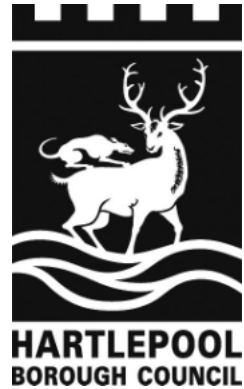


CABINET AGENDA



Monday 11 June 2012

at 9.30 am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hill, Lauderdale and Thompson

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

To receive the Record of Decision in respect of the meeting held on 30 April 2012
(previously circulated)

4. BUDGET AND POLICY FRAMEWORK

No Items

5. KEY DECISIONS

5.1 Troubled Families – Community Budget Plan – *Director of Regeneration and Neighbourhoods and Director of Child and Adult Services*

5.2 Medium Term Financial Strategy – ICT Services – *Assistant Chief Executive / Chief Finance Officer / Assistant Director Resources*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Medium Term Financial Strategy (MTFS) 2013/14 to 2016/17 – *Corporate Management Team*
- 6.2 Localisation of Council Tax Benefit 2013-14 – *Chief Finance Officer*
- 6.3 Future Options for the Provision of a Strategic HR Function – *Chief Executive*

7. ITEMS FOR DISCUSSION/INFORMATION

- 7.1 Quarter 4 – Council Overview of Performance and Risk 2011-12 – *Corporate Management Team*
- 7.2 Hartlepool Partnership Plan Quarter 4 2011-12 Summary of Performance – *Assistant Chief Executive*
- 7.3 Statutory Guidance on the Roles and Responsibilities of the Director of Children's Services and the Lead Member for Children's Services – *Director of Child and Adult Services*

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 8.1 Final Report into 'The Borough Council Museum and Art Gallery Collection' – *Scrutiny Co-ordinating Committee – Museum and Art Gallery Collection Working Group*
- 8.2 Scrutiny Investigation into 'The Borough Council Museum and Art Gallery Collection' – Action Plan – *Director of Child and Adult Services*

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985

9. EXEMPT KEY DECISIONS

- 9.1 Development of a Children's Home: Business Case – *Director of Child and Adult Services*

10. EXEMPT OTHER ITEMS REQUIRING DECISION

No Items

11. EXEMPT ITEMS FOR DISCUSSION / INFORMATION

No Items

CABINET REPORT

11 June 2012



Report of: Director of Regeneration and Neighbourhoods and
Director of Child and Adult Services

Subject: TROUBLED FAMILIES/ COMMUNITY BUDGET PLAN

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i/ii/both i and ii) applies)

Forward Plan reference Number RN9/12

2. PURPOSE OF REPORT

2.1 To inform Cabinet on the progress made in developing the Community Budget Plan which to date has focused on the Safer Hartlepool Partnership's Team around the Household programme. To outline how this approach links to the Government's Troubled Families programme, and to seek Cabinet endorsement on the proposed joint Community Budget and Troubled Families Framework, *Think Family, Think Communities*.

3. BACKGROUND

3.1 Families with complex needs are known to many organisations and support agencies and their chaotic lifestyle can have a severe impact on their surrounding communities.

3.2 In Hartlepool work has already commenced via complimentary strategies to address the needs of individuals, families and households, i.e.

- Early Intervention Strategy;
- Team around the Household; and the
- The ESF Family Wise programme.
- Working Better Together

3.3 Families with complex needs may lack the skills to overcome the problems facing them or the motivation and capacity to get the support they need. Local evidence suggests that in many troubled families substance misuse is common and can be

a key factor in triggering family violence and increases the risk of statutory interventions in relation to both the adults in the family and their children.

- 3.4 Evidence also suggests that issues facing these families can be cyclical, impacting on successive generations. A lack of capacity to cope and poor family functioning can result in a lack of engagement in learning, leading to low school attendance, poor attainment and lack of aspiration. This is known to have a detrimental impact on the future prospects of children and young people.. Similarly, the children of parents who have drug and alcohol problems, poor mental health or who are involved in offending or domestic violence are at a much increased risk of future problems. Many of those who experience drug and alcohol problems, mental health issues, or who are involved in domestic violence and or offending were themselves victims at some point in their lives.
- 3.5 The multiple funding and accountability structures of the many different organisations involved in the lives of these families makes coordinating support for those with the greatest needs very difficult. Closer working and co-design of service delivery between partners and within the Local Authority services has proven to be an important part of improving services and solving complex problems.
- 3.6 Whilst it is recognised that the strategies referred to in 2.2 are about improved outcomes they have also developed in part, due to the current financial climate and the drive to make efficiencies. The Council together with its partners have identified opportunities for redesigning services which should improve the outcomes of those troubled families. This approach has resulted in new ways of working, including sharing information and agreed outcomes, a more effective use of resources and a change in how partner organisations at a local and national level can work together.

4. COMMUNITY BUDGET PLAN

- 4.1 The first round of Community Budgets began in April 2010 with 16 areas (28 Local Authorities) introducing new ways of working, both locally with partners, and with central Government. The Community Budget approach aims to give local public service partners the freedom to work together to redesign services around the needs of citizens, improving outcomes, reducing duplication and waste and so saving significant sums of public money. It allows Local Authorities and their partners to look at different ways of working together to deliver more coherent services, moving away from silo approaches to problems so that households/ families can be seen as a unit and their needs responded to in a timely and coordinated way.
- 4.2 A further round of Phase 2 Community Budget areas was announced in the autumn of 2011 and Hartlepool was one of the 74 Local Authorities agreed in this round. Once again the emphasis was on working differently and in a more effective way with families/ households who despite significant levels of intervention were not achieving the step change needed to allow them to improve individual and family outcomes.

- 4.3 The Council applied for Community Budget funding in 2011 to support the implementation of the Team around the Household programme. A multi-agency officer group was established to develop a plan for the Council and partner agencies to identify resources and redesign services to enable staff to work with families / households with complex needs. A grant of £20,000 has been provided by DCLG to support the development and implementation of the Community Budget plan.
- 4.4 Community Budgets are generally seen to be about pooling budgets, but they are also about realigning services to provide staff with the freedom and flexibility to work differently, bringing an end to silo working and targeting resources to achieve the same agreed outcomes. The Community Budget programme is also about championing new ways of working, going that extra mile to look at the problems of other partners and tackling the root cause of problems.
- 4.5 A key element of Hartlepool's Community budget plan is locality based working and shared work with troubled families. The Local Authority and partners have been developing neighbourhood and locality working over a number of years to improve co-ordination and access to local front-line services including on the 'crime and grime' agenda and child and adults social care. The co-location of staff in premises in the heart of our most disadvantaged neighbourhoods is a key feature of the way the council works and is a key facet of many of the Council's strategies such as the Neighbourhood Management and Empowerment Strategy, the Early Intervention Strategy and the Adult Social Care Working Better Together Strategy.. This is a tried and tested method of service delivery that has yielded numerous benefits for our communities including the ability to respond quickly to locally identified quality of life issues; provided improved visibility and accessibility of services; improved collaboration between partners through improved communications, improved speed of response, intelligence and information sharing and increased knowledge and trust between agencies.
- 4.6 Hartlepool's Community Budget programme to date has concentrated on the 'Team around the Household' (TAH) programme. This approach initially was aimed at 'breaking the cycle' of offending and reoffending behaviour across household generations and reducing the negative impact that certain households are having in our local communities. Underpinning TAH is a sophisticated intelligence model that has produces comprehensive profiles for each household, enabled appropriate action plans and interventions to be co-designed with the household, and provided a baseline from which we are able to measure success.

5. TROUBLED FAMILIES FRAMEWORK

- 5.1 In December 2011, the Prime Minister announced £448m over the next three years to turn around the lives of 120,000 of England's most troubled families. These families experience multiple problems and disadvantages, such as worklessness, truancy, drug and alcohol addiction and anti-social behaviour. Learning from the 'Team around the Household' initiative, and the resources involved in its delivery, and that Hartlepool had agreed to be a Community budget

area before the Troubled Families initiative was announced, has placed Hartlepool in a good position to take the Troubled Families programme forward.

- 5.2 DCLG have allocated £75,000 per year, over three years, to fund a Troubled Families Co-ordinator, and the deployment of internal resources. DCLG recognise that some Authorities may wish to use this funding to commission additional services. It is proposed this due to the cross cutting nature of this programme it should be led jointly by the Assistant Director (Neighbourhood Services) and the Assistant Director Specialist and Targeted Services (Child and Adult Services). This approach will ensure there is no overlap or duplication of resources with respect to the delivery of the Council's Early Intervention Strategy and associated other strategies. The Assistant Director (Neighbourhood Services) will act as the key point of contact for DCLG in respect of the Hartlepool programme to ensure there is no lack of clarity with DCLG relating to administrative arrangements for information and payment details.
- 5.3 DCLG has estimated the number of 'Troubled Families' for Hartlepool is 290. The estimate for our area will form a basis for liaison with the DCLG over the coming weeks and we will start to identify and pull together the actual list of troubled families in Hartlepool.
- 5.4 It is estimated that the average unit cost of intensive interventions that are known to work with troubled families, including family intervention and others, is around £10,000. DCLG will make available up to £4,000 for each troubled family we work with that is eligible for the payment-by-results scheme and it is expected that the Council and local partners will make up the rest of the investment. It is expected that this will be from the current resources already invested in the services received by these families.
- 5.5 The DCLG funding will be paid primarily on a payment-by-results basis, to incentivise a focus on achieving outcomes. It is recognised however, that there will be up-front costs associated with restructuring services, taking on new staff or commissioning services, and some greater risks in the earlier years until services become more established and savings can be realised.
- 5.6 To provide some certainty, to help overcome these risks and to help the Council reach deals on investment with partners, a proportion of the £4,000 funding will be paid up front as an 'attachment fee' for the number of families with whom we start working, and the rest will be paid once the positive outcomes have been achieved. For 2012-13 this attachment fee will be set at 80%, reducing to 60% and 40% in the following years.
- 5.7 The funding announced offers up to 40% of the cost of interventions to help turn around the lives of these families, payable on achievement of successful outcomes, e.g. Parents into work, children attending school, reduced crime and anti social behaviour and cutting the costs of supporting these families for the state.
- 5.8 Troubled families are households who:-

- Are involved in crime and anti-social behaviour (ASB)
- Have children not in school
- Have an adult on out of work benefits
- Cause high costs to the public purse

The criteria used for identifying the families to be targeted by the programme therefore reflect these issues.

- 5.9 The first stage of this programme is the compilation of the list of families who will be part of the programme. The definitions used and the processes for drawing up the list of families are outlined below:-

(i) Crime/ anti-social behavior (ASB)

Identify young people involved in crime and families involved in anti social behaviour, defined as:

- Households with one or more under 18-year-old with a proven offence in the last 12 months

AND/ OR

- Households where one or more member has an anti social behaviour order, anti-social behaviour injunction, anti-social behaviour contract, or where the family has been subject to a housing related anti-social behaviour intervention in the last 12 months (such as a notice of seeking possession on anti-social behaviour grounds, a housing related injunction, a demolition order, eviction from social housing on anti-social behaviour grounds)

(ii) Education

Identify households affected by truancy or exclusion from school, where a child:

- Has been subject to permanent exclusion; three or more fixed school exclusions across the last 3 consecutive terms;

OR

- Is in a Pupil Referral Unit or alternative provision because they have previously been excluded; OR is not on a school roll;

AND/OR

- A child has had 15% unauthorised absences or more from school across the last 3 consecutive terms.

- 5.10 Once families have been identified who meet one or both criteria 1 and 2, we can then identify households which also have an adult on Department of Work and Pensions out of work benefits (Employment and Support Allowance, Incapacity Benefit, Carer's Allowance, Income Support and/or Jobseekers Allowance, Severe Disablement Allowance). All families who meet criteria 1-3 will automatically be included in the programme; the balance of families will be identified using local discretion.

- 5.11 Where families meet 2 of the 3 criteria and are a cause for concern, local discretion can be taken into account. We will work with our partners in Health, the

Police and others to identify the range of issues that we will use to prioritise and identify the families.

- 5.12 DCLG is asking for self-declarations of results by Local Authorities and the Government's Troubled Families Unit will issue results payments based on these declarations. Self declarations should be approved by our own Internal Audit arrangements and are under the authority of the Chief Executive. It should be noted DCLG will carry out a small number of 'spot checks' in a sample of areas.
- 5.13 It is recognised that we may not succeed in turning around every family that we work with, and therefore it is likely that we will need to work with more families than the indicative numbers identified. Funding is available for 5 out of every 6 families which based on Hartlepool's indicative number of 290, means that there are 242 families to be worked with through the troubled families programme over 3 years. The expectation is that the other 48 families will be worked with through existing provision and they will still need to be monitored and results reported. The plan in Hartlepool is to work with one third of the families in year one, this equates to 80 families. It will be necessary to identify more than 80 families as there will be families where all the outcomes are not achieved or who fail to engage with the programme.

6. THINK FAMILY, THINK COMMUNITIES

- 6.1 A draft joint Troubled Families/ Community budget framework for 2012–2015, *Think Family, Think Communities*, has been developed (**Appendix 1**). This framework sets out our ambition to offer joined up services to families in Hartlepool that alongside strategies such as the Early Intervention Strategy and the ESF Family Wise programme will create a context which will improve outcomes for all children, families and communities and particular those at risk of not achieving their potential.
- 6.2 *Think Family, Think Communities* provides us with the opportunity to bring together the agendas across Child and Adult services, the Safer Hartlepool Partnership and wider services to address the issues faced by these families at all levels thereby preventing escalation and reducing high level need. This programme will also provide us with the ability to support the Munro recommendations relating to Safeguarding and will encourage closer working between community safety and safeguarding relating to both children and vulnerable adults.
- 6.3 The plan sets out how services will work together to offer families a coherent response to match need, which will be built around individual family aspirations and support them to achieve these. The four strands of our approach are:-
- Early Intervention to enable local families to break the intergenerational cycle of underachievement and deprivation by identifying at the earliest possible opportunity those children, young people and families who are like to experience this. These families need support and the aim is to intervene and empower people to transform their lives and their future children's lives.

- A transformation of how services work with Troubled Families, so that those families who are already in that cycle of underachievement, deprivation and multiple problems will receive the integrated support they need to tackle and resolve those problems and achieve theirs and their families potential.
- A 'Team around the Household' initiative which is aimed at breaking the cycle of offending and re-offending behaviour across successive household generations and reducing the negative impact that certain households are having in our local communities, to achieve the ambition of resilient, self-reliant and cohesive communities.
- The Family Wise project (ESF Families with Multiple Problems) which is a three year programme to tackle entrenched worklessness by moving and supporting multi-generational families/family members with multiple problems closer to the labour market so that they can enter employment or receive support towards that outcome.

6.4 Hartlepool has mature partnerships that are built on a strong and agreed vision for our Borough. The governance for the *Think Family, Think Communities* programme will rest with the Safer Hartlepool Partnership, see figure 1 below.

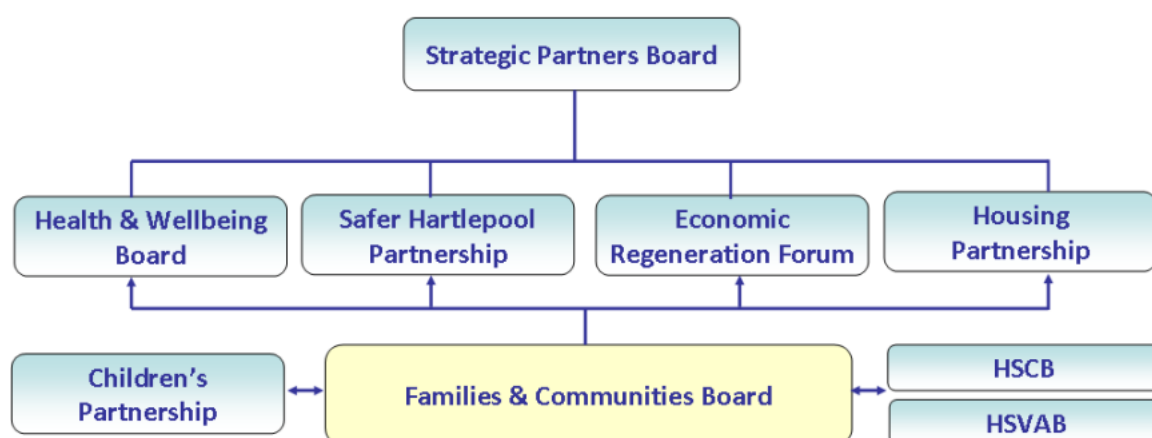


Figure 1: Think Family, Think Communities governance structure

- 6.5 The SHP itself is underpinned by a Communities and Families Board, consisting of strategic and operational lead officers from across partner agencies who are committed to achieving better outcomes for families, communities and the Borough and are well positioned to facilitate the re-design of local services in line with the Community Budget Programme.
- 6.6 Our partners have, or are in the process of, identifying senior staff within their organisations that will become "Troubled Families Champions", and who will lead on the development of this work in their agencies. Champions will be tasked with driving change by identifying what resources and flexibilities their services can bring together to support the Community Budget/Troubled Families programme

and create the 60% resource pot to deliver it. Each partner will have to look at what they need to do to support this programme.

- 6.7 The Assistant Director (Neighbourhood Services) in her role as Safer Hartlepool Partnership Co-ordinator will initially assume the role of Community Budget/Troubled Families Programme Co-ordinator supported by the Assistant Director (Safeguarding & Targeted Services) to ensure that the programme benefits from senior staff leadership at the right level to make it a success. They will be responsible for driving forward the work of the Communities and Families Board and the Coordinator will take a formal role in supporting the work of the Board to ensure effective links are in place with each of the thematic partnerships, to support the development of effective collaborative working, and to raise awareness of the programme, to boost the pace and scale of multi-agency working that will improve the lives of those families within the programme, and their local communities.
- 6.8 The use of accurate data is critical to the development of the troubled families programme. There has been a significant amount of work undertaken on data sharing and the creation of the Early Intervention Information Hub will bring a lot of that information together. This work needs to be built on as we move forward with the development of the work so that the families can be identified. It is essential that there is a shared knowledge and understanding of the work being undertaken and the ability to monitor progress towards agreed goals and outcomes.
- 6.9 Having identified the 97 troubled families who we will work with during 2012/13, we will then need to prioritise 30 families who we will work with during May to July. Building on the TAH approach the agency involved (or the one who will benefit most if more than one agency is involved) will take on the lead practitioner role and will convene a Team around the Household, or Family (which ever is appropriate). The purpose of this will be to:
- Ensure there is a family assessment and plan as opposed to an individual or child/children's plan
 - That the relevant agencies necessary to deliver this plan are part of the team
 - That the needs of the family will be looked at through the "new lens" of revised service delivery which identifies how best to meet the whole family's needs rather than fitting families to current services.
 - Identify if any individuals in the family would benefit from the ESF Family wise programme
 - Refer back to the Communities & Families Board any organisational barriers to achieving delivery of the plan
- 6.10 Each 'Team' will be supported by the Troubled Families Programme Co-ordinator to ensure consistency of approach and to support innovation and creativity. It is important that a reference point and support is given to Lead Practitioners especially those who are less familiar with this role. The first set of troubled family reviews will take place between May and July. The second

larger cohort of families will be identified in July and work will commence in September so that by December all of the first year families will be engaged in the process.

- 6.11 Partners have given an undertaken to enhance access to services and to flexible working once these families are identified as part of the TF programme. It will be part of the role of the Communities and Families Board to champion these changes in their respective organisations. They will also be the first point of contact where there are organisational blockages or barriers that require resolving.
- 6.12 A personalised budget pot will be set up and administered by the Communities & Families Board. This model (tested through the personalised budget work in Child and Adult Services and Family Intervention Programme) of having relatively small sums of money available can be a powerful catalyst for change with families.
- 6.13 The Communities and Families Board will review the pilot phase of the project on an on-going basis and will identify any gaps or changes that need to be resolved through July and August. It will be critical that the staff working with the first 30 families has sufficient support both operationally and strategically to build a firm foundation for the programme, this may mean identifying additional resources in year one.
- 6.14 There will need to be a clear system to record baseline data about families and to monitor on-going progress and to evaluate the programme along the way and annually. This will be set up locally until such time as a national system is agreed.

7. CHILD POVERTY

- 7.1 The Child Poverty Act 2010 places three duties on local authorities:
- To put into place arrangements to work to reduce and mitigate the effects of child poverty in their local area;
 - To prepare and publish a local child poverty needs assessment to understand the drivers of child poverty in their local area and the characteristics of those living in poverty;
 - To prepare a joint child poverty strategy setting out measures that the local authority and named partners propose to take to reduce, and mitigate the effects of child poverty in their local area.
- 7.2 A work programme is currently developed and monitored by the child poverty steering group which is made up of officers from the local authority and partners. The steering group has previously reported to the local strategic partnership but due to the changes it seems timely to review the governance arrangements for the steering group. Although the work programme for child poverty is overseen by officers within children's services all partners need to be contributing in order to make a difference for children and families.

- 7.3 The Families and Communities Board that is set out in figure 1, would be able to fulfil the role of the steering group therefore reducing the duplication of meetings. It is therefore proposed that the Families and Communities Board would take on the responsibility for the implementation of the child poverty strategy with Child Poverty as a standing agenda item. Children's Services will continue to have the responsibility for the reporting of the strategy and the monitoring of the local authority targets.
- 7.4 The Families and Communities Board would need to report on the progress to all boards of the strategic partnership with the Health and Wellbeing Board taking lead responsibility for the progress on the strategy.

8. CONCLUSION

- 8.1 Hartlepool was announced as one of the 74 Local Authorities Community Budget areas in autumn 2011, just prior to the announcement of the Government's Troubled Families programme in December. Hartlepool's Community Budget plan to date has focused upon the Safer Hartlepool Partnership's 'Team around the Household' initiative. Outcomes currently being tracked include those identified by DCLG as relevant to the Troubled Families programme with additional measure that attempts to capture strengthening communities.
- 8.2 There are a number of families who receive a wide range of services but these interventions are not effective in achieving the outcomes that both families and services want. The Troubled Families initiative is aimed to give additional impetus to this agenda and to encourage agencies to be ambitious in their aspiration for and with these families.
- 8.3 Hartlepool is in a good position to take the Troubled Families Programme forward as it has developed a number of different strategies aimed at turning around the lives of children, families and households.
- 8.4 It is estimated there are circa 290 troubled families in Hartlepool. For change to be achieved agencies will have to work differently, it will not be sufficient to make minor changes, services will need to work together in a radically different way. This requires putting the family at the centre of the process, having a single practitioner who manages the case and "grips" the family/ household, so that services work together and give families the time, opportunities and support to change.
- 8.5 A joint Troubled Families/ Community budget framework for 2012–2015, *Think Family, Think Communities*, has been developed (**Appendix 1**) which sets out our ambition to offer joined up services to families in Hartlepool that will alongside our Early Intervention Strategy and ESF Family Wise programme, create a context which will improve outcomes for all children, families and communities and particular those at risk of not achieving their potential. The plan sets out how services will work together to offer families a coherent response to match need, which will be built around individual family aspirations and support them to achieve these

9. RECOMMENDATIONS

- 9.1 Cabinet are requested to endorse the *Think Family, Think Communities*, Community Budget and Troubled Families Framework as Available as **Appendix 1**.

10. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

11. BACKGROUND PAPERS

- Breaking the Cycle/Team around the Household, Safer Hartlepool Partnership report, 11th May 2011
- Team around the Household, Progress report, SHP, 13th July 2011
- Community Budgets Prospectus, Home Office website, 17th October 2011
- Early Intervention Strategy, Cabinet report, 19th December 2011
- Troubled Families, DCLG website, 15th December 2011
- Families with Multiple Problems, Cabinet report, 6th February 2012

12. CONTACT OFFICER

Dave Stubbs
Director Regeneration and Neighborhoods
Civic Centre
Victoria Road
Hartlepool
TS24 8AY
Tel: 01429 523301
Email: dave.stubbs@hartlepool.gov.uk



Think Family Think Communities

May 2012

APPENDIX 1

Contents

1. <u>Introduction</u>	5
2. <u>National Context</u>	6
3. <u>Local Context</u>	7
3.1. <u>Early Intervention Strategy</u>	8
3.2. <u>Child Poverty Strategy</u>	9
3.3. <u>Team around the Household</u>	9
3.4. <u>Family Wise Project – ESF Provision</u>	10
4. <u>The Community Budget</u>	11
5. <u>Troubled Families Framework</u>	13
6. <u>Think Family, Think Communities</u>	14
6.1. <u>Outcomes</u>	15
6.2. <u>Governance</u>	15
6.3. <u>Data Sharing</u>	17
7. <u>Delivery Model</u>	18
7.1. <u>Team around the Family</u>	19
7.2. <u>Workforce Development</u>	20
7.3. <u>Communication</u>	20
7.4. <u>Monitoring & Evaluation Framework</u>	20

APPENDIX 1

1. Introduction

This joint Troubled Families & Community Budget Plan, entitled Think Family, Think Communities, introduces how Hartlepool will bring together a range of services to strengthen its approach of delivering improved outcomes for children, families and communities most in need.

Building on strong partnership foundations, the Think Family, Think Communities Plan plays a significant role in achieving the ambition that:

‘Hartlepool will be a thriving, respectful, inclusive and outward looking community, in an attractive and safe environment, where everyone is able to realise their full potential’

The Plan sets out how services in Hartlepool will work together to offer families a coherent response based on their needs which will be built around individual and family/household aspirations and the support required to achieve these.

It will create the context for change in the way local services are designed and delivered by putting families at the centre of the planning process and ensuring that a “whole family” approach is taken to achieve sustainable change. Furthermore, it adopts a key worker/lead practitioner model so that families/households have a consistent relationship with an individual who will work them and other agencies to coordinate assessments and provide support that is timely and effective.

The Think Family, Think Communities Plan is aligned to the **early intervention** strategy, aimed at breaking the intergenerational cycle of underachievement and deprivation in Hartlepool by identifying, at the earliest opportunity, those children, young people and families who are likely to experience difficulty.

It also draws on the **Team around the Household** initiative which is aimed at breaking the cycle of offending and re-offending behaviour across household generations and reducing the negative impact that certain households are having in local communities.

Both components are linked to the local delivery of the **Troubled Families** programme which will see the transformation of how services will engage and work with those families who are already in the cycle of offending behaviour, underachievement and deprivation.

Running in parallel to these interventions is the **Family Wise Project**¹ which is a three year programme to tackle entrenched worklessness by progressing multi-generational families/family members with multiple problems closer to the labour market so that they can enter employment or receive support towards that outcome.

The four strands provide the basis for developing new ways of working with families to achieve lasting and sustainable change, leading to an increase in the number of families who can live independently in resilient, self-reliant and cohesive communities in Hartlepool.

¹ European Social Fund (ESF)

2. National Context

Community Budgets allow Local Authorities and their partners the freedom and flexibility to work together to redesign services around the needs of citizens, improving outcomes and reducing duplication and waste leading to significant savings in public spending.

The first round of Community Budgets began in April 2010 with 16 areas introducing and piloting new ways of working with families/households with multiple problems; specifically integration and redesign of services, realignment of funding streams, development of new partnerships and governance arrangements, and most importantly new methods of engaging/empowering families and communities to achieve sustainable change.

In December 2011, the Government announced its Troubled Families Programme superseding the second phase of the Community Budgets programme which Hartlepool had already agreed to participate in.

Led by the Troubled Families Team located within the Department for Communities and Local Government (DCLG) the Troubled Families Programme is designed to synchronise existing programmes e.g. ESF Families with multiple problems and bring together a range of government initiatives to drive forward the commitment to turn around the lives of 120,000 most troubled families. The Troubled Families Programme builds on the learning achieved through the Community Budget pilots and the existing evidence base of 'What Works' with complex families, such as Family Intervention Projects.

The Programme recognises that the scale of the problem is not going to be tackled by existing services and provision and estimates that as many as 70% of families will not get the support they needed to "turn their lives around". It is known that these families experience multiple problems and disadvantages, such as worklessness, truancy, drug and alcohol addiction and can present problems such as anti-social behaviour. Analysis shows that these families cost an average of £75,000 per family, per year and the majority of the bill falls to Local Authorities.

These findings, combined with the analysis of the civil disorder during 2011 has led to a new approach with a greater emphasis on crime and anti-social behaviour and a drive to increase the scale of work, all of which are reflected in the main aims of the Troubled Families programme, that is:

- Preventing crime and anti-social behaviour
- Getting children back into school
- Getting parents into work
- Reducing the cost of these families to the taxpayer

Over the next three years £448 million of additional funding will be made available nationally to drive the programme forward, with the majority of this sum being directed towards Local Authorities via a payment-by-results (PBR) model, with the Troubled Families Team providing up to 40% of the costs.

3. Local Context

Hartlepool Borough Council recognises that families and households require different services at different times in a family life cycle.

Hartlepool is a small unitary authority with a population of just over 91,500 people and over 40,000² households. The population is predominantly white British with approximately 1.2% of the overall population from minority ethnic groups.

Hartlepool is ranked 24th most deprived area out of the 354 Local Authorities³ in the country. It comprises of 11 wards, five of which fall into the top 5% of most deprived wards in England & Wales. Currently 31% of children in Hartlepool are living in poverty.

Unemployment rates in Hartlepool are consistently higher than both the North East and national rates. Since 2008 unemployment rates have been rising, standing at 8%⁴ in March 2012, almost double the national average.

Whilst education attainment overall has continued to improve year on year, children in Hartlepool continue to do less well than their peers across the North East.

Overall crime rates⁵ remain above the national average, with proven re-offending rates for adult and young people in Hartlepool remaining above the national average, standing at 36.6%, the highest in the country⁶.

Health inequalities are also evident in Hartlepool with life expectancy for both men and women below the national average and rates of smoking related deaths and hospital stays for alcohol related harm being higher than the national average⁷.

With these key challenges in mind, Hartlepool Borough Council had already agreed to be a Community Budget area before the Government's Troubled Families initiative was announced in December 2011. The Council is well placed to take this initiative forward having already begun the thinking process to deliver necessary changes and address the needs of families and households in a more coherent way.

The local development of the Early Intervention Strategy: A Better Childhood in Hartlepool, the Child Poverty Strategy, Team around the Household initiative and the Family Wise Project all complement the approach of both the Community Budgets and Troubled Families work.

² Tees Valley Unlimited – Total Population & Occupied Households Mid Year Estimate 2011

³ Index of Multiple Deprivation (IMD) 2010.

⁴ Tees Valley Unlimited - Unemployment Claimant Rate - March (%) 2012

⁵ Tees Valley Unlimited – Crime Rates – Overall Crime per 1000 population 2010/11.

⁶ Ministry of Justice – proven re-offending in England and Wales.

⁷ Public Health Observatory – Health Profile – Hartlepool 2011.

3.1. The Early Intervention Strategy

The Early Intervention Strategy aims to prevent many of the issues that are the target of both Community Budgets and Troubled Families work. It sets out a new model of service delivery that focuses on prevention and early intervention ensuring children; young people and families receive support in a timely way and tailored to their individual circumstances.

The key themes within this delivery model include

- Working together to ensure that the needs of children, young people and families at risk of experiencing difficulties and disadvantage are identified at the earliest opportunity.
- Responding promptly to concerns.
- Interventions monitored regularly to address problems before they become entrenched and result in long term damage.
- Working with the whole family and acknowledging that parents are the single most important factor in determining outcomes for children.
- A priority focus on the early years (pre-birth to 5) responding to the evidence of the critical importance of those early years to children's future development and an ongoing commitment to intervening early where children and families are at risk of experiencing disadvantage.

This will be achieved by the creation of multi-disciplinary teams where whole families can gain access to information, advice, support, interventions and guidance through a single route ensuring family members are able to link with the services they require⁸.

The model aims to ensure that children, young people and parents can access integrated support as early as possible and without stigma.

Delivery of the model will require the establishment of a number of functions, including:

- **Central Information Hub** - The Information Hub will be the single point of contact for families to receive advice and guidance or support if needed and for universal services to access additional services for children with whom they are working.
- **Early Years Pathway** - The Early Years Pathway will focus on hotspot areas in the localities and will ensure that every family with a child pre-birth to two years old will get specific targeted support.
- **Integrated Locality Teams** - Integrated Locality Teams will provide services for families with children pre-birth to nineteen who require support that is additional to that provided by universal services.

⁸ Please refer to Appendix A

- **Services and activities for children, young people and parents** - It is important for children, young people and parents to have access to positive activities that are diversionary, restorative and fun. Group and drop-in activities will be provided in hotspot localities.
- **Service Delivery Points** - Consultation with families has clearly indicated that they would like to access services in their communities and that these services should be available to them where possible in one place. Whilst recognising the need for services to be based in communities, data shows that a large number of young people travel to the centre of town to access the One Stop Shop for advice, support and guidance. It is therefore proposed that this support continues through the delivery and further development of integrated support for young people via the One Stop Shop.
- **Centralised Functions** - There will also be a need to retain and/or develop some central functions to ensure that the Child and Adult Services can continue to meet its statutory functions whilst monitoring and evaluating performance and outcomes to enable the further commissioning and remodelling of services to meet changing needs.

3.2. Child Poverty Strategy

Despite significant regeneration over the past twenty years, a significant number of families in Hartlepool continue to experience high levels of deprivation, with an estimated 6,200 children living in poverty in Hartlepool, many of whom live in workless households. As such, the reduction of child poverty is one of Hartlepool's priorities. Being exposed to poverty can affect a child's social, emotional and psychological development and has wider implications for communities including exclusion, severe hardship and poor social cohesion.

The strategy recognises that no single organisation or policy can tackle these multiple, complex and overlapping issues in isolation. It is believed that the best way out of poverty for children and their families can be secured by increasing parental employment rates and therefore raising income, improving the financial and material support of families and by tackling deprivation within communities.

It is not unreasonable to suggest that many Troubled Families may also be experiencing poverty and it is important that this is assessed at the earliest possible opportunity to ensure that appropriate support can be offered.

It must also be noted that the effects of the welfare reform will have a significant impact on families in Hartlepool and support offered through the Troubled Families Programme will need to identify the risks for families.

3.3. Team around the Household

During the last year the Safer Hartlepool Partnership Community Safety Partnership has been developing its 'Team around the Household' initiative which is aimed at 'breaking the cycle' of offending and re-offending behaviour across household generations and reducing the negative impact that certain households are having in local communities. A small number of households who are responsible for a disproportionate amount of crime and anti-social behaviour have been identified. Each has been allocated a lead practitioner drawn from the Safer Hartlepool Partnership membership, and the

practitioner has in turn assembled a team to work with the household through positive interventions. Household involvement with the team is by consent, but requires agreement to sign up to an action plan that incorporates supportive elements, together with agreed standards of behaviour and sanctions should the agreed standards of behaviour not be complied with. Reflective of the high negative impact that these households are having on local neighbourhoods the Team around the Household approach is enforcement orientated.

Underpinning this initiative is a sophisticated intelligence model that has produced comprehensive profiles for each household, enabled appropriate action plans and interventions to be co-designed with the members of the household and provided a baseline from which success is measured. Outcomes currently being tracked include those identified by Department for Communities and Local Government (DCLG) as relevant to the Troubled Families Programme with additional measures that attempt to capture strengthening communities through for example the use of restorative practices.

Learning from the Team around the Household initiative and the resources involved in its delivery, will inform the development of the Troubled Families Programme and its associated outcomes by working with those 'high' impact households with the long term goal of preventing such behaviour being transmitted across future generations. Interventions developed currently link to reducing the risk of eviction and homelessness, moving adults closer to the employment market, improved parenting, addressing substance misuse and mental health problems, reducing crime and anti-social behaviour, sustaining children in education etc. Many of these are clearly linked to priorities embodied in our Community Strategy such as improving skills and educational attainment.

3.4. The Family Wise Project - ESF Provision

The Family Wise Project is a three year programme designed to help tackle entrenched worklessness within families where there is a history of multi-generational unemployment, combined with a range of wider family and individual problems that make work a difficult prospect for individuals. Provision will be offered that will support a family member to move closer to the labour market and ultimately progress into employment.

In the North East this programme is led by the prime contractor the Wise Group who has subcontracted Hartlepool Borough Council and the Shaw Trust to deliver this programme. The programme offered to eligible customers includes a raft of Progress Measures which fall into four categories:

- Interventions to Overcome Family Related Barriers;
- Reducing Social and Economic Isolation;
- Interventions to Tackle Work Related Barriers;
- Addressing Health and Housing Related.

Within Hartlepool, the ESF programme will work with approximately 683 family members over the three year period of which:

- 80% will complete 3 Progress Measures; and
- 25% will progress into employment.

The subcontractors have designed a six point delivery model in partnership with Child and Adult Services and the Wise Group which incorporates:

- Initial Engagement and Action Planning;
- Individualised Support Programme;
- Pre-Employment Training;
- In-Work Support;
- Employer Engagement;
- Engagement with Post-16 Providers.

Families accessing the Family Wise programme will also come into scope of the Troubled Families programme. There will be significant overlap of the individuals on this ESF programme and family members accessing other employment and training services, therefore co-operation and co-ordination will be critical to maximising resources and minimising duplication.

This co-ordination will be achieved through the Hartlepool Works Employment & Skills Consortium which is led by Hartlepool Borough Council and consists of over 40 employment and training providers and statutory agencies. Through partnership working, the Hartlepool Works members will align their services to ensure that the whole family unit is provided with support to help them move into education, employment and/or training⁹.

There will also be a drive towards Transition Mentors from these partner organisations who will work closely with Early Intervention Teams and will engage with an individual for longer periods. This could include working with a young person from the age of 14 years who is at risk of becoming disengaged from school and providing intensive support to ensure that they make the smooth transition from pre 16 to post-16 provision¹⁰.

4. The Community Budget

Community Budgets can be about pooling budgets, but most importantly they are also about realigning services to provide staff with the freedom and flexibility to work differently, bringing an end to silo working and targeting resources to achieve the same agreed outcomes. The Community Budget programme is also about championing new ways of working, going that extra mile to look at the problems of other partners and tackling the root cause of problems leading to improve outcomes for families in Hartlepool.

A key element of the Community Budget Plan is locality based working and shared work with troubled families.

Hartlepool Borough Council and partners have been developing neighbourhood and locality working over a number of years to improve co-ordination and access to local front-line services delivering primarily on the 'crime and grime' agenda. The co-location of staff in premises in the heart of our most disadvantaged neighbourhoods is a key feature of Hartlepool Borough Councils Neighbourhood Management and Empowerment Strategy, the Early Intervention Strategy and the Adult Social Care Working Better Together Strategy.

⁹ Please refer to Appendix B – Access to Specialist Provision.

¹⁰ As shown within Appendix C – Customer Journey.

This is a tried and tested method of service delivery that has yielded numerous benefits for our communities. This includes the ability to quickly respond to locally identified quality of life issues; improved visibility and accessibility of services; improved collaboration between partners through improved communications, improved speed of response, intelligence and information sharing, and increased knowledge and trust between agencies.

Neighbourhood governance arrangements in relation to operational planning include weekly tasking meetings, and area based multi-agency Joint Action Groups that meet monthly as the group charged with delivering on Safer Hartlepool Partnership objectives at a neighbourhood level. These arrangements together with co-location have delivered mutually reinforcing outcomes for partners and real results for residents on the ground such as reduced crime and anti-social behaviour and increased resident satisfaction with their local area as a place to live. Consequently, over the next three years the intention is to continue to develop frontline service delivery to focus on localities and to facilitate operational planning around:

- Neighbourhood Policing;
- Cleansing, Highways, and Environmental Services;
- Community Safety (ASBU, SHP analysts);
- Community Regeneration and Development;
- Victims Services;
- Probation Service;
- Health Services;
- Housing Services;
- Fire Service.

These existing Neighbourhood Teams will develop greater working links with the proposed Children Centre hubs and the Integrated Locality Based teams developed as part of the Early Intervention Strategy. This will be particularly important when working with crime and anti-social behaviour issues linked to our Troubled Families.

This locality approach ensures that the partnership way of working extends to community groups, communities, neighbourhoods and individual citizens.

The Community Budget brings together these initiatives and will support ways to test and refine how organisations work with people to deliver shared priorities in localities, while also ensuring that through earlier and more effective interventions the draw on future resources is reduced. The Troubled Families Programme will be part of resolving the problems for families where these have already escalated and allowing the Early Intervention Strategy to begin to address preventing families reaching this point.

5. Troubled Families Framework

Using a range of data sources including the Index of Multiple Deprivation (IMD) and findings from the Family and Children Study (FACS) the Department for Communities and Local Government (DCLG) estimated that Hartlepool has 290 families with multiple problems.

Troubled Families are households who:-

- Are involved in crime and anti-social behaviour (ASB);
- Have children not in school;
- Have an adult on out of work benefits;
- Cause high costs to the public purse.

The criteria used for identifying the families to be targeted by the programme therefore reflect these issues, as detailed in the DCLG Troubled Families Framework¹¹.

These families almost always have other often long-standing problems which can lead to their children repeating the cycle of disadvantage.

Nationally, the cost of these families to the public purse is very significant and has been estimated at £9 billion a year, the vast majority of this is spent on reacting to the problems.

Locally, the DCLG Troubled Families Team has allocated Hartlepool £75,000 per year, over three years, to fund a Troubled Families Coordinator, and the deployment of internal resources.

This cross cutting programme will be led jointly by the Assistant Director (Neighbourhood Services) and the Assistant Director (Child and Adult Services). This approach will ensure there is no overlap or duplication of resources with respect to the delivery of the Early Intervention Strategy and other associated strategies. The Assistant Director (Neighbourhood Services) will act as the key point of contact for DCLG Troubled Families Team in respect of the Hartlepool programme to ensure there is clarity relating to administrative arrangements for information and payment details.

It is estimated that the average unit cost of intensive interventions that are known to work with troubled families, including family intervention and others, is approximately £10,000. Funding will be made available by DCLG Troubled Families Team of up to £4,000 for each troubled family in Hartlepool that is eligible for the payment-by-results scheme, the Local Authority and local partners will make up the rest of the investment. It is expected that this will be from the current resources already invested in the services received by these families.

The funding will be paid primarily on a payment-by-results basis, to incentivise a focus on achieving outcomes. It is recognised that there will be up-front costs associated with restructuring services, taking on new staff or commissioning services, and some greater risks in the earlier years until services become more established and savings can be realised.

To provide some certainty, to help overcome these risks and to help the Local Authority reach deals on investment with partners, a proportion of the £4,000 funding will be paid up

¹¹ Please refer to Appendix D

front as an 'attachment fee' for the number of families with whom work is started and the rest will be paid on achievement of successful outcomes, e.g. Parents into work, children attending school, reduced crime and anti social behaviour and cutting the costs of supporting these families for the state. For 2012-13 this attachment fee will be set at 80%, reducing to 60% and 40% in the following years.

6. Think Family, Think Communities

Think Family, Think Communities brings together the agendas across Child and Adult Services, Safer Hartlepool Partnership and wider services to address the issues faced by Troubled Families across the continuum of need thereby preventing escalation and reducing higher level need, as depicted in figure 1.

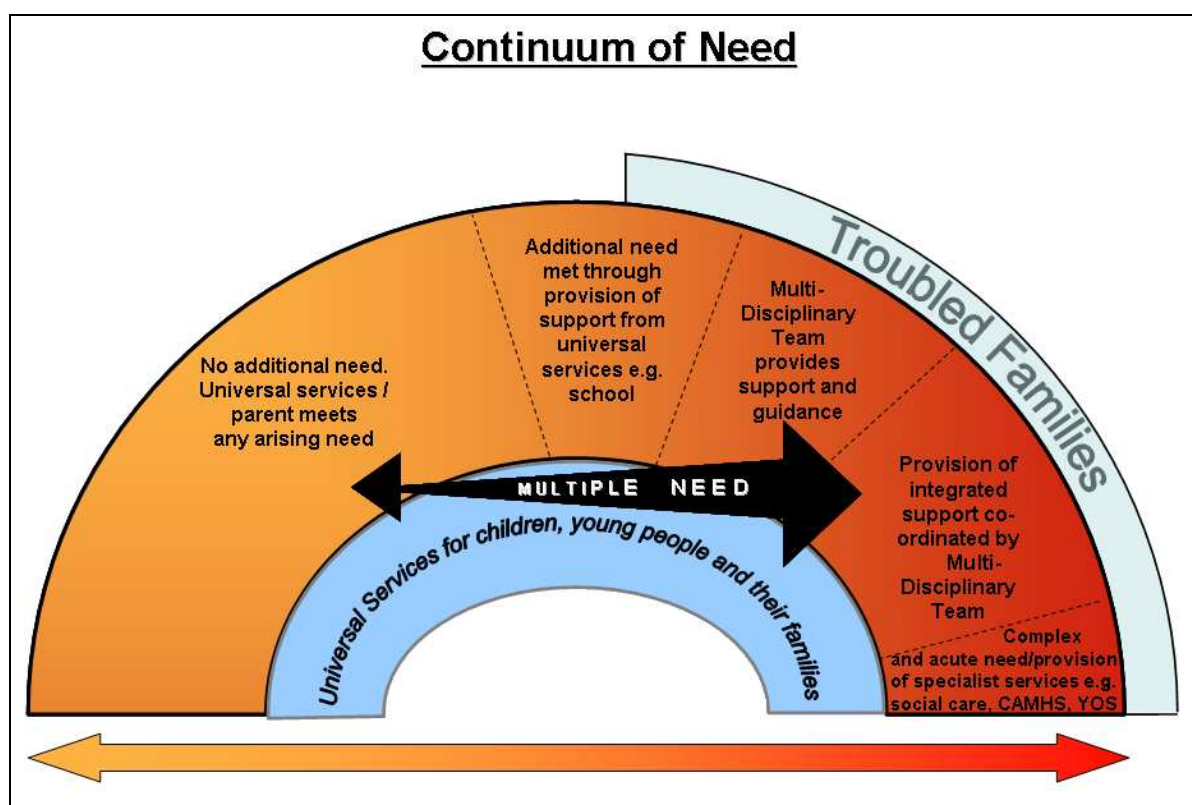


Figure 1. Continuum of Need

The programme provides the opportunity to support the recommendations of the Munro Review and bring all services into a closer working relationship around safeguarding both children and vulnerable adults. It also makes a key contribution to reducing inequalities in health for children, young people and families in Hartlepool as addressed in the Marmot principles.

As described in the national picture there are a number of families who receive a wide range of services, but these interventions have not been effective in achieving the outcomes that both families and services desire. The Think Family, Think Communities Plan is aimed at giving additional impetus to this work and encourages agencies to be ambitious in their aspiration for and with these Troubled Families.

For this to be achieved services will have to work differently, it will not be sufficient to make minor changes, services will need to work together in radically different ways. This requires putting the family at the centre of the process, having a single practitioner who manages the case and "grips" the family so that services work together and give families

the time, opportunities and support to change. It is imperative that services work with families to make that change achievable, not telling families what is wrong but helping them to make the sometimes small steps that can set a new direction and enable them to begin to achieve.

6.1. Outcomes

The high level outcomes being pursued through the Think Family, Think Communities Plan are:

- ***People take pride in Hartlepool, act with dignity and respect, and live in resilient, self-reliant and cohesive communities.***
- ***Hartlepool is an inclusive community where all people are able to participate in the social and economic life of their communities.***

In pursuing these outcomes, service delivery will focus on the following objectives linked to the Troubled Families Programme:

- Reducing anti-social behaviour (parents & children);
- Reducing levels of crime and re-offending;
- Improving educational attendance;
- Moving adults closer towards the labour market.

The knowledge and analytical expertise within the Safer Hartlepool Partnership will ensure that the evaluation aspects of the Think Family, Think Communities Plan are met and appropriately co-ordinated and that this expertise is provided to enhance capabilities around the development of the Central Information Hub.

The development of a comprehensive information hub is an integral element of the Think Family, Think Communities Plan.

6.2. Governance

Hartlepool has mature partnerships that are built on a strong and agreed vision for the Borough. The governance for the Think Family, Think Communities programme will rest with the Safer Hartlepool Partnership, as displayed in the figure 2.

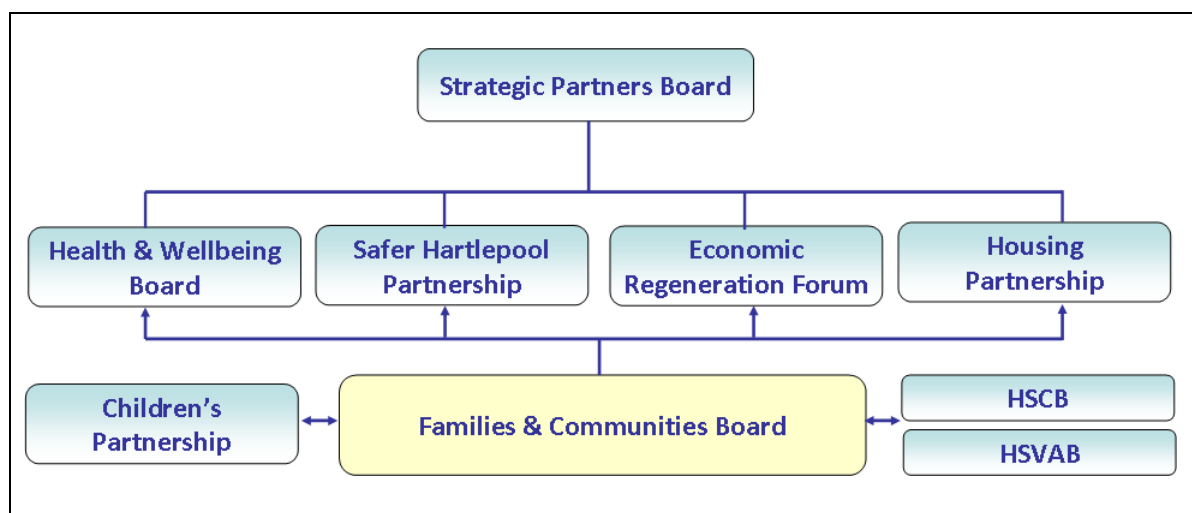


Figure 2. Think Family, Think Communities governance structure

The Safer Hartlepool Partnership itself is underpinned by a Families and Communities Board consisting of strategic and operational lead officers from across partner agencies who are committed to achieving better outcomes for families, communities and the Borough. The Board will take responsibility for the Think Family; Think Communities programme development and delivery, including the refresh and re-design of local services where change is needed. The Board will also have responsibility for the implementation of the Child Poverty agenda.

The partners on the Families and Communities Board are:

- Cleveland Police;
- Durham and Tees Valley Probation Trust;
- HM Prison Service
- Cleveland Fire and Rescue Service;
- Housing Hartlepool;
- HBC Children's Services;
- HBC Adult Services;
- HBC Regeneration (Housing and Economic Regeneration Team);
- HBC Neighbourhood Services (Neighbourhood Management /Community Safety);
- HBC Public Health (currently PCT);
- The North Tees & Hartlepool NHS Foundation Trust;
- Tees, Esk & Wear Valley NHS Foundation Trust;
- Job Centre Plus;
- Voluntary & Community Sector.

Each of these partners will identify senior staff within their service area that will become "Think Family, Think Communities champions", and lead on the development of the work in their organisations. Champions will be tasked with driving change by identifying what resources and flexibilities their services can bring together to support the programme and create the 60% resource pot to deliver it. Each partner will be required to identify how they will contribute to the delivery of this programme.

The Assistant Director (Neighbourhood Services) in the role of the Safer Hartlepool Partnership Coordinator will assume the role of Think Family, Think Communities Coordinator supported by the Assistant Director (Child and Adult Services) to ensure that the programme benefits from the strategic direction of senior staff to make it a success. They will be responsible for driving forward the work of the Families and Communities Board, ensuring effective links with each of the thematic partnerships, developing collaborative working, raising awareness of the programme and boosting the pace and scale of multi-agency working that will improve the lives of those families within the programme and their local communities.

The Early Intervention Strategy will be led by the local authority Director of Children's Services and Lead Member for Children's Services and will be the responsibility of all partners within the Children's Partnership. This strategy is supported by an implementation plan which sets out in detail the planned work to be completed to achieve the strategy. Responsibility for the implementation of the strategy will be led by officers from within Children's Services who will report progress to the Children's Strategic Partnership.

6.3. Data Sharing

There has been a significant amount of work undertaken on data sharing and the Information Hub is bringing a lot of that information together. This work needs to be built on as the Think Family, Think Communities Plan moves forward so that families can be identified and there is a shared knowledge and understanding of the work being undertaken and the ability to monitor progress towards agreed goals and outcomes.

The use of accurate data is critical to the development of the troubled families programme. The findings from this work will be used to inform the Local Authority and its partners on the future effective sharing of data to enable families to receive timely and appropriate support at the earliest opportunity.

The sharing of information in order to identify the families has been agreed by internal Council departments using the current Community Safety Information Sharing Protocol based on the following legal framework:

- The Crime and Disorder Act 1998 – focusing on section 17 of the Act which places a statutory duty on every local authority to prevent crime and disorder in its area’.
- Children Act 2004 - Section 10 of the Act places a duty on each children’s services authority to make arrangements to promote co-operation between itself and relevant partner agencies to improve the well-being of children in their area.

The provision of Department for Work and Pensions data to the Local Authority in support of the identification of Troubled Families has been secured by the DCLG Troubled Families Team through the development of a data sharing template and Memorandum of Understanding (MOU).

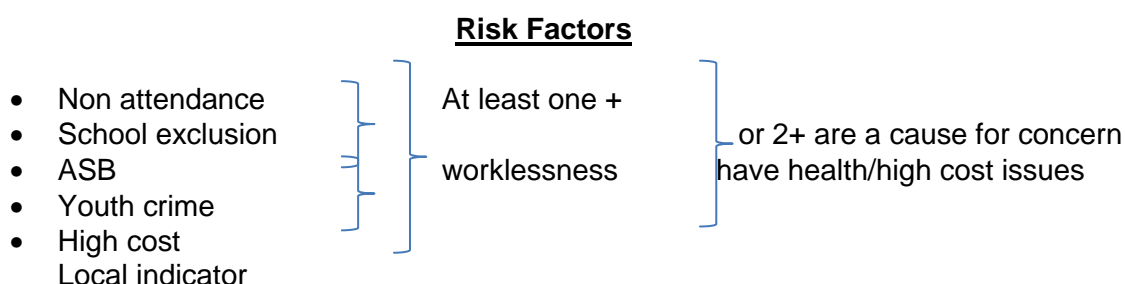
The information hub will have access to all children’s systems and will be overseeing the eCAF system therefore this will hold information on all the Troubled Families. The hub will sit alongside the current social care duty team to ensure that any safeguarding concerns are addressed. The community safety data team will be key partners and will work alongside the hub to ensure that crime and disorder data is readily accessible. All data will be securely exchanged and stored in accordance with current legislation and the Community Safety Information Sharing Protocol. It will be the responsibility of the hub to track progress of the identified families in order to report to the Troubled Families Team.

.

7. Delivery Model

Hartlepool is committed to working with 290 Troubled Families over the next three years. The Continuum of Need shown at figure 1 (page 14) highlights where these families fit across the range of universal, targeted and specialist services. This Plan identifies that these families will be across a wide spectrum of need and families are likely to be known to services. Over time, the intention is to intervene early with families before they reach the threshold for Troubled Families.

In accordance with guidance issued by the DCLG Troubled Families Team, families with 2 or more risk factors are a cause for concern and meet a high cost/health issue (or other locally agreed criteria) therefore coming into the Troubled Families programme.



Local discretion indicators for consideration include but are not limited to:

- Families containing a child who is on a Child Protection Plan or where the local authority is considering accommodating them as a looked after child;
- Families subject to frequent police call-outs or arrests or containing adults with proven offences in the last 12 months, such as those who have been in prison, prolific and priority offenders, or families involved in gang-related crime;
- Families where a parent is in prison;
- Families with health problems including:
 - Emotional and mental health problems
 - Drug and alcohol misuse
 - Long term health conditions
 - Health problems caused by domestic abuse

Funding is available for 5 out of every 6 families which based on 290 families' means that there are 242 families to be worked with through the troubled families programme over the next 3 years. The expectation is that a further 48 families will be worked with through existing provision and will be monitored and reported on.

The plan in Hartlepool is to work with a third of the families in year one, this equates to 97 families with an attachment fee available for 81 of these. Work will begin with the first 30 families between May and July 2012

It will be necessary to identify more than 97 families in the first year cohort as there will be some families where all the outcomes are not achieved or who fail to engage.

7.1. Team around the Family

It is likely that all of the identified families will be known to an agency that is part of the Think Family, Think Communities partnership. Building on the Team around the Child/Family/Household model, the agency involved (or the most appropriate agency if a family is known to more than one agency) will take on the lead practitioner role and coordinate a Team around the Family (TAF).

The purpose of the TAF will be to:

- Ensure there is an assessment and plan that reflects the needs of all members of the family;
- Ensure the relevant agencies necessary to deliver this plan are part of the team;
- Ensure the needs of the family will be looked at through the “new lens” of revised service delivery which identifies how best to meet family’s needs rather than fitting families to services;
- Identify if any individuals in the family would benefit from the Familywise programme;
- Refer back to the Families & Communities Board any organisational barriers to achieving delivery of the plan.

Each TAF review will be supported by the locally established Troubled Families Team which will comprise key staff members from the Councils Children’s Services and Community Safety Team, who, acting on behalf of the Programme Coordinator, will ensure consistency of approach, but also encourage innovation and creativity. They will also act as a reference and support to Lead Practitioners who are less familiar with this role.

This first set of TAF arrangements will take place between May and July. The second larger cohort of families will be identified in July and work commences in September so that by December all the first year families will be engaged in the local delivery programme.

All the Think Family, Think Communities partners will undertake to agree enhanced access to services and flexible working once these families are identified as part of the Troubled Families cohort and it will be part of the role of the Think Family, Think Communities Board to champion these changes in their home organisations. They will also be the first point of contact where there are organisational blockages or barriers.

A personalised budget will be established and administered by the Think Family, Think Communities Board Steering Group as this model (tested through the personalised budget pilots and Family Intervention Project) of having relatively small sums of money available can be a powerful catalyst for change with families.

The Think Family, Think Communities Board will agree an initial action plan to ensure the timely and smooth delivery of the programme and will continuously review the pilot phase of the project to identify any gaps or changes that need to be resolved through July and August.

It will be critical that the staff working with the first 30 families have sufficient support both operationally and strategically to build a firm foundation for the programme, this may mean identifying additional resources in year one.

7.2. Workforce Development

There are wide ranging workforce development issues to be addressed, especially around supporting staff to move to a more family based approach.

One of the first key tasks of the Families and Communities Board will therefore be to develop a Workforce Development Plan to address any development issues and to keep this under review.

7.3. Communication

A communication and engagement strategy will be developed by the Families and Communities Board to set strategic direction for communicating key messages to strategic leads, managers and frontline staff across all partners. It will include how families are communicated with and how they will be engaged to influence the reshaping of services that will be a key part of agreeing new arrangements. Arrangements for communicating with key stakeholders such as elected members, the voluntary and community sector and the media will be incorporated into the strategy.

7.4. Monitoring and Evaluation Framework

A robust evaluation framework will be an integral part of the Think Family, Think Communities Plan and will be developed as an underpinning document to this Plan. The framework will encompass the outcomes for individual families and the savings delivered (cashable savings, reductions in opportunity costs and estimated future cost reductions through prevention), along with the cultural change expected in the way services are delivered.

In accordance with the identification of Troubled Families, baselines will be set at the start of the programme. It will be the responsibility of the information hub to track the progress of the families in order to report to the Troubled Families Team.

The evaluation will be outcome based with rigorous performance monitoring, which will be overseen by the Families and Communities Board.

Strategy Links

Early Intervention Strategy: A Better Childhood in Hartlepool

Hartlepool Child Poverty Strategy

http://www.hartlepool.gov.uk/info/200016/childcare/1074/surestart_extended_services_and_early_years/15

Safer Hartlepool Partnership Crime and Disorder Strategy www.saferhartlepool.co.uk

Neighbourhood Management and Empowerment Strategy

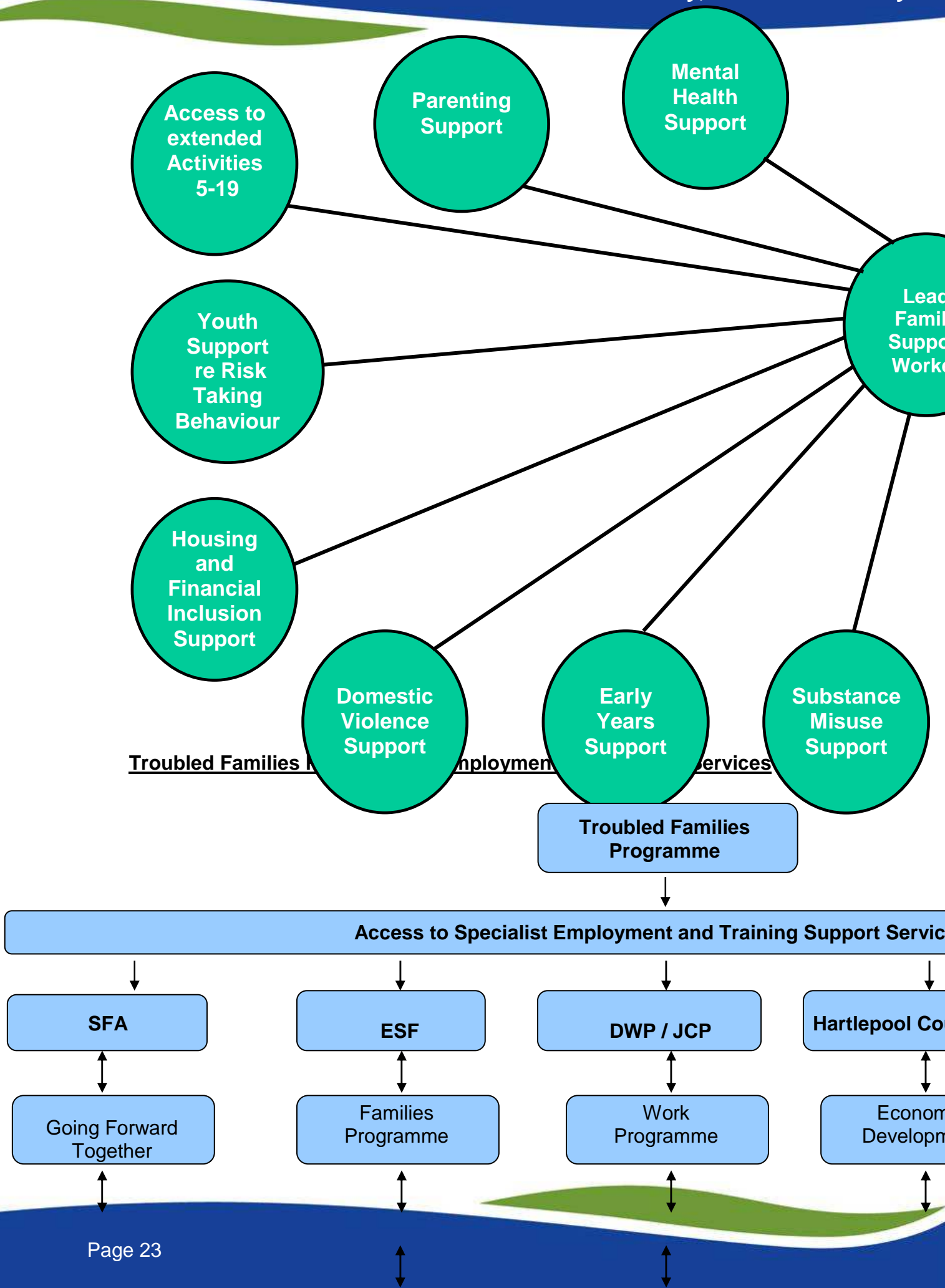
Appendices

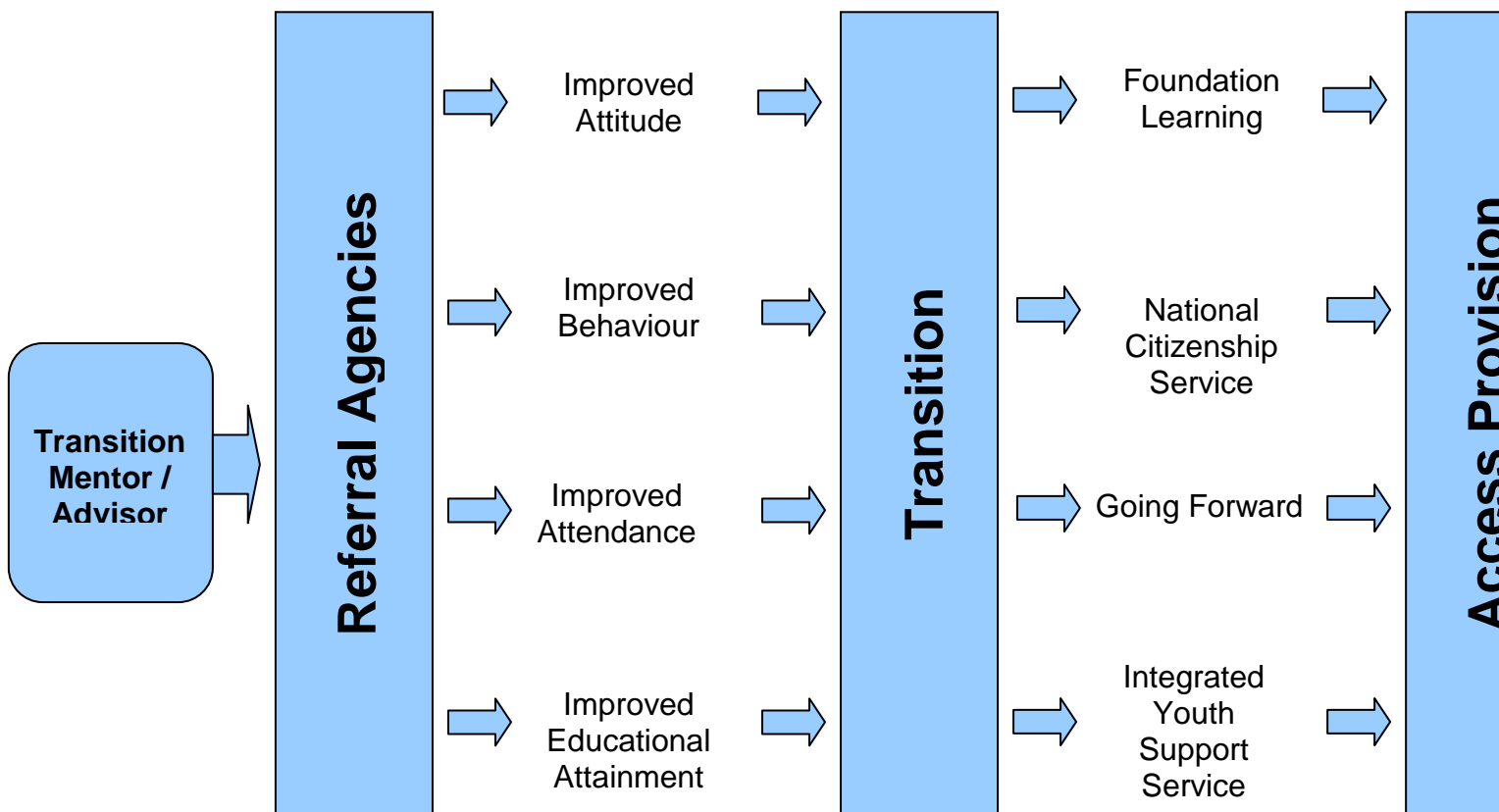
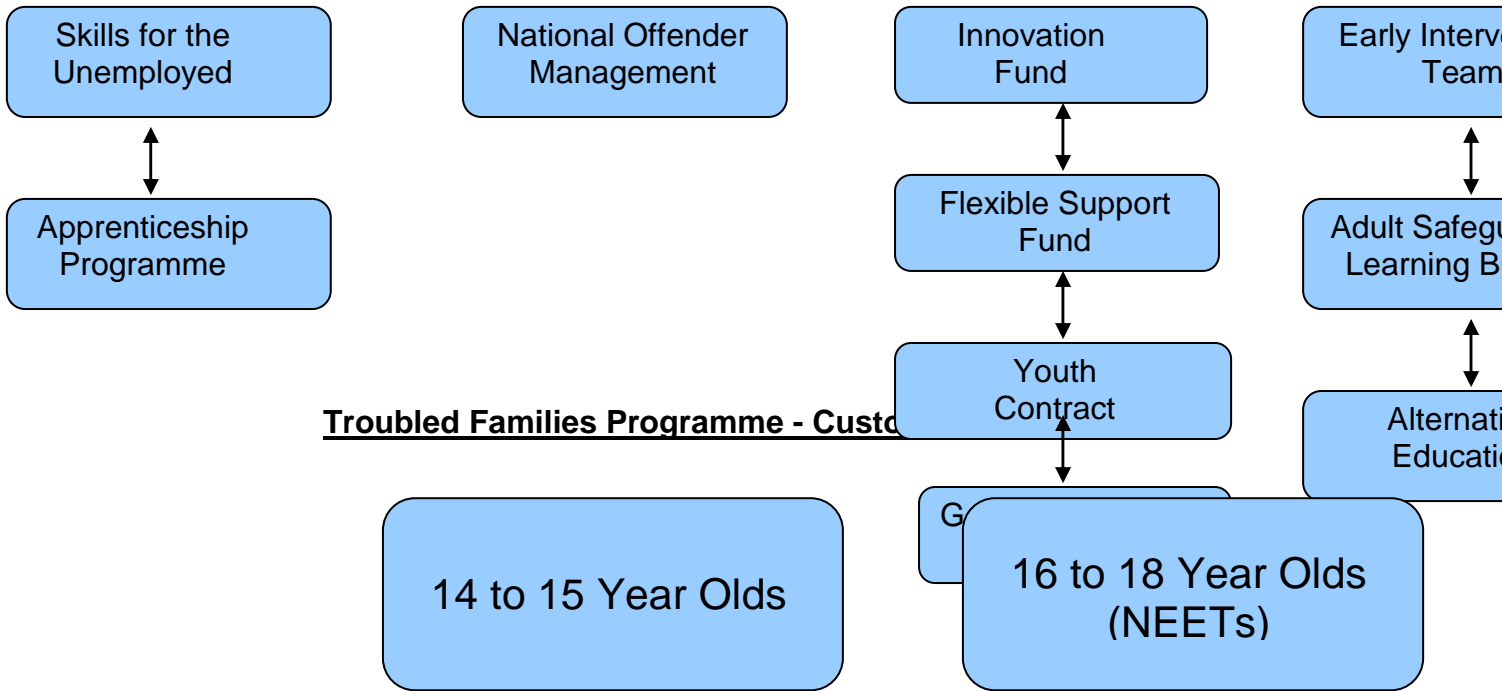
Appendix A – Early Intervention Multi-Disciplinary Team Model

Appendix B – ESF Programme - Specialist Provision

Appendix C – ESF Programme - Customer Journey

Appendix D – DCLG Troubled Families Programme – Financial Framework for the Troubled Families Programme's payment-by-results scheme for local authorities – March 2012.







www.communities.gov.uk
community, opportunity, prosperity

The Troubled Families programme

**Financial Framework for the Troubled Families
programme's payment-by-results scheme for local
authorities**

March 2012

INTRODUCTION

What is this programme about?

The Prime Minister has confirmed his intention to ensure that 120,000 troubled families are 'turned around' by the end of this Parliament. These families are characterised by there being no adult in the family working, children not being in school and family members being involved in crime and anti-social behaviour.

These families almost always have other often long-standing problems which can lead to their children repeating the cycle of disadvantage. One estimate shows that in over a third of troubled families, there are child protection problems. Another estimate suggests that over half of all children who are permanently excluded from school in England come from these families, as do one-in-five young offenders.

Other problems such as domestic violence, relationship breakdown, mental and physical health problems and isolation make it incredibly hard for families to start unravelling their problems.

The cost of these families to the public purse is very significant – approximately £9 billion a year, the vast majority spent on reacting to their problems. And most importantly, most of the money being spent is not providing lasting results and changing lives.

The need to take a new approach

This waste of human potential is not sustainable and therefore the Government has committed to a renewed drive to deal with troubled families. As part of the Troubled Families programme, it has put in resources to incentivise and encourage local authorities and their partners to grasp the nettle; to develop new ways of working with families, which focus on lasting change, recognising that these approaches are likely to incur extra costs but that they will result in a shift in the way we work with these families in the future – reducing costs and improving outcomes.

The new results-based funding scheme provides an important financial incentive to get to grips with and deal with troubled families. However, the ambition here is greater. Through this programme we want to learn not only

about changing the trajectory for families but also to change the way services are delivered to them.

We know that many authorities have already seen the potential for this programme not only to deal with some incredibly challenging problems and families, but also as a way of redesigning their services for the longer term.

This framework document

In December last year, all authorities were provided with figures on the indicative numbers of troubled families in their area. This figure represents the number of families that you are being asked to turn around.

You may not succeed in turning around every family that you work with, and therefore it is likely you will need to work with more families than your indicative numbers.

This document explains

- the process for drawing up the list of families who will be part of the programme, the criteria drawn up by government and also how to employ your local intelligence on families with serious problems and high costs;
- the criteria for identifying which of these families are eligible for additional funding from government through a payment-by-results scheme; and
- what you would need to achieve with each family in order to claim the result-based payment.

This document is not a delivery strategy. It does not cover good practice on interventions for families, or provide advice on drawing up your local business case for investment or redesigning of public services. We will have a role in helping to build up and share that kind of information among the network of Troubled Families co-ordinators, but are not attempting to do that here.

Section A: Identifying your families locally

Introduction

'Troubled families' are households who:

- Are involved in crime and anti-social behaviour (ASB)
- Have children not in school
- Have an adult on out of work benefits
- Cause high costs to the public purse

The criteria for drawing up the families to be targeted by the Troubled Families programme therefore reflect these issues.

It is unlikely that local authorities will be unaware of these families. The majority will be families who have been on different services' radars for long periods, sometimes through generations. This programme, and the investment that accompanies it, represents an opportunity to take a systematic and strategic approach to these most challenging of families who have concerned services for years.

The first stage of this programme is the compilation of the list of families who will be part of the programme. Overseeing the compilation of the list will be a central task for the Troubled Families co-ordinator.

The definitions used and the processes for drawing up the list of families have been developed in close co-operation with local authorities, and are designed to make use of existing administrative systems and definitions to avoid excessive bureaucracy and administration. Annex A gives more detail on who should have the relevant data, and how they can share it.

You will see that the process for compiling the list takes you through several steps. Any family that meets the first three criteria (crime/ASB, education and work) should automatically be part of the programme.

We expect that given that these families will also have many other problems, those who meet the three criteria will be many of your families of existing concern to you. However local discretion is very important, so there is a fourth filter for you to add in other families you are concerned about.

The total number of families on the list should match the indicative number of families that were sent to you in December 2011. In many areas this is a confirmation exercise of work that is already done or is underway.

1. Crime/anti-social behaviour (ASB)

Identify young people involved in **crime** and families involved in **anti-social behaviour**, defined as:

- Households with 1 or more under 18-year-old with a proven offence in the last 12 months

AND/ OR

- Households where 1 or more member has an ASBO, ASB injunction, anti-social behaviour contract (ABC), or where the family has been subject to a housing-related ASB intervention in the last 12 months (such as a notice of seeking possession on ASB grounds, a housing-related injunction, a demotion order, eviction from social housing on ASB grounds¹).

2. Education

Identify households affected by truancy or exclusion from school, where a child:

- Has been subject to permanent exclusion; three or more fixed school exclusions across the last 3 consecutive terms;

OR

- Is in a Pupil Referral Unit or alternative provision because they have previously been excluded; OR is not on a school roll;

AND/OR

- A child has had 15% unauthorised absences or more from school across the last 3 consecutive terms².

Criteria 1, 2 and 4 do not need to be conducted in any particular order. You may work with your local partners to identify any families which meet **at least one or both** of these criteria. However, for data-sharing reasons, criteria 3 (identifying those on out of work benefits) should only take place once you have identified all families who meet **one or both** of criteria 1 and 2.

3. Work

Once you have identified everyone who meets one of both of criteria 1 and 2, you may identify households which **also** have an adult on DWP out of work

¹ This is an indicative rather than exhaustive list. If you use other comparable measures or interventions to identify families involved in anti-social behaviour, you should consider these equally applicable.

² As per DfE definition of 'persistent absence', July 2011

benefits (Employment and Support Allowance, Incapacity Benefit, Carer's Allowance, Income Support and/or Jobseekers Allowance, Severe Disablement Allowance).

All families who meet all of criteria 1-3 in your area should automatically be included in the programme. The balance should be identified using your local discretion.

4. Local discretion

Use this local **discretion filter to add** other families who meet any 2 of the 3 criteria above **and** are a cause for concern. It is up to you to consider with local partners, such as health, police and others what the range of issues is that you will use to prioritise and how to identify the families, but those who are **high cost** and those with health problems could include:

- Families containing a child who is on a Child Protection Plan or where the local authority is considering accommodating them as a looked after child
- Families subject to frequent police call-outs or arrests or containing adults with proven offences in the last 12 months, such as those who have been in prison, prolific and priority offenders, or families involved in gang-related crime
- Families with health problems (see below)

The experience of family intervention projects and other similar services is that many troubled families have underlying **health problems**. Often these are not fully recognised until intensive work with the family is underway. However, where these issues are known, they may be important factors in identifying your local troubled families. Particular priority health problems which you should consider include:

- Emotional and mental health problems
- Drug and alcohol misuse
- Long term health conditions
- Health problems caused by domestic abuse
- Under 18 conceptions

A flow chart which summarises how you may look to apply these criteria can be found at Annex B.

Numbers to identify

While it is important that you are able to sign up to the overall number of

families with whom you intend to work over the three years, it is not expected that you will have identified all the families on your troubled families list in April 2012.

You should aim to identify approximately one-third of your families in 2012/13 and the majority of your families in 2013/14. However, there is some scope for further discussions with individual local authorities about these figures, within the constraints of our budget.

Section B: Financial resources

Introduction

Although troubled families cost a great deal of money to services locally, these resources are not necessarily helping to change families long term. £8 billion of the £9 billion estimated to be spent on these families each year³ is being spent reacting to problems rather than solving them. Government is therefore prepared to invest new resources under this programme to help find different ways of working to reduce costs and improve the effectiveness of interventions.

This additional money is being used to offer local authorities up to 40% of the cost of extra interventions that can help turn around these families' lives, paid primarily on a payment-by-results basis.

It is estimated that the average unit cost of intensive interventions that are known to work with this group of families, including family intervention projects and others, is around £10,000.

DCLG will make available up to £4,000 for each troubled family in your area that is eligible for the payment-by-results scheme, and it is expected that you and local partners make up the rest of the investment. We hope that you will take advantage of the opportunity to invest this relatively large amount of resource into a small amount of families to achieve lasting change for them.

The rest of this section details how the money we are providing will be paid.

Up-front payment – the 'attachment fee'

The DCLG funding will be paid primarily on a results basis, to incentivise a focus on achieving outcomes. But it is recognised that there will be up-front costs associated with restructuring services, taking on new staff or commissioning services, and some greater risks in the earlier years, until services become more established and savings can be realised.

To provide some certainty, help overcome these risks and help you reach deals on investment with partners, **a proportion of the £4,000 funding will be paid upfront as an 'attachment fee' for the number of families with whom you start working, and the rest will be paid once you have achieved positive outcomes with a family.** You may not succeed in turning around every family

³ DCLG analysis of estimated cross government spending on troubled families (2011)

that you work with and therefore it is likely you will need to work with more families than your indicative numbers. However, you should note that the number of attachment fees available will reflect only those who you work with successfully (rather than every family you start work with).

For 2012-13 this attachment fee will be set at 80 per cent, reducing to 60 and 40 per cent in the next two years (see table below). In 2012-13, the attachment fee will be paid as a single grant payment.

Total funding available per family = £4000		
Year	% of payment offered as upfront attachment fee	% of payment offered as a results-based payment in arrears
2012/13	80%	20%
2013/14	60%	40%
2014/15	40%	60%

Results-based payments from central government

Your authority will be able to collect a payment for each eligible family if they achieve the results set out in the box below. The 'results' are largely the inverse of the 'problem' criteria set out in the previous section. The table below sets out a summary of the results on which payment will be made in 2012/13 – the technical definitions are set out in Annex C.

Measures and definitions for results have been chosen that, as far as possible, are already collected within **existing administrative systems**. This is intended to keep the process of claiming results-based payments as simple as possible.

It is expected that, based on the average length of a successful intervention with a family and the time frame for showing results, that you should be able to claim your results-based payments around 12 months after the intervention has started. There will of course be variables here – the complexity of the family, the length of time it takes to start getting results and, in some cases, time lags in verifying results.

Result	Attachment fee	Results payment	Total
They achieve all 3 of the education and crime/ASB measures set out below where relevant: 1. Each child in the family has had fewer than 3 fixed exclusions and less than 15% of unauthorised absences in the last 3 school terms; and 2. A 60% reduction in anti-social behaviour across the family in the last 6 months; and 3. Offending rate by all minors in the family reduced by at least a 33% in the last 6 months.	£3,200 per family	£700 per family	£4,000 per family
If they do not enter work, but achieve the 'progress to work' (one adult in the family has either volunteered for the Work Programme or attached to the ESF provision in the last 6 months).		£100 per family	
OR			
At least one adult in the family has moved off out-of-work benefits into continuous employment in the last 6 months (and is not on the ESF Provision or Work Programme to avoid double-payment).	£3,200 per family	£800 per family	£4,000 per family

Note that for the crime, ASB, education and 'progress to work' results, if one of the measures is not relevant, the full results payment will still be made. For example, if a family does not have a youth offending problem, but does satisfy the ASB and education criteria and enters the programme on this basis, you would still be able to claim the £700 in 2012/13, provided the education and ASB results had been achieved (and that youth offending had not subsequently occurred).

Furthermore, if all the adults in the family are in work, but they nonetheless satisfy the ASB/crime and education criteria and enter the programme on this basis, you would still be able to claim the £100 in 2012/13, provided everyone in the family stays in work.

Verification of results

We are asking for self-declarations of these results by your local authority and the Troubled Families team will issue results payments on the basis of these declarations. This should be approved within your own Internal Audit arrangements and under the authority of the Chief Executive. In addition, DCLG will carry out a small number of 'spot checks' in a sample of areas.

Families already funded and 'turned around' by existing or new programmes

It is very important that we deliver maximum value for money and so we need to ensure, as far as possible, that we don't pay twice for the same family achieving the same outcome under different programmes. There are a number of programmes already working with this group of troubled families with significant levels of investment; these include the £200m **European Social Fund** provision working with those furthest away from employment, the Government's Work Programme and a small number of Government-funded **Multi-Systemic Therapy** pilots.

In addition to programmes such as these, we know that many areas have been working with troubled families in a targeted way for some time through approaches such as Family Intervention Programmes (FIPs), or other targeted interventions funded (at least in part) by your **Early Intervention Grant**. There is evidence that these are successful in turning around the lives of troubled families. Since the Government's ambition for 120,000 troubled families was made public in December 2010, many of these services will already have achieved very successful outcomes with significant numbers of families.

You should take full advantage of all such programmes, and consider how they fit with your local provision in order to achieve maximum value for money and the best outcomes for troubled families.

The payment structure of the Troubled Families programme assumes that you are taking advantage of these schemes in order to avoid double payments.

Our analysis shows that the above schemes should account for successfully turning around the lives of approximately 20,000 families across England for the period from December 2010 to March 2015. This leaves a further 100,000 troubled families where additional funding is now available from our payment-by-results scheme. **This means that we will fund up to 40% of the costs of turning around the lives of five out of every six troubled families in each local authority area.**

It is for local areas to decide the best way of identifying the one-sixth of troubled families who will achieve comparable results through other programmes. However, as an illustrative example, once you have a list of the families with whom you intend to start work in 2012/13, you may wish to (a) identify the less complex within this group, whose needs include worklessness, and refer them to the ESF provision until this reaches capacity; (b) identify the families who meet the eligibility criteria for your MST pilot (where relevant) and refer these families until it reaches capacity; and (c) consider what action is needed with the remaining number of families in your area with whom you will start work as part of the new payment-by-results arrangements.

There is flexibility within these arrangements to use whatever approaches fit within your local plans. However it is important that local authorities take responsibility for ensuring that all the identified troubled families in their area have their lives turned around. It will be a major responsibility of the Troubled Families co-ordinators (for whom 3 years funding is being made available) to co-ordinate the use of all available programmes and to track the outcomes being achieved for all troubled families in their area on behalf of the Chief Executive.

The breakdown of what this means for your area and how many households will be eligible for the payment-by-results scheme has been sent to each area in the covering letter to your Chief Executive sent out with this framework.

Research and evaluation

The Troubled Families programme will be evaluated covering what has happened under the programme, the difference it has made to families as well as to the way services are delivered and the savings that have been achieved by local areas. In short this evaluation will be much wider than the results reported under the payment-by-results scheme, reflecting the wider aims of the Troubled Families programme.

This is incredibly important and therefore we expect that all areas to commit to take part in and support the research, learning and wider evaluation of the programme as part of our agreement with individual areas.

We hope to work with local authorities in the development of the evaluation design.

ANNEX A – TECHNICAL DETAIL ON IDENTIFYING FAMILIES

This annex highlights sources of information to help you identify families, or verify that particular families meet the Government's criteria. Where possible, measures and definitions have been chosen which are already collected within existing administrative systems.

In addition, as many areas have identified potential issues with data sharing which may arise in the compilation of the list, advice on the legal authority for sharing information is included, and any procedures which need to be followed in order to comply with data sharing legislation.

Throughout these identification criteria, families are identified on a 'household' basis. For these purposes, the definition used by the Census 2011 may be useful – i.e. 'a group of people who either share living accommodation, or share one meal a day and who have the address as their only or main residence'.

In some areas, population churn and engagement across local authority boundaries may be an issue. For example, some children may live in one local authority, but attend school in another; and some families may move between local authorities mid-intervention. We will work with local areas over the coming weeks and months to help you overcome these issues and provide further advice. However, we hope you will work with neighbouring local areas to develop pragmatic information-sharing solutions to these issues.

Crime and anti-social behaviour

In this context, a proven offence is defined as any offence which receives a formal out of court or court disposal. This includes custody, fines, community sentences, reprimands, warnings, cautions and PNDs⁴.

In most cases, the main sources of information on families involved in anti-social behaviour and children involved in crime is likely to be the community safety partnership.

Community safety partnerships should also hold information on anti-social behaviour interventions and families of concern in the area. However, where this is not comprehensive, information may need to be drawn from community safety teams, registered social landlords, district councils and police.

⁴ MOJ/YJB Youth Justice Statistics 2010-11

In relation to youth crime, sources of data on young people with a proven offence will be the Police National Computer, available through the local police and Youth Offending Teams. Both the Home Office and the Association of Chief Police Officers (ACPO) support the police's involvement in the Troubled Families programme.

Information can be shared under s115 of the Crime and Disorder Act. This provision allows the police, local authorities, health authorities, probation trusts to share information about any person for the purposes of preventing future crime and disorder.

Education – school attendance

Most of this data is already collected locally using Unique Pupil Numbers and is collectable at a local level on a termly basis, as part of standard data collection requirements for the Department for Education. However, there are a number of limited exceptions:

- Academies: Academies collect this data through compatible systems and are legally able to share this with you. Around half of academies share their data with local authorities and it will be in their interest to work with local authority partners on this programme.
- Fixed exclusions: This data is not collected for children in alternative provision independent schools or non-registered alternative provision providers. As such, you should identify these children within your own local systems and through discussions with such schools. We expect these to be relatively small numbers.
- There are a small number of children who are considered 'missing' because they are not on the school roll. These are likely to be among the most vulnerable and, therefore, it is important that the Troubled Families programme identifies them as far as possible. However, it is not our intention to target children who are being home schooled by including this criterion, as these children will be receiving an education from their parents at home.

In order to complete the identification process, you will need to share this data with the Jobcentre Plus. As far as possible, you should make schools aware that you intend to use this information for these purposes. Local authorities may collect and share this information under the implied powers of section 17 of the Children Act 1989 in order to support/protect children. As the data shared is likely to be considered 'sensitive' (under the terms of the Data Protection Act), you should only share this data for the purposes of identifying your troubled families.

Finding the families with adults on benefits

Following discussions with the Troubled Families Team, DWP Ministers have agreed to create a new legal gateway under the regulations of the Welfare Reform Act 2012. This will allow the DWP to share data with local authorities – without informed consent – for the sole purpose of identifying troubled families.

The new regulations will come into effect in May. As the Troubled Families programme's funding starts in April, the DWP has also agreed an interim measure to enable data sharing prior to the new regulations coming into force. For this period, DWP will use section 72 of the Welfare Reform and Pensions Act 1999.

Both of these measures will only work if a specific data sharing process is followed:

- The local authority should set up a GCSX secure email account exclusively for the purpose of sharing data with DWP for the identification of your troubled families.
- Once the local authority has identified families who meet one or both of the crime/ASB or education criteria, the local authority should share the list with a named contact in the local jobcentre, using the GCSX email account.
- As far as possible, local authorities should try to share the names of the people on this list as this will be easier and quicker for jobcentres to process within their systems.
- Local jobcentres will then check the list supplied to check if the named adults are claiming out of work benefits, and which benefits. They will also provide information about whether these adults are currently receiving support from either the Work Programme or ESF provision.
- Where the named family members who meet the initial crime/ASB and education criteria are all children, DWP will still be able to use this information to identify adults (where the adult is the parent of the child). Furthermore, DWP will also be able to identify the partners and spouses of adults who are identified under the crime/ASB criterion.
- The named contacts in local jobcentres will be confirmed, prior to April 2nd. These contact details will be sent to Troubled Families co-ordinators.

The aim of the process is to compile a single list that you pass to your local jobcentre. As far as possible, please liaise with local named contacts to ensure that the burden on local jobcentres is as manageable as possible.

least an annual basis in order to refresh lists and accommodate population churn. You may then agree a more frequent refresh process with your named contact if required, but should seek to minimise any unnecessary administrative burdens on jobcentres as far as possible.

Local discretion

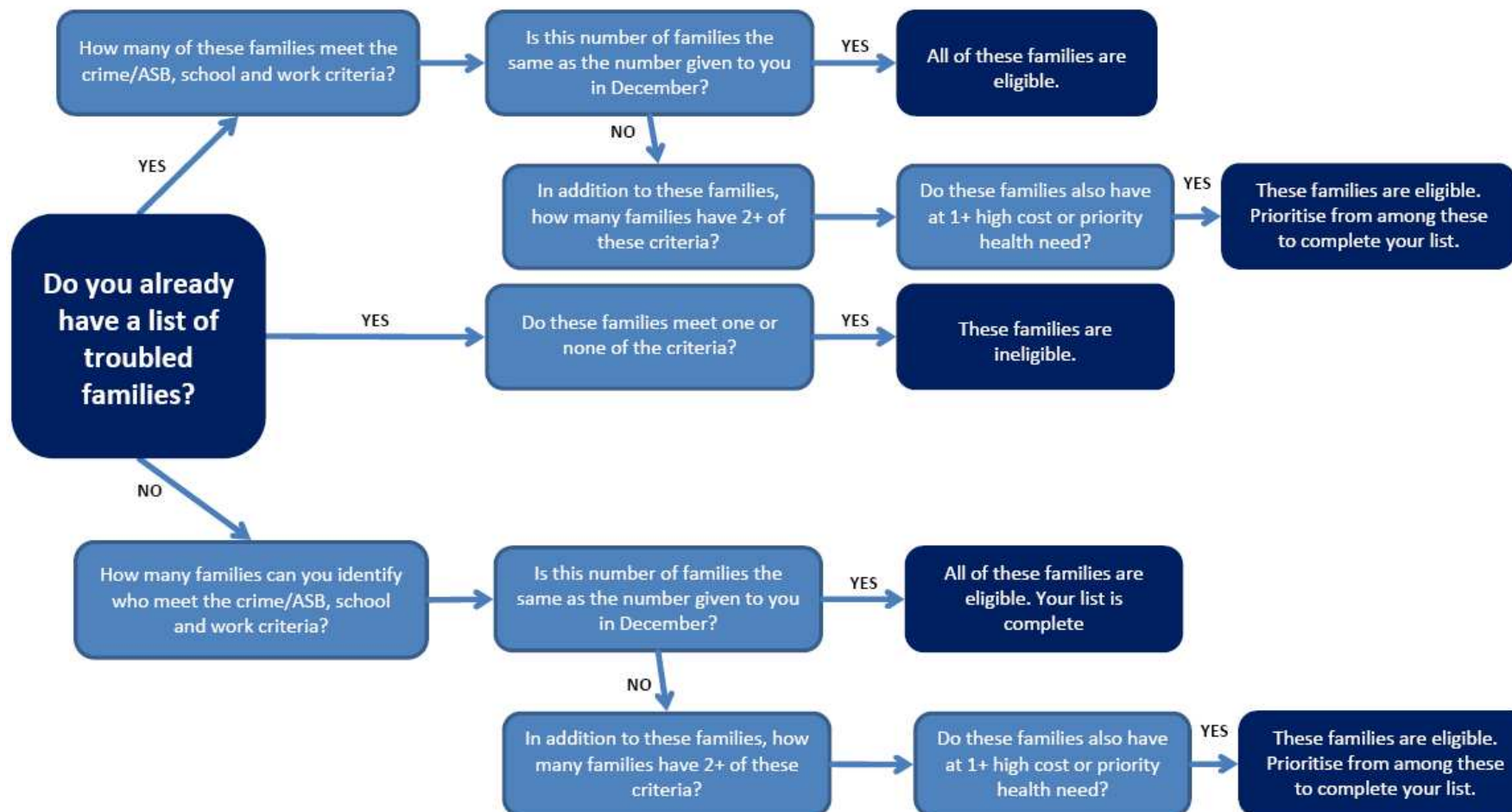
You should agree the most appropriate way of gathering local intelligence with your local partners. This should include engagement with partners in health, police, probation and children services. This stage should also allow you to draw on data sets which are specific to your area, rather than part of national information collection systems.

Refreshing your lists of troubled families

Families' needs are not static and will change over the course of the programme. It is not expected that you will have identified all the families on your troubled families list at the beginning of April 2012.

We would then expect you to refresh this list on at least an annual basis in order to identify the families with whom you intend to work in subsequent years and to take account of inevitable shifts in the profile of the list, as families move between areas and needs change.

Annex B: How to identify your troubled families



ANNEX C – Technical details on measurement of results

The timeframes for measuring results

As you will see, the results use a range of different time frames. However, the crime, education, anti-social behaviour and progress to work measures should be achieved within simultaneous time periods for each family. For example, if the achievement of the education measure applies to the summer term 2012 to summer term 2013, the children should achieve at least a 33% reduction in their offending and the family should achieve at least a 60% reduction in ASB between January-July 2013. It may be possible to achieve these results earlier in the academic year, but results should not be claimed if the behaviour has subsequently deteriorated.

To minimise some of the time lags in measuring these results, the measurement periods for the crime, ASB and progress to work measures relate to outcomes in the last 6 months. This is not intended to suggest that this is the maximum length of time with which you should engage with a family. We accept that many families require an intervention which is longer than this.

For example, you may work with a family for an average of 12 months and offending behaviour is reduced to the results level in the final 6 months of this intervention.

The family

As outlined in Section A, you have been asked to identify 'households' who meet the suggested criteria. Broadly speaking, it is expected that the same definition is used for the purposes of results measurement. However, it is understood that household composition will alter over time, with both positive and negative effects on a household. Local authorities will need to take a responsible approach to determining whether the changes in household composition affect the 'results' for a family and whether a payment can be claimed. For example the arrival of an adult who is committing anti-social behaviour in a household would obviously affect whether or not a results payment could be paid for that household. Similarly if an adult who was already in work joins a household, it does not constitute achieving the 'in continuous employment' result.

Education

This result requires:

- All children in the household who are in school, a Pupil Referral Unit (PRU) or Alternative Provision have had **fewer than three fixed term exclusion** and **less than 15% unauthorised absences** in the last 3 consecutive terms; and
- All children in the household who are not on the school roll have **moved into a school, PRU or alternative provision**, have had fewer than three fixed term exclusions and less than 15% unauthorised absences in the last 3 consecutive terms.

This result is essentially the inverse of the identification criteria and, therefore, it should be possible to use the same data collection systems and information sharing agreements to verify the achievement of this result. We recognise that some types of schools (e.g. alternative provision independent schools and non-registered alternative providers) do not collect all of this data in the same way. In these cases we similarly suggest that you self-declare whether the results have been achieved within your own locally determined systems. In many cases, this information may already be held by partners in children's services.

Some schools do not operate on a 3 term academic year (some have up to 6 academic terms). In these cases, measurement of this result should relate to the equivalent of an academic year. However, the time period can start at the beginning of any academic term. For example, it need not run from September to September, but could run from April to April or January or January.

Anti-social behaviour

This result requires:

- At least a 60% reduction in anti-social behaviour across the household in the last 6 months.

You should base the reduction in anti-social behaviour on a percentage reduction in recorded incidents and, where relevant, breaches of anti-social behaviour interventions.

As there are no universally used local data sets on anti-social behaviour, results in this area should be self-declared through whatever local systems are most appropriate. This may include data gathered by community safety partnerships, anti-social Behaviour Teams, Registered Social Landlords and Housing Offices.

Reducing crime by under-18s in the family

This result requires:

- Overall level of offending across all under 18-year-olds in the household has reduced their level of proven offending by at least 33% in the last 6 months, in comparison to their average level of proven offending in the previous 6 months.

To be consistent with the identification criterion, a proven re-offence is defined as any offence which receives a formal out of court or court disposal. This includes custody, fines, community sentences, reprimands, warnings, cautions and PNDs⁵.

For the purposes of claiming a result, if one of the children in a family turns 18 following identification, it is important that the offending behaviour of this family member is taken into account.

In order to base the result on a meaningful snapshot of offending behaviour, the performance level required is based on the average level of offending across the young people in the last 6 months, using 12 months' data. The result then requires at least a one-third reduction in the level of offending in the subsequent 6 months. In practice, this means the following:

Number of proven offences by u18s in the family in the 12 months prior to intervention	Average number of proven offences for 6 months = the basis for the required result	Maximum level of proven offending to claim the result
1	1	0
2	1	0
3	2	1
4	2	1
5	3	2
6	3	2
7	4	2
8	4	2
9	5	3
10	5	3

The data you will need to measure these results should be held by your local police on the Police National Computer data and collected by Youth Offending Teams. You should be aware that in some cases, court proceedings may result

⁵ MOJ/YJB Youth Justice Statistics 2010-11

in a time lag in verifying the achievement of this result (where the young person pleads not guilty to an offence for example). In these cases, success should not be claimed until relevant court proceedings have been completed.

For results payments to be made in good time, results levels for families with crime issues need to be achieved by May 2015 (this allows for a time lag in its demonstration for example, where there are pending court proceedings).

Progress towards work (but not in a job)

This result requires:

- An adult in the household has **volunteered for the Work Programme** or has been **attached to the ESF Provision** in the last 6 months.

The £100 payment which will be released for achieving this result does not need to be claimed at the same time as the combined education, crime and ASB results.

Whether someone is eligible to volunteer for the Work Programme depends on the type of benefits that they claim:

- Any ESA claimant (who has not already been mandated onto the Work Programme), Incapacity Benefit, Income Support or Severe Disablement Allowance claimants are eligible to volunteer at any point
- Pension credits claimants can volunteer from 12 months of claiming the benefit
- Pension credits claimants with a health condition can volunteer at any point.

Further information on these eligibility criteria is available here:

<http://www.dwp.gov.uk/docs/wp-pg-chapter-2.pdf>. If an adult's benefit status changes during the course of a local authority's work with them and it becomes mandatory (rather than voluntary) for them to engage with the Work Programme, they are no longer eligible to achieve this result. Your local Jobcentre Plus should be able to verify whether this result has been achieved. The new regulations which permit the identification of troubled families (see Annex A) also permit the sharing of data on this point.

Local authorities are responsible for identifying families for the ESF provision. The qualifying conditions for this provision are as follows:

- Multi-generational workless families with multiple problems
- Family members must be aged 16 or over

- At the start of the provision at least one member of the family must be in receipt of a DWP out-of-work benefit. This family member 'passports' all the other eligible family members
- Either no-one in the family is working or there is a history of worklessness across generations
- Family members who are working more than 16 hours a week will not be eligible.

The £100 payment will be made when one adult in a household has achieved the result. However, this is a per household payment and, therefore if another adult in the household subsequently also achieves the result, we are unable to make an additional payment.

Move into continuous employment

This result requires:

- An adult in the household to move off out of work benefits and into continuous employment.

This results payment is offered **as an alternative** to the crime, ASB, education and progress to work payments.

To avoid double payment for results from public money, households which include adults who are **already** subject to ESF provision or the Work Programme will not be eligible for a payment under this result.

The result is intended to be consistent with the 'into work' results expected of the ESF provision for troubled families. This includes the length of continuous employment required to claim the result. This period in time is determined by the nature of the benefits claimed by the individual:

Benefits	Period of continuous employment required
Job Seekers Allowance	26 weeks (out of 30)
Job Seekers Allowance (former Incapacity Benefit claimants)	13 consecutive weeks
Employment Support Allowance	13 consecutive weeks
Income Support or Incapacity Benefit	13 consecutive weeks
Carer's Allowance and Severe Disablement Allowance	13 consecutive weeks

In terms of verifying the achievement of this result, your local Jobcentre Plus should be able to confirm whether a person has moved off out of work benefits and this is similarly permissible under the new regulations (as per Section A). This should be possible on a case-by-case basis. Remaining in 'continuous employment' will need to be self-certified by the local authority, using locally determined verification systems, as Jobcentre Plus do not collect this information.

It remains important that you continue to refer all eligible and appropriate cases to the ESF provision as this programme is an important part of helping troubled families into employment locally. This is also likely to form the most appropriate provision for the majority of the one-sixth of troubled families for whom comparable results will be achieved through programmes other than the Troubled Families programme.

The 'moving off out of work benefits' element of this result will be affected by the introduction of Universal Credit. This will remove the distinction between in and out of work benefits. Further information on this will be provided ahead of its introduction.

CABINET REPORT

11 June 2012



Report of: Assistant Chief Executive / Chief Finance Officer /
Assistant Director Resources

Subject: MEDIUM TERM FINANCIAL STRATEGY – ICT
SERVICES

1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision (test (i)/(ii)) Forward Plan Reference No. CE 50/11

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to consider the options available to the Council and the associated timescales, costs and implications of implementing the decision of Council on 23rd February in respect of the Medium Term Financial Strategy (MTFS) and more specifically the provision of Information and Communications Technology (ICT) services for the authority.

3. BACKGROUND

- 3.1 The ICT service for the Council has been outsourced since 2001 when a 10 year agreement was established firstly with Sx3 and then subsequently with Northgate. The arrangement was extended for two years in 2009 with a number of benefits secured for the Council, including a reduction in the contract price for the period to 2013. The current arrangement for ICT services concludes at the end of September 2013.
- 3.2 Cabinet have received a number of reports over the last 18 months on the options and recommendations for the procurement of ICT and Revenues and Benefits Services and agreed to the procurement of these services using the Office for Government Commerce (OGC) Buying Solutions framework. The procurement was undertaken and a preferred bidder identified on the basis of the established evaluation framework with significant savings identified to form part of the MTFS over the next 7 years.
- 3.3 Both of the bids were robustly evaluated and assessed by Officers, utilising appropriate external expertise and it was the professional advice of officers that formed the basis of the report to Council both in terms of the solutions offered and the financial (and cost savings profiles). Both of the bids proposed at this stage had one-off upfront costs to secure the significant savings over the lifetime of the proposed contract. Cabinet determined to proceed with the preferred bidder and the upfront costs for proceeding with the preferred bidder formed part of the MTFS for consideration and potential

agreement by Council. This was not agreed and Council determined the following;

“This Council cannot agree to the budget proposal from Cabinet relating to the upfront 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”

- 3.4 As a result of this decision the 2013/14 budget deficit increased by £0.536. It should also be noted that in addition to the above decision Council also determined, at the meeting on 23rd February that an additional £125K be taken from the Job Evaluation Appeal Reserve for the retention of denominational transport. After reflecting this decision, and the allocation of resources to offset the removal of the ICT / Revenues and Benefits proposed savings the uncommitted Job Evaluation Appeal Reserve of £0.545m has been transferred to the General Fund Reserve.
- 3.5 This report is designed to enable consideration of the options, timescales, associated costs and requirements to implement the decision of Council.
- 3.6 Previous reports to Cabinet, in respect of ICT and Revenues and Benefits, concluded that:-
- preliminary research indicated that significant savings for the Council could be achieved
 - there are potential benefits to Hartlepool in economic regeneration
 - there is significant private sector experience in the delivery of these services on behalf of the public sector
 - proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide
 - statutory protections for current staff would be maximised
- 3.7 The evaluation of the submissions identified that significant savings could be achieved through the provision of the services concerned by an external company, that there would be benefits to the local economy in terms of new jobs and that staff terms and conditions could be protected and that these elements would be contractually enforceable measures.
- 3.8 In addition the authority is investigating the options available and potential business cases in respect of collaboration on a range of services (in line with the programme Cabinet agreed). The options available through collaboration

may impact upon the current ICT provision and systems and applications utilised and whilst an exercise such as this offers potentially significant financial benefits it should be noted that it may be that it affects the scope and scale of collaboration savings that may be achievable.

- 3.9 In relation to potential savings in Revenues and Benefits these will be considered in the context of the forecast budget deficits in the same way as other services and incorporating consideration of the recommendations from previous scrutiny investigations. A separate report considering these matters will be prepared for Cabinet.
- 3.10 It needs to be recognised that the approach the Council adopts in relation to examining the options for ICT will need to be managed carefully to ensure there is appropriate private sector interest, which will be critical to ensuring value for money is achieved from the final procurement solution, be this either an in-house bid, award to a private company or public/public provision. In relation to engagement of the private sector the authority will need to manage the impact of the previous Council decision not to award a contract for ICT / Revenues and Benefits. Additionally, the Council will potentially need to manage expectations around exploring both an in-house bid and public/public provision on the engagement of the private sector, as these initiatives may deter the private sector from bidding as they incur significant costs in bidding for work.
- 3.11 The Council will also need to manage the impact of not achieving savings from ICT until 2013/14 (which will only be a part year saving), either by making alternative permanent savings in other services, or by using the uncommitted Job Evaluation Appeal Reserve on a temporary basis until the full year savings flow through in 2014/15. This issue will need to be assessed as part of the 2013/14 budget process.

4. BASIS FOR PREVIOUS PROCUREMENT

- 4.1 The procurement process followed for ICT and Revenues and Benefits and particularly the contract documentation and evaluation methodology used was based on the key objectives identified by Cabinet i.e.:-

- A base in Hartlepool
- Retain and grow jobs
- Local Economic benefits

The Authority identified as a key requirement that any procurement exercise should offer a model of service delivery which includes, within the context of the services being procured, regeneration based in Hartlepool and aligns to the delivery of services at a sub regional and regional basis and included plans to both retain and develop jobs within the service areas being procured.

- Enhanced TUPE protection for staff

It was identified that an important part of any requirement was to protect the current employment and employment rights of staff.

- Maintain and improve services

It was identified that the solution was required to combine high quality service delivery, with guaranteed efficiencies in delivery and that particular consideration would be given to how the provider would review and improve provision over the course of the agreement.

- Achieve savings

In recognition of the changes and pressures which the Authority faces there was a requirement for providers to identify the guaranteed and contractually enforceable savings to be delivered against the current cost base, reflective of the budget reductions in the MTFs and anticipated Central Government Grant cuts, the approach to the risks in delivering these savings and the assumptions made in determining these.

- Scalability in terms of services and expansion to other Local Authorities

To identify how these arrangements will be beneficial to the Authority in service and financial terms through the potential for inclusions such as “gain share” (an arrangement which would provide a direct financial benefit to the Authority through any additional work delivered through such an arrangement).

- 4.2 It is important in the context of the Council decision to consider the extent to which these objectives are to be integral to any approach followed as the consideration of a number of the potential options are unlikely to be able to meet these requirements and therefore the basis for any evaluation has the potential to be inconsistent and liable to challenge.

5. THE OPTIONS AVAILABLE

- 5.1 The decision by Council calls for the investigation of all available options in respect of ICT but makes specific reference to the development of an in house option and continuing some form of outsourced provision.
- 5.2 As part of the plans and programme the authority needs to put in place for the 2013/14 budget and beyond, consideration also needs to be given, in line with those considerations corporately to the options for achieving the savings required, to the current Revenues and Benefits functions of the council.
- 5.3 In considering the potential to feasibly and practically undertake to deliver on the decision by Council in relation to ICT it is necessary to consider a number of factors and issues.
- 5.4 The current contractual arrangement for the provision of ICT services concludes at the end of September 2013. This arrangement was extended by 2 years from the original completion date of the end of September 2011 and

the legal advice is that this should not be extended further without consideration of the options. Any new arrangement should be capable of being delivered, effectively, to commence in October 2013.

- 5.5 The consideration of the potential options bring with them a number of legal, logistical and transparency issues which would need to be robustly managed if there was to be no legal challenge (on the grounds of unfair advantage) over any potential in-house bid. These are covered in more detail elsewhere but include the need to physically and operationally separate a bid team for any in-house bid (should this be progressed) from any evaluation team. Given that any team to develop an in-house bid would require physical and system separation from any bid management team (and that any such bid development team would require ICT, finance, legal and HR expertise as a minimum) it would be impractical and unmanageable to achieve this from existing resources and ensure the authority was not liable to challenge.
- 5.6 The current HBC establishment includes a Corporate ICT team and it is important to understand the role which this team fulfils and how that fits with the managed service we are now looking to procure. The CICT team does not provide technical support for systems or infrastructure, that is provided through the outsourced ICT arrangements. The role of the Corporate ICT (CICT) Team is to manage and co-ordinate the use of ICT across the Authority in order to assist departments in improving service delivery whilst also delivering efficiency savings by promoting effective use of ICT. The CICT team provides support for end users in the use of systems through advice on how to use the systems, development of the approach to use these systems to meet new business needs, training of front line users and supporting the implementation of new systems etc. It also carries out a contract management role to ensure the private sector provider delivers the required service at the levels agreed in the contract, as well as developing the Council's overall ICT Strategy, liaising with 3rd party suppliers, and advising on Information Security. When it was established it was resourced at the level needed to fulfil these roles, and has subsequently, through budget reductions been reduced in size by 20%. It is not a technical team and does not have the skills required to either deliver a technical support service to the authority or in fact to develop an in-house bid. It is also of critical importance to note that whilst it will be necessary to release limited resource from this team that to ensure, in the light of reduced resources, that there is adequate support to service users and departments given the critical role of ICT now.
- 5.7 The authority does not have, as spare capacity and in house, the skills required to develop an in-house bid. It should be noted that to manage effectively an outsourced ICT provision requires a set of skills quite different from those to develop a bid for the provision of services. Developing a bid for services, given the nature of the likely specification, requires a fully costed model, with associated minimisation of potential risk, in conjunction with a business model, an assessment of the requirements in terms of technology and applications infrastructure. Such a model requires fully costing and in line with requirements around technology refresh and application and infrastructure refresh to ensure services are capable of meeting the ongoing and future requirements of the authority.

- 5.8 For these reasons, any in-house bid would need to be developed by an external, professional bid-management team (working with selected staff from the CICT team) as part of a competitive dialogue process and alongside external competition to ensure the demonstration and achievement of value for money.
- 5.9 Additionally, the officers involved in evaluating the previous ICT / Revenues and Benefits tenders will need to be excluded from the development of an in-house bid given their in-depth knowledge of these bids to ensure the Council can clearly demonstrate separation between the client and delivery options (i.e. private sectors bids, in-house bid and public/public bid). This separation will be essential to avoid potentially expensive legal challenge and ensure the Council can robustly demonstrate the arrangements in place for achieving value for money for future ICT provision.
- 5.10 The decision of Council is to look at all available options for the provision of ICT services with particular reference to in-house and privatised options. The options and the potential costs associated with pursuing a number of options are included as part of this report and have been calculated based on a combination of previous experience and external advice.
- 5.11 The business model to be developed requires an approach to costing which, in the context of the scale and scope of the services involved, in conjunction with market and technology changes, is not within the current skills mix in place in the authority. The costing matrix for such services is, when dealing with the private sector based upon a combination of an assessment of the current technology base, allied to the costs of capital (to fund such changes) and incorporated into the base contract price.
- 5.12 A significant area to consider, and covered elsewhere in this report is the assigning of risk as part of any delivery arrangements. The mechanism through external arrangements is that risk, service levels, cost and other contractual matters are allocated as part of the contractual process and in a significant proportion of cases assigned to the deliverer. ICT is notoriously difficult to control in terms of costs incurred (there has been much press coverage of central government ICT cost overruns, particularly in relation to installation or upgrade of systems) as there are so many unknown variances involved and the allocation of the risk in these instances is an important consideration. In simple terms the allocation of risk is an integral part of any negotiated ICT arrangement. Risks in relation to the financial operation of any contractual arrangements (e.g. with an outside organisation) are part of a range of contractually enforceable clauses aligned with an agreed contract and service specification. It is, within the confines of this arrangement for an external supplier to determine the manner in which the services will be delivered and their costs to do this. It is then their responsibility to deliver this or there is the likelihood that contractual penalty clauses will apply. This is not the case in an internal arrangement and this therefore means the risk is with the authority. It also means that the development of any in-house bid must be absolutely robust as the authority may ultimately be considering committing to the delivery model and costs included in this. For this reason with others,

including the value of any potential arrangements it is strongly advised this should not be undertaken without the external support identified in this report.

6. BASIS FOR THE INVESTIGATION OF OPTIONS

- 6.1 The basis for the investigation of options available must be aligned to the overall aims of the exercise and be capable of effective and equitable evaluation. The previous section highlights the overarching principles which were established for the previous exercise. Given the disparate nature of the options to be investigated it is important, to ensure that the comparisons are valid and meaningful and that they are undertaken on a consistent basis to ensure that they are both robust and not liable to external legal challenge.
- 6.2 It is therefore fundamental that the basis for the investigation and ultimate evaluation of the potential options is clarified at the outset. On this basis, and taking the key objectives from the last exercise, an assessment of the ability of the potential options to deliver against these objectives has been assessed.

NB all of the objectives below were previously contractual requirements for any successful tenderers. Failure to deliver would be classed in most cases as breach of contract or as subject to penalty clauses (or both should certain circumstances apply).

	In house	Outsourced	Public / Public
A base in Hartlepool	A base in Hartlepool for an in house service would be defined as part of any comparative and costing exercise	A base in Hartlepool for an out sourced service can be defined as part of any comparative and costing exercise. Outsource arrangements and cost efficiencies can be significant if server estates / data centres are not located on site but part of a shared arrangement. This is normal in the industry.	A base in Hartlepool could be defined as part of any comparative and costing exercise. Any public / public arrangement would be unlikely to be able to meet these requirements fully as it is likely that any solution would be predicated on shared infrastructure and location arrangements, if this is on the basis of existing partnering arrangements the default is likely to be to current arrangements they have in place.
Retain and grow jobs	It is highly unlikely that any in house provision would be able to meet the requirements to grow jobs. In house provision and the resource to deliver it would be based on a core resource to deliver the service at best cost with no capacity to embark on large scale tendering exercises. Additionally, it is unlikely that jobs can be grown as	In the same way as the previous procurement exercise it could be made a requirement for external bidders that they identify their plans for both the retention and growth of jobs to be based in the town.	It is unlikely that any public / public arrangement could be structured in such a manner as to provide for the retention and growth of jobs based in the town.

	an in-house team would not have the track record and resilience to secure future work from other potential clients who would require a robust and resilient ICT services. It needs to be recognised that as the second smallest unitary council it is extremely unlikely that other councils would look to Hartlepool to provide ICT services.		
Local Economic benefits	It is unlikely that there are identifiable and tangible local economic benefits that can be tangibly identified from an in house bid unless the bid is significantly cheaper than any alternative (resulting in a reduced requirement in the level of potential savings from other council services)	In the same way as the previous procurement exercise it could be made a requirement for external bidders that they identify their plans for delivering local economic benefits both in terms of sustaining and increasing jobs and local suppliers and provision and investment in the local economy	Any local economic benefits would be contingent on the method of delivery and the locality for that delivery. If the staff to deliver the service were based in Hartlepool there is limited additional net benefit over the current outsourced arrangements, where the staff are located at the civic centre. If the staff were wholly or partially based outside the town the net impact would be potentially negative from the current position / an in house provision or an outsourced arrangement based in the town.
Enhanced TUPE protection for staff	Not necessary for the authority in this circumstance as supplier staff would transfer to the authority	It would not be in the best interests of the authority to mandate this as part of any external bidding regime as the transferring employees are not currently employed by the authority and there would be no related authority staff transfers	It would not be in the best interests of the authority to mandate this as part of any public / public arrangement as the transferring employees are not currently employed by the authority and it is unlikely that there would be related authority staff transfers
Maintain and improve services	It would be a requirement of any arrangement that the provider, whether in house or external to the authority would be tasked with a requirement to maintain and ideally improve services with clear performance measures.		
	The extent to which an internal provider would be able to source and utilise sufficient expertise to improve services on an ongoing basis would be questionable. In house resources, unless they are priced in to the service model are essentially for the	An outsourced arrangement would be the mechanism which would give greatest surety for the maintenance and improvement of services either through a robust and enforceable contractual framework aligned to penalties for under performance.	A partnering arrangement with another public service provider mitigates against some of the potential risks in this areas in respect of expertise and capacity to improve. Whilst it may be a requirement of the authority as part of any

	<p>maintenance and upkeep of system resources</p> <p>There would be no contractual ability to penalise financially an internal supplier for the failure to deliver services as this is essentially counterintuitive</p> <p>There would be no ability to introduce financial penalties for poor performance to an internal provider.</p>	<p>It also mitigates against the potential small size of any in house provision to ensure there is both capacity and skills for the improvement of services.</p>	<p>consideration of options a partnering arrangement with a public provider is most likely to bring aligned for the authority to their service provision and standards than any stand alone authority determined model based on need or priorities</p> <p>There would only be limited ability to introduce financial penalties for poor performance to an internal provider as the Council would partly 'own' any public/public arrangement.</p>
Achieve savings	<p>Any in house bid would be required to identify a cash limited budget to deliver the services.</p> <p>It is not possible to make this a "contractual" requirement and the risk in terms of the cash profile and the delivery of services, should this overspend would be entirely with the authority.</p>	<p>It would be a contractual requirement that services were delivered within an agreed cash limited budget.</p> <p>In the same way as the previous procurement exercise it could be made a requirement for external bidders that they identify the cash profile of costs on a reducing profile based on the currently projected MTFS and savings requirements.</p>	<p>It could be made a requirement of any arrangement that the delivery of services is cash limited to an agreed specification and in line with the requirements for an external contractor include the provision for penalties. Any public sector partner is unlikely to accept this as a risk model as it impacts on the financial stability of the model.</p>
Scalability in terms of services and expansion to other Local Authorities	<p>Scalability in terms of in house options (with the ability to generate income / profit) are largely limited by the willingness of other organisations to participate / put their faith in an in house option and or the ability of an in house team to bid and compete against the market.</p> <p>In the context of this highly competitive market there are no readily available examples of in house teams effectively competing for additional contracts and or opportunities</p>	<p>Dependant upon the model of delivery the potential solution through outsourcing would either be required to be based in Hartlepool and scalable, be added into an already scalable solution which is based elsewhere.</p> <p>The requirement for gain share build into the previous arrangements was essentially a profit share in new work to be based in Hartlepool</p>	<p>There has been limited success from partnering arrangements to make these scalable in terms of provision to other authorities.</p> <p>If the council were to enter into an already existing partnership arrangement it is unlikely we would enter as an equal partner and would be more likely to be as a contracted service to a partner or partners.</p>

6.3 The basis for the previous procurement was established to ensure that maximum benefit could be derived for the local authority and the local economy. The criteria were sufficiently broad to enable potential bidders to identify solutions which aligned with their potential business strategies but to guarantee for the authority, through contractual means, a series of guarantees

for the authority in respect of the cost of services, a reducing profile of cost, new job creation based in the town, services based in the town and a quality of service which maintained current levels of performance in conjunction with the potential to expand this service base from which the authority could benefit.

- 6.4 It is not feasible to maintain the comprehensive scope of the last procurement (beyond the provision of services and savings) if the options identified by Council are maintained.
- 6.5 The information below is an assessment against the originally established criteria for the last exercise. At a basic level these criteria form the basis for any bid, negotiation and terms for any arrangement.
- 6.6 In simple terms these criteria cannot apply across the consideration of all options and to assess and evaluate options on anything other than a clear and equitable basis would lead to legal challenge of the authority as a minimum.

	In house	Outsourced	Public / Public
A base in Hartlepool	Yes	Yes	Unlikely
Retain and grow jobs	No	Yes	Unlikely
Local Economic benefits	Unlikely	Yes	Unlikely
Enhanced TUPE protection for staff	N/A	N/A	N/A
Maintain and improve services	Yes	Yes	Yes
Achieve savings	Yes	Yes	Yes
Scalability in terms of services and expansion to other Local Authorities	No	Yes	Unlikely

- 6.7 Based on this assessment, which aligns contractual and service delivery alongside the delivery models and their potential on the basis for the assessment of options, if it is to be comparable and equitable there are a number of options for the procurement of the services:
- In house, outsourced arrangements and public/public with the objectives based upon
 - Maintain and improve services
 - Achieve savings
 - In house and outsourced arrangements with the objectives based upon
 - A base in Hartlepool
 - Maintain and improve services
 - Achieve savings
 - Outsourced arrangements with the objectives based upon
 - A base in Hartlepool
 - Retain and grow jobs
 - Local Economic benefits
 - Maintain and improve services
 - Achieve savings
 - Scalability in terms of services and expansion to other Local Authorities

- 6.8 On the basis of the considerations to date, and the primary requirement to safeguard the authority from legal challenge it is not considered feasible to undertake any such assessment / bid process on the same basis as the last exercise including retention and growth of jobs local economic benefits and scalability across all models. This means that a significant number of the benefits secured as part of the last tendering exercise will not be capable of delivery if this approach is undertaken.

7. DEVELOPMENT AND EVALUATION PROCESS

- 7.1 The process for ensuring that any arrangement is robust is dependant upon the route determined and the management of this process to ensure that risks are managed and mitigated and that any agreed delivery solution is robust, financially secure and delivers the agreed level of service. Based upon other information in this report a process and associated requirements will be developed to ensure this is the case.

8. RISK IMPLICATIONS

- 8.1 There are a number of areas of risk in undertaking such an approach that must be considered and assessed as part of any such development. The nature and scale of the risks identified are dependant upon the scope of options to be considered as part of the process but whichever route is determined the Authority needs to be satisfied that the following risks are mitigated.

- Procurement, Legal and Financial Risks
- Service Risks
- Risks around scope, specification and change
- Risks in achieving the Authority's key objectives

8.2 Procurement, Legal and Financial Risks

Risk	Issue and Potential Mitigation
Actual or perceived favouritism in availability and provision of information leading to legal complaints from tenderers and withdrawal of offers.	If an in house bid is pursued in conjunction with tenders from other providers the authority will need to effectively and completely separate the process and involvement of staff in the evaluation process and the internal bid development process. This will require the establishment and resourcing of a separate bid team.
Actual or perceived breach of confidentiality / separation of bid and evaluation processes to mitigate complaints and mistrust by tenderers.	All potential tenderers to receive initial and additional information in the same manner and to the same level of detail. All queries to be responded to in writing and provided copies to all potential tenderers. Ensure that all potential tenderers are provided with any addenda
Capacity of the Organisation	The authority has undertaken a number of changes and has significantly reduced staffing at a senior level reducing the capacity to undertake multiple and complex additional activities without additional support. Undertaking the assessment (and development) of an in-house bid in addition to any private sector bid brings with it the need to separate the elements of bid and evaluation. In addition the authority must be able to

	<p>place absolute confidence in the robustness of the in-house bid prior to decision making as any errors in scope or cost will have to be borne directly by the authority.</p> <p>On this basis the development of any in-house bid would need to be resourced effectively and this would need to be above current resource levels</p>
Achieving and demonstrating Value for money	<p>The demonstration and achievement of value for money can best be achieved and clearly understood through there being sufficient interest from the market, in conjunction with any internal bid, to drive competition within the context of the specified services.</p> <p>There is a risk that there will only be limited or no interest from the private sector in the procurement exercise due to perceived risks on their part that the authority may not proceed even if the private sector bid is the most economically advantageous. The authority will need to assure external suppliers that any investment they may make in such a bid will not be wasted</p>
Timely decision making	<p>The timescales and volume of work required to ensure that the authority has in place a robust and evaluated solution do not allow for any significant slippage at any stage of this process.</p> <p>The decision by Council has made provision for the savings identified from the previous exercise for 2012/13 but not for those anticipated in 2013/14 or the costs attributable to the course of action agreed. It will be necessary to determine both these and the approach to be taken and the key objectives to form the basis for the procurement.</p>
Current contractual arrangements	<p>The current contractual position requires the authority to be in a position to determine and nominate a preferred supplier or arrangement by 1st October 2012 to enable an effective transition period. The timescales which the authority is now working to as a result of the recently determined decision of Council does not enable this to be the case and officers will need to renegotiate this position.</p>
Risk of legal challenge from rejected bidder on the grounds of an incorrectly executed procurement process.	<p>A separate in house bid team would need to be established and full composite copies of all documentation related to dialogue meetings, conference calls and the evaluations retained for audit purposes.</p> <p>Legal advice to be secured.</p> <p>Internal bid team to be separately located and excluded from in house networks.</p>
Failure to adequately address enquiries from tenderers and claims of unfair practices.	<p>Implement standardised procedures for responding to enquiries and respond in a timely manner to enquiries.</p> <p>Allow adequate time for tenderers to respond. Clarity on bids and variants to be documented to avoid qualifications.</p>
Insufficient number of responses and poor value for money due to limited competition.	<p>The inclusion of an in house bid option may deter external bidders due to there being seen to be an unfair advantage. This will be unclear until the authority embarks on the process but will need to be clearly delineated.</p> <p>Used appropriate tender strategy to ensure competition including supplier engagement days.</p>
Failure to follow effective evaluation procedures and inconsistent evaluations.	<p>A robust and tested evaluation methodology will be utilised and the evaluation team will utilise an appropriate tender assessment and evaluation approach.</p> <p>The evaluation process will need to maintain effective separation between the evaluation process and any internal bid development to avoid legal challenge by external bidders.</p>
Decision made on subjective grounds, claims of unethical	<p>The inclusion of an in house bid option may lead to claims of subjectivity and unfair competition. This will be unclear until the authority embarks on</p>

and unfair behaviour, complaints from tenderers.	<p>the process but will need to be clearly delineated</p> <p>Ensure evaluation criteria contain the critical factors on which the assessment of tenders will be based and that they are clearly identifiable to tenderers in tender documents in conjunction with ensuring the evaluation criteria are appropriate and measurable and a robust and tested evaluation methodology utilised.</p>
Guaranteed savings levels	<p>Through contractual arrangements the costs of services can be fixed and contractually managed with an external provider.</p> <p>The costs can be established for an in house bid however variations from this would need to be managed within the normal financial procedures of the authority and bring with them greater risk to the authority.</p>
Financially costed bid and guaranteed savings	<p>The development of a costed bid, based over a likely "term" of 7 years (although this requires confirmation) has associated risks.</p> <p>Any external provider will cost the delivery of services based on the requirements of the authority utilising an established business and costing model. The associated costs and service performance metrics will be established based on this model and the cost base and be subject to contractual and legal controls and penalties for any failure to deliver. This model will have to take account of required technology, infrastructure and application updates to ensure the provision for the authority is maintained at an agreed level.</p> <p>The authority does not have any experience in this service area of developing such a costed bid over this time horizon and this issue will need to be addressed as part of the strategy going forward (and costed). In addition the contractual ability that the authority would have to penalise an external provider for non performance (and to cash limit the budget is not in line with the Councils current internal arrangements.</p>

8.3 Service Risks

Risk	Mitigation
Reduced service (to customers) overall.	<p>Clear contract performance specifications would be established. If the service is delivered by an external provider effective contract specification, contract monitoring and retained client functions will be established in conjunction with guaranteed outcomes and redress for non-compliance.</p> <p>Any potential internal arrangement would require internal Service Level Agreements and the development as part of the bid of associated delivery structures for the services including the consideration and costing of sufficient and suitable expertise for both the delivery and development of the services (including the provision for additional specialised support as required).</p>
ICT is a core service to the Authority and the provision of continuous service is critical to the delivery of services internally but more importantly externally.	<p>Any process of change brings with it risk. As part of the process potential bidders will be required to provide a transition plan which is required to provide reassurance of the proposed plans for the change from current to any new arrangements.</p> <p>The transition process is a critical part of any such process and particularly for the services being considered as part of this exercise.</p>
Reduced service during transition period.	An effective Implementation and Transition Plan would be a requirement of, and evaluated in, bids.
Poor contract documentation leading to claims/conflict/costs.	To mitigate this risk the Authority will need to continue to draw on specialist advice in drafting any contract or arrangements for the delivery and management of the services.

	With any external provider the authority would build in appropriate non compliance and termination clauses to the contract and appropriate management and improvement arrangements for any internal bid arrangement.
Failure to adequately monitor contract performance	<p>In any event the authority would have in place clear performance requirements.</p> <p>In any contract with external suppliers there would be in place a contract with guaranteed outcomes provided by the bidders. Non-compliance clauses within contract Specialist client side team to monitor contract.</p> <p>The options available to the authority in any externally provided service allow for termination arrangements and penalty clauses (financial) for non performance.</p>

8.4 Risks around scope, specification and change

8.5 The process for consideration of the exercise in hand must incorporate several aspects which will be designed to manage a number of risks in the actual process and in regard to the scope and specification of services.

Risk	Mitigation
The requirements of the authority are not clear.	External advisors for the project will be involved in critiquing and refining all documentation
Documentation will detail the expected outcomes for the authority but not necessarily the inputs or detailed method of delivery, other than where this is prescribed	<p>Such arrangements provide for a degree of flexibility in determining a potential solution for the delivery of services to the council. This ensures that the authority is not prescribing a method of delivery.</p> <p>The determinations of the cost model (and associated costs to the authority from this) are at the risk of the potential provider. If this provider is external these risks are then borne by the provider as part of the contractual framework, and transferred to the supplier through contracting.</p> <p>In any internal arrangement these risks and associated potential costs are at the risk of the authority.</p>
Due diligence process identifies additional unforeseen costs.	<p>Any documentation and the detailed information included in it will be designed to mitigate this risk but it should be noted that there is the potential that this risk may manifest itself.</p> <p>Information provided to external bidders as part of any procurement will be comprehensive and external bids will be predicated on the failure of an external provider to adequately reflect such matters will be at their financial risk.</p> <p>In terms of any in house bid this cannot be enforced and becomes a significant financial risk to the authority which essentially cannot "enforce" these arrangements on itself</p> <p>Any due diligence process in place will enable potential providers to ensure they have a clear understanding of the current provision (and, in the case of ICT, infrastructure and release versions of software) and to model these in the context of their solution and the requirements of the Authority.</p>
The assumptions upon which any bid is predicated, and the surety that the Authority places on these need to be taken into account in the consideration of the level of risk to which	<p>There may be a situation where levels of risk and surety within any bids are not wholly comparable.</p> <p>The position of the authority in securing both high quality services and financial surety has to be protected and the arrangements to do this, and the associated risk in any such arrangements, quantified as part of both an initial decision on how to proceed but also in any future arrangements.</p>

the Authority is exposed	
--------------------------	--

8.6 Risks in achieving the Authority's key objectives

- 8.7 A number of key objectives were identified at the outset of the exercise relating to ICT and Revenues and Benefits. The objectives identified aligned closely to the financial and service objectives of the authority and provided for broader benefits for the town in terms of job retention and creation. The bids received both delivered the required financial and service requirements (as previously reported) and significant (and contractually obligated) benefits for the town in terms of job creation and services being delivered from a base in the town (bringing with it significant local economic benefits).
- 8.8 The assessment in section 6.6 identifies that officer advice is that not all of the objectives established as part of the original process can be delivered and still meet the requirements of the decision of Council. It is therefore imperative that before any process commences, the objectives are clearly established and considered in the light of the potential routes and timescales that would be required from this.

9. SCOPE OF ICT SERVICE

- 9.1 It is important to understand the scope and complexity of the service under consideration as part of this exercise.
- 9.2 ICT supports and underpins every aspect of the authority's work and without a reliable and robust ICT support service there is a very real and significant risk to the authority's ability to deliver its services to the community. The existing contract has provided the Council a stable network and infrastructure which has allowed increased reliance to be placed upon it, to the extent that it is now the expected norm which was not the case in the past. This means that the necessity to continue this stability is crucial to the service delivery of the Council and this does not happen without ensuring the correct delivery and monitoring arrangements are put in place. Given the critical importance of this service to the Council and the amount of work needed to ensure a smooth transition, it is essential that it is properly planned and resourced to ensure that the service can continue to be provided, in whatever format is agreed, after the end of the current contract.
- 9.3 At the start of the current arrangements in 2001, support was provided for 1,245 desktop PC's and 149 laptops. The basic supported provision in the Council has increased by more than 60% since then and hardware supported at the current time consists of 2,219 devices as follows:
- 1,487 desktop PCs
 - 492 laptop and tablet PCs – to allow more flexible working arrangements

- 175 Citrix boxes (where all the applications and processing are carried out on the central server rather than on the PC). The desktop device simply acts as a dumb terminal
- 65 hand-held devices used for mobile access to systems

This increase in numbers can be attributed to an increasing reliance on, and greater use of, ICT across the authority, which reflects the greater use of ICT to improve efficiency by automating previous manual process and externally changes in the way the public expects services to be delivered. There has also been significant movement towards more flexible and mobile methods of working to allow staff to take the Council's services out into the community, and to support the Council's accommodation strategy of rationalising buildings to reduce accommodation costs, all of which further increases the authority's reliance on technology. This type of flexibility is likely to become even more important moving forward as technology develops at an ever increasing pace.

- 9.4 ICT equipment is now a standard tool for the vast majority of staff, with most staff inputting and retrieving information themselves where previously this had been an administrative task. It can also be explained by the fact that in 2001 the support was purely for core Council staff, whereas it is now much more Hartlepool-wide with ICT reaching out into the community. For example, in addition to Council staff and schools, support is also provided for 160 public access points in Libraries, Foster Carers and the Community Grid for Learning (adult education). This increase also hides the fact that the original contract covered the services now provided by Housing Hartlepool which accounted for approximately 10% of the base service. Housing Hartlepool now has a separate agreement with Northgate.
- 9.5 In addition to this, the contract also supports 89 servers on which 185 services/applications are hosted. A number of these systems enable major front line services to be delivered (e.g. i-world for Revenues and Benefits, ICS for Children's Social Care, i-Lap for Planning and Building Control, CareFirst for Adult Social Care, Onyx Customer Relationship Management System used in Hartlepool Connect etc.) Others are corporate solutions, without which the authority would not be able to function on a daily basis (e.g. Outlook for email and calendars, JADU for website and intranet, GovConnects for secure exchange of information, Integra for the Financial Management System etc.) These range from a large server hosting 72 applications down to smaller ones hosting only 2 or more applications. Whilst there are a number of standard applications used across the authority, there are also, by necessity, a variety of specific applications used by different service areas resulting in a complex mix of software combinations to be supported. There are, in fact, approximately 750 different combinations of software applications across the 2,219 devices.
- 9.6 The authority also has to consider its use of 64 separate sites across the town and the agreement includes support for 126 network devices connecting between these sites. Telephony systems are also included adding 1 core exchange and 11 satellite exchanges, with 1,800 active extensions across all sites with a potential capacity of 3,300.

- 9.7 In addition to the support of the above devices, systems etc. through the managed service agreement, the Council also works with Northgate on new developments to move the authority forward and further support the delivery of council services. This work is outside of the base contract and is negotiated on an ad hoc basis as required. The access that private sector ICT companies have to technology specialists plays a vital role in this area of the service as the authority strives to keep up with the fast paced developments in the industry and increasingly high expectations of both staff and customers.
- 9.8 The nature and scale of the ICT arrangements and the extent to which they are fundamental and integral to the operation of the authority is crucially important to understand in the context of the importance of ensuring that any delivery arrangements are robust, effective and can deliver the services required.

10. APPROACH, TIMESCALES AND DELIVERY

- 10.1 Given the complexity of the service requirements and its importance in ensuring that vital front line services continue to be delivered, it is imperative that a properly planned and timely approach is taken. Whichever procurement model is chosen, and regardless of the final delivery model adopted, the current contract arrangements with Northgate Public Services (NPS) terminate at the end of September 2013 and there is a great deal of work to be done prior to that date in order to ensure the best decision is taken. As the decision was made not to proceed with the previous procurement exercise undertaken for ICT and Revenues and Benefits it is appropriate to work to timescales that bring about whatever the determined delivery mechanisms are in line with the timescale for the conclusion of the current ICT contract.
- 10.2 Whilst it may be felt that the end of September 2013 is a considerable time away to effectively manage and deliver the process which will enable the authority to have any evaluated arrangements in place for this time, it is not and there is a very significant amount of work to do in this time to do this effectively.
- 10.3 The detailed information in section 9 shows the scope and complexity of the ICT estate and infrastructure and systems supported. Depending upon the outcome of any procurement exercise, this may require disentangling of existing infrastructure, negotiation of new agreements with 3rd party suppliers, purchase and installation of new equipment/infrastructure etc.
- 10.4 The current contractual arrangements with Northgate include the following extract in relation to re-procurement timescales:
- Preferred new supplier to be nominated by 1st October 2012
 - New contract awarded by 1st April 2013

- Any additional charge to be levied for the provision of the service during the Porting Period by the supplier to be notified and agreed by the Council by 30th September 2013
- Transfer of service to new supplier on 1st October 2013

10.5 It can be seen, therefore, that the authority should, in accordance with its contractual agreement, be in a position to nominate any new supplier by 1st October 2012. This is clearly not now achievable following the recent decision not to continue with the ICT/R & B procurement exercise. Further negotiations with Northgate are required to agree amendments to this timescale and the earlier a decision can be implemented the less likely the authority is to incur additional costs in relation to this. The Porting period is not an extension to the timescale, it is simply a period of up to 2 years after the signing of a new agreement whereby the authority could request Northgate to continue provision of all or part of the service (at an agreed cost) to allow for smooth transition to any new supplier. It does not enable the extension of the current contract without further competition or assessment of value for money.

10.6 POTENTIAL “PROCUREMENT” OPTIONS, ROUTES AND TIMESCALES

10.6.1 Research and advice from external sources in relation to the feasibility of all options in relation to ICT, has been undertaken. This includes advice on what the options would involve, what resources would be required to carry them out (and any associated costs) and what the risks/benefits of each would be.

10.6.2 There are a number of options for delivering ICT support to the authority, ranging from complete outsourcing to complete in-house provision and a range of variants on these. These could include the use of Cloud computing, software on demand, partnerships with private sector and/or other public sector bodies, purchasing support direct from 3rd party suppliers or other public sector organisation etc. There are risks, however, in paving the way with less tried and tested options and given the timescales we are working within, the size of HBC, the current budgetary restraints, resources available to investigate and/or deliver on these options, and the risks involved, the advice we have received has been that the most realistic 3 options are private sector provision, in-house provision and some form of public-public partnership/collaboration.

10.6.3 Regardless of which option is taken, there will be a requirement for some external advice, in relation to technical, legal and financial support. This is similar to the external advice procured for the Building Schools for the Future exercise, the advice received when the housing stock transfer was undertaken with the establishment of Housing Hartlepool, and the recent ICT/R&B procurement exercise. Whilst the majority of the work will be undertaken by HBC staff, additional skills and knowledge of specialist areas will be required from external sources. The procurement of this advice is expected to take approximately 4 to 6 weeks so it is important that this is built into any timescales identified for the various options.

10.7 OPTION 1 - IN-HOUSE PROVISION

10.7.1 Background

- 10.7.2 The Council Decision specifically requested that consideration be given to the option of transferring the ICT service back in-house, to be delivered by HBC staff, using equipment, infrastructure etc. owned by HBC.
- 10.7.3 There are considerable risks associated with this option and these cannot be underestimated. If the service is to be returned to in-house provision, these risks must be understood and addressed if the authority is to continue to benefit from a reliable, robust and secure ICT service which can support the provision of front line services. The transfer of ICT service is an extremely complex process involving recruiting skilled staff, establishing how existing hard and software operates, transferring software licences from the existing provider etc.
- 10.7.4 In-house provision means that the requirement to cover unforeseen events, peaks and troughs of workloads, cyclical operations etc. need to be catered for by the authority, although it can provide for more flexibility over the service (changes, additions and reductions are all within the control of the authority). It doesn't tie the authority into a fixed term contract but this also means that the costs moving forward are less certain.
- 10.7.5 ICT moves at an incredibly fast pace and keeping up with this requires investment in infrastructure, equipment and training and it would be a requirement for an in-house team to ensure that provisions are established to support these requirements (and that in any bid these costs are incorporated) or HBC could very quickly find itself behind the game and struggling to keep up or deliver services effectively.
- 10.7.6 It needs to be remembered that the authority has been without an in-house ICT service since 2001 and therefore owns none of the infrastructure, equipment etc. that is needed to deliver the service. It would be possible to buy-back the existing infrastructure etc. from our current providers although this would be expected to require updating as the bids received for the recent ICT/Revs & Bens procurement recommended the use of new technology which would provide more flexibility and robustness and cheaper running costs. For a separate, competitive, in-house bid it would be required that these costs would form part of that bid and the authority should not determine to bring back in-house any redefined ICT services without further competition as there would be no benchmark or clarity on the extent to which any such service delivers value for money.
- 10.7.7 Bringing the service back in-house also transfers all the risk back to the authority, including costs and delivery overruns, service failures, cost increases, system changes and failures, staff shortages, skills shortages, reliance on a small number of key individuals (sometimes a single post holder) for critical system support, redundancies etc. Private sector suppliers can be held accountable through penalty charges etc. which would not be available for use with an in-house team.

10.7.8 The challenges of bringing ICT back in-house cannot be under-estimated and are significantly more challenging than awarding a contract to a new contractor. Transition of ICT services between providers is extremely challenging for both the Council and the new provider. A new private sector provider would manage this arrangement using specialist staff, trained and experienced in managing ICT changes and by allocating additional staff resources during the transition period. The ICT provider would effectively fund these costs over the lifetime of the contract. More importantly a successful transition would be a contractually enforceable requirement and a reputational issue for the new provider.

10.7.9 Transferring the ICT service to an in-house team would require the same issues to be managed, without the benefit of a contractual remedy if the transition was not successful i.e. the whole risk of transition would fall on the Council. The Council would also need to fund one-off costs of supporting the transition. More importantly the Council would need to not only recruit skilled and experienced IT staff (there is no guarantee existing staff will want to transfer to the Council, or will be the staff identified for TUPE transfer) to operate and manage the new in-house service, it would also have to recruit on a temporary basis staff with specialist skills in successfully managing IT transition projects, who would be more difficult to recruit.

10.7.10 Procurement Route

10.7.11 When considering in-house provision of ICT, there are a number of options, ranging from a full Competitive Dialogue process, combined with the development of an in-house bid to be evaluated against any private sector bids through to simply making the decision to return the service in-house without any further competition although the latter route is not recommended and will provide no basis for assessing value for money. There needs to be an awareness of the risks involved in which ever route is chosen.

10.7.12 Taking a decision to return the service in-house without any form of market comparison is not recommended as it allows for no consideration as to whether value for money is being achieved or that the most appropriate and effective service was being obtained as there would be no external bids for comparison. It also runs the risk of transferring a service back to the authority which no longer employs the necessary skills. The skills required to effectively manage an outsourced contract are very different to those required to deliver an in-house ICT service as outlined in sections 4.6 to 4.12. Delivery of an ICT Managed Service requires high levels of technical skills, covering a wide range of systems, infrastructure and desktop environments and including specialists in particular programming languages, ICT Development, specific types of platforms and a knowledge of the wider industry context. These skills and knowledge must be constantly updated as the technology landscape changes. Management of an outsourced contract, however, requires skills in procurement, contract management, monitoring, strategy development and negotiation.

10.7.13 Similarly, developing an in-house bid requires specific skills that are not available within the authority and gives an added risk that if the costed bid is

not robust, either in service or cost terms, then it is the authority that bears this, not inconsiderable, risk moving forward.

- 10.7.14 Considering an in-house bid alongside external bids could potentially reduce the number of external bids attracted (and hence reduce the competition) as it is expensive and time-consuming for potential suppliers to develop their bids and take part in the Competitive Dialogue process and there may be a reluctance to put in the time and effort if it is felt that an in-house bid is likely to be taken instead. Additionally, the decision not to proceed with the ICT / Revenues and Benefits outsourcing when considered along the development of an in-house bid could potentially reduce the number of external bids.

10.7.15 Key Steps/Timescales

- 10.7.16 The advice obtained and recommendation of officers is that any in-house bid development should be carried out as part of the Competitive Dialogue process outlined in Option 2 so the key tasks and timescales would be the same. In addition, however, there would be an earlier task of identifying the resources (internal and external) to develop the in-house bid and agreeing the protocols to be followed. It is expected that this would add a further month to the beginning of the process.

10.7.17 Resource Requirements

- 10.7.18 In order to maintain independence of any in-house bid development, there needs to be complete separation from the procurement / specification / evaluation team. There would be a requirement for a Bid Management and Evaluation Team to run the procurement, evaluate the bids and recommend the preferred bidder, which would need to be kept separate from the team (likely to be a mixture of internal and external resources) that actually develops and submits the in-house bid. This second team would have to be treated exactly the same as any external bidder, with the same level of access to the Bid Management and Evaluation Team and information as all other bidders. This is expected to require the engagement of a specialist Bid Team and advisors with support from the in house team as was the case with the transfer of the housing stock and establishment of Housing Hartlepool.
- 10.7.19 Whilst the authority has a number of officers with experience in running a procurement exercise, bid evaluation and contract management, it does not have the specialist skills required to develop and cost a robust ICT managed service bid. This would require someone with bid expertise, working alongside some HBC resource, and there would be a requirement for external assistance for both teams. Whilst the intention is that, wherever possible, the work will be carried out by HBC staff, there are specific skills and knowledge required to pull together a realistic and supportable bid that are not available within current HBC resources.
- 10.7.20 External advice obtained is that there would be a requirement for a Bid Lead and a Technical lead from within HBC as well as an External Bid Team including technical, legal, financial and bid management resources. It is

estimated that the cost of the internal resources would be absorbed within existing HBC staffing and the external resources are estimated at:

	£
Bid Management & Project Support	65,000
Technical	35,000
Legal	20,000
Financial	15,000
TOTAL	135,000

10.7.21 In addition to this external support, there will be a requirement for internal resources to be made available. It has been advised that, although the bid will be developed externally, there will be a requirement for a small internal in-house bid team to work with the external team, and the establishment of complete separation of this team from the bid evaluation team – usually referred to as “Chinese Walls” to ensure it is, and is seen to be, a completely separate entity and is treated the same way as any external bidders. This internal resource requirement is likely to include two roles - a Bid Manager and a Technical lead. These are not full time roles for the entire period but would be expected to take up a significant amount of time at different stages of the process. It is intended that these roles are undertaken by senior staff from the Corporate ICT team in addition to their normal workload and through reallocation of current work, re-prioritisation of activities etc. Whilst it is anticipated that this will be absorbed within existing resources, the extent of the work involved cannot be underestimated, and will rely to a large extent on the goodwill and commitment of the staff involved.

10.8 OPTION 2 - PRIVATE SECTOR PROVISION

10.8.1 Background

10.8.2 The current ICT support is provided through an outsourcing arrangement with a private sector supplier. This has been running since 2001 and has brought a number of benefits which would be expected to continue under any further outsourcing arrangement.

10.8.3 The outsourcing arrangement has improved the service that the authority receives (evidenced by year on year improvements to the customer survey results, the regular service level reports, the significant reductions in down time etc.).

10.8.4 Private sector provision helps to reduce the risk carried by the authority as this is transferred to the provider. The costs are known and more easily controlled as it is the provider that needs to cover unexpected events and resource to deal with peaks and troughs in workloads where they are encompassed by the contractual arrangements. It also provides the authority with access to wider expertise and procurement resources which would not be available within the authority.

10.8.5 On the other hand, it is important that the disadvantages to outsourcing are also understood, to enable an informed decision to be taken. Handing over the responsibility for ICT support to a private sector supplier can reduce flexibility in terms of both services received and the cost base. An agreed contract (and price) for an agreed term mean that changes to our requirements and/or budget are more difficult to negotiate but there is general surety of the base contract value. It also removes some of the control from the local authority.

10.8.6 In addition, it needs to be understood that the supplier will be required to make a profit from the arrangement which will be fed into the costs agreed with the authority (although the buying power of the supplier may offset these costs).

10.8.7 Managing the contractual arrangement requires resources within the authority to ensure the arrangement continues to deliver what the authority needs and that the supplier meets their obligations under the arrangement. On balance and based on experience of the existing contract and contracts in other authorities the advantages of outsourcing ICT outweigh the disadvantages.

10.8.8 Procurement Route

10.8.9 Internal and external advice has been sought in relation to the recommended procurement route to take if the authority were to consider private sector provision of the service. There are two primary routes to take, the Office of Government Commerce (OGC) Buying Solutions Framework or the Competitive Dialogue process.

10.8.10 The OGC Buying Solutions Framework was the route that was used for the recent ICT/Revs & Bens process because it was the only possible route given the extremely tight timescales if we were to realise savings for the 2012/13 Budget round. The main advantage to using the Framework is that it can be done more quickly as bids are only allowed from companies already pre-vetted and registered with the OGC. The disadvantages are that it precludes any other potential suppliers, outside of the framework, from bidding and restricts the process significantly in that the authority needs to issue a very clear, detailed specification for bidders to submit bids against at the beginning of the process. There is no room for discussion with suppliers, negotiation during the process or joint development of requirements with potential suppliers.

10.8.11 The Competitive Dialogue process is lengthier and starts with a very broad based statement of requirements which are then developed in conjunction with potential suppliers through a series of dialogue phases. The main advantage of this process is that it allows the authority to use the expertise of potential suppliers who will have a much wider knowledge of the technical possibilities and potential problems so that the final specification will be more likely to provide effectively for the authority's needs moving forward. It allows the authority to define what our output requirements are without specifying how these will be delivered, giving potential suppliers the flexibility to identify alternative technical solutions to deliver our requirements. This is the process

that was successfully used during the Building Schools for the Future ICT Procurement. It is, however, a more lengthy and resource intensive process than the Framework Agreement, although there is still sufficient time available to carry out this process in line with the current contract expiry deadline of September 2013. There are, therefore, still tight timescales but these are now based on contractual requirements rather than the Budget timescales associated with the earlier ICT/Revs & Bens exercise.

- 10.8.12 Given the timeframe available and after consideration of the alternative options, the best advice is that the procurement should be through the Competitive Dialogue process. It is a process that was successfully used by the authority in the past (for the Building Schools for the Future ICT project), will allow for joint development of the specification and requirements, has built in flexibility and will provide the best chance of getting the service the authority requires. Using this process, the starting point is a broad based advert in the Official Journal of the European Union (OJEU) which invites suppliers to express an interest. Then, through a series of steps, a shortlist of potential suppliers is selected which the authority will then work with to develop a detailed specification or specifications which shortlisted suppliers then provide a bid price(s) for. The recommendation is that this process should always be used for a procurement of this size and complexity unless time restraints dictate otherwise (as was the case in the recent ICT/Revs & Bens procurement exercise).

10.8.13 Key Steps/Timescales

- 10.8.14 Based on advice from external and internal sources, Appendix A shows, in diagrammatical format, the high level stages and tasks with estimated timescales required for this process to be effectively carried out. It is currently showing an expected contract award date in September 2013 but it needs to be understood that this timescale is extremely tight, given the various stages and legal timescales so it is essential therefore that a decision on whether to proceed down this route would be required by July 2012 if we are to have any chance of meeting the contract expiry date of September 2013.

10.8.15 Resource Requirements

- 10.8.16 The Competitive Dialogue process is a detailed, time-consuming procedure, periods of which are very intensive, and it is essential that it is carried out properly as the authority will be relying on the outcome of this exercise to support the ICT infrastructure and critical ICT systems (and therefore crucial front line services) for a number of years.
- 10.8.17 Advice received, both internally and externally, indicates that there would be a requirement for in-house resources to be available for developing the specification, running the procurement process and evaluating the bids received, and that this would need to be complemented by external support, particularly in relation to legal, financial and technical issues. Procurement of this external support would be expected to take around 4 to 6 weeks to complete, although some of the preparation work for the Competitive Dialogue

process can be done by the in-house team whilst this external advice is being procured.

10.8.18 External advice is that the costs of the external support for the bid management and evaluation team would be likely to be in the region of:

	£
Technical and Bid Support	85,000
Legal advice	30,000
Financial advice	15,000
TOTAL	130,000

The Technical and Bid support is required to cover supporting the authority and the identified internal resources with the following tasks:

- Review/update of current requirements
- Design of procurement route, roles and responsibilities
- Working with legal advisors to develop baseline contract
- Review of the Project Information Notice (PIN), OJEU Notice, Pre-Qualifying Questionnaire (PQQ) and Project Information Memorandum (PIM); documents, management of evaluation and development of evaluation report
- Review of submissions, interviews with bidders, management of evaluation and development of evaluation report
- Dialogue meetings with bidders, agreement of substantive contract with bidders, management of evaluation and development of evaluation report
- Dialogue with preferred bidder and associated contract development to financial close

The level of legal advice is based around the assumptions that some of the work would be carried out by our internal legal team but that external support would be required as there are specific legal steps at various stages in relation to the Competitive Dialogue process that would require specific knowledge, not available in-house.

Again, the level of Financial advice is based on the assumption that internal Finance resources would be used wherever possible but specific areas of expertise and knowledge would also be required to be sourced externally.

All of these costs are estimates, based on the best advice available and working on the assumption that, wherever possible, the work would be done by HBC resources and supported externally as required.

10.8.19 To put these costs into perspective, they are lower as a percentage of the total potential contract value for this exercise than for the similar exercise completed as part of the Building Schools for the future programme.

10.8.20 In addition to this external support, there will be a requirement for internal resources to be made available. This internal work will be undertaken by a

number of senior staff in addition to their normal workload and through reallocation of current work, re-prioritisation of activities etc. Whilst it is anticipated that this will be absorbed within existing resources, the extent of the work involved cannot be underestimated, and will rely on the goodwill and commitment of the staff involved. It has been assessed that to ensure the procurement is effective the following roles will be required, and although the full extent of the involvement is difficult to quantify, it is expected to take up considerable time during the various phases of the project.

- Corporate Lead
- Project Manager
- Strategic ICT Lead
- Technical Lead
- Financial Support
- Legal Support
- HR Support
- Procurement Support

10.8.21 In addition, there will be costs associated with holding Industry Days, Dialogue Days, site visits and secure electronic storage facilities. These costs will be met from existing budgets

10.9 OPTION 3 - PUBLIC-PUBLIC PARTNERSHIP/COLLABORATION

10.9.1 Background

10.9.2 The third option under consideration is the development of a public-public partnership/collaboration. The idea behind this option is that Hartlepool would look at the possibility of sharing the ICT support with one or more local authorities. This could potentially reduce costs by sharing overheads but would increase the complexity of the requirements as different infrastructures, systems, organisations, political and environmental factors would all need to be taken into account.

10.9.3 There is also the possibility that no local authorities are either in a position to join with Hartlepool at this stage due to current contractual arrangements, or in fact, have no desire to work in partnership in this way or not be in a position to deliver a value for money solution in comparison with other options.

10.9.4 It is the basic stance of the Department for Communities and Local Government (DCLG) and the UK Government that value for money should be sought in all public procurement and that this is to be achieved through competition unless there are compelling grounds to the contrary. Local Authorities must therefore consider how far such a compelling case can be made in respect of collaboration and how, if they decide to adopt a collaboration strategy, whether they are obliged to follow a formal procurement route.

10.9.5 The EU procurement rules make no distinction between the bodies that may be providing services to another. It is irrelevant whether the best provider might be a private or a public sector provider. There is still, however, the issue

of ensuring value for money as discussed in relation to the in-house option. Following this option, without any competitive element will not provide the authority with any reassurance that we are obtaining the best solution for the best price that we can. Collaboration between authorities has commonly not been regarded as procurement but this cannot be assumed and it is advised to seek legal advice, especially where in other circumstances the authority would be preparing for a procurement exercise (as is the case here).

10.9.6 It may be possible to set up some kind of shared service arrangement which may be exempt from the EU procurement rules if the arrangement passed the 'Teckal' test, which relates to control over the body delivering the work and the body providing its services. The main issues which decide whether the Teckal exemptions apply are:

- the company set up to deliver the service must carry out the principal part of its activities with the Council(s);
- the Council(s) exercises the same kind of control over the service provider as it does over its own departments; and
- there is no private sector ownership of the service provider nor any intention that there should be any.

If the Teckal test was passed and the result was to agree to some form of merging of existing local authority services then the major issues would be around configuring the services and reaching managerial and political agreement around who does what and is accountable to whom.

10.9.7 There could be, with a public-public collaboration a potential conflict of priorities between the authorities, and possible difficulties caused by the use of different platforms, systems, infrastructure etc. There would be a requirement to disentangle any existing arrangements that might be in place and a range of transition issues, and associated costs, arising from this. On a positive note, however, it may enable the local authorities to share resources with organisations who have a shared understanding and ethos, rather than the private sector commercial considerations and it could also allow for flexibility of service provision as the authorities involved could jointly agree changes without consideration of the commercial impact it would have had in a private sector arrangement.

10.9.8 One of the big risks with this option is that the time taken to consider this could eat very significantly into the time available for the whole project given that the current arrangements are due to end in September 2013 if the approach were taken to explore this option and then undertake the further assessments sequentially. In this scenario, if the decision is taken to go down the public-public route without any competition (assuming the Teckal test is passed), then it may be possible to approach other local authorities to identify any potential interest in a joint service provision, followed by a period of pre-collaboration discussions and a feasibility study. It is estimated that this initial phase (up to the completion of the feasibility study) would take approximately 12 months. This would then leave insufficient time to carry out a Competitive Dialogue process should the feasibility study produce a negative outcome.

10.9.9 As discussed earlier, if the Teckal test is not passed, or the decision is taken to run this alongside a Competitive Dialogue process (either with or without an in-house bid), then there is a big risk that it could potentially deter many (if not all) of the potential bidders who would be disinclined to put in the time and resources needed to develop their bids when there is the likelihood that the authority will eventually decide to take the public-public collaboration option instead. They are likely to be very wary of the authority simply taking their ideas and using them in a public-public collaboration exercise.

10.9.10 There would also be the need to share current service levels, costs, systems, etc. with potential partners, which could be considered as a breach of contract with current suppliers where existing commercial arrangements are in place.

10.9.11 Key Tasks/Timescales

10.9.12 In order to expedite what is essentially an almost unmanageable timescale and without delaying overall timescales, an alternative, informal soft test exercise has been undertaken to provide some information in advance of any decision. As part of this exercise another local authority has been approached to provide a without prejudice assessment of the potential costs of delivering the ICT provision for the authority. This was undertaken utilising the specifications for ICT which previous bidders has submitted costs against. This was to ensure that there was a reasonable assessment of value for money and for procurement benchmarking processes only. The information provided is commercial in confidence and not for disclosure but does provide HBC with an indication of the likely level of costs and/or potential savings that could be expected and therefore provide an answer to the value for money concern.

10.9.13 The results of this exercise have shown that the submission from the other local authority for the provision of ICT services is approximately 15% more than the submissions received for ICT through the previous procurement exercise which appears to be mainly through the increased buying power of the private sector bidders.

11. FINANCIAL CONSIDERATIONS

11.1 The previous procurement exercise had identified significant savings over the life of the contract to the benefit of the Medium Term Financial Strategy. These saving would have provided a significant contribution towards the 2012/13 budget and increased ongoing savings in the remaining two years of the MTFS (i.e. 2013/14 and 2014/15). The savings would also have significantly exceeded the one-off costs associated with the proposed ICT / Revenues and Benefits Contract. One-off funding had been identified to fund these one-off costs, which would have maximised the annual savings which could have been taken towards the MTFS. An element of the available one-off funding has been allocated to offset the loss of the saving from the proposed ICT / Revenues and Benefits contract and also to fund the removal

of the denominational transport saving in 2012/13. The uncommitted one off funding of £0.545m has been transferred to the General Fund Reserve.

11.2 The exercise to be undertaken as a result of any decision taken from this report will not deliver savings until October 2013 at the earliest.

11.3 The report identifies the potential costs for the potential routes that may be considered following the decision by Council. In determining these, account has been taken of where internal resources can be utilised to minimise cost.

11.4 In summary the costs of the various procurement options are identified below:

Option 1 – Private Sector Competition plus In-House Bid	£265,000
Option 2 – Private Sector Competition Only	£130,000

11.5 The costs of undertaking this procurement (in the form that is ultimately determined) are not part of the budget and policy framework and will require agreement by Council. It is recommended that these costs are funded from the uncommitted resources of £0.545m transferred to the General Fund Reserves after taking into account £50K Managed Revenue Underspend which has been earmarked to contribute to this).

11.6 In addition, as indicated in the previous paragraphs a potential saving from just looking at ICT will not be achieved until October 2013 at the earliest. Members will need to determine if the impact of the delay in achieving this saving is managed by making additional cuts in other services, which in the medium term is the most financially sustainable approach given the scale of ongoing budget shortfalls in 2013/14 and beyond.

11.7 Alternatively, Members may determine to utilise all, or part of the net uncommitted resources transferred to the General Fund reserves (and not needed for unbudgeted procurement costs detailed in paragraph 10.4) to provide temporary support to the budget in 2013/14 pending the full year ICT saving being achieved in 2014/15. In practice it is anticipated that the full value of uncommitted one-off resources not needed for one of procurement costs of £0.280m will be needed to offset a partial year saving from ICT, as this amount is a prudent estimate of the likely part year ICT saving which should be achievable.

11.8 At this stage it would be prudent to seek full Council approval to allocate the £0.545m transferred into the General Fund to cover one-off procurement costs of up to £0.215m and also full Council in principle approval that the residual balance of £0.330m be earmarked as temporary support for the budget in 2013/14 pending the full year ICT saving being achieved in 2014/15. The 'in principle' decision will then be ratified as part of the formal budget setting report in February 2013 to enable full Council to consider this issue in the context of the Councils overall financial position and the budget cuts which will need to be made in 2013/14.

11.9 If these proposals are adopted then these and the previous decisions made by full Council will fully commit the whole of the one-off resources previously

identified of £1 million for one-off costs of awarding an ICT / Revenues and Benefits contract. At this stage it is hoped that the new arrangements for ICT will provide an ongoing saving towards the MTFS budgets deficits, although the value of these savings is not yet known.

12. LEGAL CONSIDERATIONS

- 12.1 It is vitally important that in embarking on the planned exercise which is encompassed by this report, that the approach which is taken is designed to ensure that the objectives of the authority, however they are defined, are maximised; that the process is clear, unambiguous and transparent; that the basis for the evaluation of any bids is fair and equitable and in doing each of these things that any risk to the authority of legal challenge is minimised and mitigated as far as is practicably possible.
- 12.2 The recommendations and information included in this report are the professional advice of a range of senior officers, take account of external expertise in the procurement of large scale, complex ICT contracts and reflect the views of the Section 151 officer as to the issues, costs and implications of the matters being considered and in dealing with these issues, the practical arrangements that will need to be put in place to undertake them in an effective manner and the costs of doing this.

13. STAFF ISSUES

- 13.1 This report does not identify any of the potential staffing and or TUPE issues that may be applicable to the various options that are available to the authority at this stage. Any staffing implications or issues will be managed in line with either legislative requirements and or the policies of the council in respect of these matters.

14. SUMMARY

- 14.1 The decision of Council in respect of ICT and Revenues and Benefits requires the consideration of a range of issues and decisions in respect of the appropriate route and to provide officers with a clear decision upon which to proceed in a timely manner to ensure that suitable arrangements can be put in place.
- 14.2 The objectives set at the outset of the previous procurement exercise require reconsideration as not all of the originally determined objectives are valid for all of the potential options and instil unnecessary and impractical risk into the process and the evaluation of any subsequent bids.
- 14.3 The need to ensure that the process undertaken is fair, equitable and demonstrably open and balanced is key in determining any way forward as any potential lack of objectivity on the part of the Council will increase either the risk of a lack of engagement of the private sector and / or legal challenge on their part of the process undertaken by the authority.

- 14.4 There are a range of options which may be pursued which bring with them a range of different benefits, risks and costs. These can be managed as part of a procurement process but they are included in this report to ensure that members have a clear view of the advice of officers and that received from external advisors.
- 14.5 The procurement timescales, especially if allied to exploring and managing this in respect of a number of options, are tight and whilst these can be managed they do require clear and early decisions on the overall objectives, the options and procurement route and the funding to deliver these.
- 14.6 As with any such exercise following more than one route will bring with it increasing complexity and in the case of the procurement of the services that are being considered as part of this report in some cases increased costs. The value of the services being considered as part of this report are considerable and their potential impact on the authority if not procured and then delivered effectively is significant. It is on this basis that the information included in this report is considerable and detailed.

15. CONCLUSIONS

- 15.1 After consideration of the detailed information provided in the previous sections of this report, Members need to determine a concise set of objectives for this exercise in the light of the fact that to ensure equality and equity in evaluation that these should be capable of delivery across the model of delivery determined. Members also need to appreciate and accept the risks attached to the various options and agree on the route to be followed, taking into account the risks, timescales and costs associated with any decision taken.
- 15.2 The position is that the authority is now in a situation where to do nothing is not an option. The current ICT support arrangement ends on 30th September 2013 so it is essential that any new arrangements are in place from that date. It is essential, therefore, that a decision is made in June 2012 to allow sufficient time for this decision to be implemented effectively, whilst minimising any risks and being in a position to maintain an effective ICT service which provides a managed and cost effective solution delivering savings to the Councils core budget.
- 15.3 It is also important to note that whatever decision is taken, there are constraints in terms of timescales, resources and costs. Each of the options will require a great deal of time and resources (both internal and external to the authority), and there will be some up-front costs that will need to be budgeted for.
- 15.4 The options covered earlier give detail in relation to the 3 main options open to the authority, namely in-house provision, further private sector provision, and collaboration with another public body/bodies. In order to expedite the situation an informal soft testing / cost benchmarking exercise has been undertaken to determine what the potential cost options and benefits could be for a public/public delivery model.

- 15.5 If the decision is taken to only follow the private sector option, then it is recommended that a Competitive Dialogue process is undertaken, as this will attract the widest possible number of bidders and enable the requirements to be developed in conjunction with the bidders during the process. It is less restrictive than other processes and will put the authority in the best possible position to get the service it requires at the most competitive price.

15.6 OBJECTIVES

- 15.6.1 The decision by Council calls for the investigation of all available options in respect of ICT but makes specific reference to the development of an in house option and continuing some form of outsourced provision.

- 15.6.2 As part of the plans and programme the authority needs to put in place for the 2013/14 budget and beyond, the Revenues and Benefits functions will be considered in line with the corporate arrangements applying to other services for achieving savings. Any proposal will therefore be reported as part of the normal budget process.

- 15.6.3 The objectives within the previous procurement were established to ensure that maximum benefit could be derived for the local authority and the local economy. They covered:

- Base in Hartlepool
- Retain and Grow Jobs
- Local Economic Benefits
- Enhanced TUPE protection for staff
- Maintain and improve services
- Achieve savings
- Scalability in terms of services and expansion to other local authorities

- 15.6.4 It is not feasible to maintain the comprehensive scope of the last procurement (beyond the provision of services and savings) if the options identified by Council are maintained.

- 15.6.5 Assessment, aligning contractual and service delivery alongside the delivery models and their potential has identified that there are a number of options for the procurement of the services.

- In-house, outsourced arrangements and public/public with the objectives based upon
 - Maintain and improve services
 - Achieve savings
- In-house and outsourced arrangements with the objectives based upon
 - A base in Hartlepool
 - Maintain and improve services
 - Achieve savings
- Outsourced arrangements with the objectives based upon

- A base in Hartlepool
- Retain and grow jobs
- Local Economic benefits
- Maintain and improve services
- Achieve savings
- Scalability in terms of services and expansion to other Local Authorities

15.6.6 On the basis of the considerations to date, and the primary requirement to safeguard the authority from legal challenge it is not considered feasible to undertake any such assessment / bid process on the same basis as the last exercise including retention and growth of jobs local economic benefits and scalability across all models. This means that a significant number of the benefits secured as part of the last tendering exercise will not be capable of delivery if this approach is undertaken.

15.6.7 The first decision required, therefore is to agree that the objectives of the exercise are either:

- Maintaining and improving services and achieving savings (only possible through in-house, outsourced or public-public options); or
- Maintaining and improving services, achieving savings and maintaining a base in Hartlepool (only possible through in-house or outsourced options).

15.7 “PROCUREMENT” OPTIONS / RISKS

15.7.1 As detailed earlier in the report, there are a number of options for procurement of these services, each of which carries different risks, costs and timescales.

15.7.2 Option 1 would be to develop an in-house bid to be submitted alongside private sector bids using the Competitive Dialogue process. This is estimated to cost £135,000 to develop the bid plus £130,000 as for Option 2 (below) giving a total of £265,000 plus internal resources, with estimated timescales of 16 months. One of the main risks with this option is that potential bidders would be even less likely to submit bids were they to view the in-house option as the likely outcome. A further major risk is that any in-house bid would have to be largely developed by external advisors (supported by in house staff) but would then become the responsibility of the authority to deliver were it to be successful during the Competitive Dialogue process. These risks could be mitigated against by being completely open about the requirements and evaluation process, reassuring potential bidders that the in-house bid team is separate from the evaluation team and ensuring a robust evaluation to ensure that the in-house bid is capable of being delivered against should it be successful.

15.7.2 Option 2 would be to carry out a Private sector competition using a Competitive Dialogue process, with estimated costs of £130,000 plus internal resources and estimated timescales of 15 months. The most significant risks associated with this route are that potential suppliers will not be willing to put

in the time and resources needed to bid for the contract, and that there could be insufficient time to carry out the exercise before the current arrangements expire in September 2013. These risks can be mitigated against by making a decision as early as possible to allow sufficient time, ensuring resources are made available to focus on the exercise and being clear about HBC plans to convince potential bidders that this is a serious competitive process which will be properly and openly managed.

15.7.3 Option 3 encompasses considering the potential for a Public Public Partnership for the provision of ICT services. In considering this, and as outlined previously a cost benchmarking exercise utilising the previously developed ICT specifications has been undertaken on a without Prejudice basis. This was to understand the potential costs of another public sector / local authority body providing the services to the authority. This has demonstrated that the costs provided against the specification utilised previously (to enable a test of value for money to be determined) are approximately 15% more than those received by external bidders through the last procurement exercise which appears to be mainly due to the increased buying power of the private sector bidders.

15.8 TIMESCALES AND COSTS

15.8.1 Options 1 (estimated to cost £265,000 plus internal resources) or 2 (estimated to cost £130,000 plus internal resources) above would be expected to take a 15 to 16 months to reach a successful conclusion.

15.8.2 It is not recommended that Option 3 be progressed as a result of the cost benchmarking exercise which has been undertaken.

15.9 OFFICER ADVICE

15.9.1 It is important in an exercise of this scale, complexity and importance to the authority that the advice of officers is considered in taking any decision. The report is the summary of significant work which has been undertaken since the Council decision. It is the best advice of officers that:

- based on the decision of Council members required officers to explore, as part of a procurement exercise for ICT services, an in house option and private sector provision. This report has been prepared on that basis and to meet these requirements.
- If a private sector only route is undertaken then it is possible to use the same objectives (or a variation upon them) as the last procurement. This would mean that it would be possible to incorporate, as was the case last time, the requirements for job creation, local economic benefits or a scalable base for the delivery of services and the benefits that may be derived from these.
- If it was determined to follow an in-house and private sector route then this will mean that it is not possible utilise the same objectives as the last procurement and it will not be possible to incorporate, as was the case last time, the requirements for job creation, local economic benefits or a

scalable base for the delivery of services and the benefits that may be derived from these.

- The timescales available for undertaking this exercise are very limited and therefore a clear decision to proceed and the basis upon which to proceed is required before the end of July to enable the programme of work to be completed by September 2013.
- There will be no clear demonstration of either value for money or service provision if the current arrangements are essentially allowed to wind down to contract completion. The critical importance of these services and their cost to the authority requires clear demonstration of value for money and effective ongoing provision.
- The ultimate delivery model and the evaluation of any options must incorporate not just the initial costs of the delivery of any service but requirements around capital and infrastructure upkeep and the refreshing of technology on an ongoing basis. Dependant upon the model this cost may fall directly to the authority.
- There will be no clear demonstration or test of value for money if the decision is taken to only develop an in house bid and this is not recommended.
- If a private sector only route is taken and there is competition within this then this can provide a demonstration of value for money.
- If an in house bid is to be pursued this cannot be undertaken without there being a private sector bidding process and bid comparators to determine and demonstrate value for money.
- If an in house bid is to be pursued then external resources as identified in the report are required to ensure the bid is suitably robust given the risk to the authority.
- To explore all available options is not entirely feasible and the report has focussed on the three main available options in the light of the decision by Council.
- To continue to aim to explore all available options as part of this exercise is adding a significant degree of complexity to the programme due to procurement and transparency requirements and the need for officers to protect the legal position of the Council. The arrangements included in this report do however manage to do this.
- A competitive exercise should be undertaken to ensure value for money.
- The Competitive Dialogue process should be followed – either with or without in-house bid as part of the process as in the timescales available this offers the most robust options for the services.
- The exercise cannot be undertaken effectively without additional resources as identified in the report.
- If an in house bid is delivered it must be developed by a team, as outlined in the report, which is kept entirely separate from the evaluation team, any failure to do this will leave the authority open to legal challenge and will deter the market from bidding with there therefore being no clear test of value for money.
- The current contract requirements in place with the incumbent supplier in respect of notification of change for the end of the contract will need to be renegotiated.

- Based on the informal exercise undertaken in respect of the public-public collaboration it is not recommended to pursue this route on value for money grounds.

15.9.2 As indicated in the previous sections of the report and summarised above there are significant complexities and risks around exploring multiple options for ICT at the same time. These issues could impact on the ability to deliver an effective ICT service when the existing contract ends and the opportunity to achieve savings at least equal to those which would have been delivered from the previously proposed ICT / Revenues and Benefits procurement. There are also significant one-off costs of exploring multiple options for ICT.

15.9.3 Based on an assessment of these risks, work undertaken to date and costs it is officers best professional advice that the Council should only pursue the option of a new private sector contract for the provision of ICT, as this option provides the safest and most robust route for the continued delivery ICT, maximises the opportunity for future technology benefits and secures contractually enforceable savings. This report includes the initial exploration of the available options and the professional advice of officers in pursuing these.

15.9.4 If Members accept this advice they then need to determine the scope of the contract as this will impact on the level of savings achievable. This issue is a policy decision, although officers would advise Members excluding certain aspects from the scope of the contract would increase the savings which can be achieved.

15.9.5 The timescales attached to this exercise are complex and will be difficult to achieve. On this basis a decision is required by Cabinet no later than the end of July and then Council (in respect of the funding required) if the procurement exercise is to be effectively delivered, the position of the authority not compromised and any potential transition arrangements effectively managed.

16. DECISIONS REQUIRED

16.1 Cabinet are recommended to:

- Note the investigations and information which has been undertaken in respect of the decision of council on 23rd February 2012.
- Note the results of the informal assessment of the potential for a Public / Public arrangement and the implications of this identified in the report.
- Determine whether the scope of the competitive dialogue should be
 - In house and Private Sector
 - Private sector only
 - In house, private sector and Public / public
- Determine the objectives of the procurement – either:
 - Objective Scope 1 - Maintaining and improving services and achieving savings (only possible through in-house, outsourced or public-public options); or

- Objective Scope 2 - Maintaining and improving services, achieving savings and maintaining a base in Hartlepool (only possible through in-house or outsourced options).
- Notwithstanding the objectives of the procurement identified above agree to the implementation of a competitive dialogue process.
- Agree to seek full Council approval to allocate up to £0.215m from the uncommitted backed-dated Job Evaluation Appeal reserves (i.e. the resources not needed to replace the loss of the ICT / Revenues and Benefits and the removal of the Denominational Transport savings in 2012/13 and net of the £50K managed revenue underspend which has been earmarked to contribute to this) of £0.545m transferred to the General Fund Reserves to fund the up-front costs associated with this
 - £265,000 if a competitive dialogue process is undertaken for the private sector with an associated in house bid
 - £130,000 if a competitive dialogue process is undertaken for the private sector only
- Agree to seek full Council approval to allocate the remaining balance of the resources transferred to the General Fund Reserves from the uncommitted backed-dated Job Evaluation Appeal reserves of £0.330 on an 'in principle' basis to provide temporary support for the budget in 2013/14 pending the full year ICT saving being achieved in 2014/15. The 'in principle' decision will then be ratified as part of the formal budget setting report in February 2013 to enable full Council to consider this issue in the context of the Councils overall financial position and the budget cuts which will need to be made in 2013/14.
- Agree that the Assistant Chief Executive be authorised to conduct negotiations with the current supplier in relation to the revision of timescales for re-tendering in relation to the current contractually agreed dates.
- Agree to receive the results of the exercise once completed.
- Agree to refer to scrutiny for consideration and response to cabinet by the end of July to ensure procurement exercise can be undertaken.

17. BACKGROUND PAPERS

Cabinet reports of:

24th January 2011, Strategy for bridging the budget deficit 2012/13.

7th February 2011, Strategy for bridging the budget deficit 2012/13

8th April 2011, Strategy for bridging the budget deficit 2012/13 – ICT and Revenues and Benefits

23rd May 2011, Strategy for bridging the budget deficit 2012/13 – ICT and Revenues and Benefits

20th June 2011, Call in of Decision, Strategy for bridging the budget deficit 2012/13 – ICT and Revenues and Benefits

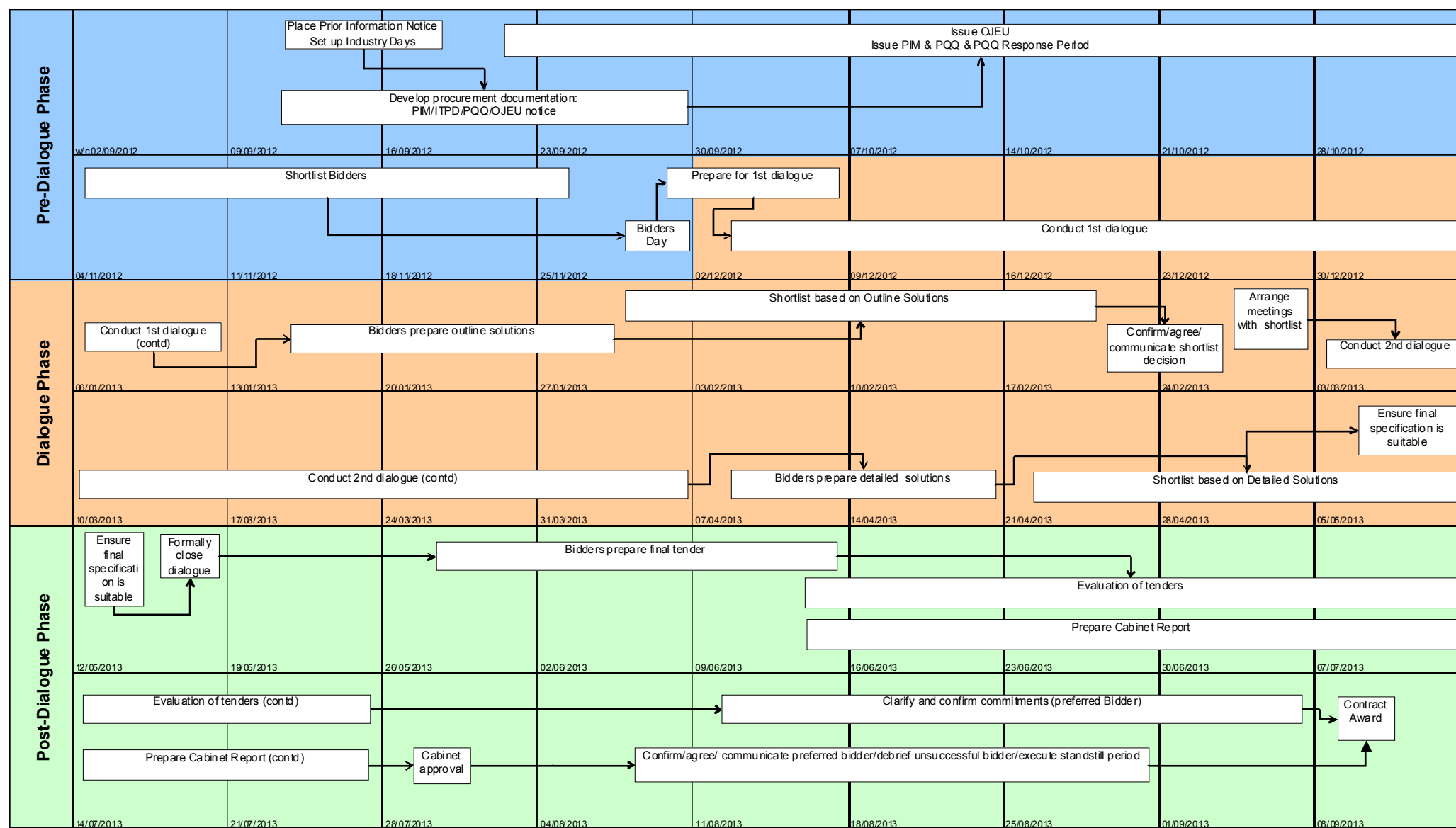
19th December 2011, Strategy for Bridging the Budget Deficit 2012/13 ICT, Revenues & Benefits Services

18. CONTACT OFFICERS

Andrew Atkin, Assistant Chief Executive

Chris Little, Chief Finance Officer

Graham Frankland, Assistant Director (Resources)





Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY
(MTFS) 2013/14 TO 2016/17

1. TYPE OF DECISION / APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

2.1 The purposes of the report are:

- i) to provide details of the budget deficits facing the Council over the next two years and indicative forecasts for 2015/16 and 2016/17;
- ii) to enable Cabinet to begin to develop and consult on a proposed strategy which will begin to address these significant financial challenges.

3. BACKGROUND

3.1 Economic Position and Outlook

3.2 The current economic position and outlook are extremely important for the public sector as they effectively determine the amount of money available for public services.

3.3 The UK economy went into recession in 2008 as a result of the impact of the international banking crisis and the subsequent impact on the world wide economy, which has had the most notable impact on the Euro area. The slow and uneven recovery in UK economic activity means that this recession has now outlasted the previous downturns of the 1930s, 1970s and 1980s.

3.4 These issues will continue to have a major impact on the public finances for many years to come. Therefore, whatever the results of the next General Election, the next Government will continue to face significant financial challenges as it has become increasingly clear that the impact of the recession and banking crisis has had a deeper and

longer impact on public sector finances in both the UK and around the world. The most visible impacts of this continuing situation are the challenges facing the Greek economy, more recently Spain and potentially other European countries. This position reflects the fact that the recession was caused by a banking crisis and it is more difficult and takes significantly longer for economies to recover from a recession caused by a banking and financial crisis.

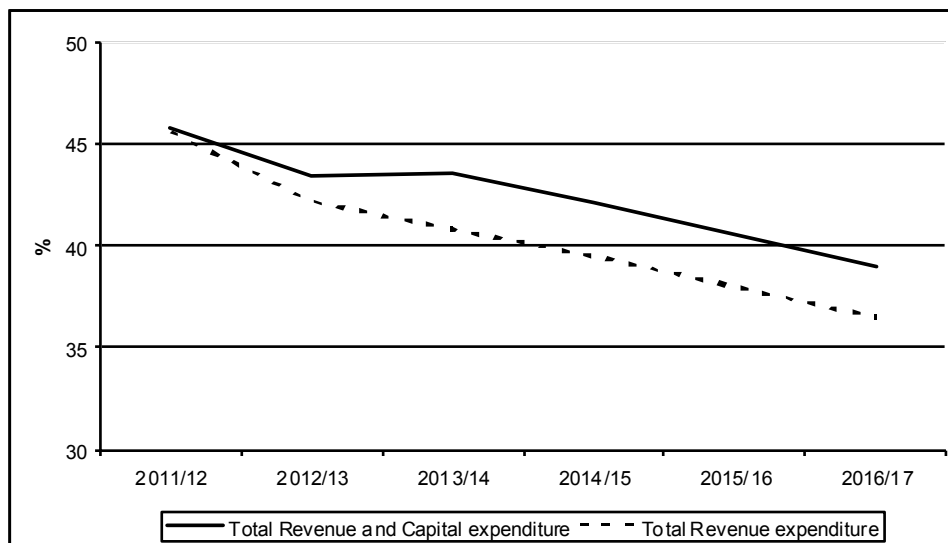
- 3.5 Against this background it is expected that growth in the UK economy will take longer to recover to 'normal' levels. It also needs to be remembered that the recession and banking crisis cut the overall size of the economy and it will take time for growth to just get the overall level of economic activity back to the pre-recession level. This will continue to impact on the Government's finance as tax revenues will continue at a lower level, particularly taxes from the banking sector.
- 3.6 These issues will constrain whichever party(s) form the next Government. In addition, any new Government will need to establish their credibility with the financial markets to avoid the UK facing the types of problems experienced by countries in the Euro zone of increasing Government Borrowing costs which lead to higher spending cuts.

3.7 National Financial Position

- 3.8 The national financial position and decisions made by the Government have had a significant impact on councils over the last two years (2011/12 and 2012/13). The most significant financial factor has been the impact of the Government's 2010 Spending Review.
- 3.9 The 2010 Spending Review outlined the Government's strategy for reducing the public spending deficit and anticipates funding around 75% of the deficit reduction through spending cuts and 25% through tax increases.
- 3.10 For local authorities the funding cuts detailed in the 2010 Spending Review were amongst the highest in the public sector at 28% over 4 years up to 2014/15. The cuts in local authority funding are significantly higher than the national average cut in public spending of 19%, which reflects the Government's priorities, particularly in relation to health and education. More significantly, the cuts in funding for local authorities were front loaded in 2011/12 and 2012/13.
- 3.11 Announcements by the Government since the 2010 Spending Review have continued to reinforce the Government's strategy for public sector spending and their commitment to reducing the national budget deficit. The Chancellor of the Exchequer has indicated that spending cuts will continue beyond the current 4 year spending review into 2015/16 and 2016/17, although the precise details will clearly depend on the results of the next General Election.

- 3.12 The Chancellor's 2012 Budget provided details of forecast public spending for 2015/16 and 2016/17 and stated that total public expenditure as a percentage of Gross Domestic (GDP) will continue to fall until 2016/17. Details are summarised in the following table which highlights the forecast falls in total public expenditure (i.e. capital and revenue expenditure) and more importantly the forecast falls in revenue expenditure within the public sector, which are greater.

Summary of forecast public expenditure as percentage of Gross Domestic Product 2011/12 to 2016/17



Source data - Chancellor's Budget Report 2012 - Annex 1

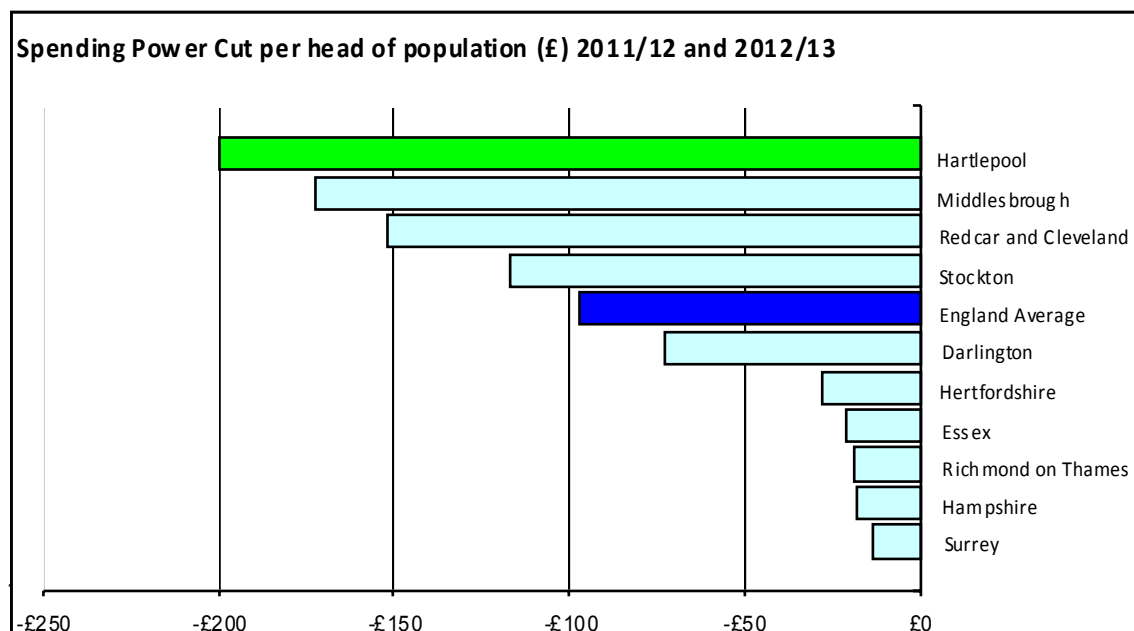
- 3.13 The Chancellor's Budget report also stated that average annual real term reductions in overall Government departmental expenditure will increase from 2.3% indicated in the 2010 Spending Review to 3.8% in 2015/16 and 2016/17. The Budget report does not provide details of the impact on individual Government departments. Based on an analysis of the Chancellor's budget forecasts, existing levels of Government expenditure and an expectation that the NHS and Education budgets will continue to receive relative priority it is anticipated that local authorities will face further grant cuts in 2015/16 and 2016/17, when the next Government Spending Review is announced.
- 3.14 At this stage it is difficult to assess the level of these additional cuts, although based on an analysis of the available national information further cuts in the order of 10% and 15% cannot be ruled out over the two years (2015/16 and 2016/17). For Hartlepool this equates to between £4m and £6m. Clearly, on the back of the formula grant cuts already being made between 2011/12 and 2014/15, of £13.9m (£10.2m made in 2011/12 and 2012/13, plus £3.7m forecast for 2013/14 and 2014/15) additional funding cuts of this magnitude will have a

fundamental impact on the Council. Managing ongoing budget deficits will become increasingly more difficult given the measures which have already been implemented in previous years and will require new ways of delivering services, such as collaborating with other authorities, potential trusts etc. to mitigate the level of cuts in front line services.

- 3.15 There is also a risk that the continued ability of local authorities to effectively and safely manage significant changes and cuts in funding over the last two years may result in the sector again being singled out for more cuts in the future. However, this approach would risk imposing an unmanageable financial position on local authorities as despite the challenges the sector has managed in the past additional cuts will be significantly more difficult to manage and may not be sustainable. Further updates will be provided when more information is available.
- 3.16 In the meantime, this report concentrates on the budget deficits facing Hartlepool in 2013/14 and 2014/15.

3.17 Local Financial Position

- 3.18 As reported previously the front loading of Government grant cuts in 2011/12 and 2012/13 has had the greatest impact on councils which are more reliant on Government grant to fund local services, than those authorities with greater ability to fund local services from Council Tax. As a result Hartlepool and the other 11 North East Councils have suffered higher grant cuts per resident than other areas.
- 3.19 The comparisons in the following table highlight the scale of the gross spending power reductions for 2011/12 and 2012/13, which 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).



- 3.20 As a result of the overall spending reductions Hartlepool's total grants have been cut by £18.6m, a 25% reduction over the last two years. These grant cuts included the complete withdrawal of the Working Neighbourhoods Fund. For other grant regimes the grant cuts have required the Council to make very difficult decision to balance budgets. The grant cuts for 2011/12 and 2012/13 are summarised below.

	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

- 3.21 The cuts in the Core Formula Grant have required the Council to make significant savings in the General Fund Budget (the main revenue budget) over the last two years. For 2012/13 this involved making permanent cuts of £5.110m in departmental budgets and the use of one off resources of £0.484m to offset the removal of proposed ICT / Revenues and Benefits and Denominational Transport savings from the 2012/13 budget by full Council.
- 3.22 To replace the proposed ICT / Revenues and Benefits savings the Corporate Management Team have been instructed by full Council to examine a range of options for achieving saving in ICT costs. It is anticipated these alternative proposals will provide a part year saving in 2013/14, with the full year benefit being achieved in 2014/15.
- 3.23 In relation to Denominational Transport the budget forecasts included in the MTF3 assume this saving will be achieved in 2013/14, although this will be subject to Cabinet and Council approving detailed proposals. A separate report on this issue will be presented to a future Cabinet in June/July.
- 3.24 The decision was also taken to freeze Council Tax in 2012/13 in light of the sustained financial pressure on household budgets as a result of inflation and / or pay restraint. As a result of this decision the Council

is eligible to receive the Government's one-off 2012/13 Council Tax freeze grant. For Hartlepool this one off grant is approximately £1m, which is the amount which would have been raised from the planned 2.5% Council Tax increase included in the MTFS for 2012/13.

- 3.25 Cabinet and full Council recognised that this decision would result in a permanent reduction in Council Tax income of £1m per year, unless the shortfall could be made up by a higher increase in Council Tax in future years above the forecasts included in the MTFS. It was also recognised that this was unlikely to be achievable owing to the introduction of Council Tax Referendum arrangements. Therefore, to help the Council manage the impact of the £1m one-off 2012/13 Council Tax freeze grant being withdrawn in 2013/14 an amount of £0.727m was set aside from the 2011/12 outturn to partly mitigate this issue in 2013/14. Members will need to determine if this is the strategy they wish to adopt.
- 3.26 The availability of this one-off funding will not provide a permanent solution and only defers the problem until the following year, when a permanent solution will be needed. However, given uncertainty over actual grant cuts for 2013/14, the unknown impact of Business Rate re-localisation and changes to the Council Tax Benefit system in 2013/14, this one-off funding will help the Council manage the budget position in 2013/14 and provide a slightly longer lead time to develop a permanent solution.

4.0 Budget Position 2013/14 to 2014/15

- 4.1 After reflecting the actions taken to set a balanced budget in 2012/13 the Council faces a budget deficit over the next two years (2013/14 and 2014/15) of around £9m, which equates to 10% of the General Fund budget. This is a significant reduction in the overall budget and when account is taken of those areas where there are significant lead times and transitional periods to reduce costs, then the actual cuts in other areas will be significantly greater than 10% over the next two years.
- 4.2 These forecasts include the loss of the 2012/13 Council Tax Freeze grant in 2013/14. The impact of this funding being withdrawn could be partly mitigated in 2013/14 by using the one off monies referred to in paragraph 2.25 of £0.727m, although this will just defer a higher deficit until 2014/15 when a permanent solution will be needed.
- 4.3 There is a significant risk that the Government will reduce the trigger points for Council Tax Referendums in 2013/14 as a result of expected falls in inflation, including the specific impact of the Government's public sector pay cap reducing pressure on local authority budgets, and the need to manage the withdrawal of the one-off 2012/13 Council Tax freeze grant in 2013/14. The trigger point was set at 3.5% for the current year and a reduction to 2.5% for 2013/14 and 2014/15 would be a prudent planning assumption. This change would reduce forecast

Council Tax income by £0.8m over two years and could therefore increase the budget deficit for the next two years to nearly £9.7m.

- 4.4 The following tables summarise the issues detailed in the previous paragraphs. The tables highlight the impact of the Council Tax increase reducing from 3.49% to 2.5% in 2013/14 and 2014/15.

Forecast Budget Deficits 2013/14 and 2014/15

	2013/14 £'000	2014/15 £'000	Total £'000
Forecast deficits based on indicative 2013/14 and 2014/15 Council Tax increases of 3.49%	4,100	4,800	8,900
Forecast deficits based on 2013/14 and 2014/15 Council Tax increases of 2.5%	4,500	5,200	9,700

- 4.5 The above forecasts do not include provision for increased Looked after Children costs. It has previously been reported that these costs are currently anticipated to exceed the ongoing revenue budget in 2012/13 and 2013/14 and it is planned to fund the additional costs from the specific reserve earmarked to manage this risk. It had been hoped that this strategy would provide time to reduce ongoing costs to the level of the base budget. It is increasingly anticipated that this will not be possible owing to increases in the number of Looked after Children. Therefore, this issue is anticipated to be a significant commitment against the 2014/15 budget headroom and based on current spending levels £0.4m may need to be allocated from 2014/15. Increases in Looked after Children numbers and costs have been experienced by all councils in the North East. These trends exacerbate the impact of Government funding cuts implemented over the last two years and the Association of North East Council's is lobbying the Government to address this issue and to provide additional funding for Looked after Children pressures.
- 4.6 There is also a risk following announcements by the Chancellor last year and more recent announcements in April 2012 by a range of Government Ministers that the actual deficits for 2013/14 and 2014/15 will be higher than currently forecast and set out in the above table. These risks include the actual local grant cuts for these years, the impacts of business rates re-localisation and the transfer of Council Tax Benefit to local authority control. Further information is needed to assess the impact of these risks and details will be reported as soon as they are available. In the meantime, details of these risks are provided in the following paragraphs.
- 4.7 Local Grant cuts and Business Rate re-localisation**
- 4.8 The budget forecasts assume that the 2013/14 and 2014/15 local grant cuts will be in line with the national reductions announced in the 2010 Spending Review. There is a risk that changes to the system for

determining the baseline for Business Rate re-localisation could result in local grant cuts exceeding the national average, which would repeat the situation applying in 2011/12 and 2012/13.

- 4.9 The impact of Business Rate re-localisation will not be known until detailed regulations are issued and the Government have defined the baseline for setting funding levels for 2013/14 and future years. Until this information is available this is a significant risk area for 2013/14 and 2014/15 as the actual grant cuts for Hartlepool may exceed the current MTFS forecast, which are based on the national grant cuts applying at a local level.
- 4.10 The baseline used for setting future funding levels is being reviewed as part of the process for re-localising Business Rates as it is recognised that this is the only opportunity to make changes before the baselines are locked into the new system. The Council is supporting the Association of North East Council (ANEC) stance that the Government should use the opportunity to address the disproportionate impact on councils serving the most deprived communities, particularly in the North East, of the grant cuts made in the last two years. However, it is unlikely, that this approach will be successful. Similarly, ANEC are asking the Government to recognise the funding pressures on Children's Services.
- 4.11 Although it is too early to make an assessment of the potential impact of these changes Members are advised that each additional 1% reduction in the Formula Grant equates to a funding cut for Hartlepool of £0.46m. The actual grant cuts will not be announced until later in the year, potentially as late as December. Therefore, until these grant allocations are known this continues to be a **risk** which could increase the budget deficits detailed in this report for 2013/14 and 2014/15. This uncertainty makes financial planning more difficult and may require the Council to identify additional measures, within a very short time frame, to balance the budget for 2013/14.
- 4.12 As reported previously there is also ongoing uncertainty about the criteria the Government will use to compensate authorities which experience a significant reduction in in-year business rates as a result of a major employer ceasing to trade, or other in-year factors outside an authorities control. This is a significant financial risk for Hartlepool owing to the impact of the power station on the overall business rates income, as business rates are paid on the basis of the power station output.
- 4.13 Council Tax Benefit changes**
- 4.14 Details of the initial impact of Council Tax Benefit transferring to local authorities, with a 10% funding cut have previously been reported. The key issue will be how the Council manages this position in 2013/14 and whether Members wish to use the resources set aside as part of the

2011/12 outturn strategy of £1.197m to phase in these changes. There is a detailed report on the impact of these changes on the agenda, which outlines the strategic choices facing the Council.

- 4.15 This issue will need considering in detail once Parliament has approved the necessary primary and secondary legislation. There is still no certainty over when the primary and secondary legislation will be approved by Parliament and the latest indications are summer/autumn 2012. This uncertainty is unhelpful and reduces the effective time councils will have to address this complex issue. Any delays in the legislative timetable significantly increase the risk that local authorities will not be able to make these changes in time for the start of 2013/14. In addition, a number of major IT providers which provide Council Tax Benefit systems have indicated that even without any delays in the legislative timetable it will be extremely challenging to make the necessary changes to existing software within the existing timescale. The Government have not really recognised these risks and they are intent on implementing the 10% funding cut, which will mean councils will need to make some very difficult decisions..
- 4.16 Against this background the decision to allocate resources within the 2011/12 outturn strategy to manage the changes to Council Tax benefit is increasingly likely to be needed to avoid this change impacting on the core budget next year. This is one off funding and will not provide a permanent solution which would increase the budget deficits detailed in this reports and increase the cuts which need to be made in other services.
- 4.17 There is also an increasing risk that once the new Council Tax Benefit system is in place that the initial cash grant will be cash limited. This issue is anticipated to impact in 2013/14 as it is expected that the new Council Tax Benefit grant allocations will be based on the 2011/12 audited Council Tax Benefit grant claims. Therefore, planned increases in Council Tax for 2013/14 will not be funded within the new Council Tax Benefit grant allocations. At this stage it is not anticipated that the Council will wish to pass on further cuts in Council Tax Benefit, over and above those arising from the Government 10% funding cut. Therefore, for planning purposes this commitment needs to be built into the budget forecasts for 2013/14 and 2014/15 and is estimated at £0.4m per year.
- 4.18 Whilst, managing changes to Council Tax Benefit will impact on all authorities, it will have a disproportionate impact on local authorities serving more deprived communities with a higher percentage of residents eligible for means tested support with their Council Tax. These authorities will face a greater financial impact and therefore a more difficult situation to manage at a time of continued public sector spending restraint and potentially increasing demand in households requiring support with their Council Tax.

4.19 Impact of Public Sector pay cap

- 4.20 The base budgets for 2012/13 and 2013/14 included prudent provisions for potential pay awards for April 2012 and 2013. At the end of February 2012 the National Employers Organisation announced that there will be no pay award for 2012/13 and they did not agree to the Trade Unions request to refer this issue to ACAS. The National Employers Organisation acknowledged that this is the third successive year there has been a pay freeze for local authority employees, including low paid employees who have not benefitted from the flat rate increase of £250 awarded nationally to other public sector employers earning below £21,000. The National Employer Organisation therefore indicated they wished to commence negotiations on the April 2013 pay award at an early date.
- 4.21 In terms of the impact on the Council's budget it is anticipated that a cumulative reduction in pay budgets can be made in 2013/14 to reflect the April 2012 pay freeze and in anticipation of continued pay restraint in April 2013 as a result of the Government's 1% public sector pay cap. There is an outside risk that the actual April 2013 pay award may potentially exceed the reduced provision included in the base budget for 2013/14, although this is currently assessed as a very low risk.
- 4.22 A more significant risk is the Council's ability to achieve the salary turnover target built into the base budget owing to significantly lower turnover as a result of reduced employment opportunities in other councils and the wider economy and the deletion of vacant posts to balance the 2012/13 budget. This risk was recognised when the 2012/13 budget was set and the target reduced by 50%, to £0.65m. At that time it was hoped that the remaining risk could be removed as part of the 2013/14 budget and offset from a reduction in the provision for pay awards. Given the anticipated pay cap for 2013/14 it would be prudent to use this opportunity to remove this ongoing risk from the budget for 2013/14 and future years. Assuming Members approve this proposal and the 2012/13 turnover target is achieved it will then be possible to release £0.5m of the Strategic Risk Reserve allocated to manage this risk. A strategy for using this amount will need to be developed when this amount is more certain.
- 4.23 Assuming the proposals detailed in the previous paragraphs are approved there will be a net reduction in the overall forecast budget deficit in 2013/14 of £0.45m and in 2014/15 £1.1m.
- 4.24 Following the announcement of the two year 1% pay cap for the public sector the Department for Communities and Local Government announced that there will be additional cuts in local authority grants in 2013/14 and 2014/15.
- 4.25 The Department for Communities and Local Government have stated that these reductions are based on the difference between the

assumed 2.5% pay increase provision they included in the provisional national grant allocations for 2013/14 and 2014/15 and the 1% pay cap. Nationally this equates to £240m in 2013/14 and £257m in 2014/15.

- 4.26 The impact on individual authorities will depend on how these additional cuts are implemented. It is therefore difficult to assess the impact on Hartlepool, although if the additional grant cuts follow the pattern for the cuts already implement there could be an additional disproportionate impact. For planning purposes the minimum additional grant cut is anticipated to be in the order of £0.57m per year.

4.27 School Funding Reform

- 4.28 In April 2012 the Department for Education issued a comprehensive document on School Funding reform, with a consultation deadline of 21st May 2012 and a deadline of 31st October 2012 for Local Authorities to determine a new formula. These arrangements are the first steps towards a National Funding Formula for Schools which the Government has delayed a further two years until 2015/16 and the next Spending Review.

- 4.29 The changes which will be implemented for 2013/14 are extremely challenging, both in terms of the timescale and the potential impact on individual schools and the support services (both education support and non education support services) provided by councils. Officers have commenced work to assess the impact on Hartlepool, including working with the Schools Forum.

- 4.30 At this stage it is too early to assess the financial impact of these changes, although there is a risk there could be an unbudgeted pressure on the Council's budget from these changes. Details will be reported to Members as soon as they are available.

4.31 Police Reform and Social Responsibility Act Implications

- 4.32 The Police Reform and Social Responsibility Reform Act brings in new structural arrangements for national policing, strategic police decision-making, neighbourhood policing and policing accountability. Elections for a Police and Crime Commissioner (PCC) for the Cleveland Force area will take place in November 2012, which has funding implications for the authority. The Community Safety fund of £79,000 will transfer to the PCC, which has over the last three years, has been used by the Safer Hartlepool Partnership to progress a number of initiatives in support of its strategic objectives. The initiatives have been broad ranging, and innovative to respond to local need and identified gaps in service provision. In 2012 the fund has been allocated to Safer Communities and the Joint Action Groups, Alcohol Support Services linked to Alcohol Treatment Orders and young peoples substance misuse. Additional grants which will transfer to the PCC include the

Home office element of the Youth Offending Grant, £170,000, which is allocated against the Prevention Team who deliver a suite of prevention programmes aimed at reducing reoffending and 1st time entrants into the Youth Justice System, as well as the Home Office Drug Intervention Programme grant of £164,000 which currently is allocated against the arrest referral contract.

4.33 Changes to Local Planning Assumptions

- 4.34 In addition to the financial impact of national issues detailed in the previous paragraphs a number of local factors have also been reviewed to reflect changes since the initial planning assumptions were reported in February 2012. These issues cover the removal of annual capitalisation of revenue expenditure, savings in the severance repayment budget and lower external Audit fees as summarised below:

	Increase/(decrease) in 2013/14 budget deficit report in February 2012 £'000
<u>Capitalisation of revenue expenditure</u> Since 2010/11 the MTFS has include the annual capitalisation of revenue expenditure as part of the strategy for balancing the revenue budget. Initially this amount was set at £0.5m and was then reduced to £0.25m as part of the 2011/12 budget. The capitalised expenditure has been funded using Prudential Borrowing and the resulting revenue repayment costs have been funded as a budget pressure. Owing to the ongoing cuts in grant funding it would be prudent to remove this capitalisation from the 2013/14 base budget. Continuing to capitalise expenditure up to 2014/15 would result in annual repayment in the order of £0.2m, compared to an annual 'saving' of £0.25m. Continuing beyond 2015/16 would result in annual repayment costs exceeding the annual 'saving'. Capitalisation of revenue expenditure may still be appropriate in specific ad-hoc circumstances, for example to help manage the overall revenue budget if demand pressures in any one year exceed available resources, pending the development of a permanent solution.	250
<u>Savings in Severance repayment costs</u> Severance costs funded on a loan basis in 2009/10 from the insurance fund were less than anticipated which has enabled the loan to be repaid earlier, which then enables the severance repayment budget to be released as a saving.	(120)
<u>External Audit Fees</u> At the start of March 2012 the Audit Commission notified councils of the savings accruing from the	(90)

tendering exercise for external audit work.	
Net increase from changes in local planning assumptions	40

4.35 Summary of changes in National and Local Planning assumptions

4.36 The changes detailed in the previous paragraphs are anticipated to increase the 2013/14 and 2014/15 budget deficits detailed in paragraph 3.4 as summarised below:

	Increase/(decrease) in 2013/14 budget deficit report in February 2012 £'000	Increase/(decrease) in 2014/15 budget deficit report in February 2012 £'000
Council Tax Benefit changes (para. 3.17)	400	800
Review of provisions for pay awards and salary turnover targets (paras. 3.19 to 3.23)	(450)	(1,100)
Additional Grant cut 2013/14 to reflect clawback of lower pay awards (para 3.26)	570	1,140
Changes in Local Planning Assumptions (para 3.34)	40	40
Net increase in budget deficit from changes in planning assumptions	560	880

4.37 The impact of the above changes on the forecast deficits for 2013/14 and 2014/15 is summarised in paragraph 4.5, together with the forecast deficits for 2015/16 and 2016/17.

5.0 Budget Forecasts 2015/16 and 2016/17

5.1 As indicated earlier in the report 2015/16 and 2016/17 will be covered by the next Government Spending Review which is anticipated will continue to reflect the constraint of public spending to reduce the overall level of Government debt, the continued prioritisation of health and education relative to other public services and continued pressure on welfare spending. The overall position for public spending is unlikely to change even if there is a change in Government. A new Government will still need to adopt a robust public spending strategy to

avoid losing the UK's existing AAA credit rating which would lead to increasing Government borrowing costs and consequently higher cuts in public spending.

- 5.2 For local authorities it is anticipated that grant cuts will continue into 2015/16 and 2016/17. Analysis of national public spending forecasts indicates that over these two years additional total grant cuts in the order of 10% to 15% would be a prudent planning assumption. For Hartlepool, this could equate to an additional grant cut over these two years of £4m to £6m.
- 5.3 The Council will also face local pressures from expenditure on services rising as a result of inflation and demographic pressures exceeding the additional income which can be raised by increasing Council Tax. This is a **structural financial problem** facing authorities like Hartlepool which only fund around 50% of their net budgets from Council Tax. Prior to the spending cuts implemented in 2011/12 the national funding system for local authorities recognised this issue and annual grant increases and the allocation of resources based on need and ability to raise funding locally from Council Tax protected these areas. This level of financial protection is not expected to be built into the new 'tariffs and top' arrangements implemented when business rates are re-localised in April 2013.
- 5.4 The impact for Hartlepool assuming an inflation rate of 2.5% is an annual inflationary costs pressure of £2.3m, compared to an additional income from a 2.5% Council Tax increase of £1m – **an annual structural deficit of £1.3m**. To remove the annual structural deficits annual Council Tax increases of around 5% would be required.
- 5.5 The removal of the 2011/12 Council Tax freeze grant, which is paid for 4 years, in 2015/16 will add £1m to the deficit for this year.
- 5.6 In summary for the period 2013/14 to 2016/17 the Council is facing an overall budget gap in the order of £17.4m to £20.2m. The forecast annual deficits are summarised below and as indicated earlier in the report the Council faces a very significant known deficit over the next 2 years and forecast ongoing deficits in the following two years.

Summary for forecast deficits 2013/14 and 2016/17

	Low £'000	High £'000
2013/14 - note 1	4,660	5,060
2014/15 - note 1	5,120	5,520
	9,780	10,580
2015/16	4,300	5,300
2016/17	3,300	4,300
	7,600	9,600
Total Forecast Deficit -note 2	17,380	20,180

Note 1 - 2013/14 and 2014/15 forecast include impact of revised planning assumptions detailed in paragraph 3.34 which increase the 2013/14 deficit by £0.56m and the cumulative deficit by 2014/15 by £0.88m.

Note 2 - the total forecast deficits are the aggregate of the forecasts for the four years 2013/14 to 2016/17 and assume that each years budget is balanced from permanent budget reductions.

6.0 Strategy for managing 2013/14 and 2014/15 Budget Deficit

- 6.1 In response to the financial challenges over the last few years, particularly the grant cuts for 2011/12 and 2012/13, the Council has had to take difficult decisions and make significant cuts to balance the budget. The Council approached the previous financial challenges in a planned and systematic way underpinned initially by the Business Transformation Programme. Using this approach the Council has been able to implement significant and fundamental changes in the way the organisation is structured by reducing from 5 to 3 departments. The restructuring has also been supported by re-assessing and re-aligning the responsibilities of senior managers, which reduced the number of chief officer and senior management posts. These measures provided ongoing annual savings in the order of £2.5m. On the downside these changes reduce capacity and place additional responsibilities on remaining officers.
- 6.2 The Business Transformation Programme also provided the basis for systematically reviewing a range of services and delivering the savings required in 2011/12 and 2012/13 to balance the budget, which was the key objective of the programme. In many ways the Council has changed significantly since this programme was adopted. However, the success in achieving savings which have had a minimum impact (when considered in the context of the grant cuts) on front line services tends to understate how much has changed, which illustrates how successful these changes have been.

- 6.3 Another key aspect of the approach adopted over the last few years is the success in achieving sustainable budget savings and the early achievement of these measures in many instances. This has enabled the Council to avoid having to take emergency measures to balance the budget over the last few years.
- 6.4 It also needs to be recognised that the measures implemented over the last few years cannot be repeated as the change has been made and embedded in the organisation. For example, the Council can only reduce from 5 to 3 departments once.
- 6.5 It will be significantly more challenging to achieve the scale of cuts which need to be made over the next two years given the reductions already implemented over the last few years. Therefore, the Council needs to begin to develop a robust plan for achieving the required savings over the next two years to ensure a balanced and sustainable budget can be set.
- 6.6 To begin to put the budget deficits over the next two years into context the following table highlights the impact of these overall reductions on departmental budgets if all areas were reduced by the same percentage. This is not a suggested strategy and only intended to illustrate the scale of the financial challenges facing the Council over the next 2 years.

Indicative impact of budget deficits on departmental budgets 2013/14 and 2014/15 (based on annual Council Tax increases of 3.49%)

	£'000
Chief Executive's Department	460
Children and Adult Services	6,044
Regeneration and Neighbourhoods	2,396
	8,900

- 6.7 To put these figures into a more detailed context the following issues are highlighted. These examples are only included to illustrate the scale of the budget deficits facing the Council over the next 2 years as it would **clearly not be practical** to implement cuts of this magnitude in any of these areas and a more balanced approach will be needed;

Corporate impact – of overall deficit of around £10m

- The overall deficit equates to 20% of the General fund pay bill (i.e. 1 in 5 jobs); OR
- Nearly twice the total budget for the whole of Chief Executive's department, including the cost of front line Council Tax and Benefits services, payroll services, democratic services etc.

Child and Adult Services – savings in this area of £6.6m equate to either:

- A 60% reduction in the Children and Families budget, which covers Children's Social Work teams, fostering and looked after children budgets; OR
- The complete withdrawal of all housing related support for vulnerable adults (Supporting People), the closure of all libraries, community centres, leisure facilities, cultural services and grants to the community and voluntary sector.

Regeneration and Neighbourhood Services - savings in this area of £2.6m equate to either:

- The complete withdrawal of all economic development and highways maintenance; OR
- The complete withdrawal of Street Cleansing, Neighbourhood Management and Road Safety.

Chief Executive's Department – savings in this area of £0.5m equate to either:

- A 60% reduction in the Revenues Budget; OR
- A 40% reduction in the Corporate Finance Budget; OR
- A 100% reduction in the Legal Budget; OR
- The complete withdrawal of all public relations, democratic services and support for members' budgets, which currently cost £0.4m per year to provide.

- 6.8 The above information highlights the scale of the budget deficits and the impact this will have on services over the next two years. A detailed strategy needs to be developed to begin to address this position and ensure the required savings can be made for both 2013/14 and 2014/15. The Council cannot delay the development of this plan or its subsequent implementation as this would make the position for 2014/15 unsustainable.
- 6.9 Given the scale of the budget deficits there is not a single solution to the financial challenges facing the Council and a range of measures will need to be pursued.
- 6.10 A key area where significant savings can be made is in relation to collaboration with other authorities. Collaboration savings whilst difficult to achieve will help protect front line services. As Members are aware initial feasibility work was undertaken with Darlington Borough Council to identify areas where collaboration could provide savings. This initial work has now been extended to include Redcar and Cleveland Council as a 'Tri-Borough' approach will increase the potential savings and resilience available to individual authorities. At this stage the figures included in this report are based on the potential savings identified from the initial feasibility study. These issues need firming up with detailed business cases and then approving by all 3 authorities before they can be implemented and savings reflected in the 2013/14 budget

proposals. This is an extremely complex tasks, which needs to be completed in a short time frame, which nevertheless provides time for all authorities involved to complete the detailed business cases, including the necessary due diligence of these proposals and completion of democratic processes.

It is important in considering the options in respect of collaboration that there are a number of underpinning considerations which are vitally important in the consideration of options and which are being taken into account as part of this work. These include maintaining the sovereignty of the individual organisation and the decision making and protecting front line service provision.

- 6.11 In relation to Child and Adult Services and Corporate Services a range of business cases are being developed to demonstrate in detail how collaboration savings can be achieved. Initially these proposals are examining how savings in management and administration costs may be made through collaboration, which it would not be possible to make by individual councils acting alone. The aim of this approach is to reduce the impact of Government grant cuts on the front line. It needs to be recognised that once collaboration saving are made in management and administration costs that further significant savings will not be possible and a period of stability will be needed to ensure any new arrangements are working effectively. In the longer term additional savings in these areas could only be made if the functions and services councils provide change. Child and Adult Services are also looking at potential collaboration savings from joint procurement.

As previously agreed by Cabinet work is also being undertaken in respect of Corporate Services and this work is running slightly behind the work in Child and Adults, as Corporate Services are primarily provided to the rest of the organisation and will need to reflect the potential shape of the organisation. Work is currently ongoing to scope the services and identify benchmark information to inform potential models.

- 6.12 Similarly, initial investigation of potential collaboration across a range of Regeneration and Neighbourhood Services is also being undertaken to identify potential savings.

It is anticipated that if individual business cases demonstrate saving can be made and implementation if approved by Members that collaboration savings will begin to be achieved in 2013/14 and increase in 2014/15. Details will be reported to Members when they are available to enable proposals to be considered. This work is underpinned by a fundamental principle of individual authorities retaining 100% sovereignty for services within their area.

- 6.13 However, whilst, there is an absolute guarantee around sovereignty the benefits of collaboration will only be achieved if the three boroughs commit to developing robust business cases and more importantly then follow through the implementation of these changes. This will be extremely challenging as it is a new way of working and will require decisions to be made on a timely basis by all three authorities to deliver savings for 2013/14 and 2014/15. These arrangements will not work if one or more organisations slow down the process.
- 6.14 It is also envisaged that the collaboration projects will provide procurement savings through bulk buying power and / or driving down existing contract prices. It is also envisaged that the collaboration work will build on the actions taken by individual authorities to review management structures and provide further savings and resilience by working together where appropriate. The underlying aim of making savings in these areas is to protect front line services, or at least minimise the impact from the ongoing cuts in Government grants. However, it needs to be recognised that whilst the aim of collaboration is to protect front line services the measures needed to achieve these significant savings will require radical and innovative changes in the way services are managed and organised, although these changes will not impact on the sovereignty of individual authorities.
- 6.15 It also needs to be recognised that collaboration will not solve the budget deficits facing the Council over the next two years. However, it should make a significant contribution towards reducing the overall deficit and therefore partly mitigate the impact on front line services. If collaboration savings are not achieved the Council will have to identify alternative proposals, which will inevitably be less palatable and impact on the continued delivery of front line services.
- 6.16 A range of other measures are also being explored to provide the basis for a savings programme for the next two years. These measures alongside proposed collaboration savings are summarised in Appendix A. At this stage these are indicative proposals to provide a starting point for consultation and the development of a final programme, which will reflect the refinement of these initial proposals and the development of detailed business cases to implement individual proposals. As Members will appreciate from previous years the early adoption of an approved programme of savings provides the appropriate lead time to achieve savings from the start of each financial year and manage operational changes. In previous years this approach enabled the Council to manage financial and non financial risk effectively.
- 6.17 Over the next two years the potential collaboration projects are anticipated to provide savings of around £2.3m, largely from savings in management and administration costs. These proposals will therefore help reduce the impact on front line services of continuing grant cuts. Other proposed measures are anticipated to provide savings of around

£6.3m over the next two years. These potential savings are not guaranteed and their achievement will depend on Members approving detailed business cases and savings proposals. Achieving these savings will also be more challenging than in previous year's owing to the cuts which have already been made and will therefore require robust management to ensure forecast timescales are achieved. As savings become more difficult to achieve there is an increasing risks that implementation will be delayed or the actual savings will be less than forecast. This position will need very careful management to avoid storing up financial problems for future years.

- 6.18 The available one-off resources of £0.727m earmarked from the 2011/12 Outturn Strategy to partly offset the removal of the 2012/13 Council Tax freeze grant next year provides some financial flexibility to manage the budget position. It was initially anticipated that these resources would all be used to support the 2013/14 budget. In view of the changes in forecast deficits and the proposed savings programme detailed above it may be appropriate to phase the use of these resources to support the budgets in 2013/14 and 2014/15.
- 6.19 The following table summaries the impact of the above issues on the forecast deficits for 2013/14 to 2014/15 based on the indicative annual Council Tax increases of 3.49% approved in February. The table shows that by phasing the use of the £0.727m one-off Council Tax Freeze reserves the budget for 2013/14 can be balanced, assuming the proposed saving programme is achieved. This proposal would also provide one-off support towards the 2014/15 budget of £0.195m, although further savings of £0.4m will still need to be identified to balance the 2014/15 in addition to the proposed savings programme. The use of one-off resources of £0.195m in 2014/15 will mean that there is a corresponding increase in the 2015/16 budget deficit, which for planning purposes is not a significant issue given the scale of the financial challenge facing the Council in 2015/16 and beyond.

Budget Deficits 2013/14 and 2014/15 based on annual Council Tax increases of 3.49%

	Cumulative figures	
	2013/14 £'000	2014/15 £'000
Initial Forecast Deficits (as detailed in paragraph 3.4)	4,100	8,900
<u>Permanent budget increases/(decreases)</u>		
Less Changes in planning assumptions paragraph 3.31	560	880
	4,660	9,780
Less Forecast ICT saving	(300)	(700)
Less Forecast Collaboration Savings	(1,000)	(2,297)
Less Forecast Other Savings	(2,828)	(6,188)
Revised Ongoing Deficit / (Surplus)	532	595
Less One-off resources allocated to offset removal of 2012/13 Council Tax freeze grant	(532)	(195)
Revised In-year Deficit / (Surplus) to be bridged	0	400

- 6.20 As indicated earlier in the report there is a risk that the Government may reduce the Council Tax referendum thresholds for 2013/14 and 2014/15 in response to anticipated reductions in inflation. For planning purposes it would be prudent to anticipate a reduction in the referendum thresholds from 3.5% to 2.5% and it is recommended that this position is now used for planning purposes. In the event that the Government do not reduce the Council Tax referendum thresholds to 2.5% the Council may be able to consider implementing a higher increase up to the limit of the referendum threshold.
- 6.21 A reduction in Council Tax increases from 3.49% to 2.5% will reduce ongoing Council Tax income by £0.4m per year, which would increase the budget deficits for 2013/14 and 2014/15.
- 6.22 The reduction in Council Tax income in 2013/14 could be largely offset by allocating the whole of the £0.727m one-off Council Tax Freeze reserves to support the 2013/14 budget, although additional savings of £0.205m will need to be identified. The position in 2014/15 would be more challenging as the Council would need to replace both the reduction in Council Tax income and the removal of the one-off Council Tax Freeze reserves (which would be fully committed in 2013/14) by making additional savings of £1.395m in 2014/15. It would not be prudent to carry this additional deficit forward to 2015/16 owing to the significant financial challenges facing the Council in 2015/16 and beyond. Detailed proposals for managing this additional deficit will therefore need to be developed over the next 12 months to ensure a balanced 2014/15 budget can be set. The impact of a reduction in Council Tax increases from 3.49% to 2.5% for 2013/14 and 2014/15 on the budget position is summarised below:

Budget Deficits 2013/14 and 2014/15 based on annual Council Tax increases of 2.5%

	Cumulative figures	
	2013/14 £'000	2014/15 £'000
Initial Forecast Deficits (as detailed in paragraph 3.4)	4,100	8,900
<u>Permanent budget increases/(decreases)</u>		
Less Changes in planning assumptions paragraph 3.31	560	880
Impact of reducing Council Tax increases from 3.49% to 2.5%	400	800
	5,060	10,580
Less Forecast ICT saving	(300)	(700)
Less Forecast Collaboration Savings	(1,000)	(2,297)
Less Forecast Other Savings	(2,828)	(6,188)
Revised Ongoing Deficit / (Surplus)	932	1,395
Less One-off resources allocated to offset removal of 2012/13 Council Tax freeze grant	(727)	0
Revised In-year Deficit / (Surplus) to be bridged	205	1,395

- 6.23 The actual budget deficits for 2013/14 and 2014/15 may be higher than the forecasts detailed in the above table as there is a risk that the actual cuts in Government grant may be higher than anticipated. There are a number of risks which could result in higher grant cuts for the next two years:
- The Government may increase the overall cuts in funding for local authorities previously announced;
 - Planned changes in the formula used to allocate grant to councils for 2013/14 and future years may adversely impact on the Council;
 - The planning assumptions are based on the national grant cuts applying at a local level. There is a risk that this is not the case and actual local grant cuts are higher than the national cuts, which was the case in 2011/12 and 2012/13.
- 6.24 Owing to the scale and complexity of changes the Government are proposing to the Local Government funding regime from 2013/14 it is not currently possible to assess the impact of these changes, although it is not expected that they will have a positive impact on councils which have the greatest dependency on Government grants. It should be noted that even small percentage changes in the level of grant would have a significant impact on the Council's financial position as a 1% additional grant cut is £0.46m. There is also a risk that initial grant allocations will not be known until December 2012 and possibly as late as January 2013, which makes financial planning more challenging.
- 6.25 Work is also progressing on potential savings from changes in staff terms and conditions. Any proposals will need Members approval and negotiation with the Trade Unions and are therefore unlikely to have any financial benefit until 2014/15.

7.0 CONCLUSION

- 7.1 Whilst the report expresses the financial position and financial risks facing the Council over the next four 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.
- 7.2 The Council has already faced a 20% (£10.2 million) cut in the main revenue grant over the last two years (2011/12 and 2012/13) and has had to make significant budget cuts to balance the budgets for these years. Whilst, these cuts have been very difficult, they were not unexpected and the Council has been able to implement budget reductions on a managed basis. This approach minimised the adverse impact on services and management of vacancies and redeployment has mitigated the impact on the workforce.
- 7.3 Many of the measures implemented over the last two years to balance the budget cannot be repeated as savings have either been achieved by stopping a service, or services scaled back to a minimum level.

This means that balancing the budget for 2013/14 and future years will become significantly more challenging and require more difficult decisions to be made. Savings from 2013/14 onwards will increasingly impact adversely on the overall levels of services provided and the Council will need to prioritise services which are protected and services which are either stopped completely, or scaled back to a very minimum level in order to balance the budget. The Council will also need to clearly communicate the impact of future cuts to the public as these cuts will increasingly have an adverse and much more visible impact on the services people receive.

- 7.4 The report details the financial risks facing the Council over the four years 2013/14 to 2016/17 and the forecast budget deficits for this period, as summarised in the following table. Addressing these deficits will require a fundamental change in how the Council operates and the services provided as these cuts will need to come from the existing net General Fund budget of £91m. Clearly, making cuts in the order of £17m to £20m from a budget of £91m will be extremely challenging, fundamentally change the Council and need careful management.

Summary for forecast deficits 2013/14 and 2016/17

	Low £'000	High £'000
2013/14 - note 1	4,660	5,060
2014/15 - note 1	5,120	5,520
	9,780	10,580
2015/16	4,300	5,300
2016/17	3,300	4,300
	7,600	9,600
Total Forecast Deficit -note 2	17,380	20,180

Note 1 - 2013/14 and 2014/15 forecast include impact of revised planning assumptions detailed in paragraph 3.34 which increase the 2013/14 deficit by £0.56m and the cumulative deficit by 2014/15 by £0.88m.

Note 2 - the total forecast deficits are the aggregate of the forecasts for the four years 2013/14 to 2016/17 and assume that each years budget is balances from permanent budget reductions.

- 7.5 As a result of the continuing cuts in Government funding it will become increasingly important that planned savings are robust and sustainable as the Council will have less financial flexibility to manage the overall budget. To manage this process a clear strategy for managing the budget position over more than one year will need to be developed. Therefore, this report concentrates on the budget deficits facing the Council in 2013/14 and 2014/15 as these represent the most immediate challenge facing the Council.

- 7.6 The report updates the forecast deficits for 2013/14 and 2014/15 and highlights the risks to the forecast level of Council Tax income and Government grant funding. At this stage it is recommended that the savings plans are based on Council Tax referendum thresholds being reduced to 2.5%. For 2013/14 the budget can be balanced by releasing the majority of the one-off resources previously allocated to offset the loss of the 2012/13 Council Tax freeze grant, although this assumes the planned saving programme is achieved. For 2014/15 the initial savings plans do not fully balance the budget and further savings will need to be identified. The planned savings plan for the next two years also assume a significant saving can be achieved from ICT, with a part year saving commencing in 2013/13 and the full year saving in 2014/15.
- 7.7 In relation to the impact of actual grant cuts for 2013/14 and 2014/15 these continue to be a risk and the Council may face higher grant cuts than currently forecast. A strategy will need to be developed if this situation arises.
- 7.8 The proposals to collaborate with Darlington Borough Council and Redcar and Cleveland Council provide the opportunity to achieve savings towards the overall budget deficits, whilst minimising the impact on front line services. The achievement of these savings will require commitment from all authorities to business cases which demonstrate how savings can be achieved.
- 7.9 Collaboration will not solve the budget deficits facing the Council over the next two years, although it should provide a contribution and therefore partly mitigate the impact on front line services.
- 7.10 However, it needs to be recognised that despite the forecast benefits of collaboration and the cuts made over the last few years more difficult decisions and cuts still need to be made. Inevitably, the Council will increasingly need to make difficult decisions and see these through to ensure the Council remains financially viable. The Council cannot avoid making these decisions and needs to develop a robust plan to address the 2013/14 and 2014/15 deficits, to avoid having to make unplanned and therefore deeper cuts.
- 7.11 The Outturn Strategy approved in February 2012 will help the Council manage this position as it set aside one-off resources to fund one off commitments (i.e. redundancy / early retirement costs and Housing Market Renewal costs). The outturn strategy also allocated one-off resources to help manage the withdrawal of the 2012/13 Council Tax freeze grant and the impact of changes to Council Tax Benefit. The availability of these resources avoids these issues impacting on the core budget in 2013/14 and provides a more robust basis for preparing next year's budget.

7.12 At this stage there are a number of specific issues which require a Cabinet lead on to enable these issues to be reflected in the MTFS and to enable initial consultation views to be sort from Scrutiny Co-ordinating Committee and other interest parties as follows:

- Do Cabinet wish to propose allocating the resources of £0.727m set aside within the 2011/12 outturn strategy to offset the loss of the 2012/13 Council Freeze grant in 2013/14?;
- In relation to changes to the Council Tax Benefit regime for 2013/14 and the 10% grant cut do Cabinet wish to propose (note further detailed work will be needed on the preferred option to assess the financial impact)
 1. allocating the whole of the resources of £1.197m set aside within the 2011/12 outturn strategy to provide a one-off protection scheme for Council Tax Benefit claimants potentially facing cuts in support of between 15% and 20%, as a result of the Government reducing funding for this benefit by 10%?; OR
 2. use this money to provide a phased protection scheme which provides some support in 2013/14 and 2014/15 to provide a longer lead time for people to manage this change? OR
 3. implement a local Council Tax Benefit scheme within the reduced funding allocation provided by the Government, without any temporary local protection; OR
 4. maintain existing Council Tax Benefit support on a permanent basis and in 2013/14 fund the additional cost from the available one-off resources, pending the identification of additional permanent General Fund budget cuts in 2014/15 of £1.2m to fund the continuation of this scheme; OR
 5. A combination of the above options.

8.0 RECOMMENDATIONS

8.1 It is recommended that the Cabinet

- i) note the report;
- ii) determine proposals in relation to the specific issues detailed in paragraph 6.9;
- iii) refer the report to Scrutiny Co-ordinating Committee to commence the 2013/14 budget process and seek views on the issues detailed in the report.

9.0 REASONS FOR RECOMMENDATIONS

- 9.1 To enable Cabinet to determine initial proposals to be referred to Scrutiny Co-ordinating Committee to commence the 2013/14 Budget Process.

10.0 APPENDICES

- 10.1 As previously agreed, Appendix A will be circulated with the report rather than available on request.

11.0 BACKGROUND PAPERS

None

12.0 CONTACT OFFICER

Chris Little
Chief Finance Officer
01429 52(3003)

Scheme	Potential Saving 13/14 £'000	Potential Saving 14/15 £'000	Risk	Impact
Three Borough Collaboration				
Rationalisation of management structures through collaboration across three LAs - approximately 40 management posts to be deleted.	750		M	
Deliver further savings on adult commissioned services through retendering or decommissioning services.		637	H	This budget was cut by approximately £900k in 2012/13. Further cuts will be difficult to achieve and will have a major impact on services. Fewer services will be available to provide support for people with social care needs. Loss of funding for existing providers.
Deliver further savings on children's commissioned services through retendering or decommissioning services.		50	H	Budgets reduced in 2012/13. Further cuts will impact on services available to support children and young people.
Adult Social Care				
Reduction in front line service provision including Direct Care & Support, Employment Support, Occupational Therapy and Social Work teams.	620	450	H	Longer waiting times for assessment, increased caseloads for frontline staff, inability to maintain current levels of performance and potential for increased placement costs, potential for services to become unsafe.
Revise Contributions Policy and remove or reduce cap on the maximum amount that people contribute.		100	H	Requires three month consultation to implement. People will pay more for the support that they receive (based on a financial assessment).
Review costs of commissioned day services, high cost placements and support for carers. Savings to be achieved through re-tendering or decommissioning services.	240		H	Fewer services available to provide support for people with social care needs. Loss of funding for existing providers. Potential pressure in terms of placements.
Review PCT income for CHC and joint packages and take further steps to maximise the benefit for adult social care.		150	VH	Very volatile area. PCT approach is changing and move to CCGs (Clinical Commissioning Groups) may result in this being a pressure rather than a potential saving.
Further reductions across all housing related support (SP) schemes.		650	VH	This budget has been cut by £900k (20%) over the last two years. Further cuts will destabilise services and may increase pressure on other social care budgets such as residential care.
Children's Social Care				
Close of youth centres and children's centres.	350	450	H	Increased risk of anti social behaviour and young people in contested space, non compliance with statutory requirements for children's centres, vulnerable families not receiving support, reduce service delivery of early intervention services. In context of risk of future funding cuts due to floor damping on EIG (Early Intervention Grant).
Freeze foster care allowances	25		H	Foster carers become dissatisfied with local authority service and move to independent sector where placement costs are greater.
Review Care Matters and CAMHS budgets and remove funding based on previous year's underspend.	100		M	Budgets reduced in 2012/13, used to support development of services for looked after children and offset against costs of placements in independent sector.
Staffing reductions to front line services, social work teams and YOS.		200	VH	Less capacity to provide services to children in context of increasing demand. Increase in caseloads for front line staff, inability to maintain current levels of performance, services become unsafe.

Scheme	Potential Saving 13/14 £'000	Potential Saving 14/15 £'000	Risk	Impact
Education				
Reduced support to schools.	100	150	H	Increased risk of schools being placed in an OFSTED category and / or forced into academy status. Schools likely to seek support from outside the LA leading to loss of income and reduced quality assurance opportunities . Loss of confidence by schools in the ability of their own LA to support them, particularly where they are a school causing concern.
Support Services				
Staff reductions and increased income.	90	100	M	Staffing reductions will impact on ability to deal effectively with management information requirements across child and adult services and also statutory requests from both Department of Health and Department for Education. Quality and speed of responses will be impaired. Other back room support services for professionals across the department will be affected.
Schools Transport - savings through re-tendering.	100	100	M	Constant reductions in school transport provision will increase the risk that statutory provisions will be affected if re-tendering doesn't produce required savings. Greater challenge and dissatisfaction from parents.
Community Services				
Remove subsidy to Carlton Outdoor Centre and cease biennial maritime festival.	105		M	Requires local schools to pay unsubsidised rates at Carlton, removes the biennial event from the events programme to focus on income generation into cultural facilities.
Cultural Trust across two or more LAs within Tees Valley, or closer partnership working or locally determined savings - will all incur significant service reductions leading to potential closure of some services, increased income from fees & charges will partly mitigate the impact of major cuts.	100	150	M	This will lead to reduced services within communities, potential for total loss of certain service areas and reduced senior staffing which will impact on the capacity for income generation and safe delivery of service provision. Increased fees will be required and resistance will be needed to the challenge this will instigate.
TOTAL POTENTIAL SAVINGS	2,580	3,187		

Regeneration and Neighbourhoods Savings Proposals

Scheme	Potential Saving 13/14	Potential Saving 14/15	Risk	Impact
Collaboration				
Changes in services and options in respect of reduced staffing and costs	50	110	M	The savings are largely dependent upon collaboration within Corporate Services and a smaller amount in Place. Savings through joint procurement exercises will be reliant upon how we can work jointly, the market place and gaining benefits from economies of scale. There may be impact on internal staff and the local economy. 13 / 14 savings rely upon potential "tactical / quick wins" from collaboration which will be challenging
Other Savings				
Waste Management Reconfiguration - Revision of refuse collection and recycling arrangements	400	200	M	The savings are based upon current recycling market rates which could be impacted upon if there was a drop in the market. These changes may cause some disruption to service, which in turn could lead to non-compliance by residents, whether deliberate or accidental. However, as each of the proposals would be introduced simultaneously, disruption would be minimised. Formal consultation and communication with residents would ensure that users of the service are aware of the changes. 2014/15 savings would be provided through the introduction of a subscribed green waste collection service or the cessation of it altogether
Revision of operations in Parks and Countryside including lifeguard reduction, income generation in grounds maintenance and horticulture		80	M	Risk is associated with the current economic climate resulting in the loss of external works. Changes to the lifeguard service were discussed previously and agreed that we would reduce the number of weeks the service was provided, these changes have been introduced and the risk has proved minimal to date. Reduction in the number of weeks the lifeguard service is provided, this was introduced during 2011/12 and no adverse impacts have been received from the public. The council has received Quality beach awards for 2012/13 based upon 2011/12 performance including the lifeguard service.
Facilities Management - Revision of working arrangements and income generation		100	M	Facilities Management is a volatile area with respect to building maintenance, however changes within how services are delivered internally have resulted in increased income opportunities e.g. Empty homes, and DFGs (Disabled Facilities Grants). We will look to reduce overtime by employing more FTEs rather than Part Time employees and paying overtime. Schools continue to be a major client for this service area, the school funding reform heralds several changes in the method of school funding. which will mean the budgets for school meals will be delegated in full to all schools not just secondary.
Neighbourhood Management (including Community Safety and street cleansing) - Review of structure and working arrangements		150	M	Reduction in service performance regarding street cleansing and community safety services
Restructuring operational changes and income generation in Regeneration and Planning	200	100	M	The impacts of achieving savings of this magnitude is that services will start to fail and statutory functions will not be delivered to the appropriate level. These include public health, planning and housing related statutory functions in addition there is a risk that no income will be generated.

Regeneration and Neighbourhoods Savings Proposals (continued)

Scheme	Potential Saving 13/14 £'000	Potential Saving 14/15 £'000	Risk	Impact
Procurement, property and Support Services - Restructuring, improved contracting , property rationalisation and income generation	175	180	M	The savings rely upon income generation in relation to maintaining existing services / workflow with reduced resources <u>and</u> bringing in additional income from external clients such as Housing Hartlepool and Health and capital works through the Empty Homes project. Schools are a major client in respect of capital works and revenue income therefore the reform of school funding and levels of future capital investment pose risks to the fee earning requirements of non-budgeted areas.
Transportation and Engineering - Income generation in ITU (Integrated Transport Unit), Engineering Services and driver assessment.	223	50	H	Significant savings in excess of £1m have been achieved in this area to date. To enable service expansion and growth determines a fine balance of efficiency measures against invest to save and invest to promote income stream. Depleted resource levels will require careful planning and impact analysis of existing service provision standards to allow for income generation "start up" and achievement
TOTAL POTENTIAL SAVINGS	1,048	970		

Chief Executives Savings Proposals

Scheme	Potential Saving 13/14 £'000	Potential Saving 14/15 £'000	Risk	Impact
Collaboration				
Changes in services which need to be determined based upon the development of the agreed business case. This will likely result in changes to services provision, management and delivery structures and associated changes	200	500		The savings are largely dependent upon collaboration within Corporate Services and a smaller amount in Place. The risks have not been fully quantified as the basis for any potential collaboration and the likely scale and impact of it have not been fully assessed. The indicative figures are based on the original investigation and a part year affect for 13/14 as this project is running 6 months behind the Child and Adult Business case
TOTAL POTENTIAL SAVINGS	200	500		
TOTAL POTENTIAL SAVINGS ALL DEPARTMENTS	3,828	4,657		



Report of: Chief Finance Officer

Subject: LOCALISATION OF COUNCIL TAX BENEFIT
2013/14

SUMMARY

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 None key decision.

2. PURPOSE OF REPORT

2.1 To inform Cabinet of the legislative changes affecting Council Tax Benefit, the forecast impacts on the council and the proposed response plans in determining a local council tax support scheme.

3. BACKGROUND

3.1 The Cabinet report of 10th October 2011 highlighted the government's proposals, as part of the "Local Government Resource Review", to localise financial support for Council Tax Benefit. Council Tax Benefit is currently a national benefit with policy and rules set by Central Government, but which is administered by local authorities on an agency basis. Under the new arrangements to apply from April 2013, local authorities will be required to define and agree their own local schemes of support.

3.2 The costs of funding Council Tax Benefit are currently met by the Department for Work and Pensions which reimburses expenditure incurred by local authorities. These arrangements mean that local authorities do not currently face financial risk from the demand led nature of benefit payments as this risk is managed by Central Government.

3.3 From April 2013, the Council will be allocated a cash grant to fund its local scheme and importantly the level of this grant will be 10% lower than the value of awards under the current scheme. Council Tax Benefit awards in Hartlepool are about £13.3m pa and the Medium Term

Financial Strategy has made reference to the potential future financial risks and challenges facing the Council from this change.

- 3.4 The financial risk of managing a 10% grant cut will be shared with the police and fire authorities. Hartlepool's share of this cut is estimated to be £1.1m.

4. Legislative and IT Timelines

- 4.1 The Welfare Reform Act 2012 contains provisions for the abolition of council tax benefit paving the way for new localized schemes. It is anticipated that a new Local Government Finance Bill will complete its passage through parliament before the summer 2012 recess which will set out a framework for new localised support schemes. Detailed regulations contained in secondary legislation will follow probably in early autumn 2012. There remains a risk that the primary legislation will be delayed but not the date of effective implementation, the effect of which will be to substantially reduce the amount of time that councils will have to respond.
- 4.2 A local scheme will need to have been determined (following appropriate consultation) and associated IT changes implemented and tested before Council Tax Bills are produced in February 2013, for the 2013/14 financial year. IT companies are already indicating the risk that necessary amendments to computer systems may not be ready in time to support the changes. Notwithstanding the uncertainties regarding legislation and IT systems, the Council needs to progress the development of its local scheme in anticipation.

5. Developing a Local Scheme

- 5.1 The Government have stated that in introducing a localized system of support for council tax, it will seek to ensure that the most vulnerable in society, particularly pensioners are protected. Government had initially indicated that Councils should also consider ensuring support for other vulnerable groups. In terms of the impact on households, this will depend on the detailed design of individual local schemes. Initial analysis indicates that protecting pensioners could see a reduction of 15% in current levels of Council Tax Support for others in the absence of any other Hartlepool council funding resources. This cut could rise to 18% when police and fire authority budgets as precepting bodies are taken into account.
- 5.2 Other vulnerable groups are not defined but could include disabled claimants, lone parents with children, etc. Under the new system there will be less overall funding, therefore the more groups that are protected will magnify the impact of any changes and loss of support to other Council Tax Benefit claimants. This will place an additional burden on household budgets particularly working age "non vulnerable" claimants who will be required to pay a higher proportion of their Council Tax. It is

unclear at this stage how north eastern councils as well as councils nationally will respond to the issue of defining and potentially protecting other vulnerable groups. This will be an important issue for consideration as part of Hartlepool's local scheme determination.

- 5.3 To inform the development of a local scheme, a high level analysis of those receiving support under the current arrangements has been undertaken and is set out in the table below:

Estimated Council Tax Benefit Awards 2012/13
By value and number

Pension Age (on full or partial CTB)	Working Age on Income Support / Job Seekers Allowance (unemployed on full CTB)	Working Age Vulnerable * (on full or partial CTB)	Working Age Other (on full or partial CTB)	Total Value of Council Tax Benefit Awards 12/13 #
£	£	£	£	£
5.8m	3.5m	0.5m	3.5m	13.3m
6,592 claims	3,797 claims	664 claims	4,172 claims	15,225 claims

* Indicative Vulnerable definition covers those households where a DWP disability premium is in payment or a Council Tax disability property band deduction has been awarded.

Total Council Tax Benefit is the financial support given to cover council tax bills covering Hartlepool BC, Cleveland Fire Authority and Cleveland Police budgets.

- 5.4 The Benefits system is a complex means tested framework and in defining a local scheme the council will need to embrace, as far as possible, three core principles:

- Simplicity
- Cost / Affordability
- Fairness

To assist with the future financial modeling of alternative local scheme options, an IT toolset has been acquired which the council can use to interrogate the benefits system database. Some of the early provisional modeling results (albeit these are not exhaustive) are set out in the table below for illustrative purposes:

Modeled Potential Council Tax Support Cost Reductions
(based on 2012/13 forecast data)

Scenario	Council Tax Support Cost Saving
1.Protect Pensioners and restrict other council tax support to households only in Property Bands A to C	£130,000
2.Protect Pensioners and reduce allowable upper capital limit to other households to £1,000	£438,000
3.Protect Pensioners and restrict support to all other households to a maximum of 90% of their Council Tax Bill	£878,000
4.Protect Pensioners and restrict support to all other households to a maximum of 85% of their Council Tax Bill	£1,271,000
5.Protect Pensioners and restrict support to all other households to a maximum of 80% of their Council Tax Bill	£1,662,000

- 5.5 Assuming a local council tax support scheme is adopted based on scenario 5, the impacts across a range of illustrative live claims has been calculated and is set out in Appendix A for information. This analysis only considers council tax support changes, households will be impacted by a range of other Welfare Reform changes including changes to housing benefit entitlement and benefit caps limiting the maximum income of households from national welfare benefits.

6. Consultation

- 6.1 The government have indicated that they will require local authorities to submit their proposed local scheme to some form of scrutiny or challenge and that precepting authorities should also have an appropriate role in the process. At Hartlepool, given the relatively high levels of deprivation and dependency on benefits support, some members have already indicated a desire to be actively engaged with the process of considering options relating to a new council tax support scheme through a member working group. The timing of consultation is set out in the proposed project timetable set out in Section 8.

7. Financial Risks and Funding Sources

- 7.1 Whilst for Hartlepool BC, the potential level of central government grant cut for Council Tax has been forecast at £1.1m, the Council will also be responsible for the financial risk associated with any increases in the number of claimants accessing financial help with their council tax bills. Once a local Council Tax Support scheme has been approved for a particular financial year it cannot be amended within that financial year. A new local scheme can be determined, but can only be applied from the beginning of a subsequent financial year.

- 7.2. Furthermore, there is an unquantifiable risk that some pensioners may currently not be accessing council tax benefit because of a stigma associated with benefits but whom may decide to access financial help in the future if the new scheme were termed a rebate / reduction / discount. These potential financial risks will require that the Council has ongoing robust arrangements for monitoring the cost, numbers and types of households accessing its local scheme.
- 7.3. The Government has indicated that it is considering a series of amendments to council tax liability regulations affecting certain classes of dwellings eg. empty properties that are uninhabitable / undergoing major repairs, short term empty unfurnished properties, second homes and properties that have been re –possessed by lenders. These changes if implemented will potentially allow councils to raise additional council tax revenues which could be used to fund general fund expenditure or be earmarked to offset in part the costs of a local council tax support scheme. Detailed financial modelling of the additional yield has yet to be completed but early indications are that it will be insufficient to cover the cut in national central government funding for council tax support schemes. For Hartlepool, the additional council tax yield from removing the former 50% discount on empty council tax properties (after 6 months) was factored into the 2012/13 budget process. This policy change already effected by the council reduces the potential for new additional yield from April 2013.
- 7.4 There is also an increasing risk that once the new Council Tax Benefit system is in place that the initial cash grant will be cash limited. This issue is anticipated to impact in 2013/14 as it is expected that the new Council Tax Benefit grant allocations will be based on the 2011/12 audited Council Tax Benefit grant claims. Therefore, planned increases in Council Tax for 2013/14 will not be funded within the new Council Tax Benefit grant allocations. Based on the Council's share of Council Tax Benefit costs of around £11m and the indicative 2013/14 Council Tax increase of 3.49% this could equate to an additional budget pressure of £0.4m per year. As referred to in the Medium Term Financial Strategy Report, at this stage it is not anticipated that the Council will wish to pass on further cuts in Council Tax Benefit, over and above those arising from the Government 10% funding cut.
- 7.5. In determining its local council tax support scheme that will apply from April 2013, the council will need to consider the relationship between the gross central government cut of £1.1m, the cost of protecting pensioners and any other vulnerable groups and the impact on other non protected council tax support claimants. The following table sets out potential impacts assuming pensioners only are protected from the cut:

Impact on General Fund £	Impact on Non Pensioner claimants £	Cut in council tax support for Non Pensioner Claimants (excl Police & Fire) %
1,100,000.	0	0
825,000	275,000	4
550,000	550,000	7
275,000	825,000	11
0	1,100,000	15

- 7.6. The government have indicated that despite the legislative and IT delay risks, should local authorities not be able to determine a new localized scheme within agreed budget parameters and be in a position to make the necessary IT infrastructure and administrative changes then the default should be to continue to apply the existing national scheme. Whilst such a contingency will provide for short term stability in financial support for the public, the associated scheme funding shortfall of about £1.1m would fall to be met by the General Fund.

8 Project Timetable

- 8.1. Although the primary legislation has not passed through parliament it is important that that the council has a robust proactive project plan for dealing with this challenge. The council's broad proposed timelines are set out below and against a background of an ambitious government legislative timetable:

Proposed Local CTB Timeplan

Report to Cabinet on issues, principles	Jun 12
Terms of Reference of consultation.determined	Jun 12
Officer Financial Modeling of range of scheme options	May / Jun 12
Officer Regional / Sub Regional analysis of localized schemes	May / Jun 12
Consultation on options - member groups	Jun – July 12
Consultation with precepting bodies	July - Aug 12
Consultation with external representative groups	Sep 12
Final budget modeling of Local Scheme using latest claimant data.	Oct 12
Council – Local Scheme Determination linked to budget cycle	Nov 12
IT system amendments / testing	Nov 12 –Jan 13
Communication of New Policy to claimants	Dec 12 –Jan 13
2013/14 Council Tax Bills produced / issued	Feb 13 – Mar 13.

9 CONCLUSION

- 9.1 The effect of the 2010 spending review and government policy is that the council is moving from a nationally funded scheme of council tax support to a locally funded scheme. These changes will be challenging for those councils serving communities with relatively high levels of deprivation as in Hartlepool where 1 in every 3 households is receiving some level of support with their council tax bills. These changes will impact directly on the individual and the local economy from reduced spending power.
- 9.2 The council will need to develop and agree a new local scheme of council tax support to apply from April 2013 that will involve either implementing a new scheme within a reduced central government funding allocation, make additional cuts in other services to maintain the level of support provided by the current council tax benefit scheme or a compromise that involves sharing the cut between the general fund and those that are disadvantaged. Further details of the potential options are set out in the conclusions within the Medium Term Financial Strategy report presented to Cabinet as part of today's agenda.

10 RECOMMENDATIONS

- 10.1 Cabinet note the report.
- 10.2 Cabinet endorse the proposed project plan set out in Section 8.
- 10.3 Cabinet refer this issue to Scrutiny Co-ordinating Committee for consideration.

11 REASONS FOR RECOMMENDATIONS

- 11.1 To allow Cabinet refer this issue to Scrutiny Co-ordinating Committee for consideration.

12 APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ONLINE

- 12.1 Appendix A supports this report.

13 BACKGROUND PAPERS

None.

14 CONTACT OFFICER

John Morton
Assistant Chief Finance Officer
John.morton@hartlepool.gov.uk

Appendix A

Illustrative Local Council Tax Support Scheme Impacts

Assumed Local Policy – Protect Pensioner households and restrict support to all other households to a maximum of 80% of their Council Tax Bill. All other current scheme regulations / rules apply

Case 1 Husband , Wife (37 and 47) and 2 children (under 16)

Live in Band A property and receive partial Council Tax Benefit

Husband unemployed, Wife working - 30 hours per week on minimum wage earning £172 after Tax and NI

Total weekly income from wages, Child Benefit, Working Tax Credits and Child Tax Credits £385.25 per week. Income exceeds Govt calculation of need therefore not entitled to full council tax benefit.

Current level of Council Tax Benefit £8.17 per week

New Local Scheme Council Tax Support £3.91 per week

Loss £4.26 per week or about £221 pa which will be added to Council Tax account.

.

Case 2 Male, single 49

Single person aged 49

Lives in Band A property and receives partial Council Tax Benefit

Works 16 hours per week on minimum wage earning £97.28 per week

Income exceeds Govt calculation of need and therefore not entitled to full council tax benefit

Current level of Council Tax Benefit £11.75 per week

New Local Scheme Council Tax Support £8.55 per week

Loss £3.20 per week or about £166 pa which will be added to Council Tax account.

Case 3 **Unemployed couple, no children, Band D property**

Receive DWP Income Support (IS) (£111.45 per week)

Currently receive full council tax benefit as on IS

Current level of Council Tax Benefit £32.21 per week

New Local Scheme Council Tax Support £25.77 per week

Loss £6.44 per week.

Previously had no council tax to pay but now have to pay £335.80 pa.

NB These examples only consider council tax issues and other Welfare Reform changes are taking place which will impact on housing benefit awards.

CABINET REPORT

11 June 2012



Report of: CHIEF EXECUTIVE

Subject: Future options for the provision of a strategic HR function

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

2.1 To set out options for the future provision of a strategic HR function. This report will present three options for cabinet to consider.

- Reappointment of a Chief Customer & Workforce Services Officer,
- undertake an internal restructure which removes the strategic HR post
- Continue to share a Head of HR with Darlington Borough Council.

3. BACKGROUND

3.1 The financial pressures facing the Council have been set out for Members in other reports on a regular basis and all departments are required to identify savings to balance budgets. As a consequence, officers are regularly looking at options to make savings and critically review each post that becomes vacant. We do this in order to be sure that we need the post and to see if the service can be provided in a more cost effective way by either restructuring or by sharing the costs with a partner. As such, officers are in regular contact with other local authorities to share best practice and identify potential opportunities for efficiencies and savings.

3.2 Last year Darlington BC considered the options available to them as they prepared for the retirement of an Assistant Director – Human Resource Management (HRM) at Darlington Borough Council in March 2012. In August 2011 Cabinet agreed to enter into a contractual agreement with Darlington BC for Hartlepool's Chief Customer & Workforce Services Officer to undertake the lead HR role for both local authorities. This decision followed initial discussions at Chief Executive level and Darlington's assessment that this joint arrangement would satisfy their requirements. Temporary arrangements were made to re-allocate some responsibilities of the Chief Customer &

Workforce Services Officer to other Chief Officers in the Chief Executive's Department.

- 3.3 The Chief Customer & Workforce Services Officer has tendered her resignation to take up another post and will leave the employment of Hartlepool BC on 30 June 2012. In light of this resignation it is important for both councils to reassess their needs for a shared strategic HR post for which HBC has been the employing council.
- 3.4 As with all potential vacancies, it is important that the council considers the need to replace, restructure or change the shape of how services are delivered. The options for the future delivery of this service are presented below for members to consider. As part of the consideration of future options it is important for cabinet to be aware of the strategic HR functions that are required by any public sector organisation with significant staffing resources. It is essential as part of any future service configuration the council is able to draw upon strategic advice that has:
- knowledge and understanding of employment law, national agreements, regional networks and local policies to carry out constitutional requirements and to ensure compliance with statutory regulations and national/local agreements
 - expertise in monitoring and managing corporate and operational HR activities;
 - an on-going relationship with a range of local, regional and national local government and trade union officers to maintain effective industrial relations and to act as the Council's lead negotiator
- 3.5 The 3 options for the future delivery of this support are outlined in Section 4.

4. OPTIONS FOR CONSIDERATION

4.1 Option 1 – Recruit into a HBC only Chief Customer and Workforce Services Manager Post

- 4.1.1 HBC could withdraw from the HR partnership with Darlington Borough Council and reappoint into the Chief Customer & Workforce Services Officer post. Whilst this option would ensure the council has the capacity and specialist skills to deliver a strategic HR service, it also offers increased management capacity and cost across the senior management team. The current partnership arrangement with Darlington Borough Council has been successful. It has ensured that both organisations have made efficiency savings, and have shared resources and skills whilst still offering a strategic high level professional HR service to both councils. Schools are a major contributor to the costs of the HBC HR service and this option would be acceptable to them as it gives them the continuity they require and gives confidence that the council is still providing a strategic HR service. In Hartlepool all but 3 schools buy into the service and over 90% of schools indicated their satisfaction with the HR service they receive via the annual negotiation with schools as part of the SLA reviews. However recruiting into a

like for like post may not be a realistic longer term option. The council is increasingly looking for additional savings and a corporate restructure may be required in the next twelve months which may mean an alternative service delivery method would be required. The council is also looking at innovative ways to reduce costs and ensure service sustainability and the work on collaboration may offer options for shared services or alternative options for HR in the future such as a bi or tri borough approach to the delivery of HR services. Recruitment to the post would mean taking on employment liability for the council at a time when we are looking to limit such liabilities. As this post is a Chief Officer post recruitment into this post would require an appointments panel to be set up by full council who would then progress the recruitment process.

4.2 Option 2 – Undertake an internal restructure that removes the Strategic HR Post

4.2.1 HBC could undertake an internal restructure that removes the Chief Customer & Workforce Services Manager from the establishment and reallocates the management of these services to another Chief Officer with the Chief Executive's Department. This would allow the council to make some savings as a result of this change; however, these will be limited by the need to provide additional HR capacity at a lower level. This more operational post would be expected to lead strategically:

- on all single status and job evaluation issues, involving key negotiations with trade unions
- by acting as the LA lead in relation to the LGA role as negotiator in relation to national changes to staff terms and conditions
- by representing the council in any regional and sub regional partnerships,
- on any future corporate restructure which may include changes to Chief Officer posts,
- on any HR issues relating to future collaboration opportunities
- in supporting the significant HR issues that will arise from the future budgetary issues including redundancy and restructurings issues.
- on HR strategy and policy development and workforce development.

4.2.2 This approach to removing the strategic HR post is one that has been used in two neighbouring councils, both of whom increased HR operational capacity at the same time and reallocated duties to other Chief Officers. However in doing so it is important to note that both of those authorities have significantly more Chief Officers than Hartlepool does to share out the responsibilities and duties. Important to note is that one of those authorities who undertook this change some time ago is now training the Chief Officer who took on most of these services in HR and Personnel management and the other is just appointing an operational HR lead at a salary that is virtually equivalent to the HBC lowest grade of Chief Officer i.e. Band C.

- 4.2.3 This option would however, allow the council to remove a post at Chief Officer level in keeping with the requirement to protect front line services. This option does have a number of risks inherent within it. Any restructure and reallocation of responsibilities and duties of the Chief Customer and Workforce Services Officer of HR would involve a significant change and would require formal consultation with those Chief Officers affected by this change. It is also possible that any change may have an impact on the officer's grade due to the additional responsibilities that they would be required to manage and become accountable for. This reallocation of duties and strategic responsibility could have the potential to leave the council at increased risk of employment litigation due to the lack of specialist and strategic HR advice.
- 4.2.4 A more significant risk is that any removal of strategic HR capacity may cause concern for schools if they feel the council is not capable of providing them with the strategic HR function they currently purchase. Schools fund approx 30% of the council's HR function which also supports the council's HR offer. Any large scale removal of funding from the HR service by schools would provide the council with a significant budget pressure as the Council would lose the economies of scale from the strategic HR function supporting both the Council's own requirements and schools requirements. . It would therefore be essential that if Option 2 is taken significant reassurance would need to be given to schools to convince them that any new service reconfiguration does not dilute the service they purchase from the council and would still offer them the strategic advice they require. The savings in this option may be limited as there would be a need to create additional operational HR capacity to meet the needs of the council going forward. This capacity is likely to involve the appointment of an additional HR advisor. It may also result in the need for some adjustment to the grading of other officers involved in any reallocation of duties. This option would increase operational capacity but would limit strategic capacity

4.3 Option 3 – continue in a shared arrangement with Darlington Borough Council

- 4.3.1 In August 2011 Cabinet agreed to enter into a contractual agreement with Darlington BC for Hartlepool's Chief Customer & Workforce Services Officer to undertake the lead HR role for both local authorities.
- 4.3.2 A contract was agreed which included a break clause at six-months to protect the interests of the respective parties. Monitoring arrangements of the contract since it began formally on 1 November 2011 indicate that both local authorities are satisfied that the shared role provides the required leadership and management of the HR service and would confirm the contract beyond the six month break clause.
- 4.3.3 Darlington Borough Council have considered their options regarding a future HR service and potential replacement in the light of the resignation of the shared strategic HR post and have decided that they do want to retain a strategic HR lead. As a result they will progress and appoint into a strategic

HR post irrespective of the HBC decision on the future option they wish to take. DBC however, have agreed to hold their recruitment process until HBC have made a decision in relation to their requirements for a strategic HR post to enable a post to be clearly advertised as either a sole DBC post or a post that offers a shared service to HBC.

- 4.3.4 It was in light of the successful shared arrangement for the last 6 months that Darlington BC offered to take the role as lead authority and recruit to the Assistant Director – HRM, a vacancy that remains on Darlington Council's structure so that the shared arrangements can continue without delay. Darlington BC recognise that the role within Child and Adult Services that offers a shared schools improvement service ie Assistant Director – Performance & Achievement was recruited to by Hartlepool BC and in the spirit of partnership would like to take employer responsibility for any replacement to the shared HR function. This option would enable Hartlepool to minimise its legal and financial obligations in relation to employee liabilities as we would in effect be buying a service.
- 4.3.5 If HBC were to proceed into a shared arrangement it is suggested that this is done for an initial period of 12 months then reviewed. This enables Hartlepool to reconsider its position in 12 months once the outcome of any collaboration work is known. It enables any corporate restructure to take place without any additional employee liabilities to consider but allows senior HR advice at a time when significant change is taking place within the organisation. This option would be acceptable to schools as they are comfortable with how the service has been delivered in the last 6 months. A key objective for the shared role was to begin work on the development of an arm's length, LA delivered, specialist support service for schools across most of Tees Valley. This would work with academies and free schools as much as with local authority community, foundation or trust schools. This is important as the aim is to avoid schools buying independent LA services from the plethora of schools advisory services that are springing up as a result of the academies policy drive. This would support not only HR but other local authority school buy back services such as school improvement, payroll, legal and finance.
- 4.3.6 If option 3 is taken it is suggested that the formal legal contract that already exists between the two authorities which agrees to share equally the costs of the post is used. It would ensure the same contractual terms would apply that HBC was comfortable with previously but instead names Darlington BC as the contractor and Hartlepool BC as the client. Darlington BC would therefore become the employer of the new postholder and under the main terms and conditions of employment determined by Darlington BC. The new employment contract would specify the requirement to deliver services to other organisations.
- 4.3.7 If option 3 is taken Darlington BC would welcome Hartlepool BC Members and Officers' involvement in the recruitment process to select a new postholder. As a Chief Officer post a formal appointment by Members is required under Darlington's constitution.

- 4.3.8 As with option 2 the substantive duties of the Chief Customer & Workforce Services Officer which include responsibility for workforce services, customer services, shared services, revenues and benefits services would need to be reallocated. Options for permanently relocating services within the Chief Executive's Department were already under consideration due the current shared arrangement and a further report would be presented to Cabinet as part of any corporate restructuring proposals.
- 4.3.9 This option gives HBC less than a whole time post offering strategic capacity but as the post holder will be involved on behalf of both LA in many strategic forums and in responding to the same policy changes would in terms of economies of scale. This option may still incur some additional cost due to the reallocation of duties and the impact on grading of other officers.

5. FINANCIAL IMPLICATIONS

- 5.1 The costs (which include employer overheads - national insurance and pension costs) associated with implementing each of the three options presented are outlined below. Some of these costs may vary slightly dependent upon the outcome of any recruitment or restructuring process and associated grading issues. However the costs outlined below are a realistic reflection of the true costs of each option.

5.2 Option 1 – Recruit into a HBC only post

- 5.2.1 This option would require additional savings to be found of £51.7k per annum to fund the remaining half of the post as the partial costs of this post were incorporated into the savings programme agreed by council last financial year. The full year costs (including employer overheads) of this post is between £91.9k - £103.4k p.a

5.3 Option 2 – Undertake an internal restructure that removes the Strategic HR Post

There would be a requirement to increase the capacity of the HR function. This would entail the potential appointment of an additional HR advisor at Band 15 - £54.9k (minimum of grade) to £59.9k (maximum of grade) with oncost.

5.4 Option 3 Shared Service with DBC

- 5.4.1 Full year savings associated with sharing the cost of the post were originally estimated as being £51.7k (inclusive of pension and NI saving). This amount was included in the Chief Executive's Department savings proposals and was based on equal sharing of employment costs between Hartlepool and Darlington Councils.
- 5.4.2 The DBC grade of the Assistant Director – HRM to be filled has a salary range of £72,000 - £84,000 p.a. with a total of seven incremental points. This is

slightly different to the salary range within Hartlepool BC for the Chief Customer & Workforce Services Officer which is £72,254 - £81,062 p.a.

- 5.4.3 The costs of a shared Assistant Director HR with DBC (inclusive of pension and NI saving) would be dependent upon the starting salary on appointment and incremental progression. There will be a very small amount of additional savings for Hartlepool at the minimum at the grade and a small decrease in the savings when the maximum of the grade is achieved. This amount is estimated between £45k (minimum of grade) £52.5k (maximum of grade).

5.5 Financial Summary

- 5.5.1 The following table summaries the cost of the above options at the maximum of the grade (all figures include employers overheads):

Option	Total Cost	Additional Cost to existing shared arrangement with DBC (which HBC lead)
1. Recruit into a HBC only post	£103.4k	£51.7k
2. Undertake an internal restructure that removes the Strategic HR Post	£59.9k	£8.2k
3. Shared Service with DBC *	£52.5k	£0.8k

* The cost of a shared Strategic HR posts may reduce if work on collaboration across 3 authorities enables this arrangement to be extended beyond HBC and DBC.

6. CONSULTATIONS

- 6.1 If either Option 2 or 3 were chosen there would be a requirement of formal consultation to take place with those staff that would be affected by these changes. In relation to the current shared HR service consultations were undertaken with those staff affected by the requirement to reallocate service responsibilities last summer and no adverse comments were received regarding the proposals. It was not possible however to conclude the consultations at the time given the temporary nature of the shared arrangements with DBC.
- 6.2 As mentioned previously both Options 2 and 3 require ongoing formal consultations and these would need to commence as soon as a decision is made upon the option taken as both options are slightly different in emphasis and may involve different council officers.
- 6.3 The Trade Unions were previously consulted on the proposals inherent with a shared post with DBC i.e. Option 3 and wrote a letter of support for this option at the time. They would be involved in any further consultation relating

to whichever option is taken.

- 6.4 In relation to both options 2 and 3 there could be the potential in the future to extend shared HR arrangements across the three local authorities involved in the collaboration work. This would enable further savings to be achieved whilst retaining the services of a qualified HR professional at a strategic level.
- 6.5 A number of scrutiny chairs have made representations to CMT in relation to the future delivery of a strategic HR function. Whilst they are fully cognisant of the challenges ahead and supportive of the need to continue to provide a dedicated and clear strategic HR service they do not feel that this should be done by Option 1 i.e. reappointing to a permanent full time Chief Customer and Workforce Services Officer post. They feel the costs of this option are prohibitive and do not feel it meets the authority's needs going forward. Option 2 i.e. a shared service with Darlington is also not one that they wish to see continue as they feel the costs of continuing with this arrangement are also prohibitive.
- 6.6 They have indicated that in their view some form of internal restructure would be of more value to the council but would wish to see the costs associated with this limited significantly. This would mean that the increase in HR capacity that is required for Option 2 would potentially not be able to be fulfilled by the appointment of an additional HR advisor, but via the re-grading staff currently providing an HR service. This would have the impact of altering the nature and type of duties undertaken by staff but would not offer the additional capacity CMT feel is required.
- 6.7 A key issue for cabinet to consider in any option is the position of schools in relation to the HR service. We must ensure we continue to provide a full HR offer to schools, one that they will want to continue to buy into as any apparent dilution of this service may see them look elsewhere for HR support and a council budget pressure will result.

7. Conclusions

- 7.1 Dependent upon the option taken by cabinet there is a requirement for further work to be undertaken by CMT and for cabinet to address this as part of the recommendations of this report.
- 7.2 If Option one is chosen a report will be presented to full council to request the setting up of an appointment panel as the Chief Customer and Workforce Services Officer post is a council appointment, in line with the council's constitution on the recruitment of Chief Officer posts. It will also require additional savings to be found for the budget this year as part costs of this post were agreed as a budget saving by council as part of last year's budget process.
- 7.3 If Option 2 is taken CMT will develop a new operational structure within this area and a consultation process will commence which will involve those

officers who would be impacted by the restructure process. The outcome of that process will be reported back to cabinet for decision in relation to the reallocation of duties inherent within the current Chief Customer and Workforce Services Officer post and any grading issues that may be impacted on by this option.

- 7.4 If Option 3 is chosen cabinet will need to agree to enter into a new agreement with Darlington Borough Council to share a joint Head of HR and that the Acting Chief Executive and/or Chief Solicitor be delegated to finalise the legal agreement with the General Purposes Committee. Cabinet are also asked to nominate the appropriate Member/Officer to be involved in the recruitment process undertaken by Darlington BC.

8. RECOMMENDATIONS

- 8.1 Cabinet are asked to consider the three options presented within this report and to make a decision on which option they feel best meets the needs of the Authority going forward.

- 8.2 Dependant upon which option is chosen one the following set of recommendations will be required to be agreed upon.

8.3 Option 1

- 8.3.1 Cabinet to agree to a report being presented to full council for the recruitment to the Chief Customer and Workforce Services Officer post and for cabinet to receive a further report on the additional savings that would be required to fund this post in its entirety.

8.4 Option 2

- 8.4.1 Cabinet to receive a further report to consider the outcome of the staff consultations and the impact any changes may have on officer grading.

8.5 Option 3

- 8.5.1 Cabinet are asked to agree to enter into a new agreement with Darlington Borough Council to share a joint Head of HR and that the Acting Chief Executive and/or Chief Solicitor be delegated to finalise the legal agreement with the General Purposes Committee. Cabinet are also asked to nominate the appropriate Member/Officer to be involved in the recruitment process undertaken by Darlington Borough Council.

9. CONTACT OFFICER

Nicola Bailey
Acting Chief Executive
Nicola.bailey@hartlepool.gov.uk
Tel: 01429 523001

CABINET REPORT

11 June 2012



Report of: Corporate Management Team

Subject: QUARTER 4 – COUNCIL OVERVIEW OF PERFORMANCE AND RISK 2011/12

1. TYPE OF DECISION

Non Key

2. PURPOSE OF REPORT

- 2.1 To inform Cabinet of the progress made against the Council's 2011/12 Corporate and Departmental Plans, for the period ending 31 March 2012.

3. BACKGROUND

- 3.1 The Corporate Plan was agreed by Council on 14 April 2011 and the three Departmental Plans were agreed by Cabinet on 8 April 2011.
- 3.2 All of the plans contain an action plan setting out how the Council proposed to deliver the Council's priority outcomes. Key Performance Indicators are also included which can then be used to monitor progress throughout the year and at the year end. Departmental Plans also contained a section listing the Risks that could prevent the Department from delivering the priority outcomes.
- 3.3 The Council's Performance Management System (Covalent) is used to collect and analyse progress against the actions, performance indicators and risks detailed in the Corporate Plan and the three Departmental Plans. The information in the system was used to prepare this report.
- 3.4 The structure of the report is:

Paragraphs	Content
4.1 – 4.10	Council overview of performance and risk
5.1 – 5.9	Child and Adult Service Departmental Plan
6.1 – 6.8	Regeneration and Neighbourhoods Departmental Plan
7.1 – 7.7	Chief Executives Department
8.1	Recommendations

4. PERFORMANCE AND RISK MANAGEMENT

Council Overview of Performance and Risk

- 4.1 In total the three departmental plans, include 169 actions and 164 performance indicators to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Corporate Plan.
- 4.2 Of the 164 indicators, 91 had targets set and the remaining 73 were for monitoring only purposes. 53 of the 91 targeted indicators are collected quarterly, and the remaining 38 are collected annually. Only the 75 targeted indicators that are either monitored quarterly or have 2011/12 annual outturns available have been included in the analysis for this report.
- 4.3 Officers have assessed progress against these indicators and the actions included in the plans, making judgements based on progress to the 31 March 2012. Progress is categorised as: -

PI Target achieved or Action Completed
PI On track to achieve target or Action to be completed
PI/Action Progress acceptable
PI/Action Intervention Required
PI Target not achieved or Action not Completed

- 4.4 The Corporate Plan addresses the key priorities and issues facing the Council, and includes an action plan that draws the key actions and performance indicators from the Council's three Departmental Plans. The 2011/12 Corporate Plan action plan includes 59 actions and 38 performance indicators (that have targets and are monitored quarterly or are annual indicators with final year outturn information available).
- 4.5 Charts 1 and 2 below summarise officers' assessments of the Corporate Plan actions and indicators that have targets **and** are measurable throughout the year, including annually collected indicators with 2011/12 outturns available. As at 31 March 2012, the position was a positive one, with: -
- 52 actions (85%) have been completed or assessed as being on target to be achieved by their scheduled completion date
 - 22 indicators (58%) have already achieved their year end target or been assessed as being on track to do so
 - 3 actions (5%) and 7 PIs (18%) have been assessed as having made acceptable progress
 - The remaining 4 actions (7%) and 9 PIs (24%) have been assessed as requiring intervention, having not achieved target (PIs) or having not been completed (actions). Further information relating to these actions and indicators can be found later in the report – see 5.4, 5.6 and 6.5.

Chart 1: Corporate Plan Overall Action Progress – to 31 March 2012

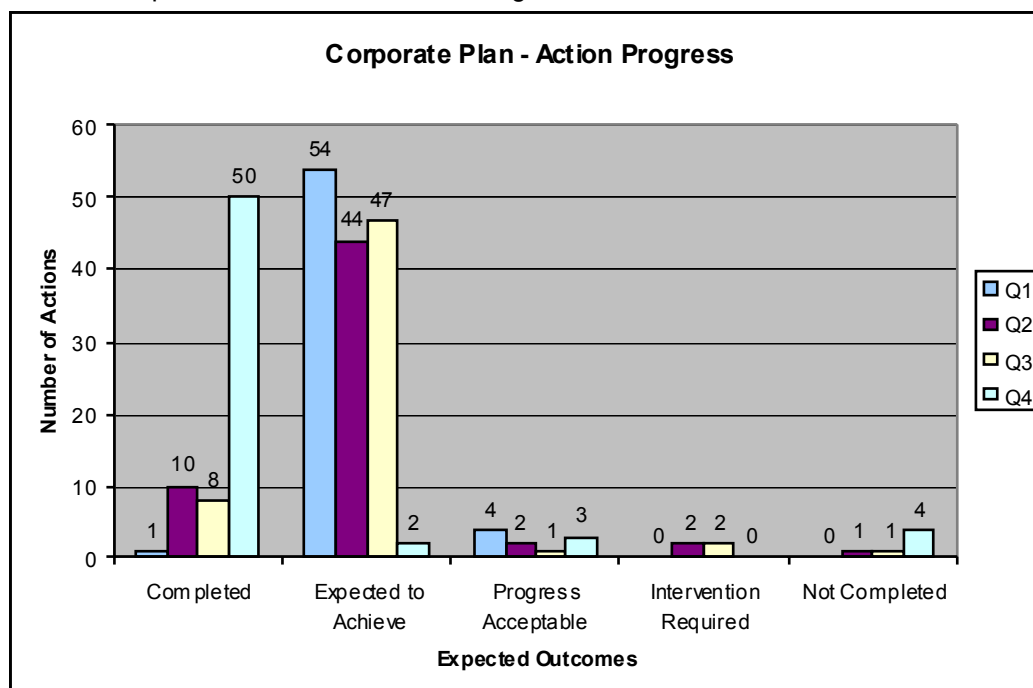
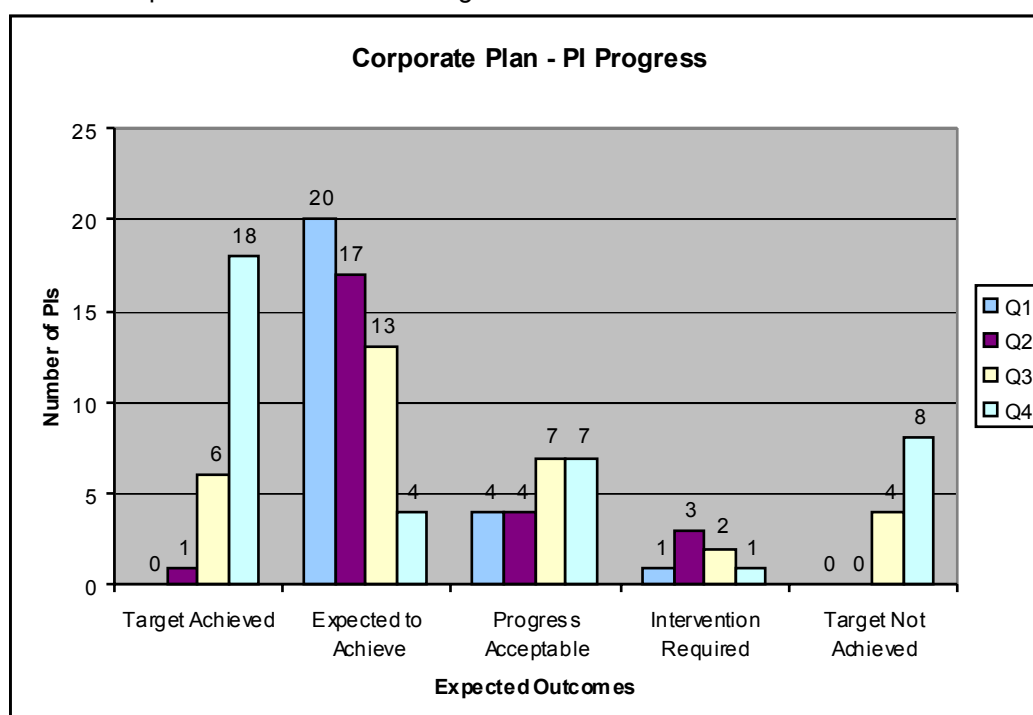


Chart 2: Corporate Plan Overall PI Progress – to 31 March 2012



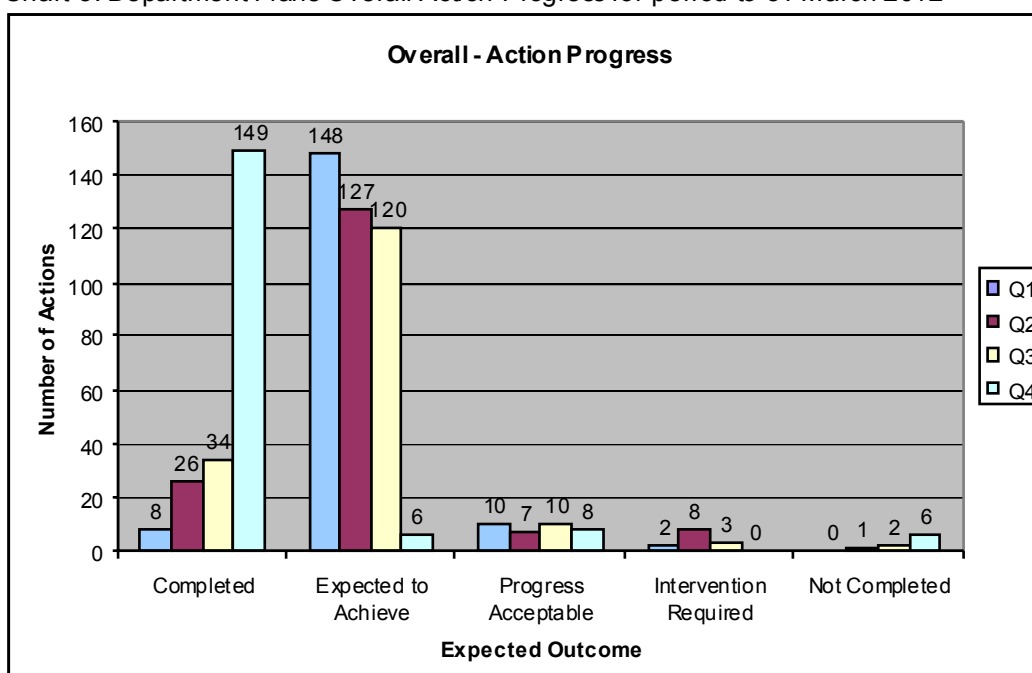
4.6 As previously stated (in paras 4.1 and 4.2) the three departmental plans include 169 actions and 75 performance indicators that can be monitored on a quarterly basis or already have 2011/12 outturns available. Progress is illustrated in Charts 3 and 4.

- Across all 3 Departmental Plans progress is good;

- Over 91% of actions have already been completed or are expected to be achieved; and
- Over 65% of PIs either having already reached their targets or are expected to do so.

4.7 Of the 169 actions, 5% (8 actions) have been assessed as having made acceptable progress (a decrease from 10 actions in quarter 3), with the remaining 6 actions (4%) having been assessed as not completed – up from 5 actions in quarter 3 (which also included those actions assessed as requiring intervention). More details on these 6 actions are included later in the report, in the relevant departmental plan sections.

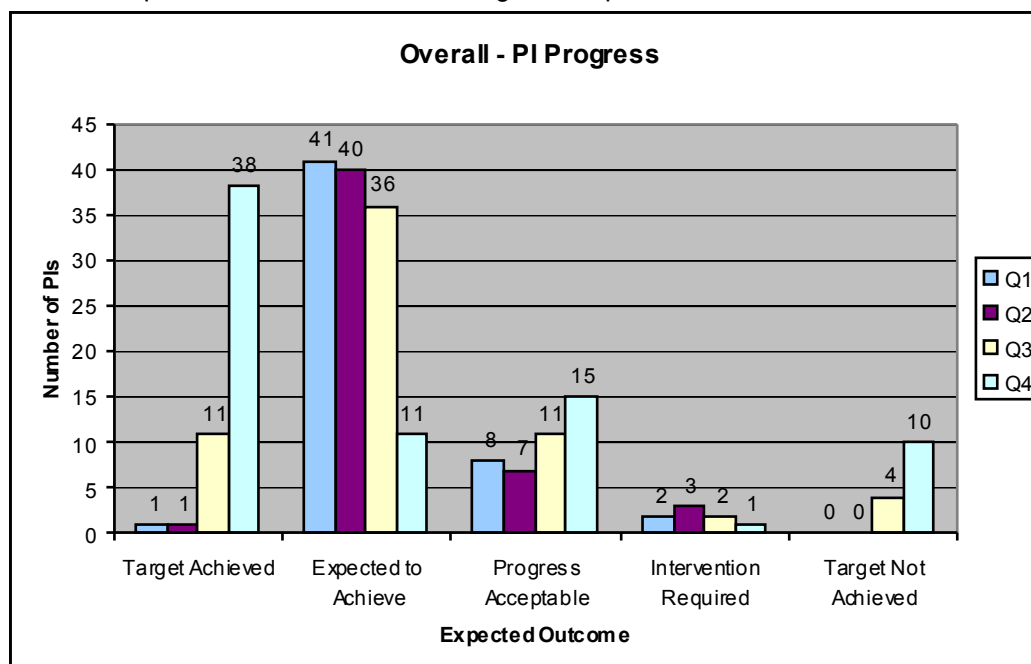
Chart 3: Department Plans Overall Action Progress for period to 31 March 2012



4.8 Chart 3, above, also shows that the number of actions completed or expected to achieve has increased slightly from 154 at the end of quarter 3 to 155 at the end of quarter 4.

4.9 Chart 4, detailing the progress made for PIs shows that 64 indicators (85%) have been assessed as having already achieved target, being on track to do so or having made acceptable progress. The remaining 11 indicators have been flagged as requiring intervention or having not achieved target. As with the actions, these indicators are shown later in the report.

Chart 4: Department Plans Overall PI Progress for period to 31 March 2012



- 4.10 There were 87 risks identified across the Council. These are now being managed in accordance with the Council's Risk Management Framework agreed by Performance Portfolio Holder on 23 March 2011. This splits risks into Actively Managed Risks: those where additional control measures are being pursued or need highlighting and monitoring through senior managers and elected member and Accepted Risks: those risks that have been identified by departments as under control. Accepted risks continue to be monitored by individual departments to ensure the risk is kept at an acceptable level. Sections 5.8, 6.7 and 7.6 of this report provide an update about progress on all Actively Managed Risks.

DEPARTMENTAL PERFORMANCE MONITORING

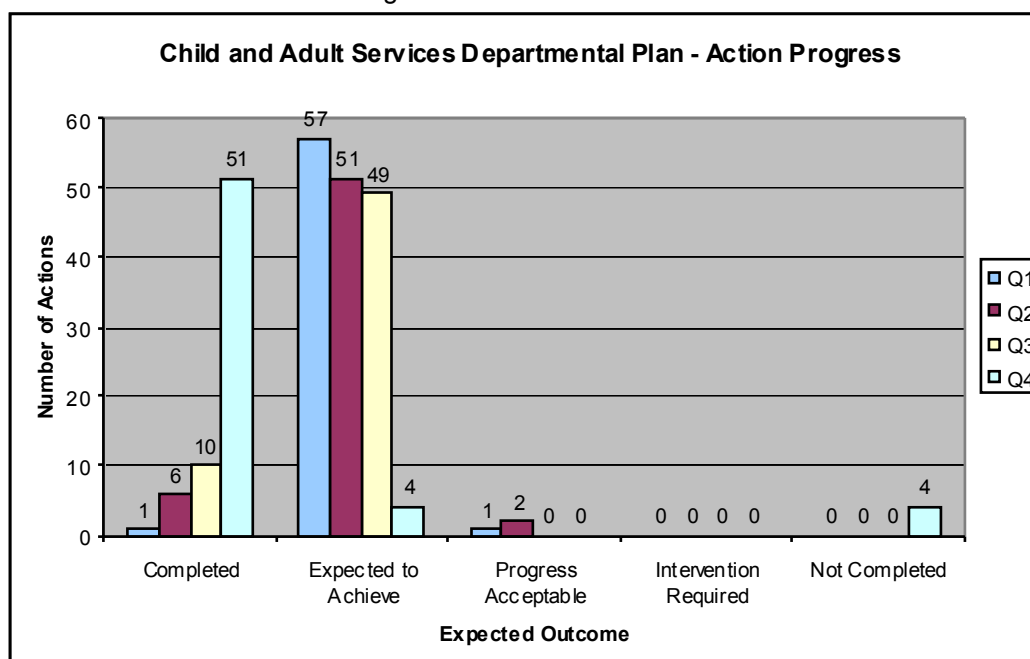
5 Child and Adult Services Departmental Plan 2011/12

- 5.1 The Child and Adult Departmental Plan contributes to 11 outcomes, spread across 6 themes:
- Jobs and the Economy
 - Lifelong Learning and Skills
 - Health and Wellbeing
 - Community Safety
 - Culture and Leisure and Community Learning
 - Strengthening Communities
- 5.2 Included in the departmental plans were 59 actions and 87 performance indicators spread across the 6 outcomes, together with 17 risks from the Council's Risk Registers.

Actions

- 5.3 As can be seen in the chart below, overall progress is good with 55 actions (93%) having been completed or assessed as being on target to be achieved by their scheduled completion date.

Chart 5: CAD Overall Action Progress – to 31 March 2012.



- 5.4 The remaining 4 actions (7%) have been flagged as not being completed, and these actions are shown in the table below: -

Outcome: People have greater access to employment and skills opportunities Hartlepool has increased levels of investment and is globally competitive			
Ref	Action	Due Date	Note
CAD11/12-JE03	Provision of high quality independent careers advice and guidance to enable young people to make informed choices as to their future learning and training.	31-Mar-2012	The All Age Careers Service is due for launch at some point in April 2012 however as yet no official date has been given. We are awaiting further government guidance on what form this will take. Integrated Youth Support Service are continuing to provide Information, Advice & Guidance, to the most vulnerable young people and the 11-19 Team are working closely with schools on the sharing and recording of destinations data post 16 onwards.
Outcome: To promote opportunities for all children and young people to reach their full potential by accessing good quality teaching and curriculum provision which fully meets			

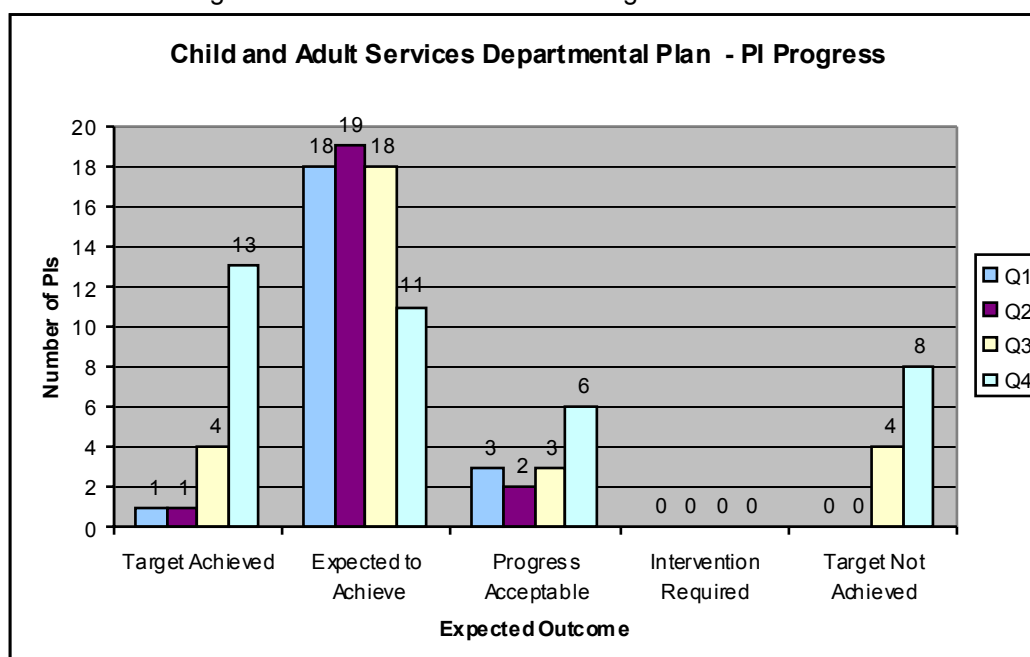
their needs and enables them to participate in and enjoy their learning			
Ref	Action	Due Date	Note
CAD11/12-LL02	Analyse Key Stage 2 data in English and mathematics. Identify schools below 55% floor target in combined English and mathematics and separate English and mathematics and report to Portfolio Holder under Council's schools causing concern.	31-Mar-2012	Analysis of schools completed. Dates of reviews for Grange & St Joseph's to be confirmed. The review at Grange did not go ahead due to a themed Ofsted inspection of PSHCE.
Outcome: Children and young people are safe			
Ref	Action	Due Date	Note
CAD11/12-HW19	Implement action plan to improve service to young victims	31-Mar-2012	The Misery Business DVD has been rolled out as planned at the ASBAD event to in excess of 1000 students. The response appeared to be very positive although the evaluation of the workshops has yet to be viewed. However as a direct response to the DVD one young person reported a bullying incident to the Police. This incident has since been successfully dealt with using Restorative Approaches (as similar to the one shown in the DVD). A seminar event will be now held by The B Safe & Happy Young Peoples Forum to celebrate the work achieved so far and help build support for a new campaign and tool kit. The seminar is planned for the 19th April and the Mayor Stuart Drummond is supporting this event. The new campaign and tool kit are aimed at reaching children of primary school aged between 9 & 10. We have completed 70% of the work so far and have agreed to complete the remaining 30% by the end of September 2012.
CAD11/12-HW21	Implement the strategic priorities from the Looked After Children strategy	31-Mar-2012	The Looked After Strategy implementation is continuing to be progressed through the Multi-agency

			Looked After Partnership (MALAP).
--	--	--	-----------------------------------

Performance Indicators

- 5.5 Chart 6, below, summarises officers' assessments of the 22 Performance Indicators that have targets **and** are measurable throughout the year, and the 16 annual indicators with outturns available. As at 31 March 2012, the position was a positive one, with 30 indicators (79%) either having already achieved year end target, having been assessed as being expected to achieve year end target or having had made acceptable progress.

Chart 6: CAD Targeted Performance Indicators - Progress to 31 March 2012.



- 5.6 The 8 indicators that have not achieved target are shown in more detail below: -

Outcome: 02 People have greater access to employment and skills opportunities				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
NI 117	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)	7.6%	6.9%	The IYSS reported 7.6% NEET for the 3 month period November to January. The reported figure is higher than last year. Reasons for this include the changes in the reporting criteria: residency of young person rather than place of learning, the switch to academic age rather than actual age and the

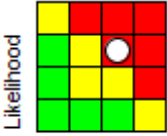




				current economic climate. Hartlepool compares favourably to regional and national statistical neighbours. A robust NEET strategy and effective deployment of staff are contributors to this. Based on the previous reporting criteria we would have reported a figure of 6.8% therefore meeting the target.
Outcome: 05 To promote opportunities for all children and young people to reach their full potential by accessing good quality teaching and curriculum provision which fully meets their needs and enables them to participate in and enjoy their learning				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
NI 73	Percentage of pupils achieving level 4 or above in both English and Maths at Key Stage 2	77.0%	82.0%	In 2011, 77% was achieved against a target of 82%. Although the target was not met the results for 2011 had improved against tests taken in 2009, Hartlepool was above the national average figure of 74% (data taken from DfE performance tables)
NI 93	Percentage of pupils progressing by 2 levels in English between Key Stage 1 and Key Stage 2	88.0%	94.0%	In 2011, 88% was achieved against an unrealistic target of 94%. Although the target was not met the results for 2011 had improved significantly against tests taken in 2009, Hartlepool was substantially above the national average figure of 84% (data taken from DfE performance tables)
NI 94	Percentage of pupils progressing by 2 levels in Maths between Key Stage 1 and Key Stage 2	85.0%	92.0%	In 2011, 85% was achieved against an unrealistic target of 92%. Although the target was not met Hartlepool was higher than the national average figure of 83% (data taken from DfE performance tables)
Outcome: 07 Improve health by reducing inequalities and improving access to services				
Ref	Indicator	2011/12 Outturn	Year End Target	Note

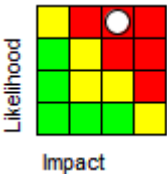
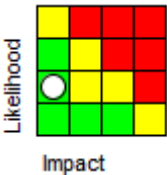
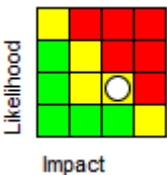
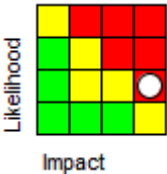
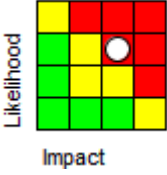
ACS P081	Number of patients completing a 10 week programme of referred activity recommended as a health intervention	265	325	This is the first year where we did not offer free courses for the cardiac rehabilitation element of the programme; people had to pay in line with the rest of the scheme. We are incredibly encouraged however as we did not miss the target by too much in light of these changes and will be setting our new target with these considerations.
Outcome: 08 Be healthy – children enjoy good physical and emotional health and live a healthy lifestyle				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
NI 112	The change in the rate of under 18 conceptions per 1,000 girls aged 15-17, as compared with the 1998 rate	-26.6%	-55%	The reduction of teenage pregnancy will continue to be a priority in the early intervention strategy with the principle of intervening early in order to prevent a teenage pregnancy occurring.
Outcome: 22 People enjoy equal access to leisure, culture, sport, libraries and community learning which enrich their lives, improve the places where they live, and strengthen communities				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
ACS P059	Overall attendance at Mill House, Brierton and Headland Leisure Centres	373,583	405,000	Attendance figures for Brierton Sports Centres in Q3 and Q4 were estimates based on 2010/11 usage. Difficulties were experienced in obtaining information whilst Dyke House Sports and Technology College were managing the Centre. Systems are now in place to monitor usage of Brierton Sports Centre.
ACS P084	Maintain and enhance the Historic Environment Record (HER) via percentage reviewed, edited and added	5.20	10.00	This was low due to research being carried out to add historic farmsteads to the record but the new sites have yet to be added. (R.D.27/4/12)

- 5.7 A further 49 indicators have targets which can only be assessed at the year end (and no outturn data is known) or are for monitoring purposes only.

Risk Registers

- 5.8 There are 7 risks on the Accepted Risk Register within the Child and Adult Department and a further 10 on the Actively Managed Risk. The table below provides a summary of the position of the risks on the Actively Managed Risk Registers along with details as to what action is being taken with regards to these risks.

Code	Title	Current Risk Matrix	Latest Note
CAD R001	Service issue as a result of insufficient budget allocation or changes in national funding/grants (Actively Managed)		2012/13 savings for adult social care have been delivered with minimal impact on services but significant cuts are anticipated in 2013/14 and 2014/15 which will have a major impact on services throughout the department.
CAD R002	Increased demand on services due to demographic pressures and current economic climate (Actively Managed)		No change to risk status. Early indications are that reablement services are working effectively with 66% of people having no ongoing support needs following a period of reablement. Increasing complexity of cases continues to create workload pressure within social work teams and there is a particular pressure emerging in relation to care home placements for older people with EMI needs such as dementia.
CAD R003	Failure to provide statutory services to safeguard children & vulnerable adults and protect their well-being. (Actively Managed)		No change to risk score. Risk continues to be managed through work within service including quality assurance activity and through Local Safeguarding Children Board
CAD R004	An increase in the number of schools falling below Performance Achievement Standard (Actively Managed)		3 primary schools are currently below the DfE floor standard - 2011. All schools receiving LA support, including LA reviewers to provide a baseline on standards and quality of Teaching & Learning.
CAD R005	Failure to meet the statutory duties and requirements vested within the Child and Adult Services department (Actively Managed)		No change to risk status - internal controls being maintained.

Code	Title	Current Risk Matrix	Latest Note
CAD R006	Alcohol investment does not enable the provision of sufficient services to meet the increased level of need. (Actively Managed)		Services for both drug and alcohol have been procured recently. New service providers will deliver service from 1st April 2012 performance management process will look at demand for services and waiting times and actively manage this risk.
CAD R007	Adverse publicity and community tension (e.g. in regard to reintegration of drug users/offenders back into community, drug related deaths, establishing community services/Pharmacist) (Actively Managed)		New service providers are now in place, new community development officer now in post to develop stronger links in the community.
CAD R008	Damage / Disruption due to violence to staff, health & safety incidents or poor working conditions (Actively Managed)		Violence to staff procedures and guidance have been reviewed corporately and are with the trade unions for approval. Training is ongoing via the H&S wellbeing team. The VAS group meet on a monthly basis to review Employment Protection Register entries. All teams have procedures in place for out of office and out of hours working, the lone working policy currently being reviewed by out of office H&S meeting.
CAD R009	Failure to plan future needs and be able to respond to market pressures. (Actively Managed)		Pressures on placements in adult social care continue to be managed through prevention and early intervention and the provision of alternative options such as assistive technology and extra care housing. There is an emerging market pressure in relation to residential care for older people requiring EMI care, which is being monitored through bed occupancy surveys.
CAD R011	Failure to work in effective partnerships with NHS, including risk of cost shunting. (Actively Managed)		No change to risk rating. Effective partnership working continues in some areas of work, such as reablement and early intervention, but continuing health care continues to be an area for concern. This is closely monitored and concerns have recently been raised with the PCT executive team through Tees valley Directors.

5.9 For the period up to 31 March 2012 the Child and Adult Services Department have identified a number of achievements and issues including: -

- Reablement services are established and early performance information indicates a positive impact for people accessing those services. It is recognised that there is further work to be done to make services accessible for people with dementia and this will be addressed in 2012/13 through the allocation of resources for a Specialist Practitioner for Reablement focused on dementia within the Tees Esk & Wear valleys NHS Foundation Trust. Other priorities for 2012/13 include development of a single point of access for and urgent care out of hours service across health and social care
- Early performance information shows that preventative services provided through SAILS are supporting a significant number of people to maintain their independence through access to luncheon clubs, the Handyperson Service etc. The number of people accessing assistive technology has increased throughout the year and it is anticipated that there will be further growth in this area. There are also an increasing number of people accessing extra care housing as an alternative to residential care
- Online membership now available via the library web page: http://www.hartlepool.gov.uk/forms/fom/186/hartlepool_libraries_online_joining_form
- Torch Relay to show case Inspire work is well underway. The 100 day calendar countdown to the Olympics is printed and has been circulated around the town. A full community task force meeting has been set up and meets regularly to discuss the torch visit to Hartlepool on the 17th June. It is a huge achievement to have the torch visit Hartlepool and to have secured the lunch time stop. Work for INSPIRE continues and the community element has been developed within the last quarter to showcase young women across Hartlepool
- Children and carers assessment in place within treatment comprehensive assessment process. Family interventions introduced and wider use of CAF's. Treatment services contributing specialist intervention to SHP Team Around Household and other family initiatives. Workforce training programme increased to expand competencies in family therapies. Multi agency conference mid summer on parental substance misuse and C&A social care leading on Hidden Harm agenda. 2012/13 specifications require Think Family interventions and joint specification with Parenting and treatment service developed
- The number of 17 year olds in learning is 91.4%. This continues to represent good progress towards full participation following the national withdrawal of an automatic entitlement to Education Maintenance Allowance for young people wishing to stay on in learning
- The 11-19 Team has worked in collaboration to develop chapters around social mobility and aspirations within the Economic Development Strategy. The strategy is now complete and has been published.

- Hartlepool has been successful in its bid for Raising of the Participation Age Funding and will take part in a trial working with vulnerable groups, building on the success of the teenage parent pathway, learning and care and reintegration programmes.
- Participation in positive activities through local authority positive activities is double previous national benchmarks. This has been delivered through the range of opportunities (skate park, National Citizen Service NCS, recruitment group, Young Asian Voices) whilst maintaining targeted (Speak Out Sexuality, young carers, deaf youth project) and universal provision, main centres, detached and mobile
- All current Year 11 pupils with a Statement of SEN (and those identified by their respective SENCO (Special Educational Needs Coordinator)) who intend to access local post 16 provision in Year 12 have actively participated in Section 140 assessments. Work is underway to explore ways in which the assessment can be brought in line with other assessments and ways in which the plans derived from the assessments can be produced in formats that are more suitable to the young persons learning needs.

6. Regeneration and Neighbourhoods Departmental Plan

6.1 The Regeneration and Neighbourhoods Departmental Plan contributes to 20 outcomes, spread across 8 themes:

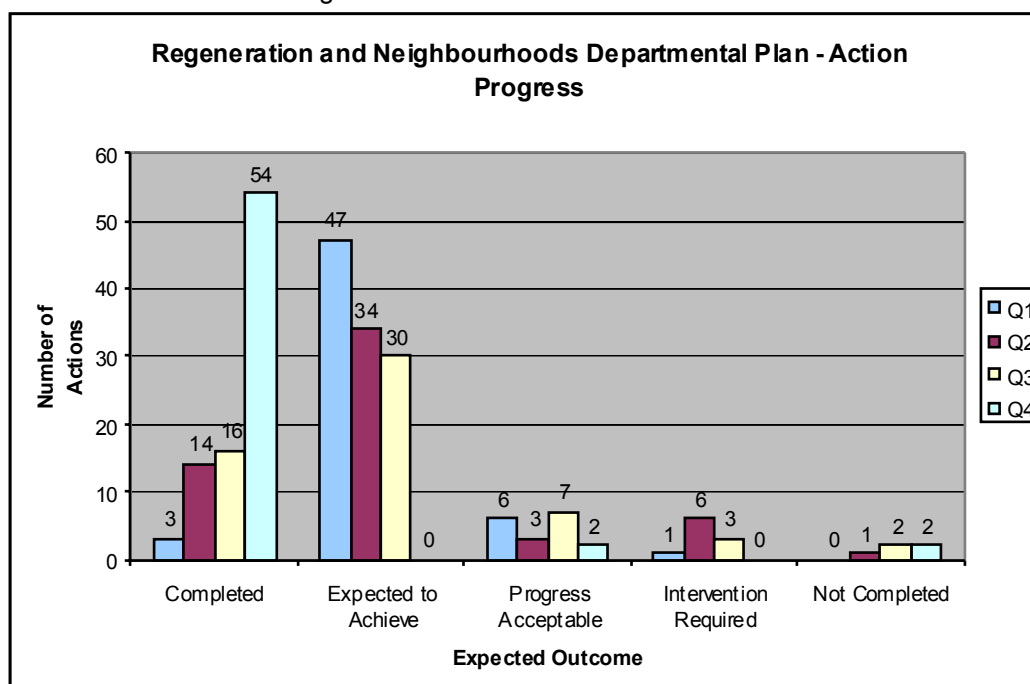
- Jobs and the Economy
- Lifelong Learning and Skills
- Health and Wellbeing
- Community Safety
- Environment
- Housing
- Strengthening Communities
- Organisational Development

6.2 Included in the departmental plans were 58 actions and 43 performance indicators spread across the 20 outcomes, together with 33 risks from the Council's Risk Registers.

Actions

6.3 As can be seen in the chart below, overall progress is good with 54 actions (93%) having been completed within the year and a further 2 actions (3%) having been adjudged to have made acceptable progress. The remaining 2 indicators (3%) have not been achieved and these have previously been reported to Cabinet (in quarter 2 and quarter 3). It was agreed at those meetings that the actions would be removed from future quarterly reporting, although for the purposes of completeness they have been included in the overall analysis.

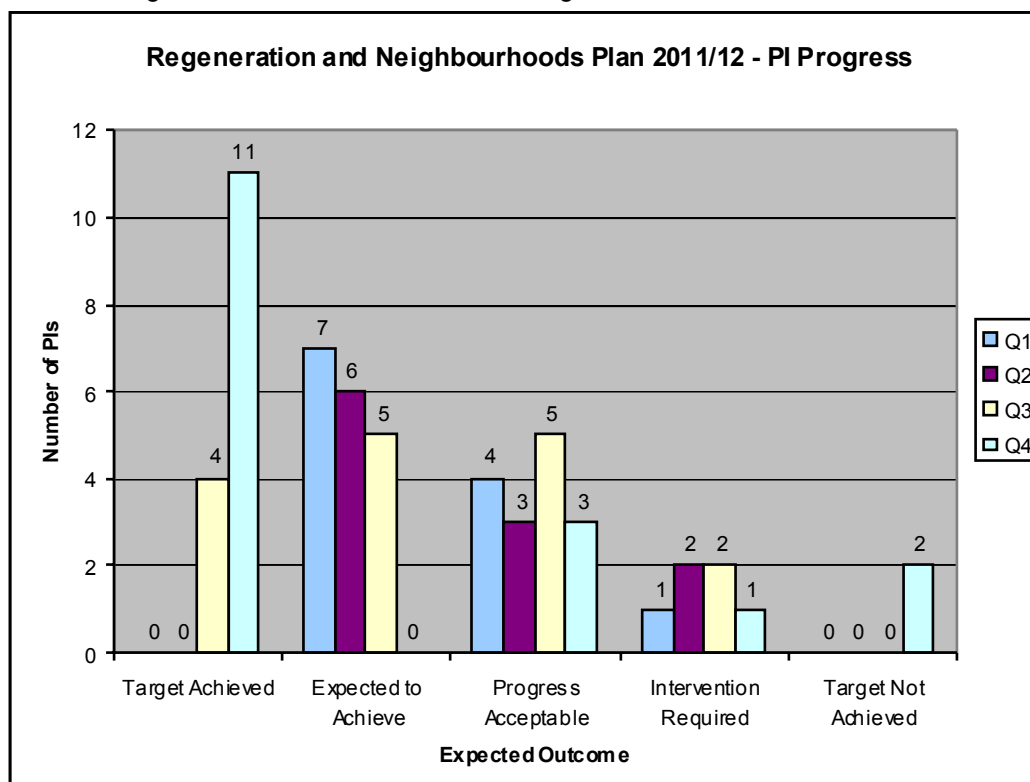
Chart 7: Overall Action Progress – to 31 March 2012.



Performance Indicators

- 6.4 Chart 8, below, summarises officers' assessments of the 11 Performance Indicators that have targets **and** are measurable throughout the year, and the 6 annual indicators with outturn data available. It can be seen that, as at 31 March 2012, the position was a positive one, with 11 indicators (65%) having achieved target and a further 3 (18%) having had made acceptable progress. The remaining 3 indicators have been flagged up as requiring intervention or having not achieved target, and further information is provided below.

Chart 8: Targeted Performance Indicators - Progress to 31 March 2012.



6.5 The 3 indicators that have been assessed as requiring intervention or having not achieved target are detailed below: -

Outcome: 17 Provide a sustainable, safe, efficient, effective and accessible transport system				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
RND P055	Percentage of footpaths & rights of ways that are easily accessible by members of the public	82.4%	90.05	Hartlepool's countryside footpaths and rights of way are generally in a very good physical condition. Routes under the care of the Authority are annually trimmed / mown to ensure they are kept clear of vegetation. The small Countryside Team has the help of a dedicated band of volunteers who help staff survey and maintain the countryside routes. There is a programme to gradually replace/ remove physical obstacles like stiles and replace with all-ability gates where physically possible. The main survey issues continue to be vandalism of route marker posts and plastic way marking disks which can

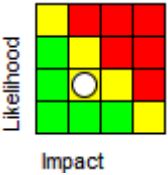
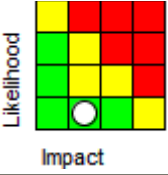
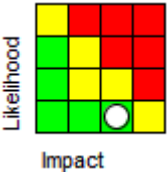
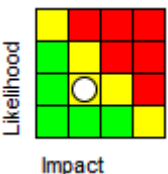
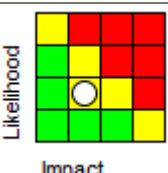
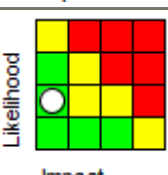
				impact substantially on the overall path survey scores. A programme of surfacing improvements exists which is gradually implemented as fund raising efforts allow. The team continue to work with landowners, taking enforcement action when necessary, to ensure path surfaces are reinstated following damage by ploughing, crops etc.
Outcome: 18 Hartlepool is prepared for the impacts of climate change and takes action to mitigate the effects				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
NI 185	Percentage CO2 reduction from local authority operations	0.4%	7.0%	The first annual carbon reduction league table has been produced, and will be published on 26 April to tie in with publication of Newline, where details of it will first appear. League table will be sent out by email and placed on notice boards by CAN-DO members. Table is based on electricity use. As we now have automatic meter readings for gas, this will be included in future quarterly and annual tables. The table, which covers 21 sites, shows a 10% reduction in carbon emissions compared to the same period the previous year. It is anticipated that gas use will also be lower due to the milder winter. An update will follow once the full carbon footprint is compiled (during early Q2).
Outcome: 16 Quality local environments where public and community open spaces are clean, green and safe				
Ref	Indicator	2011/12 Outturn	Year End Target	Note
NI 193	Percentage of municipal waste (all waste collected by the local authority) land filled	8.30%	5.0%	HBC has not landfilled any waste in this final quarter; however, waste landfilled during the closure of the Energy From Waste has now been inputted into the December figures, which has led to the increase in material landfilled. This has inevitably and understandably brought us in over target, although this figure could have been a lot





				worse had it not been for the various initiatives introduced to reduce residual waste tonnages.
--	--	--	--	---






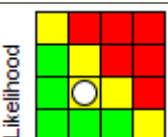
- 6.6 A further 26 indicators have targets which can only be assessed at the year end (and information is not yet available) or are for monitoring purposes only

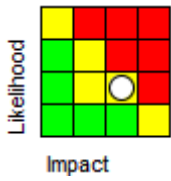
Risk Registers

- 6.7 There are 16 risks on the Accepted Risk Register within the Regeneration and Neighbourhoods Department and a further 17 on the Actively Managed Risk. The table below provides a summary of the position of the risks on the Actively Managed Risk Registers along with details as to what action is being taken with regards to these risks.

Code	Title	Current Risk Matrix	Latest Note
RND R015	Failure to secure funding for delivery of empty homes strategy (Actively Managed)		Housing Hartlepool have been allocated funding for the 2012/13 empty homes programme. The Council has also placed a bid for empty homes funding to support the HBC property Purchasing scheme. This is to be announced in Q1 of 2012.
RND R051	Failure to comply with DDA legislation in Council buildings (Actively Managed)		Capital bid approved, works being programmed.
RND R052	Council liability for RTA related accidents resulting from employees driving whilst on council business (Actively Managed)		Road Safety Team are now administering the process
RND R053	Failure to effectively implement selective licensing (Actively Managed)		This process is being actively managed by fortnightly action plan meetings and reviews.
RND R054	Failure to maintain highway infrastructure to acceptable standard resulting in additional cost implications through insurance claims (Actively Managed)		No change at present.
RND R055	Failure to provide an effective transport infrastructure for disabled people (Actively Managed)		Provision of low floor bus infrastructure continues on an annual basis funded by TVBNI capital investment. All new infrastructure and maintenance programme included provision of

Code	Title	Current Risk Matrix	Latest Note
			dropped crossing facilities with appropriate tactile paving
RND R056	Failure of service providers to focus resources on neighbourhood renewal areas (Actively Managed)		Community involvement and engagement review determined continued focus on 5% most disadvantaged communities. Community Partnership will be set up during 2012/13. Ward Profiles will be introduced across the town by September 2012
RND R057	Reduction in funding for Housing Investment (Actively Managed)		Funding announcements have been made and Hartlepool have been awarded funding for the next 3 years via Registered Providers Housing Hartlepool and Endeavour HA, plus Developers Dunelm
RND R059	Failure to provide a 'sound' Planning Policy Framework leading to a lack of clear planning guidance (Actively Managed)		Core Strategy Publication document has been agreed by Cabinet and Council. The document has been out to consultation during the publication stage comments received from this consultation are currently being assessed, compliance with the recently adopted National Planning Policy Framework (NPPF) is currently being undertaken. On track to achieve adoption on Core Strategy in 2012, however it is likely to be later than Autumn given the additional NPPF compliance requirements. Meanwhile Local Plan 'saved policies' remain in place, the NPPF have given local authorities a year to adopt a Core Strategy.
RND R060	Failure to deliver current regeneration programmes (Actively Managed)		Situation remains as previously reported with significant reduction in external funding impacting on the Council's ability to secure regeneration investment. The Council is however continuing to explore alternative delivery mechanisms and is progressing with a developer agreement to secure the delivery of Seaton Carew Regeneration proposals and exploring funding mechanisms for a town centre Business Incubation scheme. The Council has been successful in securing Enterprise Zone

Code	Title	Current Risk Matrix	Latest Note
			status for three sites and has prepared Local Development Orders a providing simplified planning process which will help attract investment to these areas. The Council is also actively supporting or pursuing bids for other funding including European Regional Development Fund, Regional Growth Fund and Growing Places funding.
RND R061	Inability to meet very high levels of local housing needs including affordable housing (Actively Managed)		Risk has decreased due to the numbers of allocation being made to Band 4 waiting list applicants over the last 2 years and the number of units of affordable housing provided in the past 3 years and due to be provided in the next 3 years
RND R062	Effective delivery of housing market renewal affected by external decisions and funding (Actively Managed)		Risk score has decreased from red to amber due to HBC having been successful in getting an allocation of funding from DCLG for HMR to complete Carr/Hopps Area, this needs match funding from HBC, report going to Council Feb 2012 and Cabinet March 2012.
RND R063	Lack of resources to maintain building stock (Actively Managed)		No formal budget in 12/13 for capital works. CCFT bids to capital receipt fund.
RND R064	Failure in asset management planning to make best use of assets in terms of acquisition, disposal and occupation (Actively Managed)		Medium and long-term accommodation strategy is constantly reviewed through the Council's corporate financial team. Key strategic reports to Cabinet and Scrutiny provide position statements/ proposals to ensure active management of the portfolio
RND R079	Failure to meet the statutory requirements of the Regeneration and Neighbourhoods department (Actively Managed)		Legislation continues to be monitored to identify changes and action where appropriate.
RND R080	Failure to monitor and maintain Council owned trees (Actively Managed)		The inspection programme continues, with any remedial work undertaken

Code	Title	Current Risk Matrix	Latest Note
RND R081	Failure to provide sound planning advice / enforcement in relation to waste sites in the borough (Actively Managed)		Waste sites are complex planning issues, whilst advice is given in good faith, we do not have specialist planning officers who deal with these as their main element of work. Where necessary we do use consultants or Counsel on particular contentious planning issues, as an example Niramax. Monthly meetings to discuss problem sites occur and multi agency visits carried out, group working well albeit some issues can be protracted.

6.8 For the period up to 31 March 2012 the Regeneration and Neighbourhoods Department have identified a number of achievements and issues including:

- Uptake of school meals in both primary & secondary schools have exceeded the targets set. Primary schools have seen a rise over the previous year of 4.4% to 62.8%, whilst Secondary school uptake has risen from 49.9% in 2010/11 to 60.1% in 2011/12.
- The amount of residual household waste collected over the course of the year has seen a reduction of approximately 10% from the previous year, as a result of revised practices and procedures.
- Although the target of 45% for the reuse, recycling and composting of household waste has been narrowly missed at 44.6%, this still represent a significant achievement over the previous year of 3.7% and places the Council in a very good position to achieve the Governments future target of 45% by 2015
- The Council has been required to landfill more of its waste over the last year than we expected due to the rebuild of the Energy from Waste Plant. Alternative arrangements have been made to reduce the impact of these diversions to landfill, which coupled with the overall reduction in residual waste have kept this to a minimum. 8.3% against a target of 5%.
- Although we have not achieved the target of 90%, 82.4% of Hartlepool's countryside footpaths and rights of way are generally in a very good physical condition. Routes under the care of the Authority are annually trimmed / mown to ensure they are kept clear of vegetation. The small Countryside Team has the help of a dedicated band of volunteers who help staff survey and maintain the countryside routes. There is a programme to gradually replace/ remove physical obstacles like stiles and replace with all-ability gates where physically possible. The main survey issues continue to be vandalism of route marker posts and plastic way marking disks which can impact substantially on the overall path survey scores. A programme of surfacing improvements exists which is gradually implemented as fund raising efforts allow. The team continue to work with landowners, taking enforcement action when necessary, to ensure path surfaces are reinstated following damage by ploughing, crops etc.
- An increase of 25% in the number of people killed or seriously injured in road traffic accidents compared with the previous 3 year average has been

recorded during the last year. The low numbers of people involved in accidents can be shown as a large percentage change as is the case this year. All accident locations are recorded and assessments made to see if road improvements can be made to prevent any reoccurrence

- The Council has taken a proactive approach to reduce littering in the town by juveniles involving the provision of litter awareness courses. This approach has seen improvements in the cleanliness of areas on schools routes improving when compared to surveys undertaken before the commencement of this programme.
- Joint operations with partner agencies in relation to waste management sites has seen a key aim of reducing metals thefts proving successful with the Police reporting further decreases in thefts and associated crimes.
- Due to the delays experienced in implementing the outcome of the Community involvement and Engagement Review the development of a local improvement plan is suspended. However Community partnership will be developed in May 2012, as well as Ward Profiles.
- The Council has developed in partnership 3 employment and training initiatives to meet the demands of the local labour markets and business community. These initiatives include; Contract for the Families project along with also being awarded a Flexible Support Fund, subject to contract. A new programme of supporting 15 apprentices with learning disabilities in partnership with Child and Adults and Remploy has been delivered. Development of a leaving care and teenage parents programme with Child and Adults is providing routes to education, training and employment.
- Following consultation with partners a new Hartlepool Economic Regeneration strategy has been published with full endorsement from all partners.
- An action aimed at delivering a multi agency response to tackling domestic violence has been completed, incorporating suggestions raised during consultation, actions from the Safeguarding Board and ideas from the Domestic Violence Forum.
- We have been successful in our bid for funding from the Communities Acting against Crime Innovations fund, with offenders now working with the Opening Doors project to help with future employment whilst working in the community as reparation.
- Through enforcement and advice the Council has been instrumental in bring back into use 75 private sector properties that have been empty for over 6 months against a target of 58.
- Over the course of 2011/12 we have seen 90 affordable homes delivered in the town against a target of 80.
- Due to the numbers of allocations being made to band 4 waiting list applications over the last two years and the number of units of affordable housing provide in the past year and due to be provided in the 3 years, it has been possible to reduce the risk associated with the authorities ability to meet very high levels of local housing needs from red to amber.
- Of the 749 food establishments during the year it has been found that 695 of these are broadly compliant with food hygiene law representing 92% against a target of 89%. We continue to work with establishments to raise standards with a greater focus on those premises achieving the lower ratings.

7 Chief Executive's Departmental Plan

7.1 The Chief Executive's Departmental Plan contributes to 7 outcomes, spread across 2 themes:

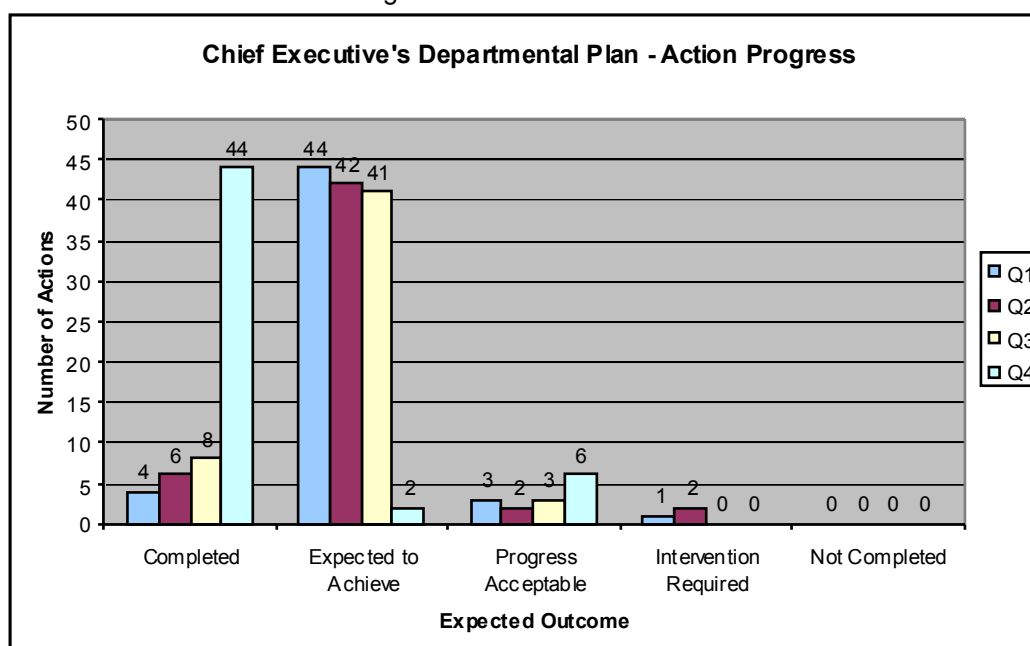
- Jobs and the Economy
- Organisational Development

7.2 Included in the departmental plan were 52 actions and 33 performance indicators spread across the 7 outcomes, together with 34 risks from the Council's Risk Registers.

Actions

7.3 As can be seen in the chart below, overall progress across the department shows that 44 actions (85%) have been completed and a further 2 (4%) have been assessed as being on target to be achieved by their scheduled completion date,. The remaining 6 actions (12%) (up from 3 in quarter 3) have been adjudged to have made acceptable progress.

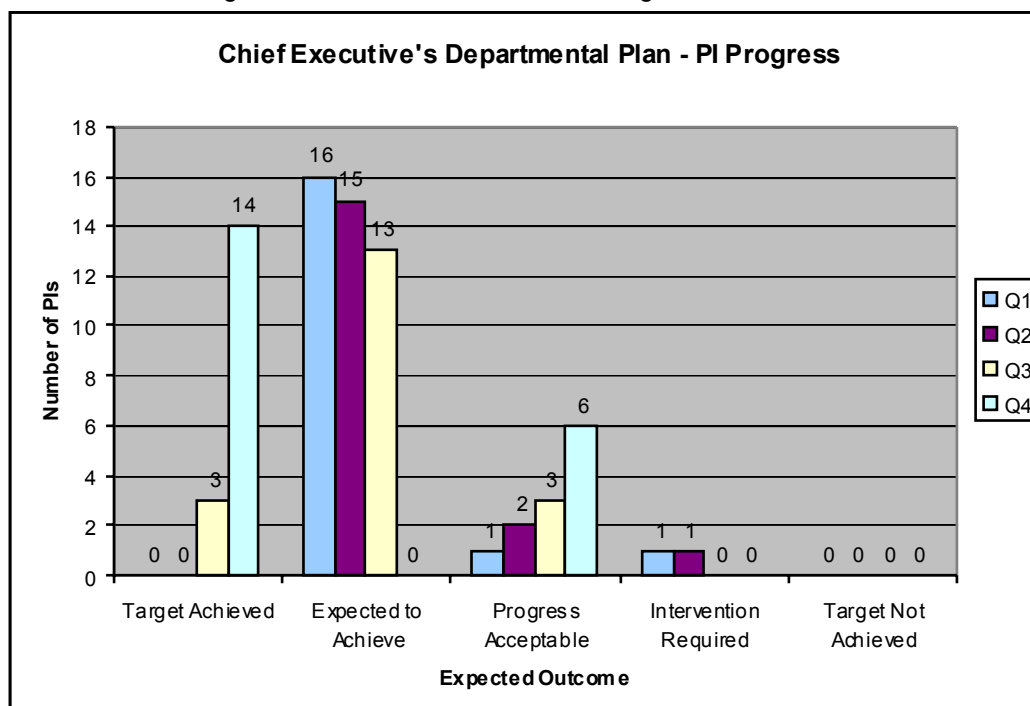
Chart 9: CED Overall Action Progress – to 31 March 2012.



Performance Indicators

7.4 Chart 10, below, summarises officers' assessments of the 18 Performance Indicators that have targets **and** are measurable throughout the year, plus 2 annual indicators with outturn information available. It can be seen that, as at 31 March 2012, the position was a positive one, with all 20 indicators either having achieved target, or having had made acceptable progress.

Chart 10: CED Targeted Performance Indicators - Progress to 31 March 2012.



- 7.5 A further 13 indicators have targets which can only be assessed at the year end (and year end outturn data is not yet available) or are for monitoring purposes only.

Risk Registers

- 7.6 There are 29 risks on the Accepted Risk Register within the Chief Executive's Department and a further 5 on the Actively Managed Risk. The table below provides a summary of the position of the risks on the Actively Managed Risk Registers along with details as to what action is being taken with regards to these risks.

Code	Title	Current Risk Matrix	Latest Note
CED R059	Failure to integrate equality into all aspects of the Council's work leading to non compliance with legislation and Council aims (Actively Managed)	<p>Likelihood</p> <p>Impact</p>	The Council equality objectives agreed and performance information published.
CED R088	Future and Current Equal Pay Claims including settlement of, or adverse findings in ET of existing equal pay claims (Actively Managed)	<p>Likelihood</p> <p>Impact</p>	On-going case right of all Equal Pay claims. Risk assessment of terms and conditions arrangements reported to CMT for action.
CED R089	Experiencing failure or lack of access to Critical ICT systems (Actively Managed)	<p>Likelihood</p> <p>Impact</p>	The system arrangements are under review through service / contract meetings to ensure that adequate arrangements are in place.

Code	Title	Current Risk Matrix	Latest Note
CED R090	Failure to meet the statutory requirements of the Chief Executive's department (Actively Managed)		There is ongoing monitoring of the requirements of the potential legislative changes in respect of the Localism Bill, Open Public Services White Paper and finance and welfare reform consultations through Chief Executive's department management team in conjunction with responses to white papers and consultation documents through Cabinet and update reports as appropriate.
CED R091	Failure to have corporately adequate arrangements in place to manage and deliver the budget strategy and the BT programme (Actively Managed)		The programme and all the component elements have been completed and reported to cabinet and the savings levels required achieved

7.7 For the period up to 31 March 2012 the Chief Executive's Department have identified a number of achievements and issues including: -

- In 2011/12 over 250 adults and 100 juniors opened a new Credit Union Savings Account.
- Illegal Money Lending Workshops successfully piloted at Civic Centre. Potential for further rollout at local priority community level.
- Money skills event delivered in 2011. Further National student week event delivered 13 March 12
- Hartbeat was successfully delivered on a zero budget.
- Speed of processing new benefit claims and change in circumstances was impacted in Quarter 1 by the implementation of Free School Meals Administration and by the DWP Atlas Project. An improvement plan has been implemented. Performance in quarter 4 alone (Jan – Mar 2012) has seen new claims being processed in 12.1 days and changes in circumstances in 4.5 days – a significant improvement from 35.4 days and 15.97 days respectively in quarter 1 (Apr – Jun 2011). Overall performance throughout the year (Apr 2011 – Mar 2012) was 25.47 days (new claims) and 9.24 days (changes in circumstances).
- Despite the difficult economic climate the percentage of Council Tax collected in 2011/12 (97.2%) has increased slightly from 2010/11 (97.0%) and the percentage of National Non-Domestic Rates collected has been sustained, at 98%.

8. RECOMMENDATIONS

8.1 Cabinet is asked to note the current position with regard to performance.

9. REASONS FOR RECOMMENDATIONS

- 9.1 Cabinet and the individual Portfolio Holders have overall responsibility for the monitoring of the Corporate Plan and three Departmental Plans.

10. CONTACT OFFICER

- 10.1 David Hunt
Strategy and Performance Officer
Email: david.hunt@hartlepool.gov.uk
Tel: 01429 284073

CABINET REPORT

11th June 2012



Report of: Assistant Chief Executive

Subject: HARTLEPOOL PARTNERSHIP PLAN QUARTER 4
(2011/12) SUMMARY OF PERFORMANCE

1. TYPE OF DECISION

None (for information only)

2. PURPOSE OF REPORT

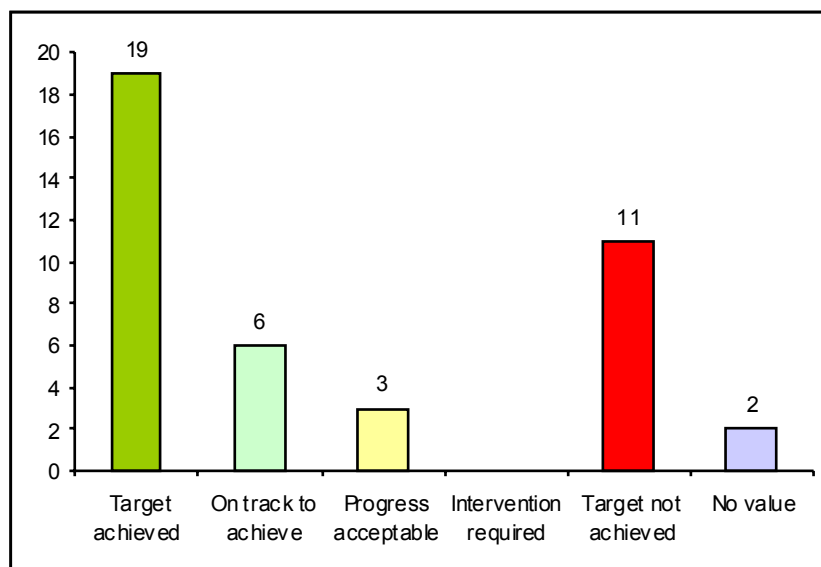
- 2.1 To update the Cabinet on performance against the Hartlepool Partnership Plan for 2011/12 at the end of quarter 4, March 2012.

3. BACKGROUND

- 3.1 The 2011/12 Hartlepool Partnership Plan includes 24 outcomes, structured around eight Community Strategy Themes. This report summarises the performance against targets and appendix 1 outlines the progress made in each theme.

4. QUARTER 4 OVERALL PERFORMANCE 2011/12

- 4.1 The progress made in the delivery of the Hartlepool Partnership Plan is summarised below. For 2011/12 there are 41 targeted Performance Indicators (PIs) and 83 Actions across all themes. Further detail on progress against all PIs and actions under each outcome is provided in the Quarter 4 update report included as appendix 1
- 4.2 Graph 1 and table 1 show progress against the targeted PIs within the Plan.



Graph 1: Quarter 4 – Performance Indicators











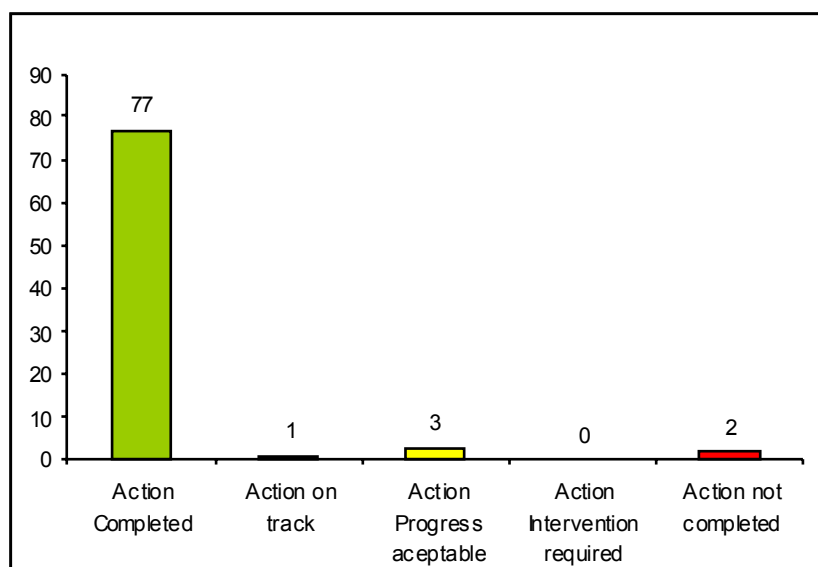
Theme						No Value	Total
Jobs and The Economy	4	0	0	0	1	0	5
Lifelong Learning and Skills	2	0	0	0	4	0	6
Health and Wellbeing	4	5	2	0	4	0	15
Community Safety	0	0	1	0	0	1	2
Environment	2	0	0	0	0	0	2
Housing	2	0	0	0	0	0	2
Culture and Leisure	2	0	0	0	0	1	3
Strengthening Communities	3	1	0	0	2	0	6
Overall	19	6	3	0	11	2	41

Table 1: Quarter 4 – Overall PI Performance across each theme.

Key:

	Target achieved
	On track to achieve target
	Progress acceptable
	Intervention Required
	Target not achieved

4.3 Graph 2 and table 2 identify progress against the Actions within the Plan.



Graph 2: Quarter 4 – Progress against Actions











Theme						Total
Jobs and The Economy	24	0	0	0	0	24
Lifelong Learning and Skills	7	1	0	0	0	8
Health and Wellbeing	12	0	0	0	1	13
Community Safety	13	0	0	0	0	13
Environment	5	0	0	0	1	6
Housing	7	0	0	0	0	7
Culture and Leisure	2	0	1	0	0	3
Strengthening Communities	7	0	2	0	0	9
Overall	77	1	3	0	2	83

Table 2: Quarter 4 – summary of progress against actions across themes.

Key:

	Action Completed
	Action on track
	Action progress acceptable
	Action intervention Required
	Action target not achieved

4.4 Table 3 identifies the PI Targets have not been achieved and further detail is available in appendix 1. Table 4 highlights those Actions that have not been completed and includes the latest note.

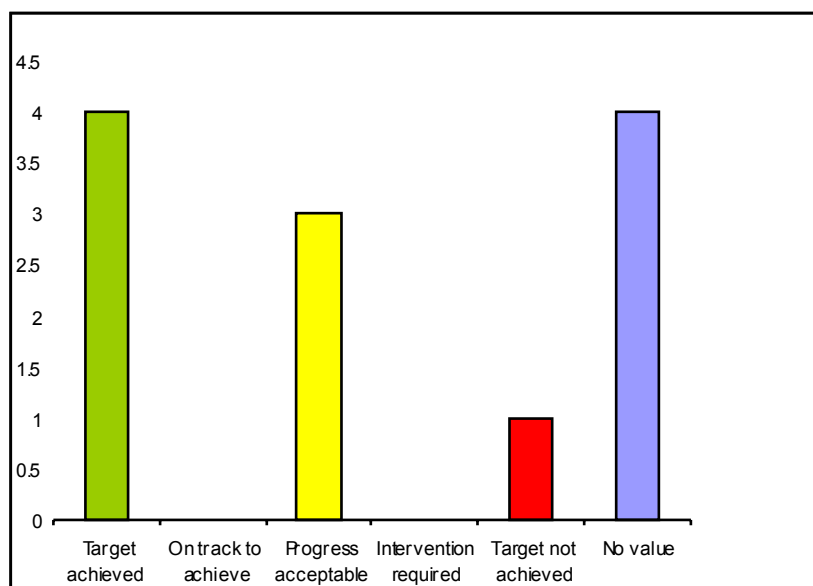
Code	Indicator	Outcome
NI 117	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)	2
NI 73	Percentage of pupils achieving level 4 or above in both English and Maths at Key Stage 2	5
NI 75	Percentage of pupils achieving 5 or more A*- C grades at GCSE or equivalent including English and Maths	5
NI 93	Percentage of pupils progressing by 2 levels in English between Key Stage 1 and Key Stage 2	5
NI 94	Percentage of pupils progressing by 2 levels in Maths between Key Stage 1 and Key Stage 2	5
NI 112	The change in the rate of under 18 conceptions per 1,000 girls aged 15-17, as compared with the 1998 rate	8
LAA HC20	Under 18 conception rates (NRA) (per 1,000 females aged 15-17)	8
NI 55(iv)	The percentage of children in Reception who are obese	8
CSD P035	Children who became the subject of a Child Protection plan, or who were registered per 10,000 population under 18	9
HP P002	Percentage of businesses (retail outlets, restaurants, cafes and hotels) participating in the Fairtrade Town scheme meeting the minimum Fairtrade Foundation requirements	24
HP P003	Number of new businesses (retail outlets, restaurants, cafes and hotels) meeting the minimum Fairtrade Foundation requirements	24

Table 3 – Q4 PI Targets not achieved

Code	Action	Latest Note	Outcome
CAD11/12-HW21	Implement the strategic priorities from the Looked After Children strategy	The Looked After Strategy implementation is continuing to be progressed through the Multi-agency Looked After Partnership (MALAP).	9
HPP11/12 - EN01	Undertake an audit of current provision of Accessible Natural Green space on ANGSt (as part of Hartlepool Green Infrastructure strategy)	The development of the Core Strategy took priority and the audit was not undertaken. A Supplementary Planning Document on Green infrastructure will be undertaken in 12/13 which will cover the areas the audit was intended to.	15

Table 4 – Q4 Actions indicated as not completed.

- 4.5 24 Sustainable Development Indicators were also identified within the plan. 12 were of these are targeted PIs and the performance against these is outlined in graph 3. All 24 Sustainable Development Indicators are identified within appendix 1.



Graph 3: Quarter 4 – Sustainable Development PIs.

5. RECOMMENDATIONS

5.1 Cabinet is asked to:-

- Note the performance against the Hartlepool Partnership Plan at the end of quarter 4, March 2011/12

6. REASONS FOR RECOMMENDATIONS

6.1 Cabinet have overall responsibility for the monitoring of the Hartlepool Partnership Plan.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

8. BACKGROUND PAPERS

8.1 The Hartlepool Partnership Plan is available at www.hartlepoolpartnership.co.uk

9. CONTACT OFFICER

9.1 Catherine Frank Performance & Partnership Manager Email: Catherine.Frank@hartlepool.gov.uk Tel: 01429 284322

HARTLEPOOL PARTNERSHIP PLAN 2011-12

Quarter 4 Performance Update

(April 2011 - March 2012)

Performance & Partnerships Team

Civic Centre

Victoria Road

Hartlepool TS24 8AY

Website: www.hartlepoolpartnership.co.uk

Email: hartlepoolpartnership@hartlepool.gov.uk

Telephone: 01429 284147

Outcome 1: Hartlepool has increased levels of investment and is globally competitive

Performance Indicators - Monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 166 (SD indicator)	Median earnings of employees in the area	Antony Steinberg	£470.60	2012/13	Median earnings for November 2011 is £470.60. This demonstrates a significant increase from previous data as at November 2010.
NI 171	New business registration rate - the proportion of new business registration per 10,000 resident population (aged 16+)	Antony Steinberg	29.0	2011/12	Data released , Hartlepool outturn is 29, showing an ongoing downward trend since the start of the credit crunch. However the rate of decline in start ups in Hartlepool since 2008 is significantly less than the Tees Valley decline and slightly lower than the north east decline. In addition the increase in business deaths since 2008 is lower than the Tees Valley and north east rate.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
HPP11/12 - JE01	Fully develop the 20,000 sq. ft. extension to the UK Steel Enterprise (UKSE) Innovation Centre at Queens Meadow Business Park	Simon Hamilton; Antony Steinberg	31-Mar-2012	✓ Action Completed	UKSE continues to perform well with let rates increasing, anticipate full letting by September 2012.
RND11/12- JE01	Investigate and pursue funding opportunities to deliver Innovation Skills Quarter Gateway Scheme	Rob Smith	31-Mar-2012	✓ Action Completed	The project was deferred by the Regeneration, Economic Development and Skills Portfolio Holder until a more economically suitable time.
RND11/12- JE02	Support PD Ports in the delivery of offshore wind facilities at Victoria Harbour by encouraging inward investment and job creation	Antony Steinberg	31-Mar-2012	✓ Action Completed	EZ is fully established with LDO in place. Although first project hasn't been delivered other investors are in market and the relaxed planning system and enhanced capital allowances should place Hartlepool in a very competitive position to land investment.

Outcome 2: People have greater access to employment and skills opportunities

Performance Indicators - targeted



Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 117	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)	James Sinclair	6.9%	7.6%	2011/12	PI Target not achieved	The IYSS reported 7.6% NEET for the 3 month period November to January. The reported figure is higher than last year. Reasons for this include the changes in the reporting criteria: residency of young person rather than place of learning, the switch to academic age rather than actual age and the current economic climate. Hartlepool compares favourably to regional and national statistical neighbours. A robust NEET strategy and effective deployment of staff are contributors to this. Based on the previous reporting criteria we would have reported a figure of 6.8% therefore meeting the target.

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 151 (SD indicator)	Overall Employment rate (proportion of people of working age population who are in employment)	Antony Steinberg	58.1%	Q4 2011/12	Annual figure reported with an 8 month time lag.

NI 152	The percentage of Working age people who are claiming out of work benefits	Antony Steinberg; Patrick Wilson	24.0%	Q4 2011/12	Slight increase in benefit take up , in line with general economic trends.
NI 153 (SD indicator)	The percentage of working age people claiming out of work benefits in the worst performing neighbourhoods	Antony Steinberg	34.7%	Q4 2011/12	Slight downturn in outturn but still remains below the peak of 35.1%
NI 171 (SD indicator)	New business registration rate - the proportion of new business registration per 10,000 resident population (aged 16+)	Antony Steinberg	29.0	2011/12	Data released , Hartlepool outturn is 29, showing an ongoing downward trend since the start of the credit crunch. However the rate of decline in start ups in Hartlepool since 2008 is significantly less than the Tees Valley decline and slightly lower than the north east decline. In addition the increase in business deaths since 2008 is lower than the Tees Valley and north east rate.
RPD P045	Employment Rate (16-24) - proportion of 16 to 24 year olds who are in employment (LAA H9)	Antony Steinberg	44.1	Q4 2011/12	Disappointing reduction in youth employment rate however Tees Valley rate has dropped 3.7% to 44% and Hartlepool remains just above the average level.
RPD P052	Unemployment rate (Hartlepool) - The proportion of economically active people who are unemployed (LAA JE5)	Antony Steinberg	8	Q4 2011/12	Despite a rise in unemployment from last quarter the rate has stabilised over February and March.
RPD P054	Youth Unemployment rate (Hartlepool) The proportion of economically active 18 to 24 year olds who are unemployed (LAA JE7) [A]	Patrick Wilson	31	Q4 2011/12	Although the youth unemployment percentage rate has reduced for the third consecutive quarter, the actual number of young people who are unemployed has increased by 10 to 1,445.

RPD P055	Youth Unemployment rate (Neighbourhood Renewal narrowing the gap) The proportion of economically active 18 to 24 year olds who are unemployed (LAA JE8) [A]	Patrick Wilson	32.3	Q4 2011/12	Although the youth unemployment rate within the worst performing wards has reduced by 3 percentage points between Q3 and Q4, the actual number of young people who are unemployed has increased from 1025 to 1040 within the same period.
-------------	---	----------------	------	------------	---

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-JE01	Reduce the level of young people who are Not in Employment, Education or Training (NEET) by implementing NEET Strategy.	James Sinclair	31-Mar-2012	 Action Completed	The Integrated Youth Support Service (IYSS) reported 7.6% NEET for the 3 month period November to January. The reported figure is higher than last year. Reasons for this include the changes in the reporting criteria: residency of young person rather than place of learning, the switch to academic age rather than actual age and the current economic climate. Hartlepool compares favourably to regional and national statistical neighbours. A robust NEET strategy and effective deployment of staff are contributors to this.
CAD11/12-JE04	Ensure all young people have the appropriate skills and qualifications to equip them for further and higher education and for the world of work so that they are well prepared to gain employment.	Tom Argument; Kelly Armstrong	31-Mar-2012	 Action Completed	The Economic Development Strategy is now complete and has been published, the 11-19 Team worked in collaboration to develop the chapters around social mobility and aspirations. Schools are still reviewing their curriculum in light of the Wolfe recommendations, and we are awaiting further information on the award of the Youth Contract which Hartlepool

					have submitted a bid for along with other Local Authorities in the North East, this will allow young people aged 16-19 to access funds to take part in work experience, apprenticeships and give necessary to removing barriers faced by vulnerable Groups. Hartlepool has also been successful in its bid for Raising of the Participation Age Funding, and will take part in a trial working with vulnerable groups building on the success of the teenage parent pathway learning and care and re integration programmes.
HPP11/12 - JE02	To implement and develop the Job Centre Plus Offer including 'Get Britain Working' Measures	Peter Clark	31-Mar-2012	✔ Action Completed	Hartlepool Employer Engagement Team have successfully implemented 'Get Britain Working' measures across Hartlepool.
HPP11/12 - JE03	To develop the new localised 'Work Programme'	Peter Clark	31-Mar-2012	✔ Action Completed	Work Programme successfully up & running across Hartlepool.
HPP11/12 - JE04	To increase the number of Work Clubs across Hartlepool	Peter Clark	31-Mar-2012	✔ Action Completed	Work Club Opportunities available across Hartlepool for all residents.
RND11/12- JE09	Develop 3 employment and training initiatives in partnership with key stakeholder for residents which meet the demands of the local labour markets and the business community	Diane Martin	31-Mar-2012	✔ Action Completed	Hartlepool has signed off contract for Families project and has also been awarded Flexible Support Fund, subject to contract. In addition a new programme of supporting 15 apprentices with learning disabilities in partnership with Child and Adults and Remploy has been delivered. The development of a leaving care and teenage parents programme with Child and Adults is providing routeways to education, training and employment.
RND11/12-	Continue to implement Targeted	Diane	31-Mar-	✔	New initiatives commencing including




JE11	Recruitment & Training clauses and section 106 agreements, set targets and monitor beneficiaries of regeneration initiatives	Martin	2012	Action Completed	Seaton Carew Development Plan , first stage housing project and the Red Gap wind farm initiative.
RND11/12-JE12	Continue the delivery of the Worksmart programme to support local businesses with 10 seminars	Mick Emerson	31-Mar-2012	 Action Completed	Cabinet Note: Worksmart programme continues to be delivered to local businesses with 10 seminars delivered over the year on issues such as employment legislation.

Outcome 3: Fewer children in Hartlepool experience the effects of poverty

Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
CSD 116 (SD indicator)	Proportion of children in poverty - the gap between Hartlepool and the North East region	Danielle Swainston	-4.8%	-4.8%	2009/10		It is extremely unlikely in the current climate that there will be any major reductions in the child poverty rate and the target has been revised to aim to maintain the gap between Hartlepool and the North East Region. This has been agreed with Government NE.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-JE05	Implement the Child Poverty Strategy and Action Plan	Danielle Swainston	31-Mar-2012	 Action Completed	Action plan in place.
CAD11/12-JE06	Enhance working between local services to ensure child poverty is central to organisational planning and commissioning of services	Danielle Swainston	31-Mar-2012	 Action Completed	Child Poverty Plan in place. Reduction of Child Poverty also part of Early Intervention Strategy which is being implemented. New service to be in place by June 2012
HPP11/12 - JE05	Implement Family Intervention Projects with focus on Child Poverty issues	John Robinson	31-Mar-2012	 Action Completed	The Family Intervention Project has now been successfully integrated into the specialist resource service and will focus on those families that have children on the edge of care. In addition the learning from family intervention is now forming the basis of our Team Around the Household project and will be instrumental in the Early Intervention Strategy.

HPP11/12 - JE06	Implement Peoples Millions project - debt advice programme	Val Evens	31-Mar-2012	 Action Completed	<p>The focus of this project is budgetary advice Delivery started in January 2011 and ended Dec 201. The project has been externally evaluated and was proven to provide value for money. Clients saved over £300,000 per year, by changing their spending habit. 230 new clients accessed the service of which 55% were referred to and received specialist debt advice.</p>
-----------------	--	-----------	-------------	---	---





Outcome 4: People have greater access to financial information, advice and support particularly those currently excluded



Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
CEDFI P026	Number of Credit Union savings accounts opened by school age / college age individuals	John Morton	100	92	2011/12	PI Target achieved	Since April 2011 there have been 257 new Adult members and 104 new juniors
CEDFI P027	Number of successful applications for Council Tax reductions	John Morton	100	110	2011/12	PI Target achieved	146 reductions awarded from 1.4.11 with a monitory value of £66,602
CEDFI P029	Number of Credit Union Savings Accounts opened by Adults	John Morton	150	161	2011/12	PI Target achieved	From April to date there have been 161 new adult account savers.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CED11/12-JE001	Deliver Money Matters engagement programme in prioritised neighbourhoods	Carol Jones	31-Mar-2012	✔ Action Completed	Illegal Money Lending Workshops successfully piloted at Civic Centre. Potential for further rollout at local priority community level.
CED11/12-JE002	Develop financial capability / awareness amongst Hartlepool College students	Carol Jones	31-Mar-2012	✔ Action Completed	Money skills event delivered in 2011. Further National student week event delivered 13 March 12.
CED11/12-JE003	Support the development of outreach services via the Children's Centre Network to engage with children and their extended families	Carol Jones	31-Mar-2012	✔ Action Completed	Working with Credit Union and Tilly Bailey Irvine on partnership developments via children's centres.

CED11/12-JE004	Promote availability of special council tax reductions and discretionary housing benefit hardship payments	Margaret Wrigglesworth	31-Mar-2012	 Action Completed	146 reductions awarded since April 2011 with a value of £66,000. 93% of 2011/12 DHP allocation awarded and requirements to DWP to carry forward minor under spend to 2012/13.
HPP11/12 - JE07	Develop financial capability amongst College Sector students	Wendy Morris	31-Mar-2012	 Action Completed	Following last year's successful display and information stand during National Student Money week, a display stand was staffed and facilitated by Carol Jones (HFIP Development Officer), Margaret Wrigglesworth (Community Engagement Officer) and Tracey Rudd (Benefits Liaison Officer (and all of Hartlepool Financial Inclusion Partnership) at Hartlepool College of Further Education to coincide with National Student Money Week (12-16 March, 2012) to promote financial support services in Hartlepool and raise awareness of loan shark activity and reporting and support mechanisms. Additionally, Margaret and Tracey delivered an information session to College staff from its Finance Office and Student Services re government Welfare Reform.
HPP11/12 - JE08	Develop referral channels from DWP to West View Advice and Resource Centre on financial awareness and budgeting support	Peter Clark	31-Mar-2012	 Action Completed	JC+ now attend the Financial Inclusion Partnership for regular updates & excellent working relationships established. Referrals from DWP go to a range of partners involved in the FIP including West View Advice & Resource Centre and Hartlepool Credit Union.
HPP11/12 - JE09	Implement Money Matters Road show events programme	Carol Jones	31-Mar-2012	 Action Completed	Well Being and Financial Inclusion event @ Historic Quay June 11, Presentation to Rift House Residents Association Sept 11, Positive Living event Belle Vue Centre Oct 11, Money Matters promotion in Middleton Grange Nov 11, various community Cold Weather

					events Feb / Mar 12
HPP11/12 - JE10	Support the development and sustainability of Hartlepool Credit Union as a provide of financial products to support the transition into work	Anne Mcgrath	31-Mar-2012	 Action Completed	<p>Current Membership : Adults 1774 Juniors 1321</p> <p>Hartlepool Credit Union is still a very active member of the Hartlepool Financial Inclusion Partnership (HFIP) developing and promoting initiatives to address financial exclusion. We are collaborating with our HFIP colleagues on a town wide consortia bid to the Big Lottery, which has, following the “initial interest” stage of the application process, been invited to submit a second round application. We still maintain a close working relationship with the Illegal Money Lending Team and our staff has recently completed the “Community Stop Loan Shark Advocate” training, this allows us to use the Illegal Money Lending Team logo on our publicity as community partners.</p> <p>Despite really long delays the Legislation Reform Order (LRO) has now been implemented by the Financial Services Authority (FSA) This new legislation for Credit Unions will help us to build on existing partnerships and develop new ones: Also we will be able to develop new services to meet our member’s needs.</p>
HPP11/12 - JE11	Develop DWP referrals to Hartlepool Credit Union to raise awareness of the third sector as opposed to door step lenders and loan sharks	Peter Clark	31-Mar-2012	 Action Completed	<p>JC+ now attend the Financial Inclusion Partnership for regular updates & excellent working relationships established. Referrals from DWP go to a range of partners involved in the FIP including West View Advice & Resource Centre and Hartlepool Credit Union.</p>

Outcome 5: To promote opportunities for all children and young people to meet their potential by accessing good quality teaching and curriculum provision which fully meets their needs and enables them to participate in and enjoy their learning.

Performance Indicators - targeted



Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 72	Percentage of children achieving at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	Danielle Swainston	53.5%	62.5%	2011/12	PI Target achieved	<ul style="list-style-type: none"> · Targeted approach implemented to support schools, settings and childminders in embedding EYFS. · Bespoke training available to schools and settings through targeted approach. · STEPS assessment continuing to be supported in schools · Outdoor project in place to improve EYFS outcomes. · Introduction of Quality Assurance "Quest for Quality" partnership for childminders. · Outcome focused Children's Centres activities including parenting programmes from pregnancy to 5. · Introduction of RAG process for FNE providers (C.O 5/5/11)
NI 92	Percentage gap between the lowest achieving 20% of children in the Early Years Foundation Stage Profile and all children	Danielle Swainston	34.1%	28.2%	2011/12	PI Target achieved	<ul style="list-style-type: none"> · Targeted approach implemented to support schools, settings and childminders. · Implement and monitor PNS CLLD programme. · Educational Psychology team carrying out area SENCO role, supporting all EYs settings to identify children's needs early. · Small Steps team supporting children with additional needs. · Outcome focussed Children's Centre activities targeting children with




Outcome 6: Provision of high quality learning and skills opportunities that drive economic competitiveness, widen participation and build social justice.

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
ACS P053 (SD indicator)	Number of learners participating in Adult Education Programmes (LAA LLS23)	Diane Goodwin; Craig Taylor	1,454	Q2 2011/12	This is the current number of learners participating in Adult Education programmes to date for the academic year 2011/12. This target is recorded in Qtr 2 of our academic year (1st November - 31st January)

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-LL02	Explore initiatives with Hartlepool College of Further Education to respond to emerging offshore wind opportunities	Diane Martin	30-Sep-2011	 Action Completed	Ongoing dialogue and meetings at all levels. Them Local Enterprise Partnership (LEP) are taking the lead role in establishing Inward Investment opportunities and through Directors of Regeneration (DORs) and Heads of Economic Development (HEDs) the main Offshore partnership is taking shape. Econ Dev discussing joint initiatives at sub regional level through the TVU Employment & Skills Group, trying to link funding bids for training, worklessness to the emerging opportunities. HCFE are offering a range of additional courses to their existing technical programmes and the need for entry level programmes needs continuing dialogue with HCFE.
RND11/12-LL04	Continue to develop and implement education – Business links to encourage entrepreneurship and highlight future career opportunities	Mick Emerson	30-Nov-2011	 Action Completed	Cabinet Note: Enterprise Week has been held during the last quarter incorporating Education-Business Link and highlighting future career opportunities.



	by organising Enterprise week				
HPP11/12 - LL01	Produce a skills action plan as part of the Economic Regeneration Strategy	Diane Martin	31-Mar-2012	 Action Completed	Economic Regeneration Strategy (ERS) Skills action plan complete and working towards the new targets and actions with key stakeholders.
HPP11/12 - LL02	Gather from partnership members information on qualitative and quantitative data that can be shared to enable monitoring of Hartlepool qualifications and achievements	Diane Martin	31-Mar-2012	 Action Completed	Now forms part of the ERS Action Plan, whereby Partners feed into overall action plan and are responsible for bespoke actions.
CAD11/12-LL04	Ensure access to high quality learning opportunities that increase the skills and qualification of local residents via implementing the Adult Education Service Plan	Maggie Heaps	31-Jul-2012	 Action On track	A wide range of high quality learning opportunities have been developed to meet both local and national priorities and to improve the skills and qualifications in the local community. This is a 2011/12 academic year Qtr 2 update (1st November - 31st January)

							<p>additional needs.</p> <ul style="list-style-type: none"> · Family Support Workers working with families and identified needs · Speech and language pilot taking place in South of town – early identification with family support package. <p>(C.O. 5/5/11)</p>
NI 73	Percentage of pupils achieving level 4 or above in both English and Maths at Key Stage 2	Tom Argument; Zoe Westley	82.0%	77.0%	2011/12	PI Target not achieved	In 2011, 77% was achieved against a target of 82%. Although the target was not met the results for 2011 had improved against tests taken in 2009, Hartlepool was above the national average figure of 74% (data taken from DfE performance tables)
NI 75 (SD indicator)	Percentage of pupils achieving 5 or more A* - C grades at GCSE or equivalent including English and Maths	Tom Argument; Zoe Westley	57.1%	56.4%	2011/12	PI Target not achieved	All Secondary schools continue to monitor individual pupil progress, all are currently on track to meet targets.
NI 93	Percentage of pupils progressing by 2 levels in English between Key Stage 1 and Key Stage 2	Tom Argument; Zoe Westley	94.0%	88.0%	2011/12	PI Target not achieved	In 2011, 88% was achieved against an unrealistic target of 94%. Although the target was not met the results for 2011 had improved significantly against tests taken in 2009, Hartlepool was substantially above the national average figure of 84% (data taken from DfE performance tables)
NI 94	Percentage of pupils progressing by 2 levels in Maths between Key Stage 1 and Key Stage 2	Tom Argument; Zoe Westley	92.0%	85.0%	2011/12	PI Target not achieved	In 2011, 85% was achieved against an unrealistic target of 92%. Although the target was not met Hartlepool was higher than the national average figure of 83% (data taken from DfE performance tables)

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
CSD P041	Percentage of pupils achieving 5 or more A*-C grades at GCSE or equivalent	Tom Argument; Zoe Westley	77.10	2011/12	Provisional data taken from DfE statistical first release website (October 2011 publication)

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-LL01	Analyse Early Years Foundation Stage Profile (EYFSP) data and challenge schools with anomalies. Provide support and Continuous Professional Development (CPD) to identified schools. Monitor impact through Foundation Stage Profile software.	Caroline O'Neill	30-Sep-2011	 Action Completed	All schools with anomalies challenged and assessments updated. Overall EYFSP results rose from 2010.
RND11/12-LL01	Through Hartlepool skills partnership, produce new skills strategy and action plan	Antony Steinberg	31-Dec-2011	 Action Completed	Strategy has been published with full support from partners.

Outcome 7: Improve Health by reducing inequalities and improving access to services




Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 123	Stopping smoking - rate of self-reported 4-week smoking quitters per 100,000 population aged 16 or over	Alison Barber;; Carole Johnson	1406	1600	January 2012	PI On track to achieve target	March 2012 data will be available mid-June 2012. The number of quitters as at end of January 2012 (YTD) is 1173 which equates to a rate of 1600.273 per 100k population (16+). 2817 people have set a quit date (YTD). January YTD target is 1061 quitters and a rate of 1447.476 per 100k population (16+). The year end target for 11/12 for number of quitters is 1406 and the year end target rate is 1918.145 per 100k population (16+).
NI 39	Rate of Hospital Admissions per 100,000 for Alcohol Related Harm	Alison Barber; Louise Wallace	2597	2570	2011/12	PI Target achieved	Work is ongoing through the QIPP scheme to reduce admissions.
NI 123 (NRA)	Stopping smoking (Neighbourhood Renewal Area narrowing the gap indicator) - number of 4 week quitters	Alison Barber;; Carole Johnson	450	774	2011/12	PI Target achieved	For the third quarter of 11/12 there was a total of 290 4-week quitters Town wide - 233 of these were from the NRA

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 120a (SD indicator)	All-age all cause mortality rate - Females (directly age standardised mortality rate per 100,000 population)	Alison Barber; Louise Wallace		2011/12	There has been a significant improvement in female life expectancy where this is almost at the England average. (L.W. 26/4/12)
NI 121 (SD)	Mortality rate from all circulatory diseases at ages	Alison Barber;;		2011/12	The CVD Primary Prevention Programme is having an impact on the heart attack




indicator)	under 75 (directly standardised rates per 100,000 population aged under 75)	Louise Wallace			rate in Hartlepool.
NI 122	Mortality rate from all cancers at ages under 75 (directly standardised rates per 100,000 population aged under 75)	Louise Wallace		2011/12	The Early Detection and Awareness Raising of Cancer programme continues to be rolled out across Hartlepool.
NI 120b (SD indicator)	All-age all cause mortality rate - Males (directly age standardised mortality rate per 100,000 population)	Alison Barber; Louise Wallace		2011/12	There has been good improvement in male life expectancy where this is almost at the England average. (L.W. 26/4/12)

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-HW02	Ensure coordination of mental health activity across the town	Geraldine Martin	31-Mar-2012	 Action Completed	As January notes. An event is being held in May 2012 to draw together people's views to inform the replacement MH LIT structure and the 2 year MH strategy for Hartlepool.
CAD11/12-HW03	Ensure implementation of the Cardiovascular Primary Prevention programme across all practices in Hartlepool	Louise Wallace	31-Mar-2012	 Action Completed	This programme continues to be successfully delivered across Hartlepool. The vital signs target for this programme has been achieved and the impact on the myocardial infarction rate has been very positive. This programme is a mandated service for the Local Authority to commission once the transfer of public health responsibilities is complete by 2013. Therefore transition plans are being developed to ensure this programme is sustained and developed in the future.
CAD11/12-HW04	Implement the Healthy Places, Healthy Lives early detection of cancer programme across Hartlepool	Louise Wallace	31-Mar-2012	 Action Completed	The Health Scrutiny into the early detection and awareness of cancer has now concluded. Within the recommendations, public health is required to continue to deliver programmes and activities to increase the

					awareness and early detection of cancer. The NHS continues in partnership with the McMillian Cancer charity to deliver road shows across the town.
CAD11/12 -HW05	Ensure all eligible people particularly in high risk groups take up the opportunity to be vaccinated especially in relation to flu	Louise Wallace	31-Mar-2012	 Action Completed	The Shadow Health and Well Being Board in Hartlepool agreed the immunisation strategy for the area in the April 2012 meeting. This strategy considers issues regarding accessibility of services, training and the role of schools and community settings in supporting vaccination programmes for children and adults. The Local Authority will be mandated to develop a health protection plan as part of the new responsibilities for public health post 2013 and vaccination programmes will be a key part of this plan.

Outcome 8: Be Healthy – children enjoy good physical and emotional health and live a healthy lifestyle

Performance Indicators - targeted							
Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
LAA HW P001	Percentage of women smoking during pregnancy	Deborah Gibbin; Carole Johnson	20	23.45	2011/12	PI Progress acceptable	Improvement shown since last quarter with an expectation of sustained improvement to be achieved through actions outlined in annual action plan
NI 56(ix)	The percentage of children in Year 6 who are obese	Louise Wallace		25.869	2011/12	PI Target achieved	The National Childhood Measurement Programme continues to be rolled out in schools. (L.W. 26/4/12)
NI 112	The change in the rate of under 18 conceptions per 1,000 girls aged 15-17, as compared with the 1998 rate	Alison Barber; Deborah Gibbin	-55%	-26.6	2012/13	PI Target not achieved	The reduction of teenage pregnancy will continue to be a priority in the early intervention strategy with the principle of intervening early in order to prevent a teenage pregnancy occurring.
LAA HC20	Under 18 conception rates (NRA) (per 1,000 females aged 15-17)	Deborah Gibbin	44		2011/12	PI Target not achieved	The data entered for the time period 2010/11 relates to the most recent under 18 ward data received from the Office of National Statistics. This ward data demonstrates the aggregated rates for the time frame 2007/09. Please note that the under 18 ward data is published annually in January and has a 3 year time lag.
NI 55(iv)	The percentage of children in Reception who are obese	Louise Wallace	8.784%	10.037%	2011/12	PI Target not achieved	The National Childhood Measurement Programme continues to be rolled out in schools. (L.W. 26/4/12)


Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-HW11	Implement Breast Feeding Strategy	Louise Wallace	31-Mar-2012	 Action Completed	Good progress is being made to implement the evidence based strategy although progress in increasing initiation and maintenance rates remains slow.
CAD11/12-HW14	Implement Smoking in Pregnancy Action Plan	Carole Johnson	31-Mar-2012	 Action Completed	The action plan for 11/12 has been implemented. A new action plan for 12/13 will be developed in April through the North of Tees Smoking in Pregnancy Steering Group
CAD11/12-HW16	Implement Teenage Pregnancy Strategy and action plan	Louise Wallace	31-Mar-2012	 Action Completed	This strategy has now ended and the work has been mainstreamed into the Early Intervention Programme. In 2011/12 Hartlepool continued to make a significant reduction in this area and now has the lowest ever rate of teenage pregnancy.



Outcome 9: Children and Young people are safe

Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 62	Percentage of children looked after at 31 March with three or more placements during the year	Jane Young	10.0%	5.4%	2010/11	PI Target achieved	There has been a further reduction this year. The mechanisms to identify placements that appear to be under stress are well established and specific input from experienced staff has led to children and young people remaining in placement. The matching process has also contributed to the higher levels of positive outcome.
CSD P035	Children who became the subject of a Child Protection plan, or who were registered per 10,000 population under 18	Sally Robinson	36	47.9	2010/11	PI Target not achieved	From 2010 there has been a significant increase in the number of children subject to a child protection plan which peaked in 2011. This may be due in part to the impact of the death of Baby Peter on child protection services. The last six months have seen a reduction in the numbers of children subject to a child protection plan, however, ensuring the safety and well being of children is the highest priority and child protection services continue to respond to a number of issues locally which impact upon the well being of children, most notably, neglect, domestic abuse and substance misuse. The Local Safeguarding Children Board has these issues as its priority outcomes and leads the strategic work to tackle the root cause of these issues.

Performance Indicators - monitored					
Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 43	Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody	Sally Robinson	0	2011/12	Currently completing quarter 3 statutory return. Provisional data is 39 court disposals and 0 custodial sentences. Validated data will be available March 2012.

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-HW18	Embed the Youth Crime Action Plan process	Jacque Gofton	31-Mar-2012	 Action Completed	<p>As the previous quarter report Triage is one of the main tools used by the Youth Offending Service (YOS) Prevention team in reducing First Time Entrants (FTE) into the Youth Justice System. Along with all other services we are continuing to reduce the figures and are on target to achieve the 5% reductions agreed within the Local Authority for 2011/12.</p> <p>The impending new Out of Court Disposals will add to the workload of the YOS Prevention Team, however the current escalation process through the Youth Justice System (YJS) for offenders will be completely overhauled and each offence looked at and discussed by the YOS, Police and Crown Prosecution Services (CPS) prior to a decision being made. We need Triage to remain and be utilised throughout the new Out of Court Disposal (OCD) process, as the Triage is now embedded in Hartlepool YOS and this leaves us in a positive position.</p>


CAD11/1 2-HW21	Implement the strategic priorities from the Looked After Children strategy	Jane Young	31-Mar-2012	 Action Not completed	The Looked After Strategy implementation is continuing to be progressed through the Multi-agency Looked After Partnership (MALAP).
CAD11/1 2-HW22	Develop the work of the Local Safeguarding Children Board via implementing local work plan.	Jim Murdoch	31-Mar-2012	 Action Completed	The draft annual Report of the Board confirms that all work plans have been completed or granted extensions into the following year [4 tasks only have needed to be extended].




Outcome 10: Vulnerable adults are supported and safeguarded and people are able to maintain maximum independence while exercising choice and control about how their outcomes are achieved

Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 130	Percentage of adults and carers (aged 16+ but caring for an adult) receiving self-directed support	Jill Harrison	65.0	85.8	Q3 2011/12	PI On track to achieve target	Performance continues to exceed the year end target figure of 65%. This figure is made up of 1,690 people receiving Self Directed Support out of a possible 1,969 people who could receive Self Directed Support - through personal budgets and/or direct payments.
NI 135	Carers receiving needs assessment or review and a specific carer's service, or advice and information as a percentage of all people receiving a community based service	Steve Thomas	23.0%	21.9%	Q3 2011/12	PI On track to achieve target	Performance is progressing well and is expected to exceed the year end target of 23%, with current performance (end of November) at 21.9% (which is equivalent to 974 carers getting assessed/reviewed out of a cohort of 4443 people getting services).
NI 136	Number of people supported to live independently through social services (all adults) per 100,000 population	Jill Harrison	4700.00	5444.00	Q3 2011/12	PI On track to achieve target	This figure is on target to reach the year end figure of 4700 adult per 100,000 supported to live independently through social services. Performance is already in excess of the target figure, but as this figure is a snapshot, performance will need to maintain this level.

ACS P051	Access to equipment and telecare: users with telecare equipment (LAA HC37b)	Steve Thomas	725	788	Q3 2011/12	PI On track to achieve target	Performance at the end of November (most recent figure) is ahead of target figure of 725 people with Telecare, and this is expected to continue to year end.
NI 132	Percentage of adults where time from first contact to completion of assessment is less than or equal to four weeks	Kath Millican	85.0%	78.4%	Q3 2011/12	PI Progress acceptable	Qtr 3 performance (up to the end of October) is steady at 78.4% which is below the year end target of 85%. October saw an increase in performance at 77.7% (which greatly improved on the performance during August and September - which updated figures show were 66% and 63% respectively). This is pulling this figure back towards the year end target, but will continue to be closely monitored.

Actions for Improvement						
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note	
CAD11/12-HW24	Work with strategic partners to further develop reablement services ensuring that funding is used effectively to meet the needs of all client groups (including people with dementia and disabilities) and to prevent hospital admissions.	Phil Hornsby; John Lovatt	31-Mar-2012	 Action Completed	Reablement services are established and early performance information indicates a positive impact for people accessing those services. It is recognised that there is further work to be done to make services accessible for people with dementia and this will be addressed in 2012/13 through the allocation of resources for a Specialist Practitioner for Reablement focused on dementia within the Tees Esk & Wear valleys NHS Foundation Trust. Other priorities for 2012/13 include development of a single point of access for	

					and urgent care out of hours service across health and social care.
CAD11/12 -HW25	Maximise use of preventative approaches such as assistive technology to support people to maintain their independence.	Phil Hornsby; John Lovatt	31-Mar-2012	 Action Completed	Early performance information shows that preventative services provided through SAILS are supporting a significant number of people to maintain their independence through access to luncheon clubs, the Handyperson Service etc. The number of people accessing assistive technology has increased throughout the year and it is anticipated that there will be further growth in this area. There are also an increasing number of people accessing extra care housing as an alternative to residential care.
CAD11/12 -HW26	Increase the number of people accessing personal budgets through focused work	Geraldine Martin; Sarah Ward	31-Mar-2012	 Action Completed	SEN workstreams are developing across Hartlepool and Darlington and a variety of consultations and workshops have been completed. A framework for a single framework plan has been developed. Personal Budgets continue in development and family leadership courses are being planned for the year ahead. There are now a total of 1763 Personal Budgets and 485 Direct Payments in place. 235 people with mental health issues have a Personal Budget and 44 of these people have Direct Payemnt so the numbers continue to increase.
CAD11/12 -HW27	Develop a Centre for Independent Living to bring together services for people with disabilities and support people to retain their independence.	Neil Harrison	31-Mar-2012	 Action Completed	The CIL has been operational since April 2011 and has brought together a range of user led organisations and a trusted assessor facility. Meeting and training rooms are well used and are generating income. Further capital investment has been agreed

					to replace windows and refurbish the remainder of the building and to replace the kitchen, allowing for further development of catering opportunities.
--	--	--	--	--	--

Outcome 11: Hartlepool has reduced crime and repeat victimisation

Performance Indicators - targeted



Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
RPD P028a (SD indicator)	Number of reported crimes in Hartlepool (one year only)	Lisa Oldroyd	7,120	7,189	Q4 2011/12	PI Progress acceptable	7189 represents the total recorded crime figure for Hartlepool for financial year 11/12.

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest note
NI 32	Repeat incidents of domestic violence	Lisa Oldroyd	30%	Q4 2011/12	The MARAC repeat rate remains static at 30% in comparison to 2010/2011.
RPD P031a	Number of incidents of local violence (assault with injury and assault without injury) (one year only)	Lisa Oldroyd	1,127	Q4 2011/12	1127 Local Violence figure represents financial year 11/12
RND P046	Percentage of unsuccessful (broken) cases due to victim witness issues	Sally Forth	17.00	2011/12	Figures for Quarter 4 are still unavailable. All other information remains the same.
RND P047	Percentage of successful domestic violence prosecutions	Lisa Oldroyd	71.60	Q4 2011/12	SDVC Data not yet available from HMCS for Quarter 4 - PI will be updated accordingly. April 2011 - December 2011 remains as the latest update.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
HPP11/12 - CS02	Analyse hate crime data, including hot spot analysis	Sally Forth	30-Sep-2011	✔ Action Completed	Data was collated for the Silver Prevent group meeting of 6th October 2011.
HPP11/12 - CS01	Develop a repeat victim protocol	Sally Forth	31-Jan-2012	✔ Action	This action is now complete. There is in place a regular meeting following analysis of


				Completed	repeat callers to the police. An assessment of the vulnerability of the callers is made and a follow up meeting of support providers seeks to ensure that a consistent approach is taken and resources allocated according to the needs of the client.
RND11/12-CS02	Produce in conjunction with partners, an action plan which will aim to deliver a multi agency response to tackling domestic abuse	Sally Forth	31-Jan-2012	 Action Completed	the consultation has been completed and the strategy action plan brings together suggestions raised during the consultation; the existing actions from the Safeguarding Board and ideas generated by the Domestic Violence Forum
RND11/12-CS01	Assist partners to implement national guidance locally under tackling organised crime groups in Hartlepool	Sally Forth	31-Mar-2012	 Action Completed	The SHP team continues to contribute to the Organised crime action plan, bringing in other partners as required.




Outcome 12: There is reduced harm caused by drugs and alcohol misuse

Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 30 (SD indicator)	Reduction in the reoffending rate of prolific and other priority offenders in Hartlepool in relation to reduction nationally (Ratio)	Chris Catchpole; Michelle Chester; Chris Hart; Leanne Henderson; Gemma Sparrow			Q4 2010/11		For Cohort 14 of Prolific Priority Offenders (PPO's)(commenced Oct 11) the percentage reduction in re conviction was 37% For Cohort 15 of PPOs (commenced April 11) the percentage reduction in re conviction was 9%. For Cohort 5 of High Crime Causers (HCC's) (commenced Oct 11) the percentage reduction in re conviction was 44% For Cohort 6 of HCCs (commenced April 11) the percentage reduction in convictions was 21% Analysis of these reductions in offending demonstrate that although offending has continued to decrease from cohort to cohort, percentage reduction in offending has decreased from the previous cohorts for both PPOs and HCCs. This may be a result of a number of variables including differences in the offending rates of each individual on the different cohorts, or the number of individuals in prison during the period of monitoring and therefore not at liberty to offend.

Performance Indicators - monitored					
Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 40	Change in number of drug users recorded as being in effective treatment compared to 2007/08 baseline	Michelle Chester; Chris Hart		Q4 2012	The final figures will not be ratified until July 2012 by the NTA (M.C. 2/5/12).
ACS P082	Number of alcohol users successfully completing treatment and recovering from their dependence	Sharon Robson			Awaiting figures to be finalised from NTA & NEPHO for the end of year. These are not likely to be available until June as they run approx. 3-months behind.
ACS P083	Number of alcohol related violent crimes	Sally Forth			This PI needs further discussion between partners as to the precise data to be collected.

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-CS04	Deliver comprehensive education and prevention campaigns re substance misuse	Sharon Robson	30-Jun-2011	 Action Completed	<p>To date we have had campaigns around:- National Depression Week, Mental Health Action Week, Carer's Week, International Day Against Drug Abuse and Illicit Trafficking, Minimum Pricing Campaign, World Hepatitis Day & Fresher's Week</p> <p>However in the last quarter the following campaigns have taken place and have been a huge success. World Mental Health Day – Oct 2011, Substance Misuse Week to included Alcohol Awareness Week & National Tackling Drugs Week – Nov 2011, World Aids Day – Dec 2011, Christmas Staying Safe Harm Reduction Campaign – Dec 2011 and The 'It Could Be You'</p>

					<p>Campaign Recovery & Moving on from Substance Misuse Treatment that will continue from the Christmas events into Jan & Feb 2012.</p> <p>Each lead agency is responsible for producing a short report on the event in hand so that the campaigns timetable can be updated on progress.</p> <p>A new timetable will be produced in March 2012 to commence in April 2012.</p>
CAD11/12-CS03	Establish criminal justice alcohol programmes for offenders	Gemma Sparrow	30-Sep-2011	 Action Completed	<p>The Alcohol Structured Intervention is now working with the 3rd cohort of offenders. Referral pathways are clear, staff in the criminal justice system are referring into the project without prompt and communication about offenders subject to the intervention is free flowing between ASI workers and other professionals working with the offender. There has been a review of the impact of ASI on the first cohort (completed by the Criminal Justice Integrated Team data manager, this review highlighted that there was a 63% completion rate and all offenders completing the programme had reduced their AUDIT score (indicating reduced levels of problematic alcohol use).</p>
CAD11/12-CS01	Integrate drug and alcohol treatment and recovery programmes in line with new Drug Strategy	Michelle Chester; Chris Hart	31-Dec-2011	 Action Completed	<p>New services commissioned from 1st April integrating alcohol and drug processes. Transfer in hand. Recovery focus achieved</p>
HPP11/12-CS03	Deliver 2011/12 Alcohol Harm Reduction Strategy Action Plan	Michelle Chester; Chris Hart	31-Mar-2012	 Action Completed	<p>Regular meetings held with key stakeholders in attendance. Sub groups delivering action plan. Regular updates and progress reports presented through Strategy Group</p>

Outcome 13: Communities have improved confidence and feel more cohesive and safe

Performance Indicators - monitored



Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
RPD P034	Number of Deliberate fires (Hartlepool) (LAA CS17)	Lisa Oldroyd; Steve Patton	383	Q4 2011/12	The number of deliberate fire recorded during Q4 is 67 bringing the cumulative total of deliberate fires to the financial year 11/12 to 383.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12- CS05	Agree and publish agreed minimum standards for dealing with anti-social behaviour across partners	Sally Forth	30-Nov-2011	✓ Action Completed	-- enter new status update --the revised policy and procedures for dealing with anti-social behaviour has been agreed and is being implemented
RND11/12- CS03	Ensure the development of the PREVENT agenda as guided by the local Silver group against an accurate and updated action plan	Sally Forth	31-Mar-2012	✓ Action Completed	-- the action plan for 2012-13 has been implemented with the on-line learning package completed, and community intelligence now monitored and reported to the Public confidence and reassurance task group of the safer Hartlepool Partnership.
RND11/12- CS04	Implement year one of new anti-social behaviour strategy action plan	Nicholas Stone	31-Mar-2012	✓ Action Completed	<u>Issue 1 - Develop mediation capability in Hartlepool</u> Action complete - additional update - The new Victim Support Service Level Agreement has been written to require that the service makes use of the mediation service.

Outcome 14: Offending and re-offending has reduced

No Performance Indicators identified for this Outcome

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-CS06	Explore opportunities for restorative justice with adult offenders	Sally Forth	19-Mar-2012	 Action Completed	The Innovations fund bid was successful and offenders are now working with the Opening doors project learning skills to help with their future employment whilst performing useful work in the community as reparation. In addition the Safer Hartlepool Partnership continues to explore restorative options for its activities.
RND11/12-CS07	For Prolific & Priority Offenders (PPO) & High Crime Causers (HCO), re-introduce the design out crime team by working with Probation Trust	Sally Forth	31-Mar-2012	 Action Completed	This bid was successful and referrals have been accepted onto the scheme

Outcome 15: Hartlepool has an improved natural and built environment


Performance Indicators - targeted


Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
LAA Env P001 (SD indicator)	Number of Volunteer days spent working on nature conservation	Ian Bond	725	408	Q4 2011/12	PI Target achieved	Data for Q4 2011/12 includes 109 hours from one of the partners from Q3 which were not available in time to be reported then.

Performance Indicators - monitored

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Latest Note
NI 197 (SD indicator)	Improved Local Biodiversity – proportion of Local Sites where positive conservation management has been or is being implemented	Ian Bond		37%	2011/12	The performance indicator was signed off at a meeting of the Tees Valley Local Sites Partnership on 27th March 2012. Minutes of the meeting will be uploaded when available

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
HPP11/12 -	Undertake an audit of current	Matthew	31-Mar-		The development of the Core Strategy

EN01	provision of Accessible Natural Greenspace on ANGSt (as part of Hartlepool Gi strategy)	King	2012	Action Not completed	took priority and the audit was not undertaken. A SPD on Green infrastructure will be undertaken in 12/13 which will cover the areas the audit was intended to.
RND11/12-EN02	Continue the preparation of the Local Development Framework including publication of the Core Strategy and development of Supplementary Planning Document's/Development Plan Document's in accordance with Local Development Scheme	Derek Gouldburn; Christine Pipe	31-Mar-2012	 Action Completed	The Publication Document was approved by Cabinet in January and full Council in February. The document is currently undergoing a 6 weeks consultation period and will be submitted to the Secretary of State in May. Preparation of Supplementary Planning Documents (SPDs) for the Town Centre, Seaton Carew and Planning Obligations are progressing in accordance with the revised Local Development Scheme which was approved by Council in December.

Outcome 16: Quality local environments where public and community spaces are clean, green and safe


Performance Indicators - targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 192 (SD indicator)	Percentage of household waste sent for reuse, recycling and composting	Craig Thelwell	45.00%	44.60%	Q4 2011/12	PI Progress acceptable	The tonnage for recyclate has increase by 1029 tonnes which equates to 4.6% since last year and whilst this is slightly under target (0.4%), the increase can be attributed to the recycling from the waste transfer station and downturn in residual waste. There has however been a continued drop in green waste collected, due to contamination and a dry start to the year which has led to our slight shortfall.

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
RND P050	Percentage of streets that fall below acceptable level of cleanliness	David Frame; Jon Wright	12.30	Q4 2011/12	New in-house monitoring system now in place, to take place twice per annum. Second tranche now completed and results presently being collated for analysis. - 27 March 2012 JW The value has improved from the first tranche we will now be in a position to set a target for 2012-2013.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-EN04	Achieve green Flag Award for Ward Jackson Park, Summerhill and Quality Coast award for Seaton beach	Chris Wenlock	31-Mar-2012	 Action Completed	Green Flag awarded to Ward Jackson Park and Summerhill 2011. Quality Coast Award achieved for Seaton 2011.

Outcome 17: Provide sustainable, safe, efficient and accessible transport system

Performance Indicators - monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
NI 48	The percentage change in number of children killed or seriously injured during the calendar year compared to the average of the previous 3 years	Peter Frost	-25%	2011/12	Figures for calendar year 2011 as follows:- $a = (2008 + 2009 + 2010)/3$ $b = (2009 + 2010 + 2011)/3$. $(a-b)/a * 100 = x.x\%$ Therefore:- $a = (3 + 4 + 5)/3 = 4$ $b = (4 + 5 + 6)/3 = 5$ $(4 - 5)/4 * 100 = -25\%$
NI 47	The percentage change in the number of people killed or seriously injured in road traffic accidents during the calendar year compared to the average of the previous 3 years	Peter Frost	-11.69	2011/12	Figures for calendar year 2011 as follows:- $a = (2008 + 2009 + 2010)/3$ $b = (2009 + 2010 + 2011)/3$. $(a-b)/a * 100 = x.x\%$ Therefore:- $a = (24 + 25 + 28)/3 = 25.66$ $b = (25 + 28 + 33)/3 = 28.66$ $(25.66 - 28.66)/25.66 * 100 = -11.69\%$

Actions for Improvement



Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-EN05	Deliver the Local Transport Plan (LTP)	Mike Blair	31-Mar-2012	 Action Completed	Highway maintenance works all completed. Integrated Transport Block projects identified and implementation in progress. update report on outturns to be taken to Portfolio in June 2013

Outcome 18: Hartlepool is prepared for the impact of climate change and takes action to mitigate the effects

Performance Indicators - monitored

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Latest Note
NI 186 (SD indicator)	Percentage per capita reduction in CO2 emissions in the LA area	Paul Hurwood	3.8	14.0	Q3 2011/12	Next figures due Autumn 2012, and will cover carbon emissions during 2010. Hartlepool's participation in the EU's Covenant of Mayors continues, and has a target to reduce carbon emissions by 21% by 2020 from a 2005 baseline. Latest figures show good progress, with a 14% reduction between 2005 and 2009.

Actions for Improvement


Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-EN09	Develop and submit Covenant of Mayors, Sustainable Energy Action Plan (SEAP) and develop the borough-wide action plan to reflect the SEAP	Paul Hurwood	31-Mar-2012	 Action Completed	SEAP amended as requested by EU. Approval has been granted by Executive Portfolio Holder, and the EU will be informed of this. A review of the SEAP, including a progress report will be produced in Q3, in line with Covenant of Mayors reporting requirements, and an update will follow on Covalent in due course.
RND11/12-EN10	Establish Service Level Agreement's with all schools to deliver Eco-schools/Green Flag programme.	Helen Beaman	31-Mar-2012	 Action Completed	18 schools have now established SLAs and are taking part in the Green Schools programme. Pupils from these schools attended the annual Environment Roundabout event in January 2012.

Outcome 19: Hartlepool has a more balanced housing provision

Performance Indicators - Targeted

Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 155 (SD indicator)	Number of affordable homes delivered (gross)	Amy Waller	80	90	Q4 2011/12	PI Target achieved	9 social rented affordable homes were delivered in Q4 on the Belle Vue site. This brings the total to 90 for 2011/12.
LAA H P001	Number of private dwellings empty for over 6 months and brought back into use	Amy Waller	58	75	Q4 2011/12	PI Target achieved	9 properties have been brought back into use within Q4. This brings the total for 2011/12 to 75 properties.

Actions for Improvement




Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-HO01	Research & develop local policies, procedures & protocols, to bring empty homes back into use.	Nigel Johnson	31-Oct-2011	 Action Completed	Research and development of the relevant policies and procedures has been completed ready for implementation.

Outcome 20: The quality of existing housing has been improved

Performance Indicators - Monitored

Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
RPD P042 (SD indicator)	The proportion of vulnerable households occupying homes in the private sector, which meet decent homes standard.	Joanne Burnley	77.5%	2011/12	56 properties were made decent through the provision of grants and loans to owner occupiers and through enforcement and advice.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12 -HO03	Evaluate evidence to extend selective licensing to other areas, consult residents and landlords and make recommendations to Cabinet	Lynda Igoe	30-Sep-2011	 Action Completed	At their meeting in September Cabinet agreed to postpone extending selective licensing into further areas of Hartlepool until issues identified within the existing scheme have been resolved.
HPP11/12 - HO01	Continue ongoing programme of insulation upgrades, boilers, doors and windows	Kenny Taylor	31-Mar-2012	 Action Completed	On Track with planned programme work.
RND11/12 -HO02	Encourage improvements to private sector homes to meet & exceed 'decent homes standard'	Nigel Johnson	31-Mar-2012	 Action Completed	The empty homes pilot is currently being delivered in partnership with Housing Hartlepool, 19 properties are currently having improvement works conducted. The Baden Street improvement scheme is underway with works commencing next quarter. In addition urgent grants are being provided to home owners and regional loans are still being given for improvement works across the town. Work is also underway through selective licensing and other Private Sector Housing inspections to encourage landlords to make improvements to their properties. Action completed for 2011/12.

Outcome 21: Vulnerable people have improved access to accommodation which meets their need

Performance Indicators - Monitored


Code	Indicator	Assigned To	Current Value	Last Update	Latest Note
RND P051	Number of households where homelessness has been prevented through Local Authority action	Lynda Igoe	8.81	Q4 2011/12	During Q4 a further 102 households were prevented from becoming homeless making the total number of households for the year 326. This equates to 8.81 per thousand households for the full year which is short of the target of 12 but still a positive achievement given the current economic climate and welfare reforms.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
HPP11/12 - HO02	Continue to carry out adaptations to enable vulnerable people to remain living independently in their own home	Kenny Taylor	31-Mar-2012	✓ Action Completed	Tees Valley Region awarded extra 200k to adaptations budget. Utilising Customer Profile to liaise with disabled customers re extra adaptation requirements.
RND11/12- HO04	Continue to monitor tenancy failure to all social housing providers	Lynda Igoe	31-Mar-2012	✓ Action Completed	Monitoring forms are continuing to be received from social housing providers.
RND11/12- HO05	Implement further changes to Common Allocations Policy approved from review	Lynda Igoe	31-Mar-2012	✓ Action Completed	All appropriate approvals achieved, operational policy amendments in place by end of January and IT amendments to follow. Full implementation expected to be achieved by end of March 2012

Outcome 22: People enjoy equal access to leisure, culture, sport, libraries and community learning which enrich their lives, improve the places where they live, and strengthen communities

Performance Indicators							
Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 9	Percentage of adult population who have used a public library in last year	Graham Jarritt; Chris Rogers; Kay Tranter	44.0%	47.4%	2011/12	PI Target achieved	Target achieved. No further publication of national data since previous update.
LAA CL P001 (SD indicator)	Number of people from vulnerable groups engaged in culture, leisure activities and sport	Leigh Keeble	10,050	10,768	2011/12	PI Target achieved	Qtr 4 1963 leisure centres (inc Warren Road and Havelock- from Ian Gray) 636 disability sport and Summerhill (from Zoe Rickleton). L.K. 16/4/2012
NI 10 (SD indicator)	Percentage of adult population who have attended a museum or gallery in last year	David Worthington	54.9%		2010/11		No data available as at March 2012.



Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-CL03	Work closely with key partners and groups to deliver programmes of activity to meet the sport and physical activity needs of the Hartlepool community increasing participation by 1%	Pat Usher	31-Mar-2012	 Action Completed	<p><u>Sport and Physical Activity Team</u></p> <p>Outdoor Activities - Both groups and schools within and external to Hartlepool continue to grow and use this service. New partnerships with road safety team are also being developed and business opportunities via the cycle clinic.</p> <p>Partnership working - HELP- heart failure team, COPD nurses, Diabetes Nurse, Parkinson's group, neuro-physiotherapist, and physio etc. Also been successful in</p>

					<p>sourcing £11,000 for pilot work for T2Diabetes prevention for 12/13.</p> <p>Summerhill – PRU sessions have totalled 28 for this year and individuals have experienced Summerhill and also OAA outside of town.</p> <p>AR now BMX level 2 qualified and cytech I2 qualified as is MD (cytech) so new strands of development work with the Cycle Clinic and BMX can ensue.</p> <p>Hartlepool Disability Sports Development group met and an action plan has been put together from information collected in initial meeting. Action plan will go out to consultation and then implementation of the plan will begin. All programmes have become an inclusive element of the disability action plan. Walk about in Hartlepool continues to support a broad range of disability organisations to run walks. Boccia and Kurling are running well and will be sustained long term.</p> <p>Facilitated developments with Seaton and St Francis to run a join Goalkeeping coaching programme.Meeting with Paul Kreczak and Natalie Downes to look at club links and support. Engaging with Nikki O Donnell to explore disability football developments linking into the disability action plan also.</p> <p>Grayfields also being developed via Recreation Dev</p> <p>Publicity has increased across the board and twitter, face book, internet sales board, website, and e-shots all used as well as leaflet drops and more articles in the Hartlepool Mail. Text messaging also starting to be used across service. Summerhill Press releases during March included cycle maintenance programme, Young Explorers and Easter events. Contributions made to Council's Face book page, Twitter and main intranet. Summerhill events on BBC 'Things to Do' / Countryfile. Press articles featuring key events including 'Celebration</p>
--	--	--	--	--	---

				<p>Village'. Press coverage received about event, countryside festival and user survey. Press coverage received about coppicing and Emerge gallery. Press coverage received about events, coppicing and hedge laying. Radio interview held on Hartlepool FM. Coverage received regarding the begin to cycle project/Hartlepool Cycle Clinic, apprentice challenge, bird feed request, half term events and hedge laying. Coverage received about cycle maintenance sessions and use of Summerhill as a venue.</p> <p>North Face Grant applied for 6 Aug 2011. BMX Biffa grant successful 50k. Olympic workplace health grant applied for but unsuccessful. LSTF bid coordinated by transport team failed. Small Grants bid for cycle maintenance being applied for successful 10k, Reaching Communities Big Lottery Fund bid applied for MARCH 2012. WOODLAND Grant Scheme bid successful for 5 years. Type 2 Diabetes Pilot 11k sourced from PCT works start 2012. 30k from PCT for reaching communities plus 1.5k for commissioning conference. Sportivate funding for HARTLEPOOL year 2 approx 15k. LDDF bid successful for Summerhill inclusive play area £19k.</p> <p>Supported Action groups (Tennis, Hockey, Swimming, Badminton and Mill House to gain grants.)</p> <p>Sailing club - Open day has been staged before the July event with a good take up. Being to Sail hosted by the club was full. Development plan plus spend has been developed for the club and work has started</p> <p>Community group links - HELP linked into IAPT, Salaam centre, and 50+ forum which then links to HVDA and its groups. Attendance re resident groups and also health action plan workshops. Sports Specific action groups</p>
--	--	--	--	--

				<p>include tennis, hockey, badminton, swimming. Working effectively with Tees Valley Coach Development Group, Hartlepool Coach Development Group, Tees Valley Sportivate Group, Sport Specific Action Groups, HSA, HSC, HSSA, HoD, Walk about in Hartlepool Forum, Ward Jackson Residents Group and Heseldon Residents Association, Summer Holiday Programme Steering Group, Tees Valley Walking for Health Steering Group.</p> <p>Consultation with HSNSG around disability development. The forum was represented by a broad range of parents and also some professionals that support the families. Walk about in Hartlepool forum continues to meet on a quarterly basis.</p> <p>Summerhill - Healthy Heritage sessions 10x yr 6, 7 x yr 7, 10 x yrs 3/5.</p> <p>Sporting events in archery, climbing, high ropes, indoor climbing, multi mini sports and slack lining featured in April to June and July to August event programme.</p> <p>Indoor climbing, archery, Bouldering and walks organised in October to December programme. Archery, climbing, walks and mini games organised in the February public event programme. Archery, exploration walks, craft sessions, Bouldering, indoor climbing and High Ropes organised for the April to June Summerhill public event programme.</p> <p>Continuing work via health advocate group. Links to workplace health and taking the lead for physical activity. Model has been praised and being used in other areas. A programme for Workplaces will now be incorporated into the Begin to calendar that is being developed. WP's will be one target population for this but also wider community engagement. Businesses will now be targeted to develop 2 sports within their workforce</p>
--	--	--	--	---

					<p><u>Leisure Facilities</u> <u>Mill House Leisure Centre</u></p> <p>Big Splash Promotion During School Holidays – Free Junior Swimming Sessions After 4.00pm During School Holidays Additional Men’s Begin 2 Spinning Class introduced Additional Women’s Begin 2 Spinning Class introduced Targeted Leaflet drop took place advertising facilities and activities Worked with Schools and Physical Activity Team in providing inter schools gala. Fitness Suite promotion, providing free active card annual membership when doing induction and taking out a superpass</p> <p><u>Headland Sports Hall</u></p> <p>Heat Men’s Team league matches taken place Showcase Body Zorbs at Rossmere Youth Centre Whiz Kids Charity booked facility during school holidays Targeted Leaflet drop took place advertising facilities and activities Increased Cricket availability with the introduction of Hartlepool Cricket Club’s Monthly booking</p> <p><u>Recreation</u></p> <p>Agreed a private booking from AZ-1 Community interest company who booked the site for two hours AWP and 2 hours meeting room. Had approximately 100 people at the event. Bookings for the meeting room: include workforce development, HVDA, PCT, Durham FA (referee course and FA level 1 course) Arranged a referee course and FA level 1 course- both courses are full. Have held meetings with Andrew Collet (private</p>
--	--	--	--	--	---


					<p>coaching company) who has made a booking. This will be on the AWP on Wednesday evenings. Held another adult tournament at Grayfields and had nine teams booked on (£15 a team). Looking to start the full council league in May. Presentations scheduled in for 19th April and 23rd April for workplace health presentation to council staff to encourage take up in physical activity. 100 day countdown to the Olympics is printed and is up in Grayfields, Summerhill, Brierton, Headland Sports Hall, Mill House, HME, Town Hall Theatre, Borough Hall, Hartlepool Arts Shop. Will send round libraries and community centre for the remaining calendars. Hartlepool Mail press is going well- articles in every week. So far we have had 39 articles in the mail since January, 5 radio slots, and coverage in Newsline, HBC Sales board as well as twitter and facebook. We are continuing to text and have purchased an additional 10,000 text messages.</p>
CAD11/1 2-CL04	Target and support the Voluntary Sector through the provision of grant funding and development of initiatives and to raise standards	John Mennear	31-Mar-2012	 Action Completed	The Community Pool support for the Voluntary sector is now reconfigured, in part tendered and also the responsibility of the Dept of Regen & Neighbourhoods. (J.M. 20/4/12)
CAD11/1 2-CL06	Deliver Renaissance Programme to improve access to Museum Services and develop new audiences	David Worthington	31-Mar-2012	 Action On track	Renaissance programme now on track, discussions underway with ACE re. level of transformational funding.




Outcome 23: Local people have a greater voice and influence over local decision making and delivery of services

Performance Indicators – Targeted

Code	Indicator	Assigned To	Current Value	Last Update	Expected Outcome	Latest Note
RND P052 (SD indicator)	Number of Community/Voluntary sector groups and organisations supported/signposted/assisted	Fiona Stanforth	60	Q4 2011/12		The information has been collected form the Neighbourhood Development Officers and Community Regeneration Team for Quarter 4, 60 group / organisations / individuals (linked with VCS groups) have been supported / signposted or assisted. Annual target not set.

Actions for Improvement

Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
RND11/12-SC02	Complete update of Neighbourhood Action Plan for North Hartlepool and commence consultation on updating another (priority area to be determined)	Tracy Rowe	31-Mar-2012	 Action Completed	Neighbourhood Action Plans are no longer being developed / updated. Work is underway on drafting Ward Profiles for each of the 11 new wards. More in depth Ward Profiles will be developed for wards falling within the top 5% of deprived wards nationally and will have a community partnership attached to them. This new mechanism replaces Neighbourhood Action Plans (NAP's) and NAP Forums as determined in the HBC Review of Community Involvement and Engagement.






RND11/ 12- SC03	Prepare the 2012/13 Compact Action Plan with partners	Fiona Stanforth	31-Mar-2012	 Action Progress acceptable	Consultation is underway on the draft Voluntary and Community Sector Strategy, the deadline for consultation on the first draft of the strategy is Friday 27th April 2012. The consultation has been widely publicised and feedback received through an online survey (46 responses to date) and a consultation event held on 20th April 2012, this event was attended 39 people, with representatives from a wide variety of VCS groups as well as public sector partners and a lot of constructive feedback was received on the strategy including suggestions for possible actions to take the strategy forward. Following the deadline for consultation all comments received will be considered in developing a final draft, this will then be consulted on for a further 2 weeks. The aim is that consultation will be complete by the end of May and a final strategy will be considered for endorsement following this. Once the strategy is in place work will be undertaken to develop an action plan building on the suggestions made through the consultation process.
RND11/ 12- SC05	Produce local improvement plan for empowering communities in line with the Big Society & localism agenda	Denise Ogden	31-Mar-2012	 Action Progress acceptable	Due to the delays experienced in implementing the outcome of the Community involvement and Engagement Review the development of a local improvement plan is suspended. However Community partnership will be developed in May 2012, as well as Ward Profiles Neighbourhood Forums will meet quarterly. All there actions will empower communities inline with the Big Society and Localism Agenda.
RND11/ 12- SC06	Implement the action plan in relation to the Neighbourhood Management empowerment agenda	Clare Clark	31-Mar-2012	 Action Completed	Action complete - final decision made by full Council April 2012 in relation to community engagement and consultation review, neighbourhood boundaries, and future working

Outcome 24: Make a positive contribution – people are involved with the community and society

Performance Indicators - Targeted							
Code	Indicator	Assigned To	Annual 2011/12	Current Value	Last Update	Expected Outcome	Latest Note
NI 111	Number of first time entrants to the Youth Justice System aged 10-17 per 100,000 population (aged 10-17)	Sally Robinson	1000	723	Q4 2011/12	PI Target achieved	Provision data - Q4 statutory returns currently in progress. 10 first time entrants to the Youth Justice system for Q4. The office of national statistics 2010 mid-year estimate for ages 10-17 is 9,400. Therefore, giving a rate per 100,000 of 723 which is less than the target for this quarter. $58 / 9400 \times 100k = 723.4$
LAA SC P005	Percentage of young people with learning disabilities participating in their Section 140 assessments	Mark Smith	100	100	2011/12	PI Target achieved	All current Year 11's with a Statement of SEN (and also young people identified by their respective SENCO) who intend to access local post 16 provision in Year 12 have actively participated in Section 140 assessments. Work is underway to explore ways in which the assessment can be brought in line with other assessments and ways in which the plans derived from the assessment can be produced in formats that are more suitable to the young persons learning needs.
HP P004 (SD indicator)	Number of schools participating in the Fairtrade School Status programme	Martin Green	3	6	2011/12	PI Target achieved	Schools with Fairtrade programmes increase to six , but only one (Fens) has achieved full fairtrade School certification.

HP P002	Percentage of businesses (retail outlets, restaurants, cafes and hotels) participating in the Fairtrade Town scheme meeting the minimum Fairtrade Foundation requirements	Martin Green	100.00	100.00	2011/12	PI Target not achieved	The number of outlets no longer features in the same form in the Fairtrade Foundation targets for Fairtrade Town renewal. A number of existing premises would not meet the new target for a Fairtrade shop - requirement changed from two products to four ranges.
HP P003 (SD indicator)	Number of new businesses (retail outlets, restaurants, cafes and hotels) meeting the minimum Fairtrade Foundation requirements	Martin Green	10	5	2011/12	PI Target not achieved	one further business added - total 5 for the year. This needs addressing possibly with some backing from HBC.

Performance Indicators - monitored						
Code	Indicator	Assigned To	Annual 2010/11	Current Value	Last Update	Latest Note
HP P001	Number of people who volunteer	Keith Bayley			2011/12	HVDA Survey not yet undertaken. No figure available at Q4 deadline.

Actions for Improvement					
Code	Action	Assigned To	Due Date	Expected Outcome	Latest Note
CAD11/12-SC03	Improve the level of young people's participation in positive activities via implementing the relevant action plan integration and targeted plan.	Mark Smith; Beth Storey	31-Mar-2012	 Action Completed	Participation in positive activities through local authority positive activities is double previous national benchmarks. This has been delivered through increasing the range of opportunities (skate park, National Citizen Service NCS, recruitment group, Young Asian Voices etc) whilst maintaining targeted (Speak Out Sexuality, young carers, deaf youth project etc) and universal provision, main centres, detached and mobile etc.
HPP11/12 - SC01	To seek funding to continue supporting volunteering in Hartlepool	Keith Bayley	31-Mar-2012	 Action Completed	Some funding has been secured for 2012/13 so the service will continue
HPP11/12 - SC02	To ensure that the VCS groups benefit from funding and procurement opportunities	Keith Bayley	31-Mar-2012	 Action Completed	HVDA continues to promote funding opportunities and encourages groups to register for procurement opportunities
HPP11/12 - SC03	To refresh the VCS Strategy	Keith Bayley	31-Mar-2012	 Action Completed	A revised Strategy and Compact was presented to the Council's Cabinet and is now out to consultation up until the end of April 2012.
HPP11/12 - SC04	Review the renewal approach taking account of new guidelines in respect of minimum 'product lines' issue by the Fairtrade Foundation	Martin Green	31-Mar-2012	 Action Completed	The requirements were reviewed and an application for Fairtrade Town renewal was submitted in December. We still await the outcome from the Fairtrade Foundation

CABINET REPORT

11 JUNE 2012



Report of: Director of Child and Adult Services

Subject: STATUTORY GUIDANCE ON THE ROLES AND RESPONSIBILITIES OF THE DIRECTOR OF CHILDREN'S SERVICES AND THE LEAD MEMBER FOR CHILDREN'S SERVICES

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key.

2. PURPOSE OF REPORT

- 2.1 The report is intended to inform Cabinet of the publication of revised statutory guidance on the roles and responsibilities of the Director for Children's Services (DCS) and the Lead Member for Children's Services (LMCS) and to highlight the key requirements of the Guidance.

3. BACKGROUND

- 3.1 The Children Act 2004 requires local authorities to appoint a Director of Children's Services (DCS) and Lead Member for Children's Services (LMCS) for the purposes of discharging the education and children's social services functions of the local authority. Statutory guidance on the roles and responsibilities of the DCS and LMCS was first issued in 2005 and revised in 2009. During 2011, the Department for Education undertook national consultation with local authorities and other stakeholders on revision of the statutory guidance, proposing to produce a much shorter and less prescriptive document. A report on the consultation and proposed revisions to the document was presented to and considered by Cabinet on 19th December 2011 and Child and Adult Services subsequently submitted a response to the consultation on behalf of the local authority.
- 2.2 The Children Act 2004 requires every upper tier local authority to appoint a Director of Children's Services and designate a Lead Member for Children's Services with responsibility for discharging the local authority's education and children's social care functions. This was in response to Lord Laming's

enquiry into the death of Victoria Climbié which recommended that there should be a clear and unambiguous line of accountability at local level for the well-being of vulnerable children.

2.3 The Department for Education published the revised guidance in April 2012 and this replaced the previous versions (**Appendix 1**). The guidance will be reviewed annually but will only be revised if it is no longer considered to be fit for purpose.

2.4 The key points of the guidance are:

- The Children Act 2004 requires every upper tier local authority to appoint a Director of Children's Services and designate a Lead Member for Children's Services. The Director has professional responsibility for children's services while the Lead Member has political responsibility.
- The DCS and LMCS are appointed for the purposes of discharging the education and children's social services functions of the local authority. The guidance sets out the legislative basis for the two appointments and how this relates to government expectations about local authorities' role in education and children and young people's services.
- It outlines that the DCS and LMCS must play a key role in local health and wellbeing strategies; oversee safeguarding; champion services for vulnerable children such as disabled children and those in the youth justice system; promote educational excellence; and ensure fair access to services including early years provision and schools.
- The guidance makes clear it is for individual local authorities to determine their own organisational structures in the light of local circumstances. However, councils must ensure that there is a single officer and a single elected member each responsible for both education and children's social care. The DCS and LMCS should each have an integrated children's services brief, making sure that the safety and the educational, social and emotional needs of children and young people are central to local services. Between them, the DCS and LMCS provide a clear and unambiguous line of accountability.
- Together with the Chief Executive and Leader or Mayor, the DCS and LMCS have a key leadership role both within the local authority and working with other local agencies to improve outcomes for children and young people.
- The DCS is a politically restricted statutory chief officer post, they should be a first tier officer and report directly to the Chief Executive.
- Local authorities should, as a matter of course, assure themselves that their arrangements enable them to discharge their education and children's social care function effectively.

- Given the breadth and importance of children's services functions that the DCS and LMCS cover, local authorities should give due consideration to protecting the discreet roles and responsibilities of the DCS and LMCS before allocating them any additional functions other than children's services. Any new structures that do allocate additional functions to directors and lead members should be tested to make sure they support robust child protection and early help, involve children and young people in planning local services and provide clarity on how the local authority intends to discharge its children's services functions.

5. RECOMMENDATIONS

- 5.1 Cabinet is recommended to note the publication of the revised Statutory Guidance on the Roles and Responsibilities of the Director of Children's Services and the Lead Member for Children's Services and implications for local arrangements.

6. REASONS FOR RECOMMENDATIONS

- 6.1 To ensure the local authority complies with the requirements of the Children Act 2004 to appoint a Director and Lead Member for Children's Services and is compliant with the most recently published Statutory Guidance.

8. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

Appendix 1 Department for Education 'Statutory Guidance on the Roles and Responsibilities of the Director of Children's Services and the Lead Member for Children's Services' April 2012

9. BACKGROUND PAPERS

The Children Act 2004

10. CONTACT OFFICER

Sally Robinson
Assistant Director, Child and Adult Services
01429 523732
Sally.robinson@hartlepool.gov.uk



Department
for Education

STATUTORY GUIDANCE ON THE ROLES AND RESPONSIBILITIES OF THE DIRECTOR OF CHILDREN'S SERVICES AND THE LEAD MEMBER FOR CHILDREN'S SERVICES

Contents

About this Guidance	1
Expiry/review date	
What legislation does this guidance relate to?	
Who is this guidance for?	
Key points	
The Director of Children's Services and Lead Member for Children's Services	3
The Director of Children's Services	
The Lead Member for Children's Services	
Ensuring a clear line of accountability	
Additional functions not related to local authority children's services	
Joint DCS appointments	
Local assurance	
Roles and Responsibilities of the DCS and LMCS	6
Leadership and partnership	
Safeguarding	
Vetting and barring scheme	
Vulnerable children and young people	
Fair access to services	
Educational excellence	
Annex A – Further Sources of Information	10

About this Guidance

1. This is statutory guidance issued by the Secretary of State for Education. Local authorities in England must have regard to it in relation to the appointment of the Director of Children's Services (DCS) and the designation of the Lead Member for Children's Services (LMCS). This guidance covers the legislative basis for the two appointments, roles and responsibilities of the post holders, and how this relates to Government expectations about local authorities' role in education and children and young people's services.

Expiry/review date

2. This guidance replaces the previous versions, issued in 2005 and 2009. The guidance will be *reviewed* on an annual basis to check whether it is still fit for purpose; but it will only be *revised* if it is no longer considered to be fit for purpose. Annex A lists other sources of information and guidance and will be updated regularly.

What legislation does this guidance relate to?

3. This document is issued under sections 18(7) (Director of Children's Services) and 19(2) (Lead Member for Children's Services) of the Children Act 2004. This means that local authorities must have regard to it and, if they decide to depart from it, they will need to have clear reasons for doing so.

Who is this guidance for?

4. This guidance is for local authorities in England with responsibility for education¹ and children's social services functions.

Key points

- The *Children Act 2004* requires every upper tier local authority to appoint a Director of Children's Services and designate a Lead Member for Children's Services.
- The DCS and LMCS are appointed for the purposes of discharging the education and children's social services functions of the local authority. The functions for which they are responsible are set out in section 18(2) of the Children Act 2004. This includes (but is not limited to) responsibility for children and young people receiving education or children's social care services in their area and all children looked after by the local authority or in custody (regardless of where they are placed).
- Within this legal framework, it is for individual local authorities to determine their own organisational structures in the light of their local circumstances. However, local authorities must ensure that there is both a single officer and a single elected member each responsible for both education and children's social care. The DCS and LMCS

¹ References in this guidance to local authority "education" functions do not include further and higher education functions listed at section 18(3) of the Children Act 2004.

should each have an integrated children's services brief, ensuring that the safety and the educational, social and emotional needs of children and young people are central to the local vision. Between them, the DCS and LMCS provide a clear and unambiguous line of local accountability.

- The DCS has professional responsibility for children's services, including operational matters; the LMCS has political responsibility for children's services. Together with the Chief Executive and Leader or Mayor², the DCS and LMCS have a key leadership role both within the local authority and working with other local agencies to improve outcomes for children and young people.
- The DCS is a politically restricted statutory chief officer post; they should be a first tier officer and report directly to the Chief Executive.
- Local authorities should, as a matter of course, assure themselves that their arrangements enable them to discharge their education and children's social care functions effectively.
- Given the breadth and importance of children's services functions that the DCS and LMCS cover, local authorities should give due consideration to protecting the discrete roles and responsibilities of the DCS and LMCS before allocating to them any additional functions other than children's services.

² Local authorities that are considering adopting the committee system should take into account any implications for the DCS and LMCS roles.

The Director of Children's Services and Lead Member for Children's Services

The Director of Children's Services (DCS)

5. Section 18 of the Children Act 2004 requires every top tier local authority to appoint a Director of Children's Services. The DCS has professional responsibility for the leadership, strategy and effectiveness of local authority children's services and, as such, this post should be at first tier officer level. The DCS is responsible for securing the provision of services which address the needs of all children and young people, including the most disadvantaged and vulnerable, and their families and carers. In discharging these responsibilities, the DCS will work closely with other local partners to improve the outcomes and well-being of children and young people. The DCS is responsible for the performance of local authority functions relating to the education and social care of children and young people. The DCS is responsible for ensuring that effective systems are in place for discharging these functions, including where a local authority has commissioned any services from another provider rather than delivering them itself. The DCS should have regard to the General Principles of the United Nations Convention on the Rights of the Child (UNCRC) and ensure that children and young people are involved in the development and delivery of local services.

6. The DCS is a politically restricted statutory chief officer post³. This means the post holder is prevented from taking part in certain political activities. In particular, the DCS is disqualified from being an elected member of the local authority. The DCS should report directly to the Chief Executive (Head of Paid Service), who in turn is accountable to the Council for the performance of its chief officers⁴. Local authorities are strongly encouraged to involve children and young people in the appointment of the DCS.

The Lead Member for Children's Services (LMCS)

7. Section 19 of the Children Act 2004 requires every top tier local authority to designate one of its members as Lead Member for Children's Services. The LMCS will be a local Councillor with delegated responsibility from the Council, through the Leader or Mayor⁵, for children's services. The LMCS, as a member of the Council Executive, has political responsibility for the leadership, strategy and effectiveness of local authority children's services. The LMCS is also democratically accountable to local communities and has a key role in defining the local vision and setting political priorities for children's services within the broader political context of the Council.

8. The LMCS is responsible for ensuring that the needs of all children and young people, including the most disadvantaged and vulnerable, and their families and carers, are addressed. In doing so, the LMCS will work closely with other local partners to improve the outcomes and well-being of children and young people. The LMCS should have regard to the UNCRC and ensure that children and young people are involved in the development and delivery of local services. As politicians, LMCSs should not get drawn into the detailed day-to-day operational management of education and children's

³ Under section 2 of the Local Government and Housing Act 1989 (as amended).

⁴ See Schedule 1 to the Local Authorities (Standing Orders) (England) Regulations 2001 SI 3384.

⁵ In local authorities with executive governance models.

services. They should, however, provide strong, strategic leadership and support and challenge to the DCS and relevant members of their senior team as appropriate.

Ensuring a clear line of accountability

9. Integrating education and children's social care services under a single officer and a single member provides both a strategic and professional framework within which the safety and the educational, social and emotional needs of children and young people are considered together. The DCS and LMCS roles provide a clear and unambiguous line of political and professional accountability for children's well-being. The DCS and LMCS should report to the Chief Executive and to the Council Leader or Mayor respectively as the post holders with ultimate responsibility for the political and corporate leadership of the Council and accountability for ensuring that the effectiveness of steps taken and capacity to improve outcomes for all children and young people is reflected across the full range of the Council's business. The DCS and LMCS (in their respective roles) will also need to work closely with the Director of Public Health as the principal adviser on health to officials and members.

Additional functions not related to local authority children's services

10. It is legally permissible for the DCS and LMCS roles to be combined with other operational and political functions of the local authority. However, given the breadth and importance of children's services functions that the DCS and LMCS cover, local authorities should give due consideration to protecting the discrete roles and responsibilities of the DCS and LMCS before allocating any additional functions to individuals performing these roles. In particular, local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding such other responsibilities (see paras 13-16 below). Given the demanding nature of the DCS and LMCS roles, local authorities should consider *all* aspects of any combined posts (e.g. the impact on both children and adult services where there is a joint DCS and Director of Adult Social Services post).

11. The DCS should report directly to the Chief Executive, so it is not appropriate for the Chief Executive also to hold the statutory role of DCS (except possibly as a temporary measure whilst the Council actively takes steps to fill a vacant DCS post and an alternative interim DCS appointment is not considered appropriate).

Joint DCS appointments

12. It is legally permissible for two or more local authorities to appoint a single joint DCS to cover children's services responsibilities across all the local authority areas concerned.

Local assurance

13. Local authorities will, as a matter of course, want to ensure their structures and organisational arrangements enable them to:

- fulfil their statutory duties effectively (including ensuring that children, young people and families receive effective help and benefit from high educational standards locally);

- be transparent about responsibilities and accountabilities; and
- support effective interagency and partnership working.

14. A local authority should carry out effective assurance checks, integrated as part of their usual decision-making and scrutiny work, of their structures and organisational arrangements. Once any new arrangements are in place, local authorities should review their arrangements regularly to satisfy themselves that they continue to be effective.

15. These assurances should be agreed within the Council. They should be subject to self-assessment within the local authority, and to peer challenge and review, as part of the process of securing continuous sector-led improvement in the quality of services. Where, as part of Ofsted's assessment of the quality and effectiveness of local authority leadership and management, inspectors identify an issue arising from the local authority's arrangements for discharging the DCS and LMCS functions, they may decide to look at the quality and effectiveness of the authority's assurance process.

16. It is for each local authority to determine the precise nature of its own assurance process and how to provide transparency for local communities about which individuals are fulfilling the statutory roles of DCS and LMCS, taking account of local circumstances. However, in doing so, the following elements are likely to be essential in assuring that effective arrangements are in place:

- clarity about how senior management arrangements ensure that the safety and the educational, social and emotional needs of children and young people are given due priority and how they enable staff to help the local authority discharge its statutory duties in an integrated and coherent way;
- clarity about how the local authority intends to discharge its children's services functions and be held accountable for them from political, professional, legal and corporate perspectives (including where, for example, services are commissioned from external providers or mutualised in an arms length body);
- the seniority of and breadth of responsibilities allocated to individual post holders and how this impacts on their ability to undertake those responsibilities (especially where a local authority is considering allocating any additional functions to the DCS and LMCS posts);
- the involvement and experiences of children and young people in relation to local services;
- clarity about child protection systems, ensuring that professional leadership and practice is robust and can be challenged on a regular basis, including an appropriate focus on offering early help and working with other agencies in doing so; and
- the adequacy and effectiveness of local partnership arrangements (e.g. the local authority's relationship with schools, the Local Safeguarding Children Board (LSCB), the courts, children's trust co-operation arrangements, Community Safety Partnerships, health and wellbeing boards, Youth Offending Team partnerships, police, probation, Multi-Agency Public Protection Arrangements and Multi-Agency Risk Assessment Conferences) and their respective accountabilities.

Roles and Responsibilities of the DCS and LMCS

17. Local authorities are bound by some 200 statutory duties covering education and children's social care. The way in which the roles and responsibilities of the DCS and LMCS are fulfilled will vary between different places and change over time. This guidance does not attempt to cover all these duties in detail but the key aspects of those roles are outlined below.

Leadership and partnership

18. The DCS and LMCS work together to provide strong, strategic local leadership and development of an increasingly autonomous and diverse education and children's services sector. Working with headteachers, school governors and academy sponsors and principals, the DCS and LMCS should support the drive for high educational standards for all children and young people, paying particular attention to the most disadvantaged groups. They should also ensure that children's services are integrated across the council, for example to support a smooth transition from children's to adults' services. The DCS and LMCS should involve and listen to parents, carers, children and young people. The DCS and LMCS have a key role in ensuring that the local voluntary and community sector, charities, social enterprises, the private sector and children and young people themselves are included in the scope of local authority planning, commissioning and delivery of children's services where appropriate.

19. Section 10 of the Children Act 2004 places a duty on local authorities and certain named partners (including health) to co-operate to improve children's well-being. The DCS and LMCS must lead, promote and create opportunities for co-operation with local partners (for example, health, police, schools, housing services, early years, youth justice, probation, higher and further education, and employers) to improve the well-being of children and young people. Local authorities must also (by virtue of the Child Poverty Act 2010⁶) establish local co-operation arrangements to reduce child poverty, prepare and publish a local child poverty needs assessment, and prepare a local child poverty strategy.

20. As a statutory member of local health and wellbeing boards, the DCS will have a clear role in driving the development of the local Joint Strategic Needs Assessment (JSNA) and joint health and wellbeing strategy. The DCS will promote the interests of children, young people and their families. The DCS will also help join up local commissioning plans for clinical and public health services with children's social care and education, where appropriate, to address the identified local needs through the JSNA and joint health and wellbeing strategy. The DCS will make a key contribution to ensuring effective working relationships between the health and wellbeing board and the LSCB. The DCS is responsible for any agreements made under section 75 of the National Health Service (NHS) Act 2006 between the local authority and NHS relating to children and young people – for example, pooled budgets for commissioning and/or delivering integrated services covering children's health, social care and education.

21. Local authorities must comply with the duties set out in the Equality Act 2010, which means that, as well as ensuring that they do not discriminate unlawfully, DCSs and

⁶ Although the local authority duties under the Child Poverty Act 2010 are not included in the section 18(2) definition of functions for which the DCS/LMCS are automatically responsible, local authorities may nonetheless consider it appropriate to assign them to the DCS/LMCS.

LMCSs must take into account the likely impact of their policies and decisions on specified groups. In doing so, particular consideration should be given to Article 2 of the UNCRC. Local authorities should also maintain an audit trail to demonstrate how equalities matters were considered as part of the decision-making process.

Safeguarding

22. Section 11 of the Children Act 2004 requires local authorities and other named statutory partners to make arrangements to ensure that their functions are discharged with a view to safeguarding and promoting the welfare of children. There is a similar requirement imposed on schools⁷. This should ensure that safeguarding is integral to all that local authorities, schools and other named partners do. The DCS and LMCS should ensure that there are clear and effective arrangements to protect children and young people from harm (including those attending independent schools). Local authorities are also required to set up a LSCB to coordinate the effectiveness of arrangements to safeguard and promote the welfare of children and young people in that area.

23. The DCS should always be a member of the LSCB and will be held to account for the effective working of the LSCB by their Chief Executive, including where the LSCB has an independent chair. The LMCS should be a “participating observer” of the LSCB; they may engage in discussions but not be part of the decision making process in order to provide the LMCS with the independence to challenge the DCS (and others) when necessary. The DCS also has a crucial role in ensuring collaboration and dialogue with the family courts so that high quality local authority assessments and other evidence contribute to effective and timely court processes for children.

Vetting and barring scheme

24. DCSs and LMCSs will not be in regulated activity in relation to children just by virtue of undertaking those posts⁸. The Government will publish detailed information about workplace safeguarding in good time for commencement of the new Vetting and Barring Scheme arrangements.

Vulnerable children and young people

25. Local authorities should work with partners to promote prevention and early intervention and offer early help so that emerging problems are dealt with before they become more serious. This will help to improve educational attainment, narrow the gaps for the most disadvantaged and promote the wider well-being of children and young people, including at key transition points.

26. More specifically, the DCS and LMCS in their respective roles:

- have a shared responsibility with all officers and members of the local authority to act as effective and caring **corporate parents for looked after children**, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care;

⁷ In accordance with section 175 of the Education Act 2002 if they are maintained or the Independent School Standards set out pursuant to section 157 of that Act if they are independent schools, including Academies or Free Schools.

⁸ Subject to passage of the Protection of Freedoms Bill.

- must ensure that **disabled children** and those with **special educational needs** (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN;
- must ensure arrangements are in place for **alternative provision for children outside mainstream education or missing education** (e.g. due to permanent exclusion or illness) to receive suitable full-time education;
- should ensure there is coherent planning between all agencies providing services for children involved in the **youth justice system** (including those leaving custody), secure the provision of education for young people in custody and ensure that safeguarding responsibilities are effectively carried out; and
- should understand local need and secure provision of services taking account of the benefits of **prevention and early intervention** and the importance of co-operating with other agencies to offer early help to children, young people and families.

Fair access to services

27. Local authorities should promote the interests of children, young people, parents and families and work with local communities to stimulate and support a diversity of school, early years and 16-19 provision that meets local needs. More specifically, the DCS and LMCS in their respective roles:

- must ensure **fair access to all schools for every child** in accordance with the statutory School Admissions and School Admissions Appeal Codes and ensure appropriate information is provided to parents;
- must ensure provision for suitable **home to school transport** arrangements;
- should actively promote a diverse **supply of strong schools**, including by encouraging good schools to expand and, where there is a need for a new school, seeking proposals for an Academy or Free School;
- should promote high quality **early years** provision, including helping to develop the market, securing free early education for all three and four year olds and for all disadvantaged two year olds⁹, providing information, advice and assistance to parents and prospective parents, and ensuring there are sufficient **Sure Start children's centre services** to meet local need and sufficient **childcare** for working parents;
- must secure access for young people to sufficient **educational and recreational leisure-time activities** and facilities for the improvement of their well-being and personal and social development;
- should promote children's and young people's participation in public **decision-making** so they can influence local commissioners; and
- should promote **participation in education or training of young people**, including by securing provision for young people aged 16-19 (or 25 for those with learning difficulties/disabilities).

⁹ The free entitlement to early education for disadvantaged two year olds will be statutory from 2013.

Educational excellence

28. Working with headteachers, school governors and academy sponsors and principals, local authorities should promote educational excellence for all children and young people and be ambitious in tackling underperformance. More specifically, the DCS and LMCS should in their respective roles:

- take rapid and decisive action in relation to **poorly performing schools**, including using their intervention powers with regard to maintained schools and considering alternative structural and operational solutions;
- develop robust **school improvement strategies**, including choosing whether to offer such services in a competitive and open school improvement market, working beyond local authority boundaries;
- promote high standards in education by supporting effective **school to school collaboration** and providing local leadership for tackling issues needing attention which cut across more than one school, such as poor performance in a particular subject area across a cluster of schools;
- support maintained schools in delivering an appropriate **National Curriculum** and early years providers in meeting the requirements of the **Early Years Foundation Stage** (as outlined in the EYFS Statutory Framework);
- establish a **schools forum** for their area, maintain a scheme for financing maintained schools and provide financial information; and
- undertake specified responsibilities in relation to **staffing and governance** of maintained schools.

Annex A – Further Sources of Information

You may be interested in the following links:

- Association of Directors of Children's Services – www.adcs.org.uk
- Centre for Excellence and Outcomes in Children and Young People's Services – www.c4eo.org.uk
- Child Health Profiles: www.chimat.org.uk/profiles
- Local Government Group – www.local.gov.uk
- National College for School Leadership – www.nationalcollege.org.uk
- Office for Standards in Education, Children's Services and Skills – www.ofsted.gov.uk
- Society of Local Authority Chief Executives – www.solace.org.uk
- United Nations Convention on the Rights of the Child – www.education.gov.uk/childrenandyoungpeople/healthandwellbeing/b0074766/uncrc

You may be interested in the following guidance:

- Code of Practice for Local Authorities on Delivery of Free Early Years Provision for 3 & 4 year olds (2010)
- Early identification, assessment of needs and intervention – The Common Assessment Framework (CAF) for children and young people: A guide for managers (2009)
- Equality Act 2010: Public sector equality duty what do I need to know? A quick start guide for public sector organisations (Home Office, 2011)
- Legal framework for working with looked after children: regulations and guidance (2011)
- School Admissions Code (2012) and School Admission Appeals Code (2012)
- Special Educational Needs Code of Practice (2001)
- Statutory Framework for the Early Years Foundation Stage (2012)
- Working Together to Safeguard Children: A guide to inter-agency working to safeguard and promote the welfare of children (2010)



Department
for Education

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

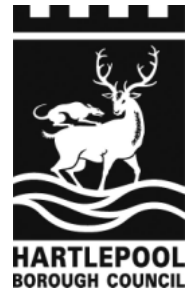
Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at <http://www.education.gov.uk/help/contactus>.

This document is also available from our website at <http://www.education.gov.uk/publications>.

CABINET

11 June 2012



Report of: Scrutiny Co-ordinating Committee - Museum and Art Gallery Collection Working Group

Subject: FINAL REPORT INTO 'THE BOROUGH COUNCIL MUSEUM AND ART GALLERY COLLECTION'

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 This is a non-key decision.

2. PURPOSE OF REPORT

2.1 To present the Final Report of the Museum and Art Gallery Collection Working Group following its investigation into 'The Borough Council Museum and Art Gallery Collection'.

3. BACKGROUND

3.1 The Final Report outlines the overall aim of the scrutiny investigation, terms of reference, methods of investigation, findings, conclusions, and subsequent recommendations.

3.2 The conclusions of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection' are detailed as follows:-

- (a) That if items of the Museum collection are considered for sale or disposal, then strict guidelines need to be followed in order to maintain the Accredited Museum Status and it was recognised that sales should only be for the benefit of the collection itself and disposal should always be carried out in an ethical way;
- (b) That the items of historic and / or social economic value from the Civic Collection form part of the Museum collection and ethical disposal of non-collecting items is arranged;
- (c) That the owners of the items which are held in storage are contacted and asked to claim their items. If not claimed, then the

Council take ownership of them and the items of historical and / or social economic value are added into the Museum collection and ethical disposal of non-collecting items is arranged;

- (d) That awareness needs to be raised on how to access the collection, for example, viewing paintings through Flickr, the Public Catalogue Foundation and BBC online in order to maximise the effectiveness of the collection and increase its usage;
- (e) That making better commercial use of the collection is essential in order to increase income generation, for example, the delivery of an in-house online ordering and printing service;
- (f) That it is extremely important to collect all artefacts that are connected with the history of Hartlepool and therefore promoting the opportunity for the public to donate items is essential;
- (g) That expansion and development of the Museum exhibitions for the Museum Service's 100th anniversary is welcomed along with seeking 'designation' for the Maritime Collections; and
- (h) That a review of the Collections, Acquisitions and Disposals Policy is important and that Members of the Working Group are involved in this review.

4. PROPOSALS

- 4.1 No options submitted for consideration other than the recommendation(s).

5. IMPLICATIONS OF RECOMMENDATIONS

- 5.1 Details of any financial or other considerations / implications are included in the action plan associated with the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection'.

6. RECOMMENDATIONS

- 6.1 Cabinet is requested to approve the recommendations of the Museum and Art Gallery Collection Working Group, following their investigation into 'The Borough Council Museum and Art Gallery Collection', as detailed below:-
 - (a) That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update:-

- (i) on the expansion and development of the Museum exhibitions;
and
 - (ii) on seeking 'designation' for the Council's Maritime Collections.
- (b) That the Council promotes the opportunity for the public to donate items to the Collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts required and sample photographs
- (c) That the Council explores how the collection can:-
 - (i) be promoted to further enhance its usage; and
 - (ii) be utilised to increase income generation opportunities
- (d) That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The aim of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection' was to better understand the nature of the Museum and Art Gallery collections held within the possession of the Council.

8. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 8.1 **Appendix 1** – Final Report into 'The Borough Council Museum and Art Gallery Collection'

9. BACKGROUND PAPERS

No background paper(s) were used in the preparation of this report.

10. CONTACT OFFICER

Contact Officer: Laura Stones – Scrutiny Support Officer
Chief Executive's Department – Corporate Strategy
Hartlepool Borough Council
Tel:- 01429 523087
Email:- laura.stones@hartlepool.gov.uk

CABINET
11 June 2012



Report of: Scrutiny Co-ordinating Committee - Museum and Art
Gallery Collection Working Group

Subject: FINAL REPORT INTO 'THE BOROUGH COUNCIL
MUSEUM AND ART GALLERY COLLECTION'

1. PURPOSE OF REPORT

- 1.1 To present the findings of the Museum and Art Gallery Collection Working Group following its investigation into the Borough Council Museum and Art Gallery Collection.

2. BACKGROUND INFORMATION

- 2.1 At the meeting of this Committee on 24 June 2011, Members determined their work programme for the 2011/12 Municipal Year. The issue of 'The Borough Council Museum and Art Gallery Collection' was selected as the Scrutiny topic for consideration during the Municipal Year. Members agreed that the investigation be undertaken through the formation of a Working Group.

3. OVERALL AIM OF THE SCRUTINY INVESTIGATION

- 3.1 The overall aim of the Scrutiny investigation was to better understand the nature of the Museum and Art Gallery collections held within the possession of the Council.

4. TERMS OF REFERENCE FOR THE SCRUTINY INVESTIGATION

- 4.1 The following Terms of Reference for the investigation were agreed by the Scrutiny Co-ordinating Committee on 2 September 2011:-
- (a) To gain an understanding of the range, relevance and value of the Museum Service collections held by the Council and the ongoing costs to maintain/store the collection;
 - (b) To explore the current status of the collections, their use, educational impact, distribution/location and the processes and procedures for accessioning/archiving artefacts; and

- (c) To explore the potential options for the future of the collection, taking in to consideration the legal status, ethical considerations and challenging budget situation that the Authority faces.

5. MEMBERSHIP OF THE MUSEUM AND ART GALLERY COLLECTION WORKING GROUP

- 5.1 The membership of the Museum and Art Gallery Collection Working Group was as detailed below:-

Councillors Cook, Griffin, James, Loynes, Preece, Thomas and Wilcox

6. METHODS OF INVESTIGATION

- 6.1 Members of the Museum and Art Gallery Collection Working Group met formally from 23 September 2011 to 16 March 2012 to discuss and receive evidence relating to this investigation. A detailed record of the issues raised during these meetings is available from the Council's Democratic Services.

- 6.2 A brief summary of the methods of investigation are outlined below:-

- (a) Presentations by officers from the Child and Adult Services Department supplemented with verbal evidence;
- (b) Site visit to the Museum of Hartlepool and Sir William Gray House / Stores to look at the Museum Collection; and
- (c) Visit to the Civic Centre Strong Room to look at the Civic Collection;

7. FINDINGS

THE RANGE, RELEVANCE AND VALUE OF THE MUSEUM SERVICE COLLECTIONS AND THE ONGOING COSTS TO MAINTAIN/STORE THE COLLECTION

- 7.1 Members welcomed evidence from the Assistant Director of Community Services, who provided information on the range and relevance of the collection; the value of the collection; and the costs of storage and maintenance of the collection.

Range and Relevance of the Collection

- 7.2 The Council's Museum Service possesses a fine collection of historical objects, information and artworks. These are displayed within the Museum of Hartlepool, the Hartlepool Art Gallery and selected buildings such as the Civic Centre and Borough Buildings, either as part of the permanent historical displays or as changing exhibitions. When not on display these are held in storage. The collections are used as valuable reference collections for researching the history and cultural identity of the town.

- 7.3 The first museum in Hartlepool was the West Hartlepool Athenaeum, however, it is not known whether any artefacts or collections still remain today. The founding collections were donated from a number of sources including local residents, industrialists, benefactors, and building covenanted. The modern collections date from the opening of the Gray Art Gallery and Museum in 1920, which was donated as a gift to the town by the founder, Sir William Creswell Gray in recognition and thanksgiving for the safe return of his son from the First World War. Major improvements to the Service were undertaken in the mid 1990's as part of the City Challenge and the Teesside Development Corporation investment into Hartlepool. Hartlepool Museums have been recognised as a major regional service, achieving Renaissance funding in 2003 to provide sub regional activity. This was achieved due to the merit and the high visitor attendances achieved by the service.
- 7.4 Members were shown a timeline of items which have been collected over more recent years:-

1960s

Additions to the Contemporary Art Collection: Hartlepool has an impressive and important collection of over 1,000 pieces of fine art. The collection is mainly Victorian and Edwardian in period, largely as a result of the founding collection by Sir William Gray. With few exceptions, most subsequent collecting has been works of artists living or working at least part of their lives in the Hartlepool area. The works are by the internationally renowned, as well as locally working amateur artists. The most notable artists include Daniel Maclise, Lucian Freud and Frank Auerbach, Stanhope Alexander Forbes, and John Wilson Carmichael. There are also a number of works by locally born artists such as Frederic Shields, James Clark and Frank Henry Mason.

1970s

Maritime Collections (Maritime Museum 1971) and industry: The Maritime Collection is made up of ship models, photographs, company records, ephemera and some equipment.

1980s

Social history, ephemera, ships' plans, archaeology, Wingfield Castle: The collection contains around 35,000 plans for the building of around 300 ships built by Hartlepool including the Wingfield Castle. Almost all the plans relate to ships built by Grays shipyard from 1927 to the yards closure in 1961. When the shipyard closed, the plans were still of importance and often bought by other ship builders. In the mid 1980's many of the plans were returned to Hartlepool and now feature in the collection. A hugely informative collection is that preserved by Robert Wood, a local historian, which contains over 40,000 examples of 19th century and early 20th century ephemera, manuscript material and posters from the Hartlepool printing firm owned by John Procter. The collection reflects the social aspects of life as well as the industry in the town.

1990s

Active collecting for new displays in Museum of Hartlepool

2000s

Expansion of education, outreach, learning exhibitions and publications

Value of the Collection

- 7.5 Members were informed that new Audit Commission asset valuation guidance for Local Government is recommending as good practice that a re-valuation be carried out every 5 years, as opposed to the previous practice of a ten year re-valuation.
- 7.6 The current insurance valuation of the collections is £13,408,832. This valuation is not necessarily the worth or sale price but is based on either new replacement value; second hand replacement value; facsimile value; or compensation value. This valuation was completed in February 2012 and at the request of the Working Group, includes the Civic Ceremonial Silver and Civic Regalia (Civic Collection). Members requested that the items from the Civic Collection which are of historical or social economic value be accepted into the Museum collection and cared for in the correct way, (as some items had been damaged by flooding while in storage). Members suggested that these items are exhibited, where appropriate, in the secure environment provided by the Museum.
- 7.7 Members were aware that the Council hold a number of items in storage for others at a cost to the Council. Therefore, Members requested that the owners be contacted and asked to claim their items. If not claimed, then the Council take ownership of them, with the items of historical / social economic value being added into the Museum collection and other items disposed of ethically.
- 7.8 Members questioned the values of a number of public art works, mainly sculpture and streetscape features, which are not in the Museum collection, for example, the red head sculpture 'The Watcher' and whether these were insured. It was clarified that these items are not required to be individually valued but are included within the broader Council property asset base and placed on the asset register for statutory accounting purposes.

Storage and Maintenance of Collection

- 7.9 Members were informed that the collection is maintained by one full time Curatorial Officer / Collections Officer. In relation to the storage of the collections, there is one secure, heavy load, air conditioned store, one secure art store and one secure general store, all within Council property. The percentage of collections in storage varies depending on changes to exhibitions and temporary exhibitions but Members noted that the percentage of collections on display is the highest in service history.

- 7.10 The Working Group queried whether the Council could charge to loan its items to other exhibitions. Members were informed that the Council does not currently charge for loaned items. However, the loan is at no cost to the Council, as the cost for insurance; transportation; conservation of the item while it is on loan; and restoration of the item (if required) is covered by the person borrowing the item.
- 7.11 Members supported the exploration of ways to further improve access to the collection by using the improved storage area for the archaeological material.

8. THE CURRENT STATUS OF THE COLLECTIONS, THEIR USE, EDUCATIONAL IMPACT, DISTRIBUTION/LOCATION AND THE PROCESSES AND PROCEDURES FOR ACCESSIONING/ARCHIVING ARTEFACTS

- 8.1 Members were very interested to view the collections to see how they are stored, used and displayed. Therefore, Members visited the Museum of Hartlepool and Sir William Gray House.

Site Visit to the Museum of Hartlepool and Sir William Gray House

- 8.2 Members indicated that they found the visit very interesting and informative and it highlighted a number of different working practices and arrangements. Members viewed a number of permanent and temporary exhibitions which covered different topics and eras. The home front of World War was a very popular exhibition and Members supported the option of displaying this exhibition on a permanent basis in the future.
- 8.3 It was noted by Members that there were gaps in historical content of some of the exhibitions displayed within the Museum. Members emphasised the importance of telling the whole story of Hartlepool and it was essential to try and collect all items that are missing from the collection. The importance of collecting items within families from elder generations was highlighted by Members; examples included minesweeping artefacts and memorabilia in relation to the fishing industry in the Second World War. It was suggested that contacting local regimental organisations may prove beneficial in identifying items of local interest in relation to war service experiences.
- 8.4 The Working Group suggested promoting the opportunity for the public to donate items to the collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts required and sample photographs.
- 8.5 Members were of the opinion that engaging with the public is very important and a social history trawl would prove useful to find artefacts that are missing from the collection.

Current Use of the Collections

- 8.6 Members were informed about the different ways in which the collections are used today, as illustrated below:-
- (a) Educational purposes. Over 14,000 school children visited the museums last year with up to 70% from local schools. In addition to this a significant amount of work is undertaken within schools and items from the collection are loaned to schools;
 - (b) Outreach (for example, handling sessions, use of collections as inspiration, reminiscence);
 - (c) Displays in public buildings (for example, the Civic Centre);
 - (d) Loans to other institutions (for example, the Lucian Freud is currently on display in the National Portrait Gallery in London);
 - (e) Exhibitions (permanent and temporary);
 - (f) Events (for example, the Wingfield Castle is to be used within the Queen's Diamond Jubilee Festival);
 - (g) Scholarship and research; and
 - (h) Preservation and conservation of cultural property
- 8.7 Members welcomed the expansion and development of the Museum exhibitions (by seeking external funding) to redisplay, further improve interpretation and increase the numbers on display, with a target opening for 2020, which is the Museum Service's 100th anniversary. Members also agreed that 'designation' should be sought for the Maritime Collections. Designation is a special award that is considered of great importance to the Museums, Libraries and Archives Council; it recognises collections deemed to be of national and international importance based on their quality and significance.

Accessioning and Archiving

- 8.8 Members were pleased to hear that the Museum Service has Accredited Status, awarded by the Museums, Libraries and Archives Council, which is the highest achievable quality standard. All Museum Services aspire to this standard as it is important to secure partnership support and funding towards the ongoing development and management of the service. The Museum Service works to the Museum Association Code of Practice and Code of Ethics.
- 8.9 The Working Group was informed that all the collections are accessioned and audited and some of the accessions include multiple items, for example, the Robert Wood Collection, which contains 55,000 separate items. The

accessions register dates back to the 1920's, and over the years has developed from a hand written ledger to computerised records. The register contains all the information that is known about the item, for example, whether the item was purchased outright, on loan to the Council, or purchased with grant aid. Members acknowledged that if items were purchased with grant aid and then disposed of, the grant aid would have to be paid back.

- 8.10 All accredited museums are required to have a formally adopted Collections, Acquisitions and Disposals Policy. Hartlepool Museum Service has this policy and it is due for renewal in the 2012/13 Municipal Year. The policy is the guiding document which gives approval to the range of relevant material which the service will focus upon for its collecting policies. Members of the Working group expressed an interest in being involved in the review and development of this Policy.

9. THE POTENTIAL IMPLICATIONS OF DISPOSING OF ITEMS WITHIN THE MUSEUM COLLECTION

- 9.1 In relation to disposal, items which have no particular connection or relevance to the town or areas where duplication exists are disposed of ethically and the standard ethical process is to offer these items to other museum services. If items are considered for sale, there are strict guidelines which need to be followed. To avoid conflict with the Accredited Museum Status such sales are very closely monitored and should only be for the benefit of the collection itself, either through reinvestment in the acquisition of appropriate items or in certain circumstances the investment in the wellbeing of the remaining collection, for example, improving storage facilities.
- 9.2 The sale of works for non museum purposes is unethical and will result in the loss of Accredited Museum Status, which can result in pariah reputation, loss of opportunities for grants and clawback. Also, the Heritage Lottery Fund are mindful of the Council not following ethical procedures on collections which could mean that not only would the Museum Service be unable to bid for grants in future, but the Council itself could be debarred and therefore would be unable to apply for funding.
- 9.3 Members did seek assurance that if the Council was to enter into a Trust arrangement with another Local Authority, then the ownership of the collection would not be jeopardised and would still remain the property of Hartlepool Borough Council.

10. OPTIONS FOR THE FUTURE OF THE COLLECTION, TAKING INTO CONSIDERATION THE LEGAL STATUS, ETHICAL CONSIDERATIONS AND CHALLENGING BUDGET SITUATION THAT THE AUTHORITY FACES

- 10.1 Members were very keen to examine innovative ways to generate income by using the Collection and were pleased to see the use of an ipad, Flickr, the Council's website, the Public Art Catalogue website and various published literature for displaying and promoting the collection.

- 10.2 Since the introduction of Flickr in April 2011, 36,000 people have viewed the collections. Members acknowledged that only key items are displayed online and in order to provide an online catalogue of every item within the Museum collection, it would, as an estimate, take four to five years with three to four staff. In order to fund a project of this size, external funding would be required. Members emphasised the need to raise awareness about Flickr through publishing its use as widely as possible.
- 10.3 Members questioned whether photographs of artefacts could be printed off from the website at a cost, or literature, postcards, gifts could be ordered online resulting in a means of income generation for the Council. This was currently an area that the service was exploring. Members felt that if this was to be progressed that the delivery should be in-house.
- 10.4 The Museum Service offers a range of souvenirs for sale, for example, postcards and pictures of artefacts. Members were very keen to make better commercial use of the collection whilst ensuring that fees and charges are realistic.

11. CONCLUSIONS

11.1 The Museum and Art Gallery Collection Working group concluded:-

- (a) That if items of the Museum collection are considered for sale or disposal, then strict guidelines need to be followed in order to maintain the Accredited Museum Status and it was recognised that sales should only be for the benefit of the collection itself and disposal should always be carried out in an ethical way;
- (b) That the items of historic and / or social economic value from the Civic Collection form part of the Museum collection and ethical disposal of non-collecting items is arranged;
- (c) That the owners of the items which are held in storage are contacted and asked to claim their items. If not claimed, then the Council take ownership of them and the items of historical and / or social economic value are added into the Museum collection and ethical disposal of non-collecting items is arranged;
- (d) That awareness needs to be raised on how to access the collection, for example, viewing paintings through Flickr, the Public Catalogue Foundation and BBC online in order to maximise the effectiveness of the collection and increase its usage;
- (e) That making better commercial use of the collection is essential in order to increase income generation, for example, the delivery of an in-house online ordering and printing service;

- (f) That it is extremely important to collect all artefacts that are connected with the history of Hartlepool and therefore promoting the opportunity for the public to donate items is essential;
- (g) That expansion and development of the Museum exhibitions for the Museum Service's 100th anniversary is welcomed along with seeking 'designation' for the Maritime Collections; and
- (h) That a review of the Collections, Acquisitions and Disposals Policy is important and that Members of the Working Group are involved in this review.

12. RECOMMENDATIONS

12.1 The Museum and Art Gallery Collection Working Group has taken evidence from a range of sources to assist in the formulation of a balanced range of recommendations. The Forum's key recommendations to the Cabinet are as outlined below:-

- (a) That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update:-
 - (i) on the expansion and development of the Museum exhibitions; and
 - (ii) on seeking 'designation' for the Council's Maritime Collections.
- (b) That the Council promotes the opportunity for the public to donate items to the Collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts required and sample photographs
- (c) That the Council explores how the collection can:-
 - (i) be promoted to further enhance its usage; and
 - (ii) be utilised to increase income generation opportunities
- (d) That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.

ACKNOWLEDGEMENTS

The Working Group is grateful to all those who have presented evidence during the course of our investigation. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

Hartlepool Borough Council:

John Mennear – Assistant Director of Child and Adult Services

Mark Simmons – Museums and Gallery Manager

David Worthington – Head of Culture and Information

Kate Downey – Collections Access Assistant

Jean-Philippe Stienne – Collections Access Officer

COUNCILLOR MARJORIE JAMES CHAIR OF THE MUSEUM AND ART GALLERY COLLECTION WORKING GROUP

June 2012

Contact Officer: Laura Stones – Scrutiny Support Officer
Chief Executive's Department – Corporate Strategy
Hartlepool Borough Council
Tel:- 01429 523087
Email:- laura.stones@hartlepool.gov.uk

BACKGROUND PAPERS

The following background papers were consulted or referred to in the preparation of this report:-

- (i) Report of the Scrutiny Manager entitled 'Scrutiny Investigation into the Borough Council Museum and Art Gallery Collection – Scoping Report' presented to the Scrutiny Co-ordinating Committee of 2 September 2011
- (ii) Presentation of the Assistant Director of Community Services entitled 'Museum and Art Gallery Assets Review' delivered to the Museum and Art Gallery Collection Working group of 23 September 2011
- (iii) Presentation of the Assistant Director of Community Services entitled 'The Potential Options for the Future of the Collection' delivered to the Museum and Art Gallery Collection Working group of 17 October 2011

- (iv) Report of the Assistant Director of Community Services entitled 'Collection Valuations' delivered to the Museum and Art Gallery Collection Working group of 16 March 2012

CABINET

11 June 2012



Report of: Director of Child and Adult Services

Subject: SCRUTINY INVESTIGATION INTO 'THE BOROUGH COUNCIL MUSEUM AND ART GALLERY COLLECTION' – ACTION PLAN

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 This is a non-key decision.

2. PURPOSE OF REPORT

2.1 To agree an Action Plan in response to the findings and subsequent recommendations of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection'.

3. BACKGROUND

3.1 As a result of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection', a series of recommendations have been made. To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations, in response to these recommendations, an action plan has been produced in consultation with the appropriate Portfolio Holder(s) and is detailed in **Table 1** overleaf; which is to be submitted to the Scrutiny Co-ordinating Committee in July 2012 (subject to the availability of appropriate Portfolio Holder(s)).

Table 1:

OVERVIEW AND SCRUTINY ENQUIRY ACTION PLAN**NAME OF FORUM:** Scrutiny Co-ordinating Committee - Museum and Art Gallery Collection Working Group**NAME OF SCRUTINY ENQUIRY:** The Borough Council Museum and Art Gallery Collection

	RECOMMENDATION	EXECUTIVE RESPONSE / PROPOSED ACTION⁺	FINANCIAL / OTHER IMPLICATIONS	LEAD OFFICER	COMPLETION DATE*
(a)	That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update:- (i) on the expansion and development of the Museum exhibitions; and (ii) on seeking 'designation' for the Council's Maritime Collections.	(i) Formally report progress on the Collections Review to members on a quarterly basis. (ii) Incorporate stakeholder's needs and aspirations into the new version of the Collections, Acquisitions and Disposal policy. (iii) Hold formal consultations with all stakeholders on the expansion and development of the Museum permanent displays. (iv) Secure external funding for a full feasibility study to support the development of the Museum's permanent displays and public areas to refresh our visitor/user offer.	None None None None initially Potential requirement for match funding in longer term.	David Worthington David Worthington David Worthington David Worthington	March 2014 March 2013 August 2013 August 2013

		(v) Gain formal recognition of the importance of the Council's Maritime collections through Designation. If Designation is not possible, seek entry into comparative programmes.	None	David Worthington	March 2015
(b)	That the Council promotes the opportunity for the public to donate items to the Collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts required and sample photographs	<p>(i) Raise public awareness of this core mission by producing regular articles in Hartbeat. Focus on items and themes prioritised in the new Collections Policy.</p> <p>(ii) Review public enquiry and donation services to identify and implement improvements. This to include consideration of the opportunities for cross-disciplinary work with both Library and Archive services.</p>	<p>None</p> <p>None</p>	<p>David Worthington</p> <p>David Worthington</p>	<p>March 2014</p> <p>December 2012</p>
(c)	<p>That the Council explores how the collection can:-</p> <p>(i) be promoted to further enhance its usage; and</p> <p>(ii) be utilised to increase income generation opportunities</p>	<p>(i) Secure external project funding in collaboration with local partners to sustain and develop Collections Access initiatives.</p> <p>(ii) Secure external project funding in collaboration with local partners to widen digital and on-line access to the Collection.</p>	<p>None</p> <p>None</p>	<p>David Worthington</p> <p>David Worthington</p>	<p>March 2013</p> <p>March 2013</p>

		(iii) Initiate new income generating projects based around using the Collection. These to include “print on demand” of copies of items including ship plans and artworks from in-house services.	Potential for incurring initial set-up costs, but will lead to sustained income generation.	David Worthington	March 2013
(d)	That the potential of displaying more of the Council’s regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.	<p>(i) Full internal transfer and Accession of the Authority’s Civic Regalia into the Museum Collection.</p> <p>(ii) Items not owned by the Authority are instead sensitively returned to legal owners.</p> <p>(ii) Items to be included where relevant into permanent displays at the Museum.</p> <p>(iii) Assist in the decision making process for secure expanded Civic Display options in the Long Gallery of the Civic Centre.</p>	<p>None</p> <p>None</p> <p>Minimal : can be absorbed by current budgets</p> <p>Proper display consideration and risk assessment will review investment needs</p>	<p>David Worthington</p> <p>David Worthington</p> <p>David Worthington</p> <p>David Worthington</p>	<p>December 2012</p> <p>December 2012</p> <p>March 2013</p> <p>April 2014</p>

* please detail any risk implications, financial / legal / equality & diversity / staff / asset management considerations

* please note that for monitoring purposes a date is required rather than using phrases such as ‘on-going’

4. PROPOSALS

- 4.1 No options submitted for consideration other than the recommendation(s).

5. IMPLICATIONS OF RECOMMENDATIONS

- 5.1 Details of any financial or other considerations / implications are included in the action plan.

6. RECOMMENDATIONS

- 6.1 Cabinet is requested to approve the Action Plan, as detailed in **Table 1** above, in response to the recommendations of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection'.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The aim of the Museum and Art Gallery Collection Working Group's investigation into 'The Borough Council Museum and Art Gallery Collection' was to better understand the nature of the Museum and Art Gallery collections held within the possession of the Council.

8. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 8.1 No appendices are attached to this report.

9. BACKGROUND PAPERS

No background paper(s) were used in the preparation of this report.

10. CONTACT OFFICER

Contact Officer: John Mennear – Assistant Director, Community Services
Child and Adult Services
Hartlepool Borough Council
Tel:- 01429 523417
Email:- john.mennear@hartlepool.gov.uk