0	Gross Budget Requirement	1,070.0	(3.0)	0.0	0.0	0.0	1,067.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,073.0	Net Budget Requirement	1,070.0	(3.0)	0.0	0.0	0.0	1,067.0

**Budget Reductions**

Reduction in the formula grant allocated for Economic Assessment Duty.

**2012/2013 BUDGET - SERVICE UNIT: ENGINEERING CONSULTANCY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Engineering Consultancy</u>						
467.0	Direct costs - Employees	467.0	0.0	0.0	0.0	0.0	467.0
428.0	- Other	428.0	0.0	0.0	0.0	0.0	428.0
895.0	Total Direct Cost	895.0	0.0	0.0	0.0	0.0	895.0
17.0	Support Recharges	17.0	0.0	0.0	0.0	0.0	17.0
(442.0)	Income	(442.0)	0.0	0.0	0.0	0.0	(442.0)
470.0	Gross Budget Requirement	470.0	0.0	0.0	0.0	0.0	470.0
0.0	Use Of Departmental Reserves					0.0	0.0
470.0	Net Budget Requirement	470.0	0.0	0.0	0.0	0.0	470.0

**2012/2013 BUDGET - SERVICE UNIT: ENVIRONMENTAL PROTECTION**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Environmental Protection</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
35.0	- Other	33.0	0.0	0.0	0.0	0.0	33.0
35.0	Total Direct Cost	33.0	0.0	0.0	0.0	0.0	33.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(23.0)	Income	(23.0)	0.0	0.0	0.0	0.0	(23.0)
12.0	Gross Budget Requirement	10.0	0.0	0.0	0.0	0.0	10.0
0.0	Use Of Departmental Reserves					0.0	0.0
12.0	Net Budget Requirement	10.0	0.0	0.0	0.0	0.0	10.0



**2012/2013 BUDGET - SERVICE UNIT: OUTDOOR MARKETS**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Outdoor Markets</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
22.0	- Other	22.0	0.0	0.0	0.0	0.0	22.0
22.0	Total Direct Cost	22.0	0.0	0.0	0.0	0.0	22.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(105.0)	Income	(105.0)	0.0	0.0	0.0	0.0	(105.0)
(83.0)	Gross Budget Requirement	(83.0)	0.0	0.0	0.0	0.0	(83.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(83.0)	Net Budget Requirement	(83.0)	0.0	0.0	0.0	0.0	(83.0)

**2012/2013 BUDGET - SERVICE UNIT: FACILITIES MANAGEMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Facilities Management</u>						
5,066.0	Direct costs - Employees	5,110.0	0.0	0.0	0.0	0.0	5,110.0
4,714.0	- Other	4,746.0	0.0	0.0	0.0	0.0	4,746.0
9,780.0	Total Direct Cost	9,856.0	0.0	0.0	0.0	0.0	9,856.0
682.0	Support Recharges	682.0	0.0	0.0	0.0	0.0	682.0
(9,765.0)	Income	(9,829.0)	0.0	0.0	0.0	0.0	(9,829.0)
697.0	Gross Budget Requirement	709.0	0.0	0.0	0.0	0.0	709.0
0.0	Use Of Departmental Reserves					0.0	0.0
697.0	Net Budget Requirement	709.0	0.0	0.0	0.0	0.0	709.0

**2012/2013 BUDGET - SERVICE UNIT: GENERAL ALLOTMENTS**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>General Allotments</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
71.0	- Other	71.0	0.0	0.0	0.0	0.0	71.0
71.0	Total Direct Cost	71.0	0.0	0.0	0.0	0.0	71.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(39.0)	Income	(39.0)	0.0	0.0	0.0	0.0	(39.0)
32.0	Gross Budget Requirement	32.0	0.0	0.0	0.0	0.0	32.0
0.0	Use Of Departmental Reserves					0.0	0.0
32.0	Net Budget Requirement	32.0	0.0	0.0	0.0	0.0	32.0

**2012/2013 BUDGET - SERVICE UNIT: GROUNDS MAINTENANCE**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Grounds Maintenance						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
88.0	- Other	88.0	0.0	0.0	0.0	0.0	88.0
88.0	Total Direct Cost	88.0	0.0	0.0	0.0	0.0	88.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(92.0)	Income	(92.0)	0.0	0.0	0.0	0.0	(92.0)
(4.0)	Gross Budget Requirement	(4.0)	0.0	0.0	0.0	0.0	(4.0)
0.0	Use Of Departmental Reserves						0.0
(4.0)	Net Budget Requirement	(4.0)	0.0	0.0	0.0	0.0	(4.0)

**2012/2013 BUDGET - SERVICE UNIT: HIGHWAY MAINTENANCE**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Highway Maintenance						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
1,599.0	- Other	1,598.0	0.0	0.0	0.0	0.0	1,598.0
1,599.0	Total Direct Cost	1,598.0	0.0	0.0	0.0	0.0	0.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
1,599.0	Gross Budget Requirement	1,598.0	0.0	0.0	0.0	0.0	0.0
0.0	Use Of Departmental Reserves						0.0
1,599.0	Net Budget Requirement	1,598.0	0.0	0.0	0.0	0.0	0.0

**2012/2013 BUDGET - SERVICE UNIT: HIGHWAYS LIABILITY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Highways Liability						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
644.0	- Other	661.0	0.0	0.0	0.0	0.0	661.0
644.0	Total Direct Cost	661.0	0.0	0.0	0.0	0.0	661.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
644.0	Gross Budget Requirement	661.0	0.0	0.0	0.0	0.0	661.0
0.0	Use Of Departmental Reserves						0.0
644.0	Net Budget Requirement	661.0	0.0	0.0	0.0	0.0	661.0

**2012/2013 BUDGET - SERVICE UNIT: HIGHWAYS TRADING**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Trading</u>						
896.0	Direct costs - Employees	899.0	0.0	0.0	0.0	0.0	899.0
1,944.0	- Other	1,944.0	0.0	0.0	0.0	0.0	1,944.0
2,840.0	Total Direct Cost	2,843.0	0.0	0.0	0.0	0.0	2,843.0
342.0	Support Recharges	342.0	0.0	0.0	0.0	0.0	342.0
(3,365.0)	Income	(3,365.0)	0.0	0.0	0.0	0.0	(3,365.0)
(183.0)	Gross Budget Requirement	(180.0)	0.0	0.0	0.0	0.0	(180.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(183.0)	Net Budget Requirement	(180.0)	0.0	0.0	0.0	0.0	(180.0)

**2012/2013 BUDGET - SERVICE UNIT: HIGHWAYS TRAFFIC & TRANSPORTATION MANAGEMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Traffic and Transportation Management</u>						
585.0	Direct costs - Employees	585.0	0.0	0.0	0.0	0.0	585.0
16.0	- Other	16.0	0.0	0.0	0.0	0.0	16.0
601.0	Total Direct Cost	601.0	0.0	0.0	0.0	0.0	601.0
25.0	Support Recharges	25.0	0.0	0.0	0.0	0.0	25.0
(119.0)	Income	(119.0)	(7.0)	0.0	0.0	0.0	(126.0)
507.0	Gross Budget Requirement	507.0	(7.0)	0.0	0.0	0.0	500.0
0.0	Use Of Departmental Reserves					0.0	0.0
507.0	Net Budget Requirement	507.0	(7.0)	0.0	0.0	0.0	500.0

**Budget Reductions**

Reduction in the formula grant allocated for Local Transport Services.

**2012/2013 BUDGET - SERVICE UNIT: HOUSING SERVICES**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Housing Services</u>						
943.0	Direct costs - Employees	944.0	0.0	0.0	0.0	0.0	944.0
344.0	- Other	326.0	0.0	0.0	0.0	0.0	326.0
1,287.0	Total Direct Cost	1,270.0	0.0	0.0	0.0	0.0	1,270.0
24.0	Support Recharges	24.0	0.0	0.0	0.0	0.0	24.0
(597.0)	Income	(596.0)	0.0	0.0	0.0	50.0	(546.0)
714.0	Gross Budget Requirement	698.0	0.0	0.0	0.0	50.0	748.0
0.0	Use Of Departmental Reserves					(50.0)	(50.0)
714.0	Net Budget Requirement	698.0	0.0	0.0	0.0	0.0	698.0

**One-off Costs Funded From Reserves**

Selective Licensing fee income generated in advance and required to fund the scheme over a 5 year period.

**2012/2013 BUDGET - SERVICE UNIT: (ITU) PASSENGER TRANSPORT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>(ITU) Passenger Transport</u>						
367.0	Direct costs - Employees	388.0	0.0	0.0	0.0	0.0	388.0
397.0	- Other	397.0	0.0	0.0	0.0	0.0	397.0
764.0	Total Direct Cost	785.0	0.0	0.0	0.0	0.0	785.0
19.0	Support Recharges	19.0	0.0	0.0	0.0	0.0	19.0
(688.0)	Income	(705.0)	0.0	0.0	0.0	0.0	(705.0)
95.0	Gross Budget Requirement	99.0	0.0	0.0	0.0	0.0	99.0
0.0	Use Of Departmental Reserves					0.0	0.0
95.0	Net Budget Requirement	99.0	0.0	0.0	0.0	0.0	99.0

**2012/2013 BUDGET - SERVICE UNIT: (ITU) ROAD SAFETY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>(ITU) Road Safety</u>						
315.0	Direct costs - Employees	315.0	0.0	0.0	0.0	13.0	328.0
54.0	- Other	50.0	0.0	0.0	0.0	0.0	50.0
369.0	Total Direct Cost	365.0	0.0	0.0	0.0	13.0	378.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(5.0)	Income	(5.0)	0.0	0.0	0.0	0.0	(5.0)
364.0	Gross Budget Requirement	360.0	0.0	0.0	0.0	13.0	373.0
0.0	Use Of Departmental Reserves					(13.0)	(13.0)
364.0	Net Budget Requirement	360.0	0.0	0.0	0.0	0.0	360.0

**One-off Costs Funded From Reserves**

Salary protection paid under Job Evaluation.

**2012/2013 BUDGET - SERVICE UNIT: (ITU) VEHICLE FLEET**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>(ITU) Vehicle Fleet</u>						
365.0	Direct costs - Employees	379.0	0.0	0.0	0.0	0.0	379.0
3,294.0	- Other	3,294.0	0.0	0.0	0.0	0.0	3,294.0
3,659.0	Total Direct Cost	3,673.0	0.0	0.0	0.0	0.0	3,673.0
359.0	Support Recharges	359.0	0.0	0.0	0.0	0.0	359.0
(4,225.0)	Income	(4,225.0)	0.0	0.0	0.0	0.0	(4,225.0)
(207.0)	Gross Budget Requirement	(193.0)	0.0	0.0	0.0	0.0	(193.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(207.0)	Net Budget Requirement	(193.0)	0.0	0.0	0.0	0.0	(193.0)

**2012/2013 BUDGET - SERVICE UNIT: LOGISTICS**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Logistics</u>						
414.0	Direct costs - Employees	415.0	0.0	0.0	0.0	0.0	415.0
1,315.0	- Other	1,315.0	0.0	0.0	0.0	0.0	1,315.0
1,729.0	Total Direct Cost	1,730.0	0.0	0.0	0.0	0.0	1,730.0
42.0	Support Recharges	42.0	0.0	0.0	0.0	0.0	42.0
(1,776.0)	Income	(1,776.0)	0.0	0.0	0.0	0.0	(1,776.0)
(5.0)	Gross Budget Requirement	(4.0)	0.0	0.0	0.0	0.0	(4.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(5.0)	Net Budget Requirement	(4.0)	0.0	0.0	0.0	0.0	(4.0)

**2012/2013 BUDGET - SERVICE UNIT: NATIONAL DRIVER OFFENDER REHABILITATION**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>National Driver Offender Rehabilitation</u>						
33.0	Direct costs - Employees	33.0	0.0	0.0	0.0	0.0	33.0
405.0	- Other	405.0	0.0	0.0	0.0	0.0	405.0
438.0	Total Direct Cost	438.0	0.0	0.0	0.0	0.0	438.0
43.0	Support Recharges	43.0	0.0	0.0	0.0	0.0	43.0
(482.0)	Income	(482.0)	0.0	0.0	0.0	0.0	(482.0)
(1.0)	Gross Budget Requirement	(1.0)	0.0	0.0	0.0	0.0	(1.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(1.0)	Net Budget Requirement	(1.0)	0.0	0.0	0.0	0.0	(1.0)

**2012/2013 BUDGET - SERVICE UNIT: NEIGHBOURHOOD MANAGEMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Neighbourhood Management</u>						
1,458.0	Direct costs - Employees	1,460.0	0.0	0.0	0.0	0.0	1,460.0
990.0	- Other	973.0	0.0	0.0	0.0	0.0	973.0
2,448.0	Total Direct Cost	2,433.0	0.0	0.0	0.0	0.0	2,433.0
154.0	Support Recharges	154.0	0.0	0.0	0.0	0.0	154.0
(218.0)	Income	(218.0)	0.0	0.0	0.0	0.0	(218.0)
2,384.0	Gross Budget Requirement	2,369.0	0.0	0.0	0.0	0.0	2,369.0
0.0	Use Of Departmental Reserves					0.0	0.0
2,384.0	Net Budget Requirement	2,369.0	0.0	0.0	0.0	0.0	2,369.0

**2012/2013 BUDGET - SERVICE UNIT: NETWORK INFRASTRUCTURE**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Network Infrastructure</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
1,165.0	- Other	1,177.0	0.0	0.0	0.0	0.0	1,177.0
1,165.0	Total Direct Cost	1,177.0	0.0	0.0	0.0	0.0	1,177.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
1,165.0	Gross Budget Requirement	1,177.0	0.0	0.0	0.0	0.0	1,177.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,165.0	Net Budget Requirement	1,177.0	0.0	0.0	0.0	0.0	1,177.0

**2012/2013 BUDGET - SERVICE UNIT: PARKS & COUNTRYSIDE**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Parks &amp; Countryside</u>						
1,707.0	Direct costs - Employees	1,703.0	0.0	0.0	0.0	0.0	1,703.0
1,255.0	- Other	1,254.0	0.0	0.0	0.0	0.0	1,254.0
2,962.0	Total Direct Cost	2,957.0	0.0	0.0	0.0	0.0	2,957.0
175.0	Support Recharges	175.0	0.0	0.0	0.0	0.0	175.0
(776.0)	Income	(776.0)	0.0	0.0	0.0	0.0	(776.0)
2,361.0	Gross Budget Requirement	2,356.0	0.0	0.0	0.0	0.0	2,356.0
0.0	Use Of Departmental Reserves					0.0	0.0
2,361.0	Net Budget Requirement	2,356.0	0.0	0.0	0.0	0.0	2,356.0

**2012/2013 BUDGET - SERVICE UNIT: PROPERTY MANAGEMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Property Management</u>						
248.0	Direct costs - Employees	249.0	0.0	0.0	0.0	0.0	249.0
29.0	- Other	29.0	0.0	0.0	0.0	0.0	29.0
277.0	Total Direct Cost	278.0	0.0	0.0	0.0	0.0	278.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(355.0)	Income	(355.0)	0.0	0.0	0.0	0.0	(355.0)
(78.0)	Gross Budget Requirement	(77.0)	0.0	0.0	0.0	0.0	(77.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(78.0)	Net Budget Requirement	(77.0)	0.0	0.0	0.0	0.0	(77.0)

**2012/2013 BUDGET - SERVICE UNIT: PROCUREMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Procurement</u>						
210.0	Direct costs - Employees	210.0	0.0	0.0	0.0	0.0	210.0
0.0	- Other	0.0	0.0	0.0	0.0	0.0	0.0
210.0	Total Direct Cost	210.0	0.0	0.0	0.0	0.0	210.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(77.0)	Income	(77.0)	0.0	0.0	0.0	0.0	(77.0)
133.0	Gross Budget Requirement	133.0	0.0	0.0	0.0	0.0	133.0
0.0	Use Of Departmental Reserves					0.0	0.0
133.0	Net Budget Requirement	133.0	0.0	0.0	0.0	0.0	133.0

**2012/2013 BUDGET - SERVICE UNIT: REPROGRAPHICS**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Reprographics</u>						
78.0	Direct costs - Employees	78.0	0.0	0.0	0.0	0.0	78.0
220.0	- Other	220.0	0.0	0.0	0.0	0.0	220.0
298.0	Total Direct Cost	298.0	0.0	0.0	0.0	0.0	298.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(342.0)	Income	(342.0)	0.0	0.0	0.0	0.0	(342.0)
(44.0)	Gross Budget Requirement	(44.0)	0.0	0.0	0.0	0.0	(44.0)
0.0	Use Of Departmental Reserves					0.0	0.0
(44.0)	Net Budget Requirement	(44.0)	0.0	0.0	0.0	0.0	(44.0)

**2012/2013 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT & ADMIN**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Management &amp; Admin</u>						
1,816.0	Direct costs - Employees	1,824.0	0.0	0.0	0.0	0.0	1,824.0
356.0	- Other	326.0	0.0	0.0	0.0	0.0	326.0
2,172.0	Total Direct Cost	2,150.0	0.0	0.0	0.0	0.0	2,150.0
487.0	Support Recharges	487.0	0.0	0.0	0.0	0.0	487.0
(1,253.0)	Income	(1,269.0)	0.0	0.0	0.0	0.0	(1,269.0)
(304.0)	Vacancy Abatement Target	(153.0)	0.0	0.0	0.0	0.0	(153.0)
1,102.0	Gross Budget Requirement	1,215.0	0.0	0.0	0.0	0.0	1,215.0
0.0	Use Of Departmental Reserves					0.0	0.0
1,102.0	Net Budget Requirement	1,215.0	0.0	0.0	0.0	0.0	1,215.0

**2012/2013 BUDGET - SERVICE UNIT: SUSTAINABLE DEVELOPMENT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sustainable Development</u>						
47.0	Direct costs - Employees	47.0	0.0	0.0	0.0	0.0	47.0
6.0	- Other	6.0	0.0	0.0	0.0	0.0	6.0
53.0	Total Direct Cost	53.0	0.0	0.0	0.0	0.0	53.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
53.0	Gross Budget Requirement	53.0	0.0	0.0	0.0	0.0	53.0
0.0	Use Of Departmental Reserves					0.0	0.0
53.0	Net Budget Requirement	53.0	0.0	0.0	0.0	0.0	53.0

**2012/2013 BUDGET - SERVICE UNIT: SUSTAINABLE TRANSPORT**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sustainable Transport</u>						
0.0	Direct costs - Employees	0.0	0.0	0.0	0.0	0.0	0.0
2,318.0	- Other	2,318.0	0.0	0.0	0.0	0.0	2,318.0
2,318.0	Total Direct Cost	2,318.0	0.0	0.0	0.0	0.0	2,318.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
0.0	Income	0.0	0.0	0.0	0.0	0.0	0.0
2,318.0	Gross Budget Requirement	2,318.0	0.0	0.0	0.0	0.0	2,318.0
0.0	Use Of Departmental Reserves					0.0	0.0
2,318.0	Net Budget Requirement	2,318.0	0.0	0.0	0.0	0.0	2,318.0

**2012/2013 BUDGET - SERVICE UNIT: URBAN & PLANNING POLICY**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Local Plan Review</u>						
383.0	Direct costs - Employees	384.0	0.0	0.0	0.0	15.0	399.0
191.0	- Other	184.0	0.0	0.0	0.0	211.0	395.0
574.0	Total Direct Cost	568.0	0.0	0.0	0.0	226.0	794.0
0.0	Support Recharges	0.0	0.0	0.0	0.0	0.0	0.0
(8.0)	Income	(8.0)	0.0	0.0	0.0	0.0	(8.0)
566.0	Gross Budget Requirement	560.0	0.0	0.0	0.0	226.0	786.0
0.0	Use Of Departmental Reserves					(226.0)	(226.0)
566.0	Net Budget Requirement	560.0	0.0	0.0	0.0	0.0	560.0

**One-off Costs Funded From Reserves**

Funding set aside to fund Capital expenditure commitments on the Seaton Strategy and £26k towards the running costs associated with the pilot to bring empty homes back into use.



**2012/2013 BUDGET - SERVICE UNIT: WASTE & ENVIRONMENTAL SERVICES**

Approved Budget 2011/2012	Service Units	Budget Projection 2012/2013	Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs Funded From Depts Reserves	Total Budget 2012/2013 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Waste &amp; Environmental Services</u>						
1,235.0	Direct costs - Employees	1,235.0	0.0	0.0	0.0	0.0	1,235.0
4,287.0	- Other	4,276.0	0.0	0.0	0.0	0.0	4,276.0
5,522.0	Total Direct Cost	5,511.0	0.0	0.0	0.0	0.0	5,511.0
183.0	Support Recharges	183.0	0.0	0.0	0.0	0.0	183.0
(978.0)	Income	(978.0)	0.0	0.0	0.0	0.0	(978.0)
4,727.0	Gross Budget Requirement	4,716.0	0.0	0.0	0.0	0.0	4,716.0
0.0	Use Of Departmental Reserves					0.0	0.0
4,727.0	Net Budget Requirement	4,716.0	0.0	0.0	0.0	0.0	4,716.0