

CABINET AGENDA



17th December 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 3rd December 2012 (previously circulated)

4. **BUDGET AND POLICY FRAMEWORK**

- 4.1 Local Development Framework – Authorities Monitoring Report 2011/2012 – *Director of Regeneration and Neighbourhoods*
- 4.2 Medium Term Financial Strategy (MFTS) 2013/14 to 2016/17 – *Corporate Management Team*

5. **KEY DECISIONS**

- 5.1 Future use of Brierton Site – *Director of Regeneration and Neighbourhoods and Chief Finance Officer*
- 5.2 Landlord Accreditation Scheme – *Director of Regeneration and Neighbourhoods*
- 5.3 Localisation Of Council Tax Support 2013/14 - *Chief Finance Officer*



6. OTHER ITEMS REQUIRING DECISION

- 6.1 Children's Safeguarding Peer Review – *Director of Child and Adult Services*
- 6.2 Localism Act 2011 – Community Right to Bid – *Director of Regeneration and Neighbourhoods*

7. ITEMS FOR DISCUSSION/INFORMATION

- 7.1 Housing Market Renewal Transition Fund – Carr/Hopps Street Area Update – *Director of Regeneration and Neighbourhoods*

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 8.1 Holding Report – Formal Response to the Executive's Medium Term Financial Strategy (MFTS) 2013/14 to 2016/17 – Initial Budget Consultations – *Scrutiny Co-ordinating Committee*

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

No items

10. EXEMPT OTHER ITEMS REQUIRING DECISION

- 10.1 Future of the Indoor Bowling Club (para 3) – *Director of Regeneration and Neighbourhoods / Assistant Director (Community Services)*

11. EXEMPT ITEMS FOR DISCUSSION / INFORMATION



CABINET REPORT

17 December 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: LOCAL DEVELOPMENT FRAMEWORK –
AUTHORITIES MONITORING REPORT 2011/2012

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 This report is part of the Budget and Policy Framework.

The Authorities Monitoring Report forms part of the Hartlepool Local Development Framework.

2. PURPOSE OF REPORT

2.1 The report seeks approval of the draft Local Development Framework Authorities Monitoring Report 2011/12 that will be subject to final approval by Council.

3. BACKGROUND

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

3.2 These documents include:-

- i) Development Plan Documents (which include Neighbourhood Plans) and set out the spatial objectives and policies for the borough
- ii) Supplementary Planning Documents, which link to DPD policies but provides further guidance on how to achieve goals and implement policies
- iii) a Local Development Scheme (LDS) setting out a rolling programme for the preparation of Development Plan Documents (DPDs),
- iv) a Statement of Community Involvement (SCI) setting out the standards to be achieved in involving the community in the preparation of planning documents included in the LDS, and
- v) an Authorities Monitoring Report (AMR) assessing the progress of preparation work against key milestones identified in the LDS and the effectiveness of existing planning policies.

- 3.3 This report is concerned with the last of these three documents and covers the period April 1st 2011 to March 31st 2012. The report is available in the members room.
- 3.4 The AMR includes an assessment of performance against key milestones, which includes delivery of those documents listed within the LDS and policy implementation through the development management process.
- 3.5 Supplementary Planning Documents are no longer listed within the Council's Local Development Scheme so no formal assessment of their progress has been included within this AMR. A full update on all SPDs can be obtained from the Planning Services Manager.
- 3.6 Due to new legislation the Council now has to report on new elements;
1. Local Plan policies which specify numbers of dwellings;
 2. Any Neighbourhood Development Order or Neighbourhood Development Plan;
 3. Community Infrastructure Levy;
 4. Duty to Cooperate.
- 3.7 Formal endorsement of the Authorities Monitoring Report by the Council is required but the report no longer requires Secretary of State approval.
- 3.8 The AMR states that the Local Plan was submitted in June 2012, although the original deadline of November 2011 was missed, the report concludes that this has worked to the Council's advantage as it was possible to ensure that the Submission draft was inline with the National Planning Policy Framework that was published in March 2012.
- 3.9 The Tees Valley Minerals and Waste Core Strategy and Tees Valley Minerals and Waste policies and Sites Development Plan Document were adopted in September 2011. Again the original deadline was missed due to the varying reporting procedures in place in each of the five authorities.
- 3.10 The planning policies assessed in the AMR are those of the Hartlepool Local Plan adopted in April 2006. The policies are assessed in line with the local objectives and local indicators that form part of the 2006 Local Plan monitoring regime.
- 3.11 The report states that in general the Local Plan policies have been effective in both the management of planning proposals and in maintaining and/or improving the economic, social and environmental development of the borough. In most instances policies have ensured that development occurs in the correct locations i.e within the urban limits or beyond the urban limits with regard to agricultural development.
- 3.12 The report indicates that work has been ongoing with regard to looking at the deliverability of Local Plan sites and associated costs of infrastructure, this work, along with any work carried out by external consultants, will help to

assess the viability of implementing the Community Infrastructure Levy should one be agreed by the Council. The report also outlines the Council's progress with regard to the Duty to Cooperate.

- 3.13 Overall Hartlepool Borough Council has fulfilled this requirement successfully and to a high standard over many years, and the AMR sets out the Council's position on the Duty to Cooperate, and describes who the Council has liaised with during DPD preparation and evidence bases.

4. PROPOSALS

- 4.1 It is proposed that should this monitoring report be endorsed by Cabinet then it will be reported to Council on 7th February 2012 for endorsement and therein will be form part of the LDF for Hartlepool and will be available to officers, residents and all other stakeholders.

5. RISK IMPLICATIONS

- 5.1 There are no risk implications associated with the endorsement of the draft Authorities Monitoring Report.

6. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 6.1 The AMR displays a picture of crime related incidents within the borough, and the report comments on policies that are in place to seek to reduce crime and fear of crime. Endorsing this AMR will not have any effect on the Council's obligation to consider the need to do all that it reasonably to prevent, crime and disorder in its area.

7. LEGAL CONSIDERATIONS

- 7.1 Under the Planning and Compulsory Purchase Act 2004, and in line with the Town and Country Planning (Local Planning) (England) Regulations 2012 the Council are required to prepare a monitoring report that assesses the progress on LDF documents and the implementation of LDF policies.

8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1 The endorsement of the draft AMR will have no implications upon equality and diversity. Upon full endorsement by the Council the AMR will be published on the Council's web site and copies will be made available within the Civic Centre and Bryan Hanson House.

9. RECOMMENDATION

- 9.1 Cabinet is requested to endorse the Authorities Monitoring Report 2011/12 that will be subject to final approval by Council.

10. REASONS FOR RECOMMENDATION

- 10.1 Preparation of an Authorities Monitoring Report is a statutory requirement as detailed in section 7.

11. APPENDICES AVAILABLE ON REQUEST AND IN THE MEMBERS LIBRARY

- 11.1 Authorities Monitoring Report 2011 – 2012 (**Appendix A**)

12. BACKGROUND PAPERS

- 12.1 The Adopted Hartlepool Local Plan 2006
- 12.2 Town and Country Planning (Local Planning) (England) Regulations 2012
- 12.3 The Planning and Compulsory Purchase Act 2004

13. CONTACT OFFICER

Damien Wilson
Assistant Director (Planning & Regeneration)
Department of Regeneration & Neighbourhoods
Hartlepool Borough Council

01429 523400
damien.wilson@hartlepool.gov.uk



Hartlepool Borough Council Local Development Framework

Authorities Monitoring Report 2011 - 2012



November 2012

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EXECUTIVE SUMMARY

This is the eighth Monitoring Report produced by the Planning Services team on behalf of the Council. This report relates to the period 1st April 2011 to 31st March 2012. It reviews the progress made on the implementation of the Local Development Scheme (LDS) and generally assesses the effectiveness of planning policies and the extent to which they are being implemented.

Within this report period the Trees Valley Minerals and Waste Core Strategy and Policies and Sites Development Plan Document were adopted (September 2011). No Supplementary Planning Documents (SPDs) have been adopted within the monitoring period.

The 2011 LDS carried forward the Hartlepool Local Plan (formerly Core Strategy), during this report period the Local Plan was published and then submitted in June 2012 to the Secretary Of State (SOS) for independent examination. The 2011 LDS does not contain any information with regard to any of the SPDs that the authority seeks to produce.

The planning policies assessed in this report are those of the Hartlepool Local Plan adopted in April 2006. In October 2008, a request was sent to SoS to save 135 Local Plan Policies beyond April 2009. The SoS issued a direction on 18th December 2008 along with a schedule setting out the policies to be saved beyond 13th April 2009 (see Appendix 1). A list of the saved policies can also be accessed on: http://www.hartlepool.gov.uk/site/scripts/download_info.php?fileID=4102

Chapter 4 of this report details how the Local Plan policies have on the whole, been effective in both the management of planning proposals and in the economic, social and environmental development of the borough.

In accordance with Part 8, 34 (3) of the Town and Country Planning (Local Planning) (England) Regulations 2012 Chapter 4 includes annual numbers of net additional dwellings which have been specified in a local plan policy. In this instance policy Hsg5 sets a target of housing development to be provided on previously developed land and through conversions (60% by 2008 and 75% by 2016). The percentage of new dwellings built on previously developed land and through conversion equates to 38.5 in 2008/2009 and 77.2 in 2011/12. Although the requirements of Hsg5 have been met with regard to the brownfield land and conversion target for this monitoring year it is anticipated that this figure will not be sustained in the coming years, this is due to the fact that the borough does not have sufficient brownfield land to meet its 15 year housing need.

Policy Hsg6 identified a number of net dwellings to be provided on 2 sites within the borough, however there have been no new dwellings constructed at the Victoria Harbour and Headland regeneration sites. In 2009 the land owners at Victoria Harbour indicated their intentions not to proceed with the anticipated mixed use development and expressed their intention to focus on port-related development therefore it is considered that the policy is no longer relevant.

Whilst there are 2 neighbourhood planning areas within the borough, no neighbourhood development order or neighbourhood plan has been confirmed (Chapter 5). CIL is currently being explored (Chapter 6) and the details of co-operation by the Local Planning Authority are contained within Chapter 7.

1. INTRODUCTION

- 1.1 Government legislation requires all local planning authorities to prepare a monitoring report. Under previous legalisation the Council produced an Annual Monitoring Report (AMR) and sought approval from central Government. Since the introduction of the Localism Act this is no longer the case as the Government has handed back powers to the Council to agree their own monitoring report.
- 1.2 The new provisions of the Localism Act have led to Regulation 34 in The Town and Country Planning (Local Planning) (England) Regulations 2012 prescribing minimum information to be included in monitoring reports, including net additional dwellings, net additional affordable dwellings, Community Infrastructure Levy receipts, the number of neighbourhood plans that have been adopted, and action taken under the duty to co-operate. In essence it is a matter for each Local Planning Authority to decide what to include in their monitoring report over and above the prescribed minimum information. This AMR will, therefore, differ in nature from those we have prepared in the past.
- 1.3 This report is based on the ongoing monitoring of the borough over the past financial year and will assist us plan better for the borough. Where policies are failing we will seek to find out why and look to address them so that ultimately we know what the residents need and want and therefore we can aim to deliver it.

Planning Legislation

- 1.4 The Planning and Compulsory Purchase Act 2004 introduced a new system of development planning. In light of the Act, planning documents are being prepared and incorporated into a Local Development Framework (LDF). The LDF comprises a portfolio of Local Development Documents which together deliver the spatial planning strategy for Hartlepool (see Diagram 1 below). Some documents are known as Local Development Documents (LDDs) and include Development Plan Documents, Supplementary Planning Documents and Neighbourhood Plans.¹ LDDs will set out the spatial planning strategy for Hartlepool and progressively replace the adopted Hartlepool Local Plan 2006 and associated Supplementary Planning Guidance. The 2012 regulations² set out how what each LDF document should contain and the formal process they should go through.
- 1.5 The other documents that are within the LDF system, but are not termed LDDs, are:
 - The Local Development Scheme (LDS) which sets out the programme for preparing LDDs;
 - The Statement of Community Involvement (SCI) (adopted 2010) sets out how the Council will involve residents and other interested persons and bodies in the planning process; and
 - The Authorities Monitoring Report³ (AMR) which assesses the implementation of the Local Development Scheme, the extent to which policies in the LDD are being achieved, provides information with regard to CIL and sets out how the Council has cooperated with other Local Authorities and relevant bodies.⁴

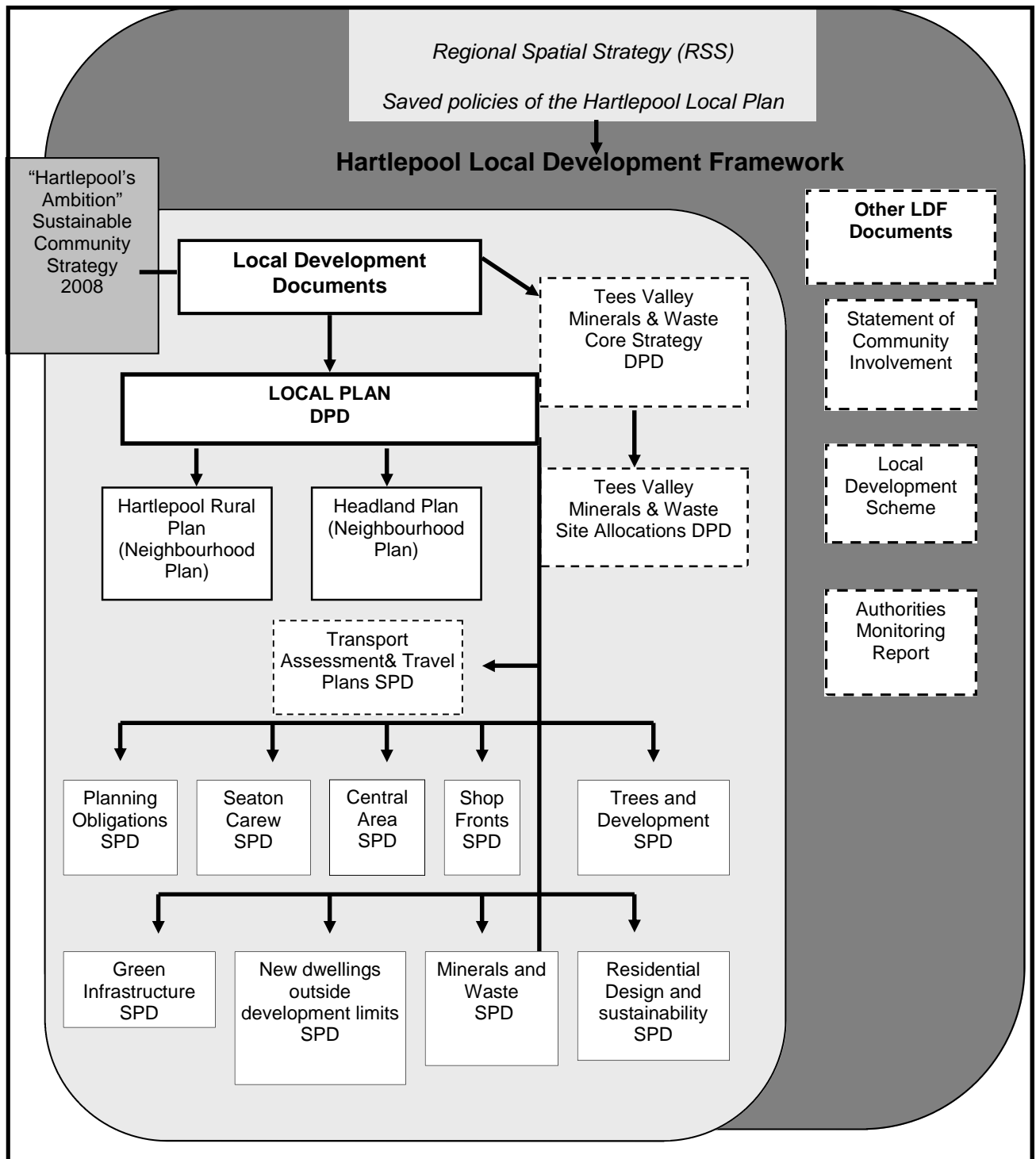
¹ Schedule 9, part 2 (6) (b) of the Localism Act amends 38 (3) of the Planning and Compulsory Purchase Act 2004 to include Neighbourhood Plans as LDD's.

² Town and Country Planning (Local Planning) (England) Regulations 2012

³ Formally termed the Annual Monitoring Report in line with the Town and Country Planning (Local Development) (England) Regulations 2004, as amended.

⁴ Part 2, 4 of the Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the bodies that the council must cooperate with.

Diagram 1: Hartlepool Local Development Framework



The Authorities Monitoring Report

- 1.6 Local planning authorities are required to examine certain matters in their Monitoring Reports.⁵ The key tasks for this monitoring report are as follows:
- Review actual progress in terms of the preparation of documents specified in the Local Development Scheme against the timetable and milestones set out in the scheme, identifying if any are behind timetable together with the reasons and setting out a timetable for revising the scheme (Section 3).
 - Assess the extent to which planning policies are being implemented, including any justification as to why policies are not being implemented and any steps that the council intend to take to secure that the policy is implemented. This assessment will be of the saved policies from 2006 adopted Local plan (Section 4).
 - Contain details of any Neighbourhood Development Order or a Neighbourhood Development Plan that are being prepared or have been adopted within the borough (Section 5).
 - Provide information regarding the progress of the Community Infrastructure Levy (Section 6).
 - Provide information regarding who the council has cooperated with in relation to planning of sustainable development (Section 7).
- 1.7 In terms of assessing the implementation of such policies, the Authorities' Monitoring Report should:
- identify whether policies need adjusting or replacing because they are not working as intended; identify any policies that need changing to reflect changes in national or regional policy; and
 - set out whether any policies are to be amended or replaced.
- 1.8 In order to assess the effectiveness of planning policies, it is important to set out the social, economic and environmental context within which the policies have been formulated, the problems and issues they are intended to tackle, and the opportunities of which advantage can be taken to resolve such problems and issues. Section 2 of this report therefore gives consideration to the key characteristics of Hartlepool and the problems and challenges to be addressed.
- 1.9 This report for the period 1st April 2011 to 31st March 2012 gives consideration to the policies of the Hartlepool Local Plan adopted in April 2006 and the Tees Valley Minerals and Waste Core Strategy and the Policies and Sites DPD adopted in 2011.

⁵ Part 8 Town and Country Planning (Local Planning) (England) Regulations 2012

2. HARTLEPOOL – KEY CHARACTERISTICS, STATISTICS AND THE PROBLEMS AND CHALLENGES FACED

- 2.1 The key contextual indicators used in this chapter describe the wider characteristics of the borough and will provide the baseline for the analysis of trends, as these become apparent and for assessing in future Authorities' Monitoring Reports, the potential impact future planning policies may have had on these trends. The key characteristics reflect the outcomes and objectives set out in the Community Strategy (2008) in so far as they relate to spatial planning. Many of the contextual indicators are related to priorities set out in Hartlepool's Local Area Agreement (2008-2011). Both documents can be viewed on the Hartlepool Partnership website (<http://www.hartlepoolpartnership.co.uk/>).

Hartlepool & the Sub-regional Context

- 2.2 The borough forms part of the Tees Valley along with the boroughs of Darlington, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees.
- 2.3 Hartlepool is an integral part of the Tees Valley region. It is a retail service centre serving the borough and parts of County Durham, in particular Easington. Over recent years the borough has developed as an office and tourism centre. The development of the Maritime Experience and the Marina forms an important component of coastal regeneration exploiting the potential of the coast as an economic and tourist driver for the Region.

Hartlepool in the Local Context

- 2.4 The original settlement of Hartlepool dates back to Saxon times. Originally an important religious settlement the town's early development resulted from the existence of a safe harbour and its role as a port for the city of Durham and subsequent grant of a Royal Charter from King John in 1201. The town as it is today has grown around the natural haven which became its commercial port and from which its heavy industrial base developed.
- 2.5 The borough of Hartlepool covers an area of approximately 9400 hectares (over 36 square miles). It is bounded to the east by the North Sea and encompasses the main urban area of the town of Hartlepool and a rural hinterland containing the five villages of Hart, Elwick, Dalton Piercy, Newton Bewley and Greatham. The main urban area of Hartlepool is a compact sustainable settlement with many of the needs of the residents in terms of housing, employment, shopping and leisure being able to be met within the borough. The Durham Coast railway line runs through the centre of the town and connects Hartlepool to Newcastle, the rest of Tees Valley, York and London. The A19 trunk road runs north/south through the western rural part of the borough, the A19 and the A1 (M) are readily accessed via the A689 and the A179 roads which originate in the town centre.

Population

- 2.6 Information from the Office for National Statistics shows that the population of Hartlepool declined steadily in the later decades of the 1900s from 99,200⁶ to about 91,300⁷ but more recently has increased slightly to 92,100⁸ with 47,300 residents

⁶ 1971 Census

⁷ ONS 2010 mid-year population estimates

⁸ ONS 2011 census

being female and 45,800 male.

- 2.7 Migration into the borough is balanced with out migration, both are at approximately 2000.⁹

Ethnicity

- 2.8 Within Hartlepool the number of nationalities has increased from 26 in 2006, to 43 in 2011 (the same figure as 2010). This is the lowest number of nationalities within the Tees Valley; Middlesbrough has the greatest number of nationalities at 58.¹⁰
- 2.9 The Black & Minority Ethnicity (BME) population in Hartlepool has been increasing slowly over the years, in 2010, 0.8% of the population were from BME communities; in 2011 the population stands at 0.9%. Middlesbrough has the highest BME population and Hartlepool is the fourth highest out of all the five Tees Valley authorities.¹¹

2010 Index of Multiple Deprivation

- 2.10 Hartlepool is currently ranked by the Index of Multiple Deprivation (IMD 2010)¹² as the 24th most deprived out of the 354 Local Authorities in Britain. This is an improvement on the 2007 ranking of 23rd and 2004 ranking of 14th most deprived Local Authority. The IMD measures deprivation in its broadest sense by assessing indicators relating to income, employment, health and disability, education, skills and training, barriers to housing and services, crime and the living environment and combining them into a single deprivation score for each small area in England. This allows each area to be ranked relative to one another according to their level of deprivation. The IMD indices have been produced at Lower Super Output Area 4 (LSOA) level, of which there are 32,482 in the country. Hartlepool has 58 LSOAs, 21 of which are in the top ten per cent of deprived LSOAs in Britain (37%).
- 2.11 Many of the factors included in the IMD may have been influenced indirectly by the planning policies of the 2006 Hartlepool Local Plan (e.g. policies enabling the diversification of employment opportunities can increase employment and income, policies for the improvement of the built and natural environment, including housing, can influence health, crime levels and the living environment generally).

Car Ownership

Table 1: Car ownership levels 2007 and 2012 in Hartlepool

	2007		2012	
No Car	15097.8	37.78%	15607.8	36.99%
1 Car	17494.2	43.77%	18892.2	44.78%
2 Cars	6237	15.61%	6555.4	15.54%
3+ Cars	1135.2	2.84%	1135.2	2.69%
Total Households	39964.2	-	42190.6	-

Source: TEMpro database¹³

- 2.12 As shown in the table above, car ownership is low in Hartlepool. 38% of households had no car in 2007 and this figure is relatively the same for 2012 at 37%.

⁹ ibid 8

¹⁰ https://www.teesvalleyunlimited.gov.uk/media/85596/tvu_nationality_electoral_register_dec_2011.pdf

¹¹ ibid 10

¹² Communities.gov.uk, 2011 figures are not available

¹³ Transport Economic Appraisal tool developed by Mott MacDonald for Dft.

Tourism

- 2.13 Despite being in a peripheral location, Hartlepool has evolved into a place which has an appeal for people to live, work and visit. Its successes include, a multi-million pound 500 berth marina with a wealth of visitor facilities, including Hartlepool's largest visitor attraction, Hartlepool's Maritime Experience. A visitor economy valued at £118m, supporting nearly 2000 jobs and attracting over 3 million visitors in 2009. A comprehensive range of eating establishments predominantly situated in Hartlepool Marina – developing a night-time economy along with a range of traditional seaside facilities at Seaton Carew enhanced by the heritage attractions of the Headland.
- 2.14 The accommodation provision within Hartlepool has increased in its range, mix and volume and the boroughs tourist profile has been raised through the success of the media coverage from The Tall Ships Races 2010.

Jobs and economy

- 2.15 There has been significant investment in a series of capital projects that have improved the physical infrastructure of the town e.g. Queen's Meadow. Three Enterprise Zones with Local Development Orders have also been agreed at The Port, Queens Meadow and Oakesway. The LDOs reduce costs and create more certainty and as there is no requirement for a planning application and subsequent planning committee meeting.
- 2.16 The focus on development of the Port is towards port-related uses and in particular towards construction associated with off shore wind and renewable energy technologies. Although Hartlepool recently lost out to Leith for a significant employment opportunity with Spanish firm Gamesa, this has not altered the ports vision to provide significant port related employment opportunities and the recent LDO will help deliver the port's vision.

Table 2: Unemployment Rates 2011

	UNEMPLOYMENT		% WORKING AGE POPULATION		
	Claimant Unemployment Rate	Out of Work Benefits	In Employment	Economically Inactive	Economically Inactive (Wants a Job)
Darlington	5.5	18.2	69.2	25.0	23.1
Hartlepool	7.3	24.0	58.2	31.0	26.5
Middlesbrough	7.5	23.9	54.8	34.5	20.4
Redcar & Cleveland	6.4	20.9	60.0	30.3	22.0
Stockton-on-Tees	5.3	17.5	69.6	22.6	19.3
Tees Valley	6.3	20.6	62.7	28.3	21.8

Source: NOMIS Official Labour Market September 2011¹⁴

¹⁴ <http://www.nomisweb.co.uk/>

2.17 Table 2 above shows that the claimant unemployment rate¹⁵ in Hartlepool is 7.3%, this is a slight increase from 2010 (7.0%). The rate is still higher than the sub-regional's average of 6.3%.

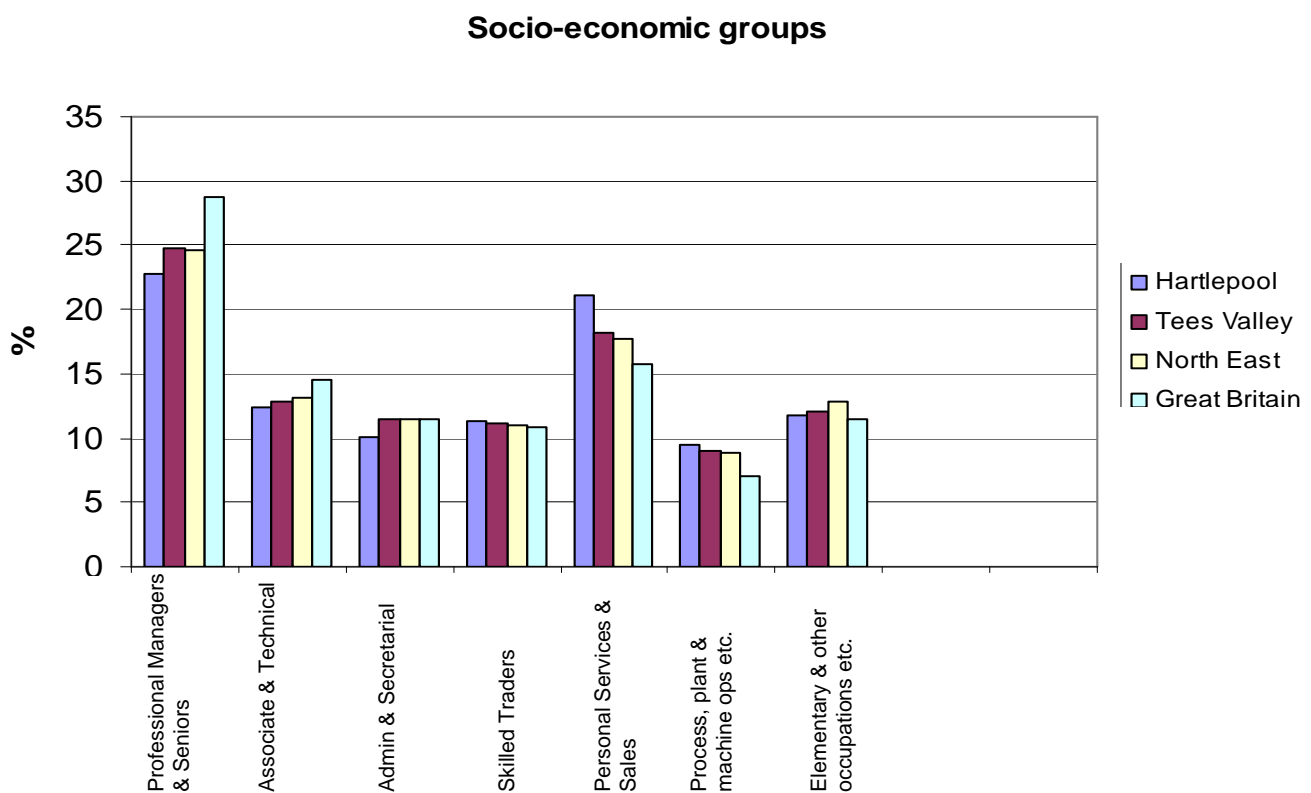
2.18 Worklessness rate¹⁶ in Hartlepool is fourth highest in the sub-region, (Middlesbrough has the highest rate). The percentage of the working age population not in work is calculated as the economically inactive plus the unemployed. It includes students, people who do not want to work, and the early retired.

2.19 Overall table 2 shows that Hartlepool is struggling in terms of unemployment when compared to the rest of the Tees Valley.

Socio-economic groups

2.20 Graph 1 below shows that Hartlepool has a lower proportion of the higher socio-economic groups (e.g. professional managers and seniors, associate technical, administration secretarial) than nationally. Conversely, it has a higher proportion of the lower socio-economic groups (e.g process plant and machine operators, skilled trade).

Graph 1: Socio-economic groups 2010



Source: Tees Valley Unlimited August 2010¹⁷

¹⁵ Rates have been calculated on a consistent basis using the number of people claiming Job Seekers Allowance, divided by TVU's estimates of the Working Age Population. This is equivalent to the 'official' claimant unemployment rate.

¹⁶ The percentage of the working age population not in work is calculated as the economically inactive plus the unemployed. It includes students, people who do not want to work, and the early retired.

¹⁷ 2011 Figures are unavailable.

Health

2.21 The health statistics for Hartlepool are of concern; life expectancy within Hartlepool is lower than the rest of the Tees Valley and the national average. The amount of adult smokers, those at high risk due to drinking and those that misuse drugs is also higher than the Tees Valley and national figure. The obesity rate is slightly lower than the Tees Valley percentage however it is higher than the national rate. The number of deaths relating to smoking, heart disease and Cancer is higher in Hartlepool than the Tees Valley and nationally. The percentage of people in care and unable to work is also higher in Hartlepool than the Tees Valley and nationally.

Table 3: Health Information Comparisons

		Hartlepool	Tees Valley	North East	National
Life expectancy (years)	Male	75.9	-	77.2	78.2
	Female	81.0	-	82.1	82.3
Adult smokers (% of population)		24.5	23.3	27.9	21.2
Higher risk drinking (% of population)		30.6	29.2	30.1	23.6
Drug misuse (crack and/or opiates per 1000 population aged 15-64)		19.0	16.3	-	9.4
Obese Adults (% of population)		27.5	28.1	27.8	24.2
Causes of death	Smoking related per (100,000 population)	316.1	289.6	276.1	216.0
	Heart diseases and stroke (per 100,000 population aged under 75)	82.1	83.1	87.2	70.5
	Cancer (per 100,000 population aged under 75)	159.1	136.7	134.0	112.1
People needing care (% of population)		11.5	10.7	-	9.3
People unable to work (% of population)		10.6	8.4	-	6.5

Source: Tees Valley Unlimited¹⁸

Lifelong Learning and Skills

2.22 Qualification levels in Hartlepool are slightly lower compared to the sub regional and national levels as illustrated above. The overall number of residents with no qualifications is some 6.4% higher than the national average, yet the figure is lower (3.1) when compared with the other four Tees Valley authorities.

Table 4: Qualifications 2011

	Hartlepool	Tees Valley	North East	National
No qualifications	17.0%	13.9%	12.2%	10.6%
Other qualifications	5.4%	5.3%	5.8%	6.7%
NVQ1 and above	77.6%	80.3%	82.5%	82.7%
NVQ2 and above	63.7%	67.0%	68.7%	69.7%
NVQ3 and above	44.0%	46.1%	48.8%	52.7%
NVQ4 and above	21.3%	24.0%	26.5%	32.9%

Source: Tees Valley Unlimited 2011¹⁹

¹⁸ https://www.teesvalleyunlimited.gov.uk/InstantAtlas/DISTRICTS/report_District_EB.html

¹⁹ Ibid 18

Housing

Table 5: Number of dwellings in each housing group April 2011 to March 2012

Housing group	Hartlepool	Tees Valley
Terraced	34.8%	24.7%
Semi detached	29.2%	35.8%
Detached	13.9%	16.9%
Bungalow	7.1%	10.3%
Flat/other	15%	12.3%
Housing Vacancy Rate	5.3%	3.6%

Source: Tees Valley Strategic Housing Market Assessment (2012)

2.23 Within Hartlepool housing market failure is evident in some parts of the town due to 5.3% of the properties being vacant compared to a Tees Valley rate of 4.9%, a north east rate of 3.6% and the national rate of 2.8%. The vacancy rate is primarily due to the fact that Hartlepool contains higher than average levels of terraced housing stock (34.8% compared to 24.7% across the Tees Valley) and that older terraced properties are much less popular than they once were, for a number of reasons such as energy efficiency lack of amenity space and parking. Conversely the proportion of detached dwellings is relatively small (13.9% compared to 16.9% across the Tees Valley).

2.24 The imbalance in the housing stock is being addressed on a holistic basis. Housing market renewal (HMR) initiatives for clearance and improvement are proving to be successful in tackling problems associated with the existing housing stock and new housing development is helping to change the overall balance of housing stock and provide greater choice.

Current House Prices

Table 6: Average house prices by sales 2011/2012

Post Code Area	Detached		Semi-detached		Terraced		Flat/Maisonette	
	Price £	Sales	Price £	Sales	Price £	Sales	Price £	Sales
TS22	349,100	44	131,054	45	193,607	14	159,840	10
TS24	139,316	9	83,645	64	72,279	104	81,262	19
TS25	173,081	40	106,958	146	107,190	156	71,880	19
TS26	208,344	137	134,076	93	73,656	103	83,838	7
TS27	141,111	8	83,645	64	72,278	104	-	-
Borough-wide Average		238		412		481		55

Source: Rightmove.co.uk

2.25 Table 6 shows the average house prices and the amount of properties sold for the financial year 2011/2012. Semi detached and terraced properties accounted for most house sales, this was the same position in the last financial year. The average price for houses sold in Hartlepool this year (2011/2012) is £121,085 and this is a decrease of approximately 16.35% compared to 2010/2011 where the average price was £144,749. Affordability is still a key issue in Hartlepool as highlighted in the 2012 Tees Valley Strategic Housing Market Assessment and the Council is continuing to invest in more affordable housing in partnership with private developers and housing associations such as Housing Hartlepool.

Community Safety

- 2.26 Community safety is one of the key issues being addressed by the Hartlepool Partnership and key community safety initiatives such as the introduction of Neighbourhood Policing and target hardening measures have contributed to the reduction in crime over the years. Safer Hartlepool Partnership's main aim is to reduce acquisitive crime and prevent re-offending.

Table 7: Notifiable Offences Recorded by the Police 2011/2012

Crime Category	Number of recorded offences Hartlepool	% change from previous year	Number of recorded offences Cleveland Police area	% change from previous year
Violence	1552	0.8	8329	-4.8
robbery	33	17.9	273	-7.5
sexual	98	9.3	585	4.1
Criminal Damage	1592	7.6	9338	1.5
Forgery & Fraud	100	-2.9	799	13.5
Drugs	454	7.6	2250	-12.3
Burglary in a Dwelling	363	-13.4	2439	2.3
Burglary Other than a Dwelling	320	-19%	2673	4.0
Theft of a Motor Vehicle	126	-26.3	856	10.9
Theft from a Motor Vehicle	328	-3%	2302	-18.9
Total	4966	-	29844	-

Source: cleveland.police.co.uk

- 2.27 Table 7 gives a breakdown of offences by the crime category under which they were recorded by Cleveland Police. These figures are based on the date that the crime was recorded not necessarily the date the offence occurred. During the period April 2011 to March 2012, Cleveland Police recorded 29844 offences, 4966 of them were within Hartlepool. The number of robberies has increased by 17% in Hartlepool while the number of reported burglaries other than to a dwelling and theft of motor vehicles have decreased by approximately a quarter.

The Environment

- 2.28 Hartlepool has a rich environmental heritage and very diverse wildlife habitats. The built, historic and natural environment within Hartlepool plays host to a wide range of buildings, heritage assets including archaeological remains, wildlife habitats, geological and geomorphological features, landscape types and coastal vistas.

The Built Environment

- 2.29 The town has a long maritime tradition and a strong Christian heritage with the twelfth century St Hilda's church, on the Headland (a Grade I Listed Building) built on the site of a seventh century monastery. Some of the medieval parts of borough, on the Headland are protected by the Town Wall constructed in 1315, the Town Wall is a Scheduled Ancient Monument and Grade I Listed Building. There are eight conservation areas within the borough and 201 Listed Buildings, eight Scheduled Ancient Monuments and One Protected Wreck. One of the town's Victorian parks (Ward Jackson Park) is included on the list of Registered Parks & Gardens.

Geological & Geomorphological Features

2.30 The geology of Hartlepool comprises two distinct types:

1. The north of the borough sits on the southern reaches of the Durham Magnesian Limestone Plateau, which is of international geological importance. Although the Magnesian Limestone in Hartlepool is generally too far below the overlying soils to give rise to the characteristic Magnesian Grassland flora found further north, it is exposed in several quarries and road cuttings and forms a spectacular gorge in West Crimdon Dene along the northern boundary of the Borough.
2. The southern half of the borough sits on Sherwood Sandstone from the Triassic period; a rare exposure on the coast at Long Scar & Little Scar Rocks is a Regionally Important Geological Site. Of more recent geological origin is the Submerged Forest SSSI, which underlies Carr House Sands and is intermittently exposed by the tide. This area of waterlogged peat has yielded pollen, mollusc and other remains, which have been used to establish the pattern of sea-level change in Eastern England over the past 5,000 years.

Wildlife Characteristics

2.31 The borough is bordered on the east by the North Sea and features extensive areas of attractive coastline including beaches, dunes and coastal grassland. Much of the inter-tidal area of the coast is internationally important for its bird species and is protected as Teesmouth & Cleveland Coast Special Protection Area/Ramsar site. There are nationally protected Sites of Special Scientific Interest at Hart Warren, the Hartlepool Submerged Forest and Seaton Dunes and Common. Other areas of the coast include part of the Teesmouth National Nature Reserve and Sites of Nature Conservation Interest.

2.32 Hartlepool only has one inland Site of Special Scientific Interest (SSSI), Hart Bog. This is a small area which has four distinct plant communities and is of particular botanical interest.

2.33 The prominent location of the town's Headland, as a first landfall on the east coast, makes it of national significance for the birdwatching community. Inland is an attractive, rolling agricultural landscape including areas of Special Landscape Value. Interspersed in this landscape are a number of fragmented but nevertheless diverse and important wildlife habitats.

2.34 There are six Local Nature Reserves in the borough and 40 non-statutory geodiversity and biodiversity sites protected as Sites of Nature Conservation Interest (SNCI) and/or Regionally Important Geological & Geomorphological Sites (RIGGS) have been identified in the Local Plan. A further five sites have been identified by the sub-regional RIGGS group as meriting this designation.

2.35 The borough contains some notable examples of wildlife species: grey and common seals are frequent along the coastline with the latter breeding in Seaton Channel. The area of sand dunes, grazing marsh and mudflats around the North Gare form the northern section of the Teesmouth National Nature Reserve where there are salt marsh and dune plants with some important species of marsh orchid and other rare species.

Bathing water

2.36 Seaton Beach covers an extensive area and attracts significant numbers of visitors for walking, bathing and windsurfing activities. Seaton Carew Centre and Seaton Carew

North Gare (south) both meet the Bathing Water Directives guideline standard which is the highest standard and Seaton Carew North passed the imperative standard which is a basic pass.

Air quality

- 2.37 Air quality in Hartlepool currently meets statutory standards with no requirement to declare any Air Quality Management Areas.

Culture and Leisure

- 2.38 Museums associated with Hartlepool's maritime heritage and other important cultural facilities including the art gallery and Town Hall Theatre which are located within the central part of the borough and comprise a significant focus for Hartlepool's growing tourism economy. In particular, the Hartlepool Maritime Experience is a major regional/national visitor attraction.
- 2.39 There are a number of parks and recreation facilities throughout the town and three green wedges that provide important links between the countryside and the heart of the urban areas. On the fringes of the built up area are three golf courses and a country park at Summerhill.

Future Challenges

- 2.40 Hartlepool has, over recent, years seen substantial investment, particularly from government funding streams; this investment has completely transformed the environment, overall prosperity and above all Hartlepool's image. The Council wish to build on the previous successes but are faced with severe budget cuts. Below is an analysis of the main strengths, weaknesses, opportunities and threats facing the borough.

Table 8: Hartlepool SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Successful allocation of Enterprise Zones • Compactness of main urban area • Expanding population • Sense of community / belonging • Partnership working • Good track record in delivering physical regeneration • Diverse, high quality and accessible natural environment • Diverse range of heritage assets including the maritime, industrial and religious • Availability of a variety of high quality housing • Successful housing renewal • High levels of accessibility by road • Lack of congestion • Good local road communications • Direct rail link to London • Good local rail services • Active and diverse voluntary and community sector • Positive community engagement • Successful event management • Small business and SME development • Growth of visitor market • High quality tourist attractions • High quality expanding educational facilities. 	<ul style="list-style-type: none"> • Perceived image • Location off main north-south road corridor • High deprivation across large areas of the town • Low employment rates and high level of worklessness • Legacy of declining heavy industrial base • Small service sector • Imbalance in the housing stock • Shortage of adequate affordable housing • Poor health • Low level of skills • High crime rates • Exposed climate • Range and offer of retail facilities • Reductions in public resources have affected regeneration and employment levels. 	<ul style="list-style-type: none"> • Young population, possible asset for future prosperity • Can improve the economy and the growing house choice thus improving the recent stabilisation of population levels • Availability of land to enable diversification of employment opportunities • Potential for development of major research, manufacturing and distribution facilities on A19 corridor • Potential for further tourism investment • Potential for integrated transport links • Major high quality employment opportunities at Victoria Harbour, Queens Meadow and Wynyard Park • Success of Tall Ships races and opportunity to bid for the event in the future • Plans for development of Tees Valley Metro • Established housing market renewal programme • New state of the art hospital site in Wynyard • Potential New Nuclear Power Station • Renewable Energy and Eco Industries • Developing indigenous business start-up and growth • New government guidance in the form of the NPPF and CIL regulations. 	<ul style="list-style-type: none"> • Closure of major employer/s • Expansion of area affected by housing market failure • Climate change and rising sea levels • Lack of financial resources / budget deficits • Increasing car ownership and congestion • Loss of Tees Crossing Project • Access to New hospital • Competition from neighbouring out of town retail parks • Competition from outlying housing markets • Uncertainty in relation to Council budgets • Uncertainty in relation to government funding programmes.

Source: Hartlepool Local Plan Submission draft 2012

- 2.41 The main challenge this year and the coming years are similar to those of 2010, Hartlepool is challenged by further public expenditure cuts and therefore local services will have to be scaled down and carried out on a more constrained restricted budget. Job losses across the borough are a real threat to the local economy and this is likely to lead to an increase in the number of people seeking welfare benefits. Despite the expenditure cuts Hartlepool will continue to support the development of the local economy and to address the imbalance in the housing stock (including the lack of affordable housing and executive housing) so as to at least maintain the population at its current level and to ensure that the borough remains sustainable and an attractive place to live, work and play. Planning policies: enable an improvement in the range of housing available (both through demolition and replacement of older terraced housing and provision of a range of new housing); enable the diversification of the local economy and the growth in tourism; encourage the provision of improved transport links and seeks to improve the built and natural environment which will all assist in achieving this aim and improve the quality of life within Hartlepool.
- 2.42 Through policies in the Local Plan and various other strategies and incentives the Council will continue to seek ways to achieve higher economic growth rates in Hartlepool in order to bridge the gap with more prosperous authorities in the region and provide greater opportunities and prosperity for residents. The attraction and retention of highly skilled workers is viewed as critical to regional and sub-regional economic success, the Council will work with other Tees Valley authorities to ensure the right housing and environmental conditions are available to contribute to population growth and the attraction of key highly skilled workers to the region.

3. IMPLEMENTATION OF THE HARTLEPOOL LOCAL DEVELOPMENT SCHEME

- 3.1 The Hartlepool Local Development Scheme (LDS) sets out a rolling programme for the preparation of Local Development Documents (LDDs) relating to forward planning in Hartlepool.
- 3.2 The LDS is specifically concerned with documents being prepared over the next three years but also highlights those which are likely to be prepared beyond this period into the future. It sets out the timetable and highlights the key stages for the preparation of new policy documents and when they are proposed to be subject to public consultation. The LDS that relates to this report was approved by Cabinet in October 2011 and produced in December 2011.

Implementation of the 2011 Local Development Scheme

- 3.3 The December 2011 LDS carried forward one Development Plan Document from the previous year; The Hartlepool Local Plan (formerly termed Core Strategy) and the associated Proposals Map. The 2011 LDS does not include reference to Supplementary Planning Documents, for information relating to future SPDs please see Diagram 1.
- 3.4 Table 9 details the timetable for the 2011 LDS. Table 10 details the key milestones and delivery of the LDS. The tables indicate that during the monitoring year work on the Local Plan progressed, however, the key dates within the LDS were not achieved. The publication of the Local Plan was originally delayed due to a second round of public consultation relating to a second Preferred Options document. The second Preferred Options production and consultation inevitably delayed the process of the Local Plan. Although key milestones were not achieved the Council are of the opinion that it was necessary to delay the process by reassessing the plan in light of government changes i.e the intention to revoke the RSS and the high number of objections received at the first Preferred Options stage (over 1000).
- 3.5 Since April 2011, Council officers have continually worked on the Local Plan with the assistance of interested parties/bodies, Councillors and residents. The Council published its final plan in February 2012 and submitted to the Secretary of State in June 2012 for independent examination.
- 3.7 A pre hearing meeting date has been set for December 2012 with the hearing to follow in January/February 2013. It is anticipated that these dates will be achieved as the Council are committed to meeting the Inspectors timetable.
- 3.8 Joint Minerals and Waste Core Strategy and Site Allocations DPDs: These two Development Plan Documents were prepared for the whole of the Tees Valley area. During 2010/2011 work continued on producing the 2nd Publication document as a result of objections received from representations, in particular from Natural England. The 2nd publication was completed in August 2010 and public examination commenced in February 2011. Due to the varying reporting systems and timeframes within each authority the deadline of June 2011 was missed and the two documents were adopted in September 2011.
- 3.9 As the two DPDs were only adopted mid way through the financial year, it was agreed, by all five Tees Valley Authorities that they would not be included within the Authorities Monitoring Report for this period. The two DPDs will be reported upon in the next financial periods 2012/2013.

Table 9: Timetable of Hartlepool Development Plan Documents

Year	Month	Core Strategy DPD
2009	J	Preferred Options and Draft Policies
	A	
	S	
	O	
	N	
	D	
2010	J	Consultation on Preferred Options (Reg 25)
	F	
	M	
	A	Consideration of representations and changes to the Planning System under the new government
	M	
	J	
	J	
	A	
	S	
	O	Consultation on Preferred Options Version 2 (Reg 25)
	N	
	D	
2011	J	Consideration of representations
	F	
	M	
	A	
	M	Draft Policies approved by Council
	J	Publication of DPD (Reg 27)
	J	Consultation on Published document
	A	
	S	
	O	
	N	Submission of DPD (Reg 30)
	D	
2012	J	Pre examination meeting Commencement of Public Examination
	F	
	M	
	A	
	M	
	J	
	J	
	A	Inspector's Report Fact Check Inspector's Final Report Adoption and revised proposals map
	S	
	O	

Table 10: Hartlepool Development Plan Documents key milestones and delivery

Document	Key Milestone	Key Dates	Actual Progress	Milestone Achieved
Hartlepool Local Plan DPD	Publication of DPD	June 2011– sept 2011	February 2012 A high number of issues arose between the second preferred options and Publication stage, the June 2011 deadline was not achieved. Consultation took place between 13 th February and 26 th March 2012.	No (February 2012)
	Submission and Consultation of DPD	November 2011	Due to previous delays it was not possible to submit the Local Plan in November 2011. This has in fact worked to the Council's advantage as in March 2012 the National Planning Policy Framework was published, this delay allowed the Council to revise the submission draft to ensure conformity with the new guidance and not out-dated guidance.	No (June 2012)
	Pre examination	Feb 2012	Due to a delay in producing the publication draft, coupled with the release of the NPPF, the pre-examination date is later than first anticipated.	No (December 2012)
	Public examination	March 2012	Public examination is anticipated to begin on 28 th January 2013.	No
Joint Minerals and Waste Core Strategy	adoption	June 2011	Due to the varying reporting systems and timeframes within each authority the deadline of June was not achieved.	No (Adopted September 2011)
Tees Valley Joint Minerals and Waste Site Allocations DPD	adoption	June 2011	Due to the varying reporting systems and timeframes within each authority the deadline of June was not achieved.	No (Adopted September 2011)

4. ASSESSMENT OF POLICIES

Hartlepool Local Plan 2006

Introduction

- 4.1 This section of the Authorities Monitoring Report considers the effectiveness of current planning policies. The current planning policies in terms of the period covered by this report are those of the Hartlepool Local Plan adopted in April 2006 and which were in force throughout this report period.
- 4.2 The 2012 Regulations²⁰ which came into force require LPA's to provide information on annual numbers of net additional dwellings or net affordable dwellings as specified in any Local Plan policy within the monitoring period and since the date the policy was first published, adopted or approved, in this instance April 2006. Although there is a reduced requirement on LPA's to provide information given that the current Local Plan 2006 has objectives and indicators it is considered that policies should still be assessed against these. It is however impractical to assess every single policy of the 2006 Hartlepool Local Plan.
- 4.3 This section therefore considers the objectives of the 2006 Local Plan, the policies relating to these objectives and some related output indicators for assessing the effectiveness of the policies. The indicators include relevant national core output indicators²¹ and a number of local output indicators. Whilst working on the LDF, the Local Plan policies have been saved as from 13th April 2009. A Schedule of these 'saved policies' which were agreed by the Secretary of State are set out in Appendix 1. The 'saved policies' are also available online on the Council's website (http://www.hartlepool.gov.uk/downloads/1004/planning_policy). A selected number of targets have been included in this report.

Hartlepool Local Plan Objectives, Policies and Indicators

- 4.4 The overall aim of the Hartlepool Local Plan is:

“to continue to regenerate Hartlepool securing a better future for its people by seeking to meet economic, environmental and social needs in a sustainable manner”

- 4.5 In the context of this aim, the strategy for the Local Plan covers the following four broad areas:
- regeneration of Hartlepool,
 - provision of community needs,
 - conservation and improvement of the environment and
 - maximisation of accessibility.
- 4.6 The plan sets out specific objectives relating to the above four elements of the strategy, from which the plan's policies have been developed. Many of these policies relate to more than one objective.

²⁰ Part 8, 34 (3) of the Town and Country Planning (Local Planning) (England) Regulations 2012

²¹ Regional Spatial Strategy and Local Development Framework Core Output Indicators – Update 2/2008

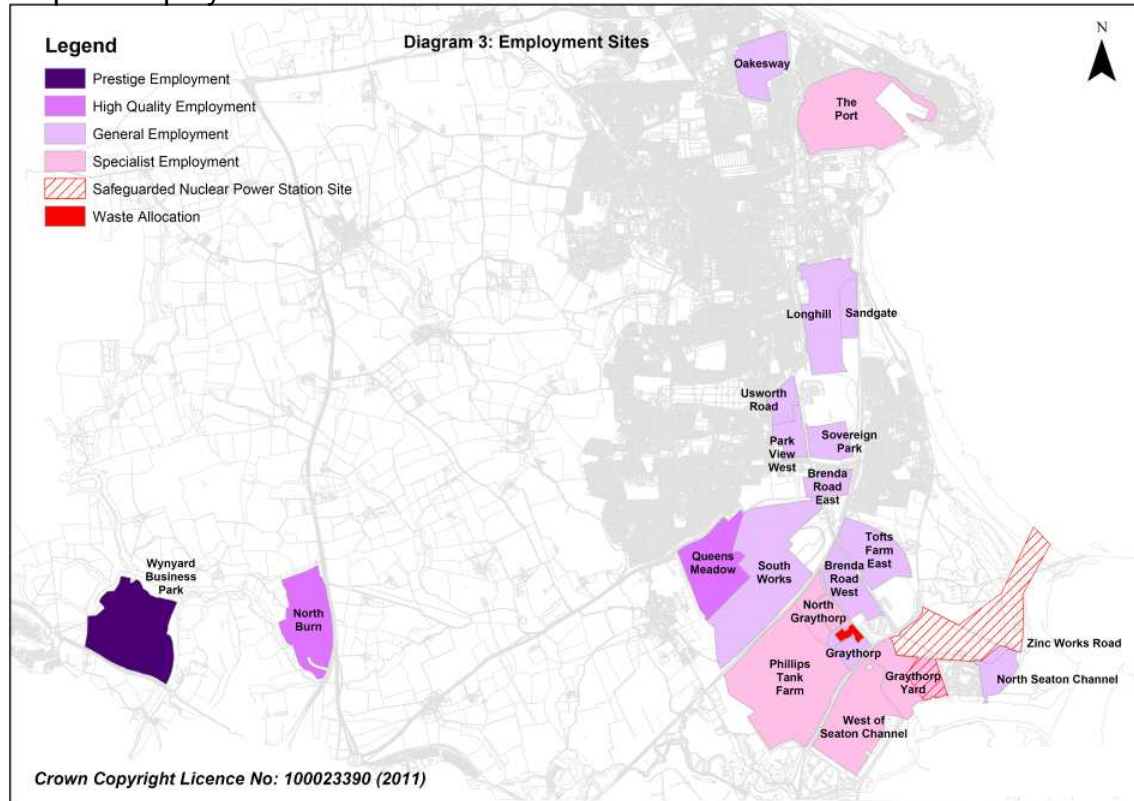
- 4.7 The following part of this section sets out for each objective or group of objectives policies of the Hartlepool Local Plan:
- main policies flowing from the objective(s)
 - output indicator(s)
 - targets (where set)
 - data relating to the indicator(s),
 - some analysis and comment on the data, and where appropriate
 - some commentary on the related local plan policies.
- 4.8 The national core output indicators²² are grouped into five categories, each with identified indicators, which are as follows
- A) Business development and town centres (BD1, BD2, BD3 and BD4)
 - B) Housing (H1a, H1b, H2a, H2b, H2c, H2d, H3, H4, H5 and H6)
 - C) Environmental quality (E1, E2 and E3)
 - D) Minerals (M1 and M2)
 - E) Waste (W1 and W2)
- 4.9 The above categories have been used as sub sections to this report, along with two further sub sections relating to quality of life (sub section F) and conservation & design (sub section G). These further two sub sections have been included to ensure that all of the local plan objectives are assessed.

²² Ibid 21

A BUSINESS DEVELOPMENT AND TOWN CENTRES

Employment land

Map 1: Employment site locations



Source: Hartlepool Borough Council, 2012 Submission draft Local Plan

- Local Plan objectives A1, A2, A3, A4 and A8: to encourage the provision of more and higher quality job opportunities, to ensure that sites are available for the full range of industrial and commercial activities so as to enable the diversification of employment opportunities, to encourage the development of additional office, small business and light industrial uses, to promote the growth of tourism and to promote mixed use developments where appropriate.
- Local Plan objectives B2 and D3: to ensure that Hartlepool Town Centre continues to fulfil its role as a vibrant and viable amenity providing a wide range of attractions and services with convenient access for the whole community and to ensure that developments attracting large numbers of people locate in existing centres which are highly accessible by means other than the private car.

Related Policies

- Identification and criteria for development on business and other high quality industrial sites at Wynyard Business Park (Ind1), North Burn (Ind2), Queens Meadow (Ind3) and Sovereign Park, Park View West and Golden Flatts (Ind4);
- Identification and allocation of sites for wide range of employment uses including light and general industry (Ind5, PU6), bad neighbour uses (Ind6), port-related development (Ind7) and potentially polluting or hazardous developments (Ind9 – Ind10);

- Encouraging the development of the town centre as the main shopping, commercial and social centre of Hartlepool (Com1);
- Protecting the retail character of the primary shopping area (Com2) and allocation of development site within primary shopping area (Com3);
- Identifying the sequential approach for shopping and other main town centre uses (Com8 and Com9);
- Improvement of accessibility to and within town centre by modes other than the car (Tra1, Tra4, Tra5, Tra7);
- Restriction on retail developments in industrial areas and at petrol filling stations (Com10 and Com11);
- Preventing spread of town centre uses to adjoining residential areas (Hsg4);
- Sequential approach for major leisure developments (Rec14);
- Identifying area where late night uses permitted (Rec13);
- Identification of sites and areas for retail and other commercial development in primary shopping area (Com3), edge of centre locations (Com4), at Tees Bay (Com7) and west of A179/north of Middleton Road (Com17);
- Identification of areas for mixed use developments at the Headland (Com16), edge of centre sites (Com4) and Tees Bay (Com7).

Employment Policies assessment

4.10 Most industries in Hartlepool are located in the southern part of Hartlepool and this area is known as the Southern Business Zone (SBZ). In February 2009 a development strategy was produced to support the development of this area. The study indicates that the SBZ consists of 15 separate industrial estates and business parks and covers an area of approximately 170 hectares, the study went on to state that the SBZ is home to around 400 companies who between them employ 5,000 people making it a key employment area and a major driver of economic prosperity for the Tees Valley sub-region. Within the SBZ there have been variations in employment opportunities with increases in some areas but increases have been coupled with decreases so overall the position is very much the same as in 2009.

4.11 The SBZ Action Plan is now in place and its vision is:

“To become a driver of success for the sub-region, ensuring the BZ captures recognised opportunities for growth for the benefit of local people, business and the environment”

4.12 To achieve this vision the following strategic objectives have been set:

- Close the skills gap so that local people can better benefit from anticipated economic growth.
- Provide better access to job opportunities.
- Enhance support for existing and new businesses.
- Attract new business and inward investment.
- Maximise supply chain opportunities for local firms.
- Improve the environment, appearance and image of the area.
- Rationalise land use.
- Help diversify the economic base

4.13 Employment land in Hartlepool can generally be categorised as follows:

- Sub-regionally important greenfield Key Employment sites close to the A19 corridor (Wynyard Business Park and North Burn);
- locally important prestige and high quality sites within the town (Queens Meadow Business Park, Sovereign Park, Park View West and Golden Flatts);
- within mixed use regeneration sites (Marina/Victoria Harbour);
- 'general' industrial sites, most of which are substantially developed;
- sites retained for port and port-related uses (part Victoria Harbour and North Seaton Channel); and
- site for potentially polluting and hazardous industry (North Graythorp),

4.14 Employment Land Review (ELR) was carried out by Nathaniel Lichfield and Partners and it was completed in December 2008.

4.15 The ELR reveals that about 40% of the employment land available in the borough comprises the sub-regionally important land at Wynyard some distance from the main urban area of Hartlepool. Within the urban limits much of the available land is on the high quality sites only one of which (Golden Flatts) remains totally undeveloped. However, this site has been recommended for de-allocation by the ELR study and this recommendation has been put forward within the 2012 Submission draft Local Plan. The ELR report is available on the Council's website on the following link: <http://www.hartlepool.gov.uk/site/scripts/downloads.php?categoryID=3384>

4.16 A number of output indicators have been selected to measure the effectiveness of the policies which seek to diversify and improve employment opportunities. These include most of the national core output indicators relating to business development and additional local output indicators relating to the amount and proportion of developments on prestige, high quality and other sites identified for business uses and the number of new business start-ups.

- Core Output Indicator BD1: Total amount of additional employment floor space - by type (gross and net).
- Core Output Indicator BD2: Total amount of employment floor space on previously developed land - by type.
- Core Output Indicator BD3: employment land available.

Table 11: Employment Floorspace 2011/2012

		Use Class B1a	Use Class B1b	Use Class B1c	Use Class B2	Use Class B8	Total
BD1 - Total amount of additional employment floor space							
Gross (m2)	Innovation centre (new build)	2618					2618
	Land at Sarah Street (new build)	486				306	792
	110 Whitby Street (Change of Use)					443	443
Loss		-	-	-	-	-	-
Net (m2)		3104	-	-	-	749	3853

BD2 - Total amount of employment floor space on previously developed land - by type							
Gross (m2)	Land at Sarah Street (new build)	486				306	
	110 Whitby Street (CoU)	331				443	
BD3 employment land available (Local Plan 2012 sites) NB – it is not possible to break down employment land by type as the employments sites are for a mix of uses and therefore no set capacity of each use has been given.							
Wynyard Business Park	Total area	94.2					
	developed	0					
	remaining	94.2					
North Burn Business Park	Total area	60.6					
	developed	0					
	remaining	60.6					
Queens Meadow Business Park	Total area	65					
	developed	19.3					
	remaining	45.7					
Oakesway	Total area	38.8					
	developed	22.3					
	remaining	16.5					
Longhill / Sandgate	Total area	76.63					
	developed	76.3					
	remaining	0.33					
Usworth Road	Total area	14.76					
	developed	13.1					
	remaining	0.97					
Sovereign Park	Total area	20.9					
	developed	14					
	remaining	6.9					
Park View West	Total area	19.3					
	developed	17.1					
	remaining	2.2					
Brenda Road East	Total area	15.7					
	developed	8.6					
	remaining	7.1					
South Works	Total area	131					
	developed	131					
	remaining	0					
Tofts Farm East / Hunter House	Total area	44.2					
	developed	33.1					
	remaining	11.1					
Brenda Road West	Total area	34.1					
	developed	25.9					
	remaining	8.2					
Graythorp Industrial Estate	Total area	13.1					
	developed	11.9					
	remaining	1.2					
Zinc Works Road	Total area	3					
	developed	3					
	remaining	0					
North Seaton Channel	Total area	17.6					
	developed	0					
	remaining	17.6					
Graythorp Waste Site	Total area	4					
	developed	1.9					

	remaining	2.1
The Port	Total area	106.1
	developed	31.3
	remaining	74.8
North Graythorp	Total area	27.1
	developed	11.6
	remaining	15.5
Phillips Tank Farm	Total area	15.0
	developed	15.0
	remaining	0
Graythorp Yard West of Seaton Channel Phillips Tank Farm	Total area	47.8
	developed	47.8
	remaining	0
West of Seaton Channel	Total area	76.7
	developed	76.7
	remaining	0
Nuclear Power Station	Total area	Net replacement
	developed	Net replacement
	remaining	Net replacement

Source: Hartlepool Borough Council

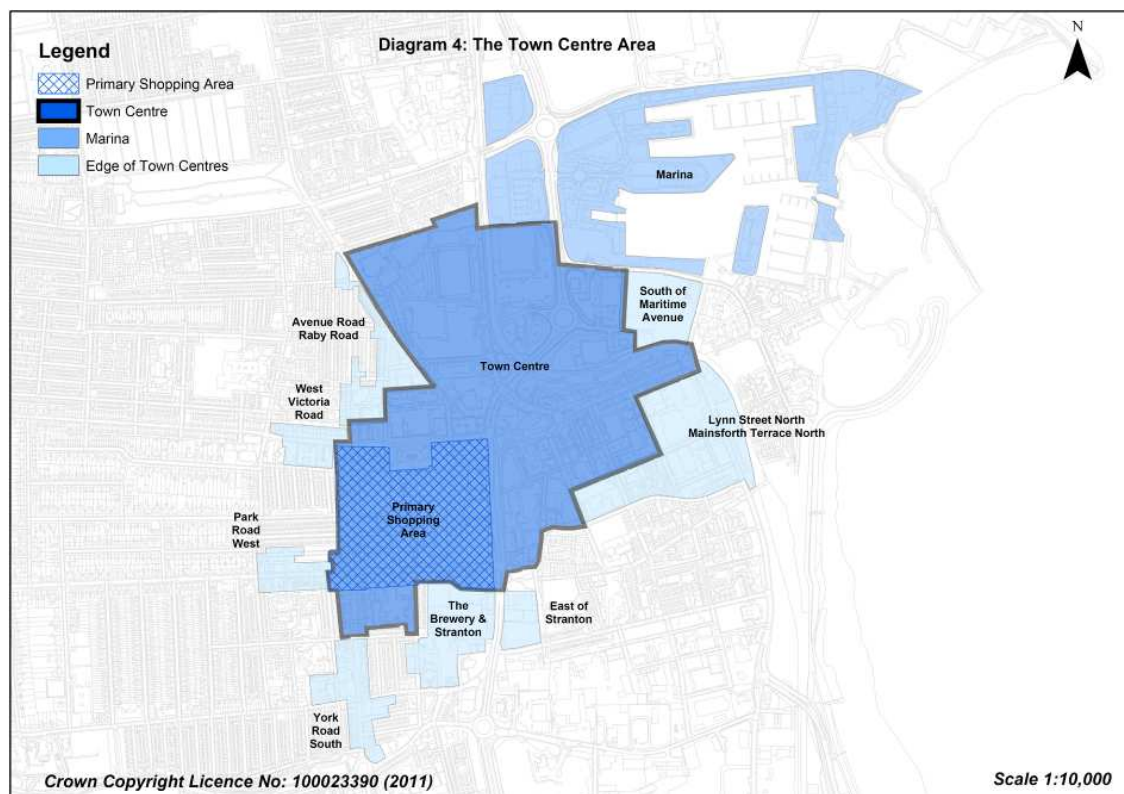
NB: It is important to note that the employment land allocations are due to change with the adoption of the Local Plan in 2013. Sites such as Golden Flatts and Century Park RHM (both totalling an area of 41ha) have not been carried forward into the emerging local plan and the council considers that the evidence within the employment land review and the existing status of the emerging Local Plan is sufficient to resist any employment related planning application on such sites and therefore these two land allocations have not been included within table 10 as it is considered that they are no longer available.

NB: it is not possible to recall all changes that occur within employment units as some may be carried out under permitted development rights, the information above has been collected by assessing planning histories and by working with the councils economic development team.

- 4.17 In comparison to 2010/2011 (with total additional floorspace completions of 246m²), table 11 shows that this year has seen a significant increase in business development with a total of 3853m² completed floor space. The Innovation Centre at Queens Meadow contributes to a significance amount of the increase.
- 4.18 Available employment land this year has been reported according to the results of Council research for the 2012 Local Plan Submission draft, the figures in the 2008 Employment Land Review were not used as land take up has altered since then.
- 4.19 As stated within table 11 it is difficult to break down this available employment land into sub-categories within the B Use Class as required by indicator BD3 because use classes in all industrial allocations are flexible with some being more restricted than others.
- 4.20 The highest proportion of land available is at Wynyard, North Burn, Queens Meadow and The Port (Victoria Harbour) whilst much of the remaining land comprises small parcels of land within substantially developed industrial estates. Graythorp Yard, West of Seaton Channel and Phillips Tank Farm are fully built out.
- 4.21 It is anticipated that the Nuclear Power station will be replaced like for like so therefore when it is decommissioned and a new one built there will be no overall loss or gain in employment floor space.

Town Centre and Town Centre Uses

Map 2: Town Centre boundary map



Source: Hartlepool Borough Council, 2012 Submission draft Local Plan

NB: the plan above includes the Mill House area, as this now forms part of the Town Centre monitoring regime.

Local Output Indicator: Vacancy rates in the defined town centre

- 4.22 Information on vacancy rates can provide a useful indication of the viability of the town centre. The Retail Study (2009) reports that vacancy rates in terms of floorspace in Hartlepool are significantly above the UK national average.

Table 12: Vacancy Rates in the Town Centre

	2009	2010	2011	2012
Total number of commercial units	503	507	509	443
Total number of vacant units	89	107	111	118
Total Floor Space (m2)	140 601	140 279	140 282	160 697
Vacant Floor Space (m2)	30 676	22 205	22 826	24 545
Vacancy Rate (%)	21.8	15.8	16.3	15.3
Market Hall Vacant Stalls	26	13	9	12

Source: Hartlepool Borough Council

NB – it should be noted that prior to this AMR the Marina was included within the town centre figures. The Marina is not within the defined Town Centre and was not in the past. The Mill House area has been included in the submission draft Local Plan and has been subject to ongoing monitoring. So for reasons of clarity the Marina has been removed and the Mill House area has been included within the information above.

- 4.23 The area of the Town Centre was defined in the 2006 Local Plan, but now includes the Mill House area in line with the 2012 Submission draft Local Plan (Map 2). This monitoring year's records show a vacancy rate of 15.3%. BHS opened early in 2012, taking the place of a large vacant unit, however this new store opening has coincided with a number of smaller stores, mainly within the Middleton Grange Shopping Centre, closing therefore the vacancy rate is only slightly lower than the last monitoring year.
- 4.24 The main challenge in Hartlepool is the lack of high quality shops, a number of those high quality shops that have shut down have been replaced by low quality shops and charity shops.

- Core Output Indicator BD4: Total amount of floor space for town centre uses (as defined by PPS6)

Table 13: Amount of completed floorspace for town centre uses

		A1	A2	B1a	D2	Total
BD4	Gross (m2)	-	-	3104 (Innovation centre, Land at Sarah Street)	775 (Extreme Fitness)	3879
	loss	-	-	-	-	-
	Net (m2)	-	-	3104	775	3879

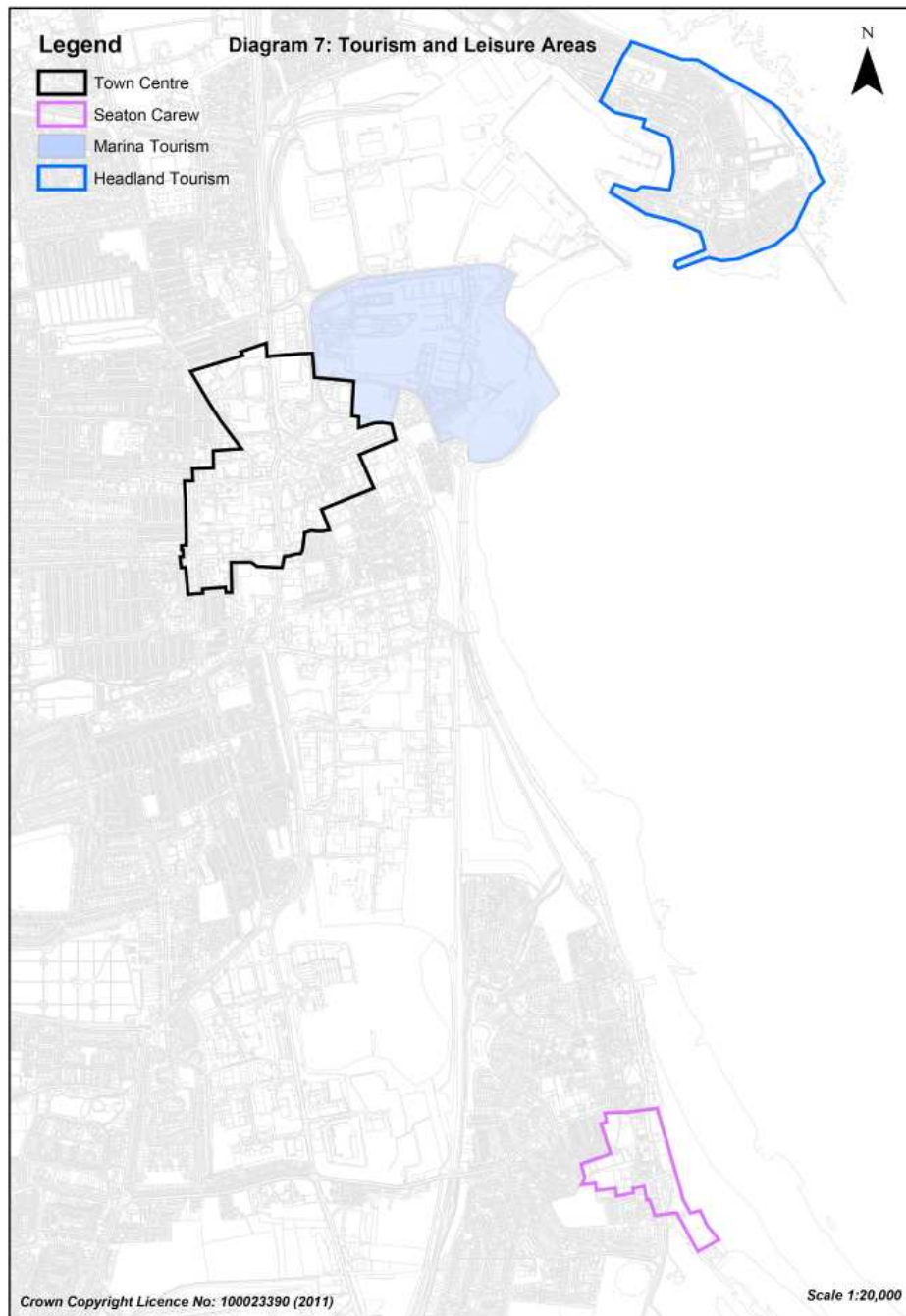
Source: Hartlepool Borough Council

- 4.25 This indicator shows the amount of completed floorspace for town centre uses within the town centre and within the whole local authority area. This monitoring year there has been no completed business floor space within the town centre. All of the 3879m2 completed floor space was outside the town centre boundary.

Tourism Policies Assessment

- 4.26 Tourism has become very important to the Hartlepool economy, the development at the Marina acting as a catalyst to its success. The Local Plan identifies the Town Centre, The Marina, the Headland and Seaton Carew as main tourism destinations and the policies encourage appropriate developments related to the very different characters of these areas.

Map 3: Tourism and Leisure Areas



Source: Hartlepool Borough Council, 2012 Submission draft Local Plan

- Local Plan objective A4: to promote the growth of tourism

Related Policies

- Identification of areas for tourism related developments at the Marina (To1), Headland (To2) and Seaton Carew (To4 and To6);
- Encouragement of green tourism (To8) and business tourism (To11);
- Encouraging the provision of tourist accommodation (To9) and identifying criteria for touring caravan sites (To10).

Local Output Indicator: Planning permissions granted for tourist related developments

Table 14: Planning permissions granted for tourism related developments 2011/2012

General Location	Site / Location	Development	Development progress
Town Centre	None	None	n/a
Edge of town centre	Premier Inn Hotel Maritime Avenue	Application to extend the time limit on planning application H/2008/0711 for the erection of a 54 bed floating hotel extension to existing hotel.	No progress
	Travelodge Land at The Lanyard	Erection of a 65 bedroom hotel (Use Class C1) and restaurant/bar facility (Use Class A3/A4) including amendments to car parking.	Development commenced
Headland	None	None	n/a
Seaton Carew	None	None	n/a
Countryside	Brierton Moorhouse Farm Dalton Back Lane	Provision of a touring caravan and camping site with associated amenity facilities.	No progress
	Abbey Hill Farm Dalton Piercy Road Dalton Piercy	Formation of two fishing ponds erection of six holiday chalets and reception building, associated works and access road.	complete
	Brierton farm Brierton lane	Formation of two fishing lakes (retrospective application).	complete

Source: Hartlepool Borough Council

4.27 There have been two tourist related planning permissions granted during the financial year within Hartlepool's key tourism locations within the urban limits, both were for hotels, progress has started on one (Travel lodge). All other tourist related applications have been associated with the rural area in a bid to support farm diversification and the rural economy.

B. HOUSING

- Local Plan objectives A9 and B1: to encourage the provision of high quality housing and to ensure that there is available, throughout the plan period, an adequate supply of suitable housing land which is capable of offering, in different localities, a range of house types to meet all needs.

Related Policies

- Improvement of existing housing stock and its environment (Hsg1);
- Selective housing clearance and housing market renewal programmes (Hsg2 – Hsg3);
- Seeking contributions from developers for improvements in housing areas (GEP9);
- Encouraging and undertaking environmental and other enhancement schemes in Industrial and Commercial Improvement Areas (Ind8 and Com6);
- Management of housing land supply (Hsg5);
- Provision of housing in mixed use developments at Victoria Harbour and the Headland (Hsg6);
- Setting out the criteria for residential annexes, homes and hostels, residential mobile homes and gypsy sites (Hsg11 – Hsg14);
- Encouraging residential conversions (Hsg7);
- Seeking contributions from developers for highway and infrastructure works (GEP9).

- Core Output Indicator H1 (a): plan period and housing targets (dwellings in Adopted Local Plan)
- Core Output Indicator H1 (b): plan period and housing targets (dwellings in RSS)

Table 15: Housing targets

	Start of plan period	End of plan period	Total net housing required	Source of plan target
H1(a)	2004/5	2010/11	2730	Adopted RSS 2008
H1(b)	2012/13	2026/27	4800	Local Plan to be adopted in 2013

Source: Hartlepool Borough Council

4.28 Following the Localism Act which came into force in November 2011, this will be the last year to report RSS based housing figures since the Act proposes to revoke the RSS. Future housing needs will be based on the 2012/13 Local Plan which is scheduled for adoption in summer 2013.

- Core Output Indicator H2a: Net additional dwellings - in previous years
- Core Output Indicator H2b: Net additional dwellings – for the reporting year
- Core Output Indicator H2c: Net additional dwellings in future years
- Core Output Indicator H2d: Managed delivery target

Table 16: Recent housing levels, likely future housing levels and how future housing levels are expected to come forward taking into account the previous years' performance.

Core Output Indicator		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
H2a	Net additional dwellings in previous years	206	255	225	0	456	302											309
H2b	Net additional dwellings for the reporting year *Gross additional dwellings							225 (290)*										
H2c	Net additional dwellings in future years								242	298	295	367	369	366	368	345	316	
	Target (RSS)* And Core Strategy	390*	390*	390*	390*	390*	390*	390*	300	300	300	300	300	330	330	330	330	390*
H2d	Managed Delivery target	-184	-135	-165	-390	+66	-88	-165	-58	-2	-5	+67	+69	+36	+38	+15	-14	-81
	Cumulative Delivery target	-184	-319	-484	-874	-808	-896	-1037	-1095	-1097	-1102	-1035	-966	-930	-892	-877	-891	-977

Source: Hartlepool Borough Council

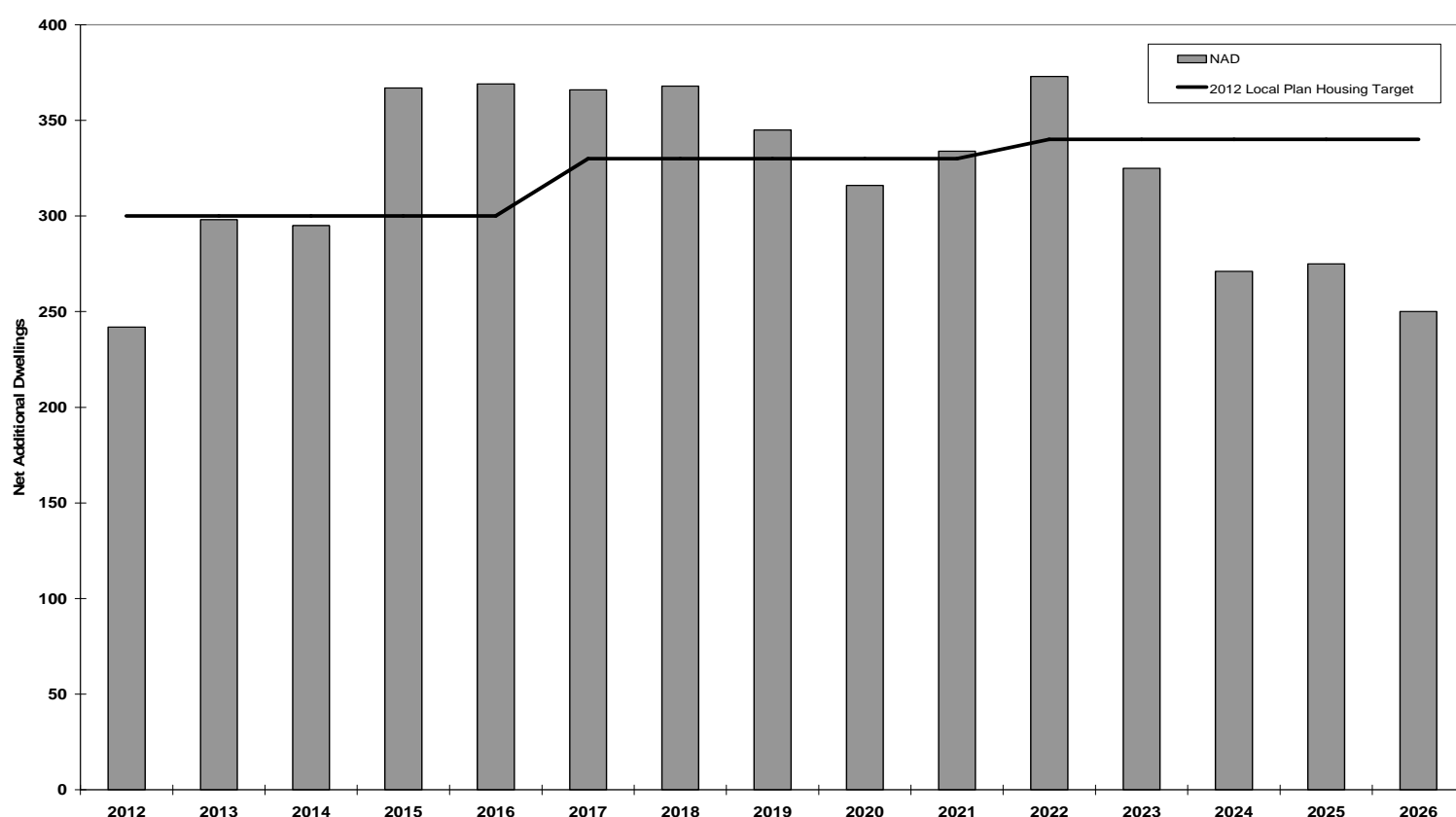
NB: In relation to the RSS target; + denotes over delivery and – (minus) under delivery.

4.29 The Housing Trajectory Graph (Graph 2) is drawn from data on Table 16 above and shows the number of net housing completions since 2004 and projected net completions for the period to 2021 in relation to the average annual strategic housing requirements set by the Regional Spatial Strategy. The housing trajectory (Graph 2) shows an overall housing supply amounting to about 5805 dwellings over the period 2004 to 2021.

4.30 Future net completions are estimated taking into account:

- anticipated completion rates on committed sites already under construction (including conversions) plus;
- anticipated completion rates on most, but not all, sites and conversions with planning permission plus;
- anticipated completion rates on major sites for which planning permission is pending, primarily the Victoria Harbour proposal, plus;
- anticipated completions from the SHLAA sites, plus;
- anticipated completions on additional sites which it is anticipated are likely to come forward (e.g. social housing developments and redevelopments on future cleared sites), less;
- anticipated demolitions of occupied dwellings (estimated to be 70% of actual demolitions of dwellings in the private sector and 97% of actual demolitions of dwellings in the public sector).

Graph 2: Housing Trajectory 2012 to 2027



Source: Hartlepool Borough Council

- 4.31 The 2011/12 housing target is anticipated to be the last year where the RSS targets are considered as being the housing target for the borough. It is highly likely that the current RSS will be revoked in 2013 and the emerging Local Plan is scheduled for the Independent Examination Hearing in early 2013; therefore it is anticipated that the housing targets contained in the emerging Local Plan will be the basis for planning for future housing provision to 2027. The emerging Local Plan housing targets plan for approximately 1,000 net additional dwellings less than the previously unachievable RSS targets.
- 4.32 In 2011/12, there were 290 dwellings built in the borough, however 65 existing dwellings were demolished. As a result 225 net additional dwellings were delivered; 84 dwellings less than the previous year, in which 309 net additional dwellings were delivered. The new dwellings in 2011/12 were distributed across a variety of housing sites including the ongoing strategic developments at Middle Warren, Eaglesfield Road and the Housing Market Renewal (HMR) sites at the Headway and Belle Vue.
- 4.33 The net additional dwellings delivered in 2011/12 are significantly lower than the current RSS housing target of 390 dwellings; this single year reflects the historical cumulative underperformance against the RSS targets. Existing deliverable commitments and identified and allocated housing sites in the emerging Local Plan will offer a wider diverse portfolio of sites where future housing can be delivered to meet the housing targets to 2027.

- Local Plan objectives A7 and C10: to promote development on previously used sites where appropriate and to encourage the full use of empty or underused buildings and to ensure the appropriate enhancement of derelict, unused and under-used land and buildings.

Related Policies

- Reclamation and re-use of derelict and disused land (GEP17);
- Acquisition of untidy sites (GEP16);
- Encouraging development on contaminated land (GEP18);
- Encouraging residential conversions and the residential re-use of upper floors of properties (Hsg7 – Hsg8).

- Core Output Indicator H3: New and converted dwellings – on previously developed land (PDL)

Brownfield Targets

- 4.34 The Local Plan targets for the proportion of housing development to be provided on previously developed land and through conversions of existing buildings is 60% by 2008 and 75% by 2016 as specified in policy Hsg5 of the adopted Hartlepool Local Plan 2006.

Table 17: The number of new and converted dwellings and gross new dwellings being built upon previously developed land

		Total Dwellings					
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
H3	Gross	283	212	530	452	365	290
	% Gross on PDL	51.9	64.4	36.2	78.5	58	75.5
	Gross converted to dwellings	8	5	12	12	5	5
	% gross conversions	2.8	2.4	2.3	2.7	1.3	1.7

Source: Hartlepool Borough Council

- 4.35 The percentage of gross additional dwellings on previously developed land this monitoring year increased from the previous year primarily due to the completions on existing sites in the urban area including HMR sites at Headway and Belle Vue. The emerging Local Plan seeks to allocate new strategic housing sites on greenfield land on the urban edge; as a result it is anticipated that the proportion of new dwellings delivered on previously developed land will decrease in the future as the emerging Local Plan sites contribute to the future housing delivery. The gross additional dwellings created through conversions has also decreased from its peak in 2009/10 and at present 1.7% of new dwellings are created through conversions. Although the council does plan to build future homes on greenfield land the use of vacant buildings including upper floors in retail areas is encouraged by the council and there are funding streams available from central government to bring empty commercial units back into use. Within Hartlepool the current funding is being targeted at the York Road and Murray Street areas.

Mixed use brownfield target

- 4.36 Inline with the councils brownfield target to provide 75% of all new dwellings on brownfield land (new build or conversions) by 2016, the 2006 Local Plan sets out (within policy Hsg6) that housing will be approved and provided as part of a mixed use development in the regeneration areas of the Headland and Victoria Harbour, the two areas together make up the strategic housing site within the 2006 Local Plan. The 2006 Local Plan states that development at the strategic site will develop as follows:
- Headland - 50 dwellings in the period 2005-2011
 - Victoria Harbour - 550 dwellings by 2005-2011
- 900 dwellings in the period 2011-2016

Table 18 number of dwelling completions at the Headland and Victoria Harbour regeneration area

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Headland	0	0	0	0	0	0
Victoria harbour	0	0	0	0	0	0

Source Hartlepool Borough Council

4.37 Table 18 above shows that no dwellings have been built since the adoption of the 2006 Local Plan. In 2009 the land owners indicated their intentions not to proceed with the anticipated mixed use development and expressed their intention to focus on port-related development including offshore wind and sustainable energy solutions. Although the site would have provided a significant number of dwellings, on brownfield land within the urban limits, the council are fully supportive of the land owners intentions to retain the land for employment purposes.

Local Output Indicator: Types of housing completed

Table 19: Types of Houses completed (gross): 2011/2012

House Type	Beds	2011/12 Total
Houses	1	1
	2	82
	3	117
	4+	59
	Total	259
Flats	1	3
	2	28
	3	0
	4+	0
	Total	31

Source: Hartlepool Borough Council

4.38 The delivery of flats has continued to decline and the delivery of houses has increased, reflecting the changing housing market and the nature of the local housing demand. The house types provided in the year 2011/12 generally reflect and meet the established housing need and demand in the borough as demonstrated by the Tees Valley Strategic Housing Market Assessment published in 2012.

• Core Output Indicator H5: Gross affordable housing completions

Table 20: Gross affordable housing completions 2006/2012

Year	Social rent homes provided	Intermediate homes Provided	Affordable homes total
2011/12	64	26	90
2010/11	120	61	181
2009/10	89	33	122
2008/09	98	58	156
2007/08	30	29	59
2006/07	10	0	10

Source: Hartlepool Borough Council

4.39 The Tees Valley Strategic Housing Market Assessment (2012) identified a net shortfall of 88 affordable dwellings per annum in the borough. The net additional affordable housing delivery for 2011/12 was 90, marginally in excess of the required annual delivery target. The Borough Council will continue to support the delivery of additional affordable housing through building on council owned land, partnership working with Registered Providers in the borough and through securing affordable housing contributions as part of private residential developments.

4.40 The Housing Market Renewal programme has continued during 2011/12. The Housing Market Renewal programme has completed demolition and rebuild of the Easington Road site (2.3 hectares) and the demolition and ongoing rebuild of the Belle Vue site (2.6 hectares). On another HMR sites, including Perth Street, compulsory purchase order (CPO) are taking place, but demolition and rebuild has not started yet.

• Core Output Indicator H4: Net additional pitches (Gypsy and Traveller)

Table 21: Number of gypsy and traveller pitches delivered.

	Permanent	Transit	Total
H4	nil	nil	nil

Source: Hartlepool Borough Council

4.41 Hartlepool currently has no identified sites for provision of Gypsies and Travellers pitches. The Council, together with other Tees Valley Authorities, has produced The Tees Valley Gypsy and Travellers Accommodation Needs Assessment (GTAA). The GTAA identified a need for six residential pitches to be provided in the borough to 2026.

4.42 As a result of the identified need, the emerging Local Plan identifies a suitable site for a single Gypsy and Traveller site with the capacity to meet the identified need. It is anticipated that the site will be developed by 2026.

• Core Output H6: Housing quality – Building for Life Assessments

Table 22: The level of quality in new housing development

	No. of sites with a building for life assessment of 16, or more	No. of dwellings on those sites	% of dwellings of 16 or more	No. of sites with a building for life assessments of 14 to 15	No. of dwellings on those sites	% of dwellings of 14 to 15	No. of sites with a building for life assessment of 10 to 14	No. of dwellings on those sites	% of dwellings of 10 to 14	No. of sites with a building for life assessment of less than 10	No. of dwellings on those sites	% of dwellings of less than 10	Total No. of housing sites (or phases of housing) sites	No. of dwellings of 10 to 14
H6	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Source: Hartlepool Borough Council

4.43 Table 22 shows that none of the homes build within this report period were accompanied by a building for life assessment.

C. ENVIRONMENTAL QUALITY

Adequate infrastructure

- Local Plan objective A5: to ensure that there is an adequate infrastructure to serve new and existing development

Related Policies

- Allocation of a site for sewage treatment works and criteria for improvements to existing plants (PU3);
- Safeguarding of road corridors (Tra11 – Tra13);
- Identification of access points for major development sites (Tra14);
- Identification of land for power generation (PU6);
- Criteria for renewable energy developments (PU7);
- Seeking contributions from developers for highway and infrastructure works (GEP9).

- Core Output Indicator E1: Number of planning permissions granted contrary to Environment Agency advice on flooding and water quality grounds

Table 23: Number of planning permissions granted contrary to Environment Agency advice on flooding and water quality grounds.

	Flooding	Quality	Total
E1	Nil	Nil	Nil

Source: Hartlepool Borough Council

4.44 No planning permissions were granted contrary to the advice of the Environment Agency during the year 2011/2012.

Biodiversity and Geodiversity

- Local Plan objective C9: to protect and enhance the biodiversity and geodiversity of the natural environment and ensure the careful use of natural

Related Policies

- Protection and enhancement of national and local sites of nature conservation and geological importance (WL2, WL3, WL5, WL7);
- Protection of species protected by law (WL4)
- Seeking contributions from developers for works to enhance nature conservation features (GEP9);

- Core Output Indicator E2: Change in places of biodiversity importance

Table 24: Losses or additions to biodiversity habitat

	Loss	Addition	Total
E2 (ha)	NIL	0.0	0.0

Source: Hartlepool Borough Council

4.45 No additional biodiversity or habitat creation from the previous financial year, and no change to the areas of designated international or national sites or of priority habitats or number of designated local nature reserves. No priority species were adversely affected by planning decisions during the year.

• Core Output Indicator E3: Renewable energy generation

Table 25: The amount of renewable energy generation by installed capacity and type for the financial year 2011/12

E3	Wind onshore	Solar photovoltaics		Hydro	Biomass						Total
		NB – it must be noted that some solar panels have been erected on dwellings throughout the borough but they have been permitted development.			Landfill gas	Sewage sludge	Municipal (&industrial) solid waste combustion	Co-firing of Biomass with fossil fuel	Animal biomass	Plant biomass	
Applications Permitted installed capacity in MW	Nil			Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Tees and Hartlepool yacht club Fleet Avenue	0.009.9								
		Hartlepool Innovation Centre, Queens Meadow Business Park	0.0414								
		A19 services northbound	0.03243								
		A19 test & tune trunk road	0.00322								
		A19 services southbound	0.01955								
		Rossmere Centre Rossmere Way	0.01518								
		The Green Elwick	0.00092								
		Seaton golf club	0.01771								
		Wharton Terrace	0.00368								
		Masonic Hall, Raby Road	0.046								
		Kingsley Primary school	0.0368								
Completed installed capacity in MW	Nil	Bryan Hanson House	0.009.66	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Brougham Enterprise Centre	0.00705								
		Summerhill	0.00987								
		Exmoor Grove	0.00352								
		Central Library	0.00987								
		Chatham House	0.00376								
		Rocket House	0.00125								
		Wharton Annexe	0.00376								

Source: Hartlepool Borough Council

D. MINERALS

- Local Plan objective C11: to ensure that industrial and other potentially polluting or hazardous activities do not have a significant detrimental effect on the adjacent population or workforce and do not have a damaging effect on the environment.
- Local Plan objective C12: to minimise the adverse environmental effects of mineral workings and waste disposal operations and ensure the appropriate restoration and after use of land.

Related Policies

- Criteria to be considered in relation to the development of new mineral extraction sites, including the after use of sites and transportation of minerals (Min3 – Min5);
- Policies for waste recovery (Was2 and Was3);
- Criteria relating to proposals for waste disposal (Was4-Was6).
- Control of developments involving the use or storage of hazardous substances (Ind11);
- Protection of the aquifer (PU4);
- Control of electricity transmission facilities (PU5);
- Control on developments on or near landfill sites (Dco1);
- Need for waste minimisation plans (Was1).

- Core Output Indicator M1: Production of primary land won aggregates by mineral planning authority

Table 26: The amount of land won aggregate being produced

	Crushed rock	Sand and gravel
M1	Unknown	Unknown

Source: Hartlepool Borough Council

NB: This information is not publicly available in respect of data for Hartlepool because of issues of business confidentiality.

- Core Output Indicator M1: Production of secondary and recycled aggregates by mineral planning authority.

Table 27: The amount of secondary and recycled aggregates being produced in addition to primary won sources in M1 above

	Secondary	Recycled
M2	unknown	unknown

Source: Hartlepool Borough Council

4.46 No minerals recorded - although there is a waste transfer operation in the borough which does produce some recycled aggregates as part of the operation. In this respect issues of business confidentiality prevent the publication of detailed figures.

E. WASTE

• Core Output Indicator W1: Capacity of new waste management facilities by waste planning

Table 28: The capacity and operational throughput of new waste management facilities as applicable

NB: Information regarding the total capacity is not available, so figure is assumed inline with the maximum annual operational throughput permitted.

W1	Inert landfill	Non-hazardous landfill	Hazardous landfill	Energy from waste	Other incineration	Landfill gas generation plant	Pyrolysis /gasification	Metal recycling site	Transfer stations	Material recovery/recycling facilities (MRFs)	Household civic amenity sites	Open windrow composting	In-vessel composting	Anaerobic digestion	Any combined mechanical, biological, and/thermal treatment (MBT)	Sewage treatment works	Other treatment	Recycling facilities construction, demolition and excavation waste	Storage of waste	Other waste management	Other developments	Total
The total capacity (m ³ , tonnes or litres)	0	0	0	0	0	0	0	0	Joe's Skips Brenda Road - information not available, so 12,000 is assumed inline with the maximum annual operational throughput permitted.	0	0	0	0	0	0	0	0	0	Sandgate Industrial Estate Unit 4 Mainsforth Terrace – 1700	0	0	0
Maximum annual operational throughput (m ³ tonnes or litres if liquid waste)	0	0	0	0	0	0	0	0	Joe's Skips Brenda Road - 12,000 tonnes Sandgate Industrial Estate Unit 4 Mainsforth Terrace	0	0	0	0	0	0	0	0	0	Sandgate Industrial Estate Unit 4 Mainsforth Terrace - 1700	0	0	0

4.47 Within the report period one waste transfer station was opened in Brenda Road and one waste storage facility was opened at Sandgate industrial Estate Unit 4 Mainsforth Terrace. Both sites are within land identified under Local Plan Policy IND6 for bad neighbour uses, however the applications were against planning policies within the Minerals and Waste DPDs that states Hartlepool has already met its waste capacity within the borough, both sites were approved on appeal. It should be noted that one certificate of lawful development was approved (H/2011/0113) at the Former Eastmans Site on Branda Road, the waste capacity has not been included within table 27 as the facility is not new, it is an existing facility that does not required a separate permission.

- Core Output Indicator W2: Amount of municipal waste arising, and managed by management type by waste planning authority.

Table 29: The amount of household municipal waste arising and how that is being managed by type

Indicator W2		Landfill	Incineration with E.F.W.	Incineration without E.F.W.	Recycled/composted	Other	Total Arising
Amount of waste arising in tonnes	2008/2009	4499.49	29058.77	Nil	19829.03	Nil	53387.29
	2009/2010	6164.00	20153.86	Nil	21763.64	Nil	48081.50
	2010/2011	5610.46	20444.49	Nil	17467.26	Nil	43522.21
	2011/2012	3874.20	19585.01	nil	18529.64	nil	41988.85

Source: Hartlepool Borough Council

4.48 The amount of waste going to landfill and incineration has reduced while the amount of material being recycled has increased. Overall total waste arising this year is 41988.85 tonnes which is a decrease when compared to last year figure of 43 522.21 tonnes.

4.49 The continuing reduction in total waste over the last four financial years could be due to the alternate Weekly Collection of recyclable/compostable and residual waste throughout most of the borough the continuation of recycling enforcement; the introduction of a meet and greet service at the household waste recycling centre to encourage segregation; and continuation of segregation of waste at the waste transfer station along with the policies within the Local Plan.

F. QUALITY OF LIFE

- Local Plan objective C1: to ensure that developments do not have an adverse impact on the quality of life of the population of Hartlepool.

Related Policies

- Setting out general principles for all new development (GEP1);
- Provision for access for all (GEP2);
- Encouraging crime prevention by planning and design (GEP3);
- Control on the location of food and drink developments (Com12) and on the location of late night uses (Rec13);
- Controlling other new developments to protect the amenities of residents (e.g Com13 and Com14 - developments in residential areas, Hsg9 - residential developments, Rec11 - noisy outdoor sports and leisure activities, PU8 – telecommunications etc.);
- Controlling development in areas of flood risk (Dco2).

Development in the rural area

- Local Plan objectives C2 and C7: to retain the compact form of the main urban area by preventing urban development extending into the countryside and to protect and enhance the character of the existing villages.

Related Policies

- Definition of Urban Fence and Village Envelopes (Rur1 – Rur3);
- Developments to accord with Village Design Statements (Rur4);

Local Output Indicator: Planning decisions on proposals for development outside urban fence and village envelopes.

Table 30: Developments approved outside Limits to Development 2006-2012

Developments Approved	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Agricultural buildings	0	1	1	0	1	North Hart Farm Butts Lane.
New dwellings – no agricultural justification	0	0	0	1	0	0
New dwellings associated with agricultural existing developments	0	0	1	0	0	Crows Meadow Farm (bungalow)
						Fox Covert, Three Gates, Dalton Piercy.
New dwellings associated with rural business developments	-	-	-	-	-	Lambs House Farm, Dalton Piercy Road.
						Ashfield Farm.
Temporary residence in connection with rural business	0	1	1	1	0	0
Replacement dwellings	0	0	0	0	0	0
Residential conversions of rural buildings	0	0	0	0	0	0
Business conversions of rural buildings	0	0	0	0	0	Lambs House Farm, Dalton Piercy Road. Alterations and conversion of outbuildings to form studio/office units
Extensions of gardens	0	0	0	0	0	0
Recreational and leisure uses	4	1	2	0	1	Hart Moor Farm, Hart Village. Erection of stone stable block comprising seven stables, two tack rooms and two storage rooms (retrospective).
Extensions and other works relating to existing businesses	1	0	1	2	0	0
Telecommunications developments	0	0	0	0	0	0

Source: Hartlepool Borough Council

NB - also see table 14 planning permissions granted for tourism related developments 2011/2012.

4.50 The information provided above relates to planning applications approved since 2006 for development on land outside the limits to development (urban fence and village envelopes).

4.51 There have been seven developments approved outside the limits to development and all but one relate to agriculture or farm diversification. It is considered that the policies that seek to protect and enhance the rural area along with policies that seek to direct the majority of activity within the urban limits are successful.

Access to the Countryside

- Local Plan objective C8: to protect and enhance the countryside and coastal areas and to make them more accessible for the benefit of the residents of, and visitors to, the borough.

Related Policies

- Criteria for outdoor recreational developments in coastal areas (Rec1) and in the countryside (Rur16);
- Protection of Special Landscape Areas (Rur20);
- Controls on housing in the open countryside (Rur12);
- Criteria for other development in the countryside including the re-use of rural buildings and farm diversification (Rur7 – Rur8 and Rur9 - Rur11),
- Provision for tree planting and other improvements in the area of the Tees Forest (Rur14);
- Identification of small Community Forest Gateway sites (Rur15);
- Provision of network of leisure walkways including the coastal walkway and other strategic recreational routes (Rur17 – Rur18)

Local Output Indicator: Improvements to rights of way / leisure walkways

Table 31: Walkways created, diverted, extinguished or improved

	Walkways	Created (km)	Diverted (km)	Extinguished (km)	Improved (km)
2006/2007	Public Rights of Way	0.43	0	0	0
	Permissive Paths	0	0	0	0
2007/2008	Public Rights of Way	0.57	0	0	9
	Permissive Paths	0	0	0	0
2008/2009	Public Rights of Way	1	0	0.27	5.25
	Permissive Paths	0	0	0	0
2009/2010	Public Rights of Way	1.05	0	0	4.07
	Permissive Paths	1.52	0	0	0
2010/2011	Public Rights of Way	0	0.465	0	2.173
	Permissive Paths	0	0	0	0.045
2011/2012	Public Rights of Way	0	0.57	0	0.69
	Permissive Paths	1.89	0	0	0

Source: Hartlepool Borough Council

4.52 There has been no new rights of way created in the past financial year, however, there has been improvement works on the condition and access of 0.69km of existing public rights of way and 0.57km has been diverted. There has also been 1.89km of permissive paths created

4.53 The Council is and will continue to improve access to the countryside and furniture within the countryside so that a more inclusive network will be available to a broader user base. This entails improvement works to the network of footpaths and the installation of self-closing gates and 'Kissing' gates along with 'A' Frames to assist in the reduction of illegal motorbike use.

Local Output Indicator 29: Length of cycleways completed

Table 32: Length and name of new cycleway created

Year	Length and name of cycleway
2006/2007	None
2007/2008	2.33km
2008/2009	1.1km (north Hart Farm to Middlethorpe Farm)
2009/2010	None
2010/2011	None
2011/2012	None

Source: Hartlepool Borough Council

4.54 Policy Tra5 of the 2006 Local Plan makes provision for the continued development of a comprehensive network of cycle routes linking the main areas of the borough. This year there has been no new cycle routes created either by the Council and linked to the Local Transport Plan or as part of a planning approval.

G. CONSERVATION & DESIGN

Conservation

- Local Plan objective C3: to preserve and enhance the quality, character and setting of Conservation Areas, Listed Buildings and areas of archaeological and historic interest.

Related Policies

- Protection and enhancement of conservation areas (HE1 – HE3 and supplementary note 5);
- Protection and enhancement of Registered Parks and Gardens (HE6);
- Protection areas of historic landscape and other archaeological sites (HE15).

Buildings at risk

Local Output Indicator 18: Number of buildings at risk

4.55 The national Heritage at Risk Register includes two churches in Hartlepool, St Hilda on the Headland and Holy Trinity in Seaton Carew. The buildings are listed grade I and II respectively. In addition to these buildings two Scheduled Ancient Monuments are considered to be at risk. One is a Medieval farmstead and irregular open field system at High Burntoft Farm, Elwick; the other is Low Throston deserted medieval village. Two conservation areas in Hartlepool also appear on the At Risk Register, these are Headland and Seaton Carew.

Table 33: Numbers of Buildings at Risk 2006-2012 (2011/2012 column includes key application)

Type of building at risk	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/ 2012
Scheduled Ancient Monument	1	1	1	1	1	Town Wall and Sandwell Gate
Grade 1 & Grade II* Listed Buildings	0	0	0	0	0	1) Former Conservative Club, Church Walk 2) Former Wesley Methodist Church, Victoria Road
Grade II Listed Buildings	10	11	10	8	8	1) Shades, 16 Church Street 2) Manor House Farm, Dalton Piercy Village 3) Former United Reformed Church and Sunday School, Durham Street. 4) Friarage Manor House, Friar Street 5) Market Hotel, Lynn Street 6) Throston Engine House, Old Cemetery Road 7) Former Odeon Cinema and 81 – 87 Raby Road 8) 62 Southgate
Locally Listed Buildings in Conservation Areas	3	3	3	2	2	1) Former Yorkshire Bank, 65 Church Street 2) 22 & 23 Church Street
Locally Listed	-	-	-	-	-	1) Morrison Hall, Church Close 2) Tunstall Court, The Parade

Source: Hartlepool Borough Council

- 4.56 Hartlepool Council conducts its own survey of other important buildings in the borough and currently identifies that 15 of these are at some risk through neglect and decay, this is an increase on 5 from last year's figures.
- 4.57 Derelict Buildings and Sites Working Group has been established for many years and is chaired by the Mayor. The Working Group seeks to bring back into use and/or improve a priority list of buildings which does include some of the buildings from the list above.
- 4.58 The council has been working with owners to assist in bringing buildings back into use and/or improving them for safety reasons or so that they do not appear an eyesore on Hartlepool's street scene.
- 4.59 A marketing strategy has been agreed for Friarage Manor House. The council has worked closely with the two land owners and is seeking to market the Morrison Hall (council owned) in December 2012, it is envisaged that by working collaboratively these sites for sale will prove a more attractive offer to investors.
- 4.60 The Odeon is currently being marketed and the council are seeking a development partner to help deliver a scheme for the building. Although every attempt has been made to negotiate with the land owner it is envisaged that the council will acquire the Odeon through a Compulsory Purchase Order at a later date.
- 4.61 The council has successfully worked with the owner of the former Wesley Methodist Church to seek maintenance improvements to the building and work is ongoing.
- 4.62 The council hopes that by publishing an annual 'Heritage at Risk' register this will highlight those vulnerable heritage assets across the borough, raising their profile and potentially introducing them to a new audience who may be able to resolve the problems individual heritage assets are suffering from. As part of the document case studies will be provided where buildings are removed from the list to provide examples of heritage assets where successful solutions have been found in order to provide inspiration to other owners in a similar situation.

Local Output Indicator 19: Conservation Area Appraisals undertaken

Table 34: Conservation Area Appraisal completions

Year	Conservation Area Appraisals
2006/2007	1
2007/2008	1
2008/2009	1
2009/2010	3
2010/2011	1
2011/2012	0

- 4.63 No Conservation Area Appraisals were completed in the financial year 2011/2012, however work has commenced on reviewing the Seaton Carew conservation Area Appraisal.

Design

- Local Plan objective C4: to encourage a high standard of design and the provision of high quality environment in all developments and particularly those on prominent sites, along the main road and rail corridors, and along the coast.

Related Policies

- Setting out general principles for all new development (GEP1);
- Setting out design guidelines for new housing developments and for house extensions (Hsg9, Hsg10 and supplementary note4);
- Providing for high quality of design and landscaping along main approaches to Hartlepool and on the main frontages within industrial estates (GEP7, GN4);
- Encouraging the provision of public art (GEP10);
- Control on advertisements (GEP8);
- Intention to acquire sites to improve the local economy or general environment (GEP15).

Local Output Indicator 20: Satisfaction with design of residential extensions

- 4.64 Design is a key element assessed within each planning application, pre-application advice is encouraged and often design issues are addressed prior to submitting a planning application. Delegated reports and committee reports all contain an assessment of each proposals design quality.
- 4.65 No data has been directly collected with regard to the satisfaction of design or residential extension, however upon assessment of objections received for a variety of planning applications it was established that many objections related to highway/traffic impact and loss of light, the design of residential buildings and/or extensions were rarely an area of concern.

CONCLUSION

- 4.66 Over the report period there has been no loss in employment allocations, there has been a net gain of 4184m² of employment development, all of which are located within designated industrial locations. It is considered that the industrial policies within the current local plan are robust and have over the report period fulfilled their function in directing industrial activity to employment areas and thus protecting the rest of the borough for other land uses.
- 4.67 Overall it is considered that the town centre policies are robust and ensure that the majority of Town Centre type developments occur within the Town Centre, the Town Centre has seen fluctuations in activity but it has often been the case that new stores opening is coupled with other stores closing so over all the situation is similar to that of the previous monitoring year. Although the vacancy rate in the town centre is some 15.3% it is considered that this is not due to Local Plan policies but is more a consequence of the current economic climate.
- 4.68 The tourism policies within the Local Plan identified the Town Centre, The Marina, the Headland and Seaton Carew as main tourism destinations and the policies encourage appropriate developments within these areas it is considered that the tourism development approved are located within areas identified for tourism. In conclusion is considered that the tourism policies are robust.
- 4.69 Chapter four shows that the net additional dwellings delivered in 2011/12 are significantly lower than the current RSS housing target of 390 dwellings; this single year reflects the historical cumulative underperformance against the RSS targets. It is accepted that the council has consistently under delivered on the targets set by the RSS, however it has been documented within the "Future housing provision in the borough for the next 15 years" May 2009 and November 2012 that the RSS figures were unrealistic and thus the council had very little chance of achieving them. Within the next plan period 2013-2028 a more realistic figure has been proposed.
- 4.70 Policy Hsg5 sets a target of housing development to be provided on previously developed land and through conversions (60% by 2008 and 75% by 2016). The percentage of new dwellings built on previously developed land and through conversion equates to 38.5 in 2008/2009 and 77.2 in 2011/12. Although the requirements of Hsg5 have been met with regard to the brownfield land and conversion target for this monitoring year it is anticipated that this figure will not be sustained in the coming years, this is due to the fact that the borough does not have sufficient brownfield land to meet its 15 year housing need.
- 4.71 There have been no new dwellings constructed at the Victoria Harbour and Headland regeneration sites (policy Hsg6). In 2009 the land owners at Victoria Harbour indicated their intentions not to proceed with the anticipated mixed use development and expressed their intension to focus on port-related development therefore it is considered that the policy is no longer relevant.
- 4.72 The information within section 4C states that there have been no planning applications approved against The Environment Agencies advice. There has been no recorded loss in biodiversity sites which is in accordance with policies WL2, WL5, WL7,

however there has been no recorded information in relation to enhancements of sites of special scientific interest of other biodiversity sites therefore the requirements of Policy WL3 have not been met.

- 4.73 No additional wind farms have been approved or constructed within the plan period, however a number of solar panel applications have been approved and the council has invested in the provision of solar panels upon a number of HBC owned buildings. It is considered that the number of clean energy technologies within the borough are increasing and therefore the ethos of policy PU7 is followed. Policy PU7 also sets out assessment criteria when determining applications and this policy has been applied to all renewable development applications in a bid to ensure that installations are within the most appropriate location to minimise and adverse impacts upon visual and residential amenity. It is considered that policy PU7 is robust.
- 4.74 The Minerals and Waste policies within the 2006 Local Plan have been replaced with the Tees Valley Minerals and Waste DPDs that are based on upto date evidence. These DPDs have not yet been monitored as they were adopted mid way through the monitoring year.
- 4.75 Due to confidentiality reasons no information is available in relation to the amount mineral extraction within the borough. Two developments have been approved for waste related developments; one was for a waste transfer station and one for the storage of waste both. However the applications were not in compliance with the Tees Valley Minerals and Waste DPDs and were subject to approval on appeal.
- 4.76 There have been seven developments approved outside the limits to development and all but one relate to agriculture or farm diversification. 1.89km of permissive paths have been created to access the countryside and 0.69km have been improved, no new cycle ways have been recorded. Overall it is considered that the policies that seek to protect and enhance the rural area along with policies that seek to direct the majority of activity within the urban limits are successful.

5. NEIGHBOURHOOD DEVELOPMENT ORDERS AND NEIGHBOURHOOD DEVELOPMENT PLANS

Hartlepool Rural Plan

- 5.1 The rural area of Hartlepool was successful in securing Front Runner status in Neighbourhood Planning from the Department for Communities and Local Government (DCLG) in May 2011 under the third wave, with the Hartlepool Rural Plan Working Group (comprising representation from the five Parishes covered by the Neighbourhood Plan area, Ward Councillors and support officers from the Local Authority and Tees Valley Community Council) established in August 2011.
- 5.2 The working group have since been through a baselining and information gathering exercise, and working with the Local Authority provisionally designated the boundary of the emerging rural plan, which was achieved after a six week statutory consultation period at the beginning of March 2012 (to be completed formally post adoption of the Regulations). The working group have also been successful in securing eight days of Neighbourhood Planning support from the Design Council CABE and are currently working alongside their designated Enabler to commence the first stage of their two phase consultation process; phase 1 gathering information from their local communities and phase 2, conducting Place Check walkabouts.

The Headland Neighbourhood Plan

- 5.3 The Headland neighbourhood planning group applied for Front Runner status from DCLG under the fifth wave of funding although they were unsuccessful, in conjunction with Hartlepool Borough Council the group is continuing to seek support to enable them to develop their Neighbourhood Plan. Discussions are currently ongoing with Princes Foundation and Planning Aid in relation to a collaborative planning workshop and training packages available.

6. COMMUNITY INFRASTRUCTURE LEVY (CIL)

- 6.1 The main reason for introducing a CIL is that it would provide a means of securing developer contributions from all qualifying developments to ensure funds are available to cover the cost of new infrastructure required to enable development and to help give clarity to developers on what they will be required to contribute as part of a development. If the levy is introduced developers will be liable to pay a compulsory levy which is charged on a scale of rates based on viability testing. The aim is to raise funds to pay for infrastructure but to also ensure development viability is not compromised. Unlike section 106 CIL is non-negotiable so applying and collecting it is purely an administrative process.
- 6.2 The levy takes effect through a Charging Schedule which sets out the rate (or rates) of the charge. The Charging Schedule itself is a simple document, but it relies on two important pieces of evidence:
1. Infrastructure planning and
 2. A viability assessment of the impact of the proposed rate of CIL on development in the Local Authority's area.
- 6.3 A report was presented and agreed at Cabinet to request permission to appoint external consultants to carry out an initial assessment of viability for all types of development (residential, industrial, retail etc) in the different geographical areas of the borough. The viability testing will illustrate which types of new development would be able to sustain a levy and which would not.
- 6.4 Work has been ongoing looking at deliverability of local plan sites and associated costs of infrastructure to take them forward. This work will help to assess the viability of implementing CIL.
- 6.5 If, following this viability testing, it is shown that there is scope to charge CIL on particular types of development Cabinet approval will be sought to proceed with the development of a CIL Charging Schedule. The development of the charging schedule would enable the council to illustrate the likely levels of CIL contributions which would be raised through the developments within the Local Plan period which could be used to fund the infrastructure needs of the borough. Further work will also be needed on the Local Infrastructure Plan (LIP) in terms of indicative costs of infrastructure and to help prioritise strategic infrastructure. It is likely that it will take approximately one year from the time the viability work is completed to implement CIL.

7. DUTY TO CO-OPERATE

7.1 This section reflects the requirements of section 33A of the Planning and Compulsory Purchase Act 2004²³ (Duty to co-operate in relation to planning of sustainable development) in relation to the time period covered by this report.

7.2 The Duty to co-operate requires:

- councils and public bodies to ‘engage constructively, actively and on an ongoing basis’ to develop strategic policy;
- councils to have regard to the activities of the other bodies; and
- councils to consider joint approaches to plan making.

7.3 The bodies that the council must cooperate with are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012, part 2, duty to cooperate, (4) (1).

Co-operation with Strategic Partners in Hartlepool

7.4 The council through the Hartlepool Local Strategic Partnership has been heavily involved in the production of the Hartlepool Sustainable Community Strategy. This is overarching policy document for the Borough which provides the basis for the strategic work of the local development framework.

7.5 The Strategic Partnership has been involved with each stage of the production of the emerging Local Plan and has had opportunities to debate, advise and endorse the document before it was subject to consultation with the wider local community and other stakeholders. The Strategic Partnership is made up of local organisations such as Cleveland Police Authority, Cleveland Fire Authority, Hartlepool PCT/NHS Hartlepool, North Tees and Hartlepool NHS Trust and the Skills Funding Agency.

Other Local Authorities and Sub Regional Organisations

7.6 Hartlepool has many established avenues for co-operation on cross border and strategic planning issues. There are long established forums that meet regularly at Tees Valley level. Hartlepool has engaged at all stages of plan production with these local authorities and particularly with Stockton-on-Tees Borough Council and Durham County Council with whom the borough shares administrative boundaries.

7.7 Hartlepool participates in the Tees Valley Development Plan Officers (DPOs) Group meetings. These meetings involve planning policy lead officers from all five Tees Valley Authorities are held every six weeks and discuss strategic planning issues such as housing, transport, waste, biodiversity, and the natural and historic environment.

7.8 Development Plan Documents that have been completed at a joint Tees Valley level include The Tees Valley Joint Minerals and Waste Development Plan Documents and the Tees Valley Green Infrastructure SPD. Joint evidence base documents have been produced at this level including the Strategic Housing Market Assessment and the Gypsy and Travellers Accommodation Needs Assessment.

²³ PACA as updated by section 110 of the 2011 Localism Act

7.9 At every third DPO meeting planning officers from authorities that have borders with the Tees Valley are invited to discuss cross border issues. These are:

- Richmondshire District Council
- Durham County Council
- North Yorkshire County Council
- Scarborough Borough Council
- North York Moors National Park Authority

7.10 At a more senior level cross border and strategic planning issues are considered at Tees Valley Planning Managers meeting that take place every six weeks and Tees Valley Directors of Place meetings that take place monthly.

7.11 As well as the issues covered by the regular Tees Valley meetings there have been a number of more detailed cross boundary meeting between Hartlepool Borough Council and Stockton-on-Tees Borough Council during plan preparation to discuss key issues such as development, housing and employment sites at Wynyard and transport issues relating to the A689 trunk road and the A689/A19 junctions.

7.12 Hartlepool Borough Council is fully committed to other organisations such as Tees Valley Unlimited and the Tees Valley Local Enterprise Partnership (LEP). TVU is responsible for delivering growth and economic equity across the Tees Valley in support of the LEP. Hartlepool Borough Council is represented on the board of the LEP.

7.13 A major recent example of co-operation and collaboration was the establishment of the Tees Valley Enterprise Zones, three sites of which are within Hartlepool. The Enterprise Zones were supported by simplified planning process through Local Development Orders that were adopted in April 2012.

Parish Councils

7.14 At each stage of the Local Plan consultation process, Parish Councils within and adjacent to the plan area were invited by e-mail or letter to comment on the proposals within the Local Plan. Officers attended Parish Council meetings to address queries regarding the proposals and were given feedback on the consultation process.

Preparation of the Local Plan

7.15 Hartlepool began the preparation of its Local Plan by publishing an Issues and Options Paper in October 2007. This first stage of plan preparation was subject to full consultation of all statutory consultees, other local Council's and Parish Councils, landowners, utility and sub-regional and regional bodies and organisations and all existing consultees on a database that is constantly refreshed.

7.16 Prior to going to consultation upon the preferred options in January 2010 a cross border meeting was held with Stockton Borough Council to discuss key issues regarding housing and transport at Wynyard.

7.17 Officers also held meetings and targeted sessions with many stakeholders of a strategic nature. These included:

- A special advisory workshop with the Commission for Architecture and the Built Environment (March 2010)

- A meeting with Government Office North East that considered the whole plan but principally issues at Wynyard and Victoria Harbour (May 2010)
- A meeting with Natural England to discuss the plan policies and the Habitats Regulations Assessment (June 2010)
- Three meetings with the Highways Agency to discuss strategic transport issues (April, July and November 2010)
- A cross border liaison meeting with Durham County Council (September 2010).
- Further and regular meeting with major landowners in the borough including cross border sites.
- Meeting with Parish Councils

7.18 The following meetings were held to discuss strategic issues prior to consultation on the Publication Document

- A meeting with English Heritage to discuss in detail elements of the Historic Environment chapter of the Local Plan (January 2011)
- A meeting with Tees Valley Rural Forum (October 2011)
- A meeting with the Highways Agency to discuss strategic transport issues (January 2011).
- Further regular meeting with major landowners in the borough including cross border sites.
- Meeting with Parish Councils

7.19 Since publication further work relating to the duty to co-operate includes:

- A cross border liaison meeting with Stockton on Tees Borough Council to discuss strategic issues relating to housing and transport. (May 2010)
- A duty to co-operate workshop held at Durham County Council which included Hartlepool, Stockton-on-Tees and Darlington Borough Council's attended.

7.20 At each stage of plan production key stakeholders, all relevant statutory bodies, local authorities and public bodies were contacted and invited to submit representations during statutory consultation on the emerging Local Plan.

Co-operation Relating to the Evidence Base

7.21 Hartlepool Borough Council has commissioned various reports from consultants as well as producing its own work which feed into the evidence base for the Local Plan. A number of these evidence studies were carried out jointly with the other Tees Valley Local Authorities where the issue was strategic and crossed the administrative boundary.

7.22 A Strategic Housing Market assessment was carried out at the Tees Valley Level in 2009 and due to the changing nature of the local economy and housing market was refreshed in 2012. This built on the longstanding and continuous engagement and co-operation of the five Tees Valley local authorities.

7.23 The Strategic Housing Land Availability Assessment was completed in 2010. This work was subject to targeted consultation at an early stage that was key to the site assessments with the statutory consultees as well local utility providers Hartlepool Water and Northumbrian Water Limited. Other sub-regional bodies involved from the earliest stages included Tees Valley Wildlife Trust and Tees Archaeology.

7.24 In 2009 the North and South Tees Industrial Development Framework was produced. This strategic document related to the employment areas of the Tees Valley sub-region and specifically the unique and specialist industries of the Tees Valley.

7.25 Other joint evidence base and strategic work that has influenced the development of the Local Plan include:

- Tees Valley Climate Change Strategy 2010.
- Tees Valley Empty Property Strategy 2008.
- Tees Valley Green Infrastructure Strategy 2008.
- Tees Valley Investment Plan 2010.
- Tees Valley Economic and Regeneration Statement of Ambition 2010.
- Creating Thriving Communities in Tees Valley: Tees Valley Living a strategy for housing regeneration in the Tees Valley 2010/2020.
- Tees Valley: Programme of Development 2008.
- Tees Valley Biodiversity Action Plan 1999.
- Wind Farm Development and Landscape Capacity Studies: East Durham Limestone and Tees Plain 2007, Addendum 2009. Commissioned by the North East Assembly and relevant local authorities including Hartlepool.
- Tees Strategic Flood Risk Assessment 2007 and joint commissioning at the Tees Valley for the Hartlepool Strategic Flood Risk Assessment Levels 1 & 2 2010.
- Tees Valley Water Cycle Study 2012 (draft stage).
- Tees Valley Gypsy and Travellers Accommodation Needs Assessment 2009.
- Tees Valley Area Action Plan, produced by the Tees Valley Unlimited and the Highways Agency 2009.

Co-operation Relating to Infrastructure Needs and Provision

7.27 Throughout plan production some of the most detail discussions and meetings have been with those bodies, both private and public, that have a strategic responsibility or involvement in regard to infrastructure provision. Specifically this has been instrumental in the production of the Hartlepool Infrastructure Plan which was completed in 2012. The Infrastructure Plan was subject to targeted consultation at an early stage and focused on the following key areas:

- Transport infrastructure;
- Education provision;
- Health provision;
- Provision of Utilities;
- Green infrastructure;
- Sports pitches and indoor sports facilities;
- Coastal and Flood Defences; and
- Minerals and Waste

7.29 Stockton-on-Tees Borough Council and the Highways Agency have been heavily involved in this work as there are key infrastructure challenges regarding the proposed quantum's of development and the effect on the trunk road network. Financial contributions from development in Hartlepool will be used to upgrade the key highways and junctions in the borough as well as in the borough of Stockton –on-Tees.

Appendix 1: Saved Policies from 13th April 2009

SCHEDULE

POLICIES CONTAINED IN HARTLEPOOL LOCAL PLAN (2006)

GEP1	General Environmental Principles
GEP2	Access for all
GEP3	Prevention by Planning and Design
GEP7	Frontage of Main Approaches
GEP9	Developers' Contributions
GEP10	Provision of Public Art
GEP12	Trees, Hedgerows and Development
GEP16	Untidy Sites
GEP17	Derelict Land Reclamation
GEP18	Development on Contaminated Land
Ind1	Wynyard Business Park
Ind2	North Burn Electronics Components Park
Ind3	Queens Meadow Business Park
Ind4	Higher Quality Industrial Estates
Ind5	Industrial Areas
Ind6	Bad Neighbour Uses
Ind7	Port-Related Development
Ind8	Industrial Improvement Areas
Ind9	Potentially Polluting or Hazardous Developments
Ind10	Underground Storage
Ind11	Hazardous Substances
Com1	Development of the Town Centre
Com2	Primary Shopping Area
Com3	Primary Shopping Area – Opportunity site
Com4	Edge of Town Centre Areas
Com5	Local Centres
Com6	Commercial Improvement Areas
Com7	Tees Bay Mixed Use Site
Com8	Shopping Development
Com9	Main Town Centre Uses
Com10	Retailing in Industrial Areas
Com12	Food and Drink
Com13	Commercial Uses in Residential Areas
Com14	Business Uses in the Home
Com15	Victoria Harbour/North Docks Mixed Use Site
Com16	Headland – Mixed Use
To1	Tourism Development in the Marina
To2	Tourism at the Headland
To3	Core Area of Seaton Carew
To4	Commercial Development Sites at Seaton Carew
To6	Seaton Park
To8	Teesmouth National Nature Reserve
To9	Tourist Accommodation
To10	Touring Caravan Sites
To11	Business Tourism and Conferencing

Hsg1	Housing Improvements
Hsg2	Selective Housing Clearance
Hsg3	Housing Market Renewal
Hsg 4	Central Area Housing
Hsg5	Management of Housing Land Supply
Hsg6	Mixed Use Areas
Hsg7	Conversions for Residential Uses
Hsg9	New Residential Layout – Design and Other Requirements
Hsg10	Residential Extensions
Hsg11	Residential Annexes
Hsg12	Homes and Hostels
Hsg13	Residential Mobile Homes
Hsg14	Gypsy Site
Tra1	Bus Priority Routes
Tra2	Railway Line Extensions
Tra3	Rail Halts
Tra4	Public Transport Interchange
Tra5	Cycle Networks
Tra7	Pedestrian Linkages: Town Centre/Headland/Seaton Carew
Tra9	Traffic Management in the Town Centre
Tra10	Road Junction Improvements
Tra11	Strategic Road Schemes
Tra12	Road Scheme: North Graythorp
Tra13	Road Schemes: Development Sites
Tra14	Access to Development Sites
Tra15	Restriction on Access to Major Roads
Tra16	Car Parking Standards
Tra17	Railway Sidings
Tra18	Rail Freight Facilities
Tra20	Travel Plans
PU3	Sewage Treatment Works
PU6	Nuclear Power Station Site
PU7	Renewable Energy Developments
PU10	Primary School Location
PU11	Primary School Site
Dco1	Landfill Sites
Rec1	Coastal Recreation
Rec2	Provision for Play in New Housing Areas
Rec3	Neighbourhood Parks
Rec4	Protection of Outdoor Playing Space
Rec5	Development of Sports Pitches
Rec6	Dual Use of School Facilities
Rec7	Outdoor Recreational Sites
Rec8	Areas of Quiet Recreation
Rec9	Recreational Routes
Rec10	Summerhill
Rec12	Land West of Brenda Road

Rec13	Late Night Uses
Rec14	Major Leisure Developments
GN1	Enhancement of the Green Network
GN2	Protection of the Green Wedges
GN3	Protection of Key Green Space Areas
GN4	Landscaping of Main Approaches
GN5	Tree Planting
GN6	Protection of Incidental Open Space
WL2	Protection of Nationally Important Nature Conservation Sites
WL3	Enhancement of Sites of Special Scientific Interest
WL5	Protection of Local Nature Reserves
WL7	Protection of SNCIs, RIGSs and Ancient Semi-Natural Woodland
HE1	Protection and Enhancement of Conservation Areas
HE2	Environmental Improvements in Conservation Areas
HE3	Developments in the Vicinity of Conservation Areas
HE6	Protection and Enhancement of Registered Parks and Gardens
HE8	Works to Listed Buildings (Including Partial Demolition)
HE12	Protection of Locally Important Buildings
HE15	Areas of Historic Landscape
Rur1	Urban Fence
Rur2	Wynyard Limits to Development
Rur3	Village Envelopes
Rur4	Village Design Statements
Rur5	Development at Newton Bewley
Rur7	Development in the Countryside
Rur12	New Housing in the Countryside
Rur14	The Tees Forest
Rur15	Small Gateway Sites
Rur16	Recreation in the Countryside
Rur17	Strategic Recreational Routes
Rur18	Rights of Way
Rur19	Summerhill- Newton Bewley Greenway
Rur20	Special Landscape Areas
Min1	Safeguarding of Mineral Resources
Min2	Use of Secondary Aggregates
Min3	Mineral Extraction
Min4	Transport of Minerals
Min5	Restoration of Mineral Sites
Was1	Major Waste Producing Developments
Was2	Provision of 'Bring' Recycling Facilities
Was3	Composting
Was4	Landfill Developments
Was5	Landraising
Was6	Incineration

Department of Regeneration & Neighbourhoods
Hartlepool Borough Council
Bryan Hanson House
Hanson Square
Hartlepool TS24 7BT

Telephone 01429 523280
www.hartlepool.gov.uk



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 purpose of the report is to update the MTFS and to enable Cabinet to determine the formal budget proposals it wishes to refer for Scrutiny.

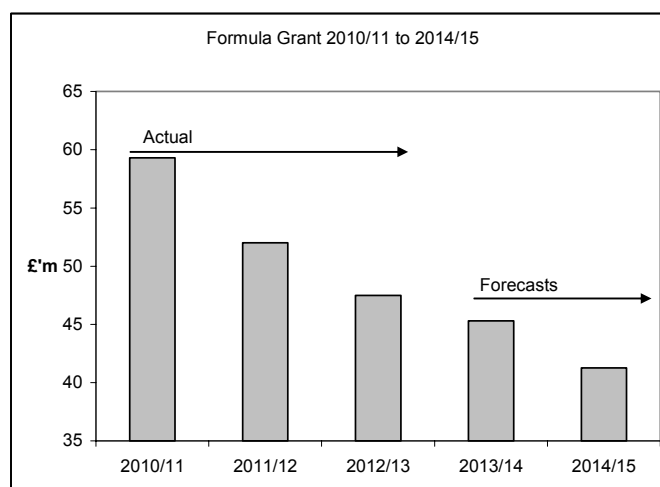
3. BACKGROUND

- 3.1 A number of reports have been submitted to Cabinet over the period June 2012 to November 2012 and have highlighted the significant financial challenges facing the Council in 2013/14 and future years arising from:

- Continued reductions in Formula Grant (the main grant paid to Councils);
- Reductions in specific grants, including the Early Intervention Grant (EIG) and Local Authority Central Spend Equivalent Grant (LACSEG);
- Fundamental changes in the overall system for funding Local Authorities. These changes are the most significant changes since the Community Charge was replaced by the Council Tax in 1993 and will impact on authorities in 2013/14 and transfer additional ongoing financial risks to Councils;

These changes cover two key issues, the re-localisation of business rates and the replacement of the national Council Tax Benefit System with locally determined Council Tax Support schemes.

- 3.2 The report to Cabinet on 4th October provided a comprehensive analysis of the financial position facing the Council for the next four years and enabled Cabinet to commence the formal budget consultation process for 2013/14.
- 3.3 The previous reports highlighted the significant uncertainty of funding levels for 2013/14 and future years arising from the range of changes proposed by the Government and the lack of final information on these issues. This uncertainty has now been compounded by indications that the 2013/14 Local Government Finance announcement will not be made until 19th December 2012. This is significantly later than in previous years and impacts on the time available for Councils to complete the budget cycle, as the end dates for setting the 2013/14 budget and Council Tax cannot move. Furthermore, it is not yet clear if this will only be a one-year settlement for 2013/14, or a two year settlement for 2013/14 and 2014/15.
- 3.4 As soon as more definite information is available Members will be updated. An additional Cabinet meeting has been scheduled for 21st December 2012 to update Members on the Local Government Finance announcement, assuming this is made on 19th December 2012 and provides sufficient detail of the impact of changes on individual Councils.
- 3.5 Whilst, the scale of anticipated grant cuts for 2013/14 and 2014/15 are expected to be less than the reductions implemented over the last two years, as grant cuts were front loaded, the challenges for Councils setting next years budget are even more challenging for a number of reasons:
- The forecast that by 2014/15 Hartlepool's annual Formula Grant will be £18.1m less than it was in 2010/11, an ongoing cut of 30%, as summarised below;



- The impact of significant legislative changes, including introducing new Local Council Tax Support schemes and Business Rate re-localisation;
- The impact of cuts to the Early Intervention Grant (EIG) funding of £1.15m, a cut of 15% in 2013/14, increasing to £1.6m in 2014/15;
- The impact of changes in Local Authority Central Spend Equivalent Grant (LACSEG) funding, which will result in reduced funding when schools become academies and potentially result in a total grant loss of £2.35m.

3.6 Implementing any one of these changes would be challenging for the Council, implementing them all at the same time significantly increase the financial risks the Council will need to manage in 2013/14 and future years. It is therefore essential that robust plans are developed and implemented to manage these issues and any one off costs arising from these changes.

3.7 A key component of this overall strategy has been the development of a robust outturn strategy for the current year (2012/13) to address the additional financial risks facing the Council. These issues were considered by the Corporate Management Team and Cabinet previously approved a strategy based on setting underspend targets and review of reserve targets to identify resources to fund additional one-off expenditure commitments. This strategy is a key element of the strategic approach to managing the Council's financial position over the period of the MTFS (2013/14 to 2016/17) and aims to ensure the Council has a robust financial base to manage continuing grant cuts. This approach will hopefully avoid the need for emergency measures and even higher cuts in budgets in future years.

3.8 This report outlines the key changes since the initial MTFS proposals were considered by Cabinet on 4th October 2012 and the impact this has on the recommended strategy for managing the budget position over the next two years.

4. 2012/13 Outturn Strategy and Review of Reserves

- 4.1 A comprehensive report was submitted to Cabinet on 19th November 2012 detailing progress in achieving the targets set for in-year managed budget underspends. This strategy will enable an underspend to be achieved through a combination of robust management actions, including;
- holding posts vacant, which will help reduce the number of compulsory redundancies required to balance the 2013/14 budget;
 - achieving planned savings earlier;
 - careful management of budgets to avoid expenditure where this does not have an adverse impact on services;

- the financial benefit to the Council of Local Government pay being frozen for the third successive year (fourth year for Chief Officers). This ongoing benefit of the 2012/13 pay freeze has been built into the 2013/14 budget forecast; and
 - savings in interest costs by taking advantage of current interest rates structures. A comprehensive review of this area has also been completed and detailed proposals to secure a permanent budget saving of £1m from 2014/15 in interest and loan repayment costs has been developed.
- 4.2 The report also provided details of progress in achieving the target set for re-assessing reserves where these resources can be released as the risk has reduced, or the initial proposed use of the reserve is no longer a priority in the current financial climate.
- 4.3 The report indicated that total resources from managing these areas is anticipated to be in the range of £5.660m to £6.480m, depending on the final outturn for demand lead budgets.
- 4.4 Assuming these outturns are achieved the level of available resources will exceed the previously identified commitments, which are summarised below, by between £0.191m to £1.011m.

Summary of additional one-off commitments to be funded from 2012/13 outturn and review of reserves

	Best case £'000	Worst Case £'000
Forecast additional grant cuts 2013/14 arising from formula changes and updated population figures	850	850
Business Rates Retention – safety net threshold risk and impact of Power Station	1,000	1,000
Forecast additional redundancy and early retirement costs up to 2016/17	2,500	2,500
Provision for income shortfall 2013/14	500	500
Provision for delayed implementation of planned 2013/14 and 2014/15 savings	500	500
Total additional one-off commitments	5,350	5,350
Less Forecast 2012/13 Managed budget underspends (see note 1)	(3,380)	(4,200)
Less Reserves released from reviewing existing commitments	(2,280)	(2,280)
Funding for one off Accommodation costs (see note 2)	119	119
Forecast uncommitted resources available to temporarily support 2013/14 budget if actual grant cut is higher than forecast	(191)	(1,011)

Note 1 - These figures assume that none of the forecast outturn is allocated for the Empty Homes Project and the additional forecast costs on this scheme are funded from Prudential Borrowing supported by the Business Case.

Note 2 - A comprehensive report on the Accommodation Strategy was considered by the Finance Portfolio Holder on 12th December 2012 outlining proposals to achieve ongoing budget savings of £0.17m from 2014/15. The budget forecast for 2014/15 anticipate savings of £0.1m from reducing accommodation costs, therefore there may be an additional savings available to reduce the overall net 2014/15 budget deficit. To achieve these savings one-off costs need to be incurred of £0.184m (including a 15% contingency). It is recommended that £0.119m of these costs are funded from the current year's outturn and £0.065m from the part year accommodation costs saving anticipated in 2013/14.

- 4.5 As previously reported it is recommended that a decision on the use of the uncommitted one-off resources is deferred until the 2013/14 Local Government Finance settlement is provided by the Government. If the actual grant cut is higher than forecast these resources will need to be allocated to help balance the 2013/14 budget on a temporary basis.
- 4.6 In the event that the uncommitted resources are not needed to balance the 2013/14 budget it is recommended that these resources are carried forward to 2014/15 to manage ongoing financial risk, particularly if the Government only provide a one year Grant Settlement.
- 4.7 Statutory Accounts 2012/13 – impact of Outturn Strategy**
- 4.8 The successful achievement of the targets set for achieving in-year managed underspend and reviewing reserves will impact on the year end position reported in the Statutory Accounts.
- 4.9 Similarly, the receipt of income from external funders in the current year to pay for services next year will also be reported in the Statutory Accounts, as a contribution to reserves. As reported in previous years this arrangement helps maximise the financial resources available to spend in the town, although it does result in a temporary increase in reserves at the year end.
- 4.10 The Statutory Accounts will also provide a summary of the financial strategy adopted by the Council in 2012/13 to manage budgets robustly and to prepare for future financial challenges. This is a difficult message to explain to the public and Officers and Members will need to work together to explain the strategy to the public.

5. Chancellor's Autumn Statement

5.1 The Chancellor made his Autumn Statement on 5th December 2012. In broad terms the Statement and information from the Office for Budget Responsibility indicates that Britain's economy is now expected to contract by 0.1% this year owing to the impact of problems in Europe. Growth forecasts for future years are now lower than previously expected and the latest forecasts are:

- 1.2% in 2013;
- 2% in 2014;
- 2.3% in 2015;
- 2.7% in 2016;
- 2.8% in 2017.

5.2 The public sector deficit is expected to fall this year, partly owing to one-off benefits and to continue falling until 2017/18, which is later than previously forecast. These factors highlight the continued financial challenges facing the economy and the public sector, which it is expected will experience a continued period of austerity until 2017/18.

5.3 In terms of specific information regarding the impact on Councils there was little new information. The following issues will impact, although further information will be needed to assess the impact on Hartlepool:

- The Chancellor stated that total public sector spending will reduce from 48% of GDP in 2009/10 to 39.5% in 2017/18. In addition, the Chancellor repeated that 80% of the overall reduction in Government spending will relate to expenditure reductions, with 20% coming from tax increases. These factors underline the view that further grant cuts will be made in future years;
- Government Departmental budget will be cut by an additional 1% in 2013/14 and 2% in 2014/15. The 1% reduction does not apply to Councils, but the 2% reduction will apply in 2014/15. The Autumn Statement indicated that nationally this will reduce total funding for Local Government by a further £455 million in 2014/15. The following table summaries the departmental budget reductions announced by the Chancellor in the Autumn Statement;

	£ million	
	2013-14	2014-15
Education	-155	-305
NHS (Health)	0	0
Transport	-50	-90
CLG Communities	-20	-25
CLG Local Government	0	-445
Business, Innovation and Skills	-150	-280
Home Office	-80	-155
Justice	-75	-140
Law Officers' Departments	-5	-10
Defence	-245	-490
Foreign and Commonwealth Office	-10	-20
Energy and Climate Change	-5	-5
Environment, Food and Rural Affairs	-20	-35
Culture, Media and Sport	-10	-20
Work and Pensions	-75	-155
Scotland	-50	-105
Wales	-20	-65
Northern Ireland	-20	-40
Chancellor's Departments	0	-5
Cabinet Office	-5	-10
Small and Independent Bodies	-5	-10
International Development ²	-250	-430

- A Comprehensive Spending Review will be completed in the first half of 2013 to determine Government spending priorities for 2016/17 and 2017/18;
- Business rate relief for new development will be provided on the basis of a 'longer grace period'. It is unclear how long this will last and how this will be paid for given the changes to relocalise business rates from April 2013;
- Most welfare benefits for working age adults will be capped at 1% for each of the next 3 years.

5.4 Based on the above information it is still not clear whether the Local Government Finance Settlement will cover 1 or 2 financial years, or to determine the actual grant cuts for these years. This position will not become clear until the 19th December 2012 when the Local Government Finance Settlement for 2013/14 is issued. This announcement is much later than in previous years and makes financial planning even more difficult, particularly if the actual grant cuts for 2013/14 are greater than anticipated.

5.5 If the additional 2% grant reduction is implemented as an across the board 2% grant cut for all Council's this will have a disproportionate impact on Councils which are more dependant on Grant funding, including Hartlepool as the additional 2% Grant cut equates to £0.8m.

5.6 From a practical perspective the late grant announcement for 2013/14 will have a significant impact on the time available to develop a strategy to manage actual grant cuts if these are higher than forecast and to then consult on any action which may be necessary to manage

this position. Completing the Budget and Council Tax setting process as planned in early February 2013 is even more important than in previous years owing to the impact of the Council Tax Benefit reforms, as the Council needs to be able to issue Council Tax bills as soon as possible. The budget timetable and process will need to be reviewed when more information is available.

- 5.7 A recent Department of Health circular provides information on funding arrangements for social care for 2013/14 and future years. This funding will be paid to local Clinical Commissioning Groups and Councils will need to work with these Groups to access this funding. At this stage it is unclear how much will be received by individual Councils. More importantly, it is unclear how this national funding announcement fits in with the main Local Government Funding Settlement. There is a risk that rather than this being new money to fund social care costs that this funding may simply be funded by top slicing the national Formula Grant and providing rebadged funding via the NHS. The Department of Health circular highlights the significant uncertainty regarding next years funding allocations. Further information will be provided as soon as it is available.

6. General Fund budget forecast 2013/14 to 2016/17

- 6.1 The MTFs report considered by Cabinet on 4th October provided a comprehensive analysis of the national and local issues impacting on the Council's financial position for 2013/14, including initial budget pressures of £0.539m detailed in **Appendix 1**. The report outlined the forecast deficits for the period 2013/14 to 2016/14, as summarised below:

Summary of forecast deficits 2013/14 to 2016/17

	Low £'000	High £'000
2013/14	5,326	5,326
2014/15	5,520	5,520
	10,846	10,846
2015/16	4,649	5,649
2016/17	3,300	4,300
	7,949	9,949
Total Forecast Deficit	18,795	20,795

- 6.2 The report also provided a detailed strategy for managing the budget deficits facing the Council in 2013/14 and 2014/15 as these are the

most immediate challenges facing the Council. The previous report highlighted the following key issues:

- The budget deficits for 2013/14 and 2014/15 will only be bridged if significant sustainable budget savings are made in these years;
- The 2013/14 budget will be supported by one-off resources of £1.198m, which avoids higher budget cuts being required for this year and enables the budget to be balanced over a slightly longer period;
- The actual grant cuts for 2013/14 and 2014/15 do not exceed the forecast reductions;
- Indicative annual Council Tax increases for 2013/14 and 2014/15 approved in February 2012 would be reduced from 3.49% to 2.5%. This issue needs reviewing to reflect the Government's announcement on 8th October 2012 of lower Council Tax referendum thresholds and arrangements for freezing Council Tax in 2013/14. Further details are provided later in the report.

- 6.3 Based on these forecasts the previous report advised Members that this strategy should enable the Council to set a balanced budget for 2013/14 and reduce the net deficit for 2014/15 to around £1.3m, as summarised below:

	Cumulative figures	
	2013/14 £'000	2014/15 £'000
Initial Forecast Deficits reported June 2012 (based on annual 2.5% Council Tax increases)	4,100	8,900
<u>Changes in planning forecasts reported in June 2012</u>		
Add Reduction in Council Tax income from reducing from an indicative 3.49% annual increase to 2.5%	400	800
Add Changes in planning assumptions	560	880
Revised Forecast Deficit reported June 2012	5,060	10,580
<u>Additional Changes in planning forecasts since June 2012</u>		
Add Forecast additional Formula Grant cuts arising from proposal announced by Government in July	600	600
Add Impact of changes in population figures used in to allocate Formula grant	250	250
Less Lower pressures to be funded from 2013/14 budget headroom provision of £1m	(461)	(461)
Less reduction in 2012/13 Concessionary Fares pressure	(100)	(100)
Less reduction in Chief Executive salary (assumes initial appointment at minimum of grade)	(23)	(23)
Revised Forecast Deficit	5,326	10,846
Less Forecast ICT saving	(300)	(700)
Less Forecast Collaboration Savings	(1,000)	(2,297)
Less Forecast Other Savings	(2,828)	(6,188)
Net Forecast Deficit after proposed savings	1,198	1,661
Less One-off resources allocated to offset removal of 2012/13 Council Tax freeze grant	(348)	(379)
Less One-off funding to be identified from 2012/13 outturn strategy to offset additional Formula grant cuts and impact on changes in population figures used to allocate Formula grant	(850)	0
Net Deficit still to be funded from budget cuts	0	1,282

6.4 The previous table highlights the scale of the permanent budget reductions which need to be achieved over the next two years. The current MTFs forecasts are based on achieving:

- significant IT procurement savings commencing in 2013/14, with a full year saving in 2014/15 of £0.7m;
- Planned Departmental savings for 2013/14 of £3.828m – a budget cut of around 5%;
- Further departmental savings for 2014/15 of £4.657m – a budget cut of around 6.4%. Cumulatively by 2014/15 the cut in departmental budgets is currently forecast to be £8.485m, or 11.4%.

6.5 2013/14 Savings plan and risk assessment

6.6 The following table summarises the proposed savings for 2013/14, which in total are £36,000 more than planned savings, assuming the reduced People Collaboration savings of £250,000 is achieved as detailed in paragraph 6.13. Detailed reports on the individual 2013/14

savings are set out in the Appendices to this report as shown in the following table:

Appendix	Project Title	Proposed savings included in MTFS (£'000)
2	Adult Social Care	860
3	Community Services	205
4	Home to School Transport	100
5	Performance & Achievement	100
6	Prevention, Safeguarding & Specialist Services	475
7	Resources & Support Services Division of Child & Adult Services	91
8	Regeneration & Planning Services	201
9	Resources Division of the Regeneration & Neighbourhoods Department	228
10	Transportation and Engineering Services	254
11	Waste Management Services - Note 1	400
12	Chief Executives Department	200
		3,114
	Three Borough People Collaboration - Note 2	250
	Total Savings	3,364

Notes

1. This report was considered and approved by Cabinet on 3rd December 2012.

2. As detailed in paragraphs 6.13 to 6.15 the full year saving will not be achieved and a reduced part year saving of £0.250m will be included in the 2013/14 budget.

- 6.7 The detailed savings reports include a risk assessment section detailing financial and non financial risks of achieving the proposed savings. In terms of financial risks a corporate assessment of the achievability and sustainability of savings has also been completed based on analysing savings between reductions in pay budgets, non pay budgets and income generation, as summarised below:

	Pay savings £'000	Non pay budget savings £'000	Increased income £'000	Total Saving £'000
Chief Executive's Department	155	25	20	200
Child and Adult Services	759	998	74	1,831
Regeneration & Neighbourhoods	332	558	193	1,083
Total	1,246	1,581	287	3,114
Savings as percentage of total	40%	51%	9%	100%

- 6.8 The above table indicates that 40% of the overall savings will be achieved by reducing pay budgets. As detailed in previous reports this is broadly slightly lower than the overall percentage of the current budget which is spent on pay costs of 56%. Further analysis of the proposed pay savings has identified that £0.657m (53%) of the overall saving in this area will be achieved by deleting vacant posts. This position reflects management action taken to hold posts vacant where possible to reduce the need for compulsory redundancies as part of the 2013/14 budget. This action is not sustainable over the period of the MTFS and in future years the number of compulsory redundancies will increase as it will not be possible to hold posts vacant.
- 6.9 With regard to the 2013/14 pay saving which cannot be achieved by deleting vacant posts of £0.589m the Corporate Management Team will continue to manage vacancies during the remainder of the year to provide redeployment opportunities for staff at risk of redundancies.
- 6.10 In terms of managing the financial risk of achieving the overall savings target for 2013/14 the pay savings detailed in the previous paragraphs reduces the financial risk of delivering sustainable savings from 1st April 2013. With regard to the non pay and income savings these are based on robust business cases, as described in the detailed report for each area. However, these areas are not without risk and any shortfall in planned savings will need to be addressed by departments identifying alternative proposals for Members approval if this proves necessary. These areas will continue to be managed carefully during 2013/14.
- 6.11 **Update of 2013/14 and 2016/17 budget forecasts**
- 6.12 Further work on the budget forecasts has been completed since the previous report was considered by Cabinet and a range of issues need to be reflected in the budget forecasts for 2013/14 and 2016/17.
- 6.13 For 2013/14 these issues are neutral and maintain a balanced budget, assuming the actual grant cut is not higher than currently forecast. The main issue relates to the forecast People Collaboration savings included in the MTFS previously reported of £0.75m. This was always going to be one of the most challenging savings proposals for 2013/14 and work completed to date now indicates that a full year saving will not be achieved in this area. The October 2012 MTFS report recognised the risk of delays in achieving planned 2013/14 and 2014/15 savings and recommended a risk reserve of £0.5m, as detailed earlier in the report. It is now recommended that £0.367m of this amount is allocated to support the 2013/14 budget. The use of this funding and other changes in the budget forecasts enable the part year savings required from the People Collaboration project to be reduced to £0.25m. If the actual part year People Collaboration savings are more than this amount there will be a reduced call on the risk reserves.

- 6.14 Conversely if the in-year savings are less than £0.25m an additional contribution from the risk reserve of £0.133m may need to be made, which would fully commit this reserve. This would leave a residual potential shortfall of £0.117m to manage in 2013/14. At this stage it is anticipated that the risk of managing this residual in-year shortfall is low. Furthermore, the budget position for 2013/14 may benefit from the Chief Executive's review of the current management structure. This review needs to reflect ongoing capacity requirements during a challenging period of change and links to collaboration projects in both People and Corporate Services. This work is unlikely to be sufficiently complete in time for setting the budget, although depending on the recommendations of the Chief Executive there may be a part year saving. Given the risks of achieving the existing challenging savings programme for 2013/14 and the proposal to commit a significant element of the risk reserves for managing delays in the phasing of planned savings to support the 2013/14 budget it is recommended that any in-year structure review savings which are achieved are earmarked to reduce the call on the risk reserve in 2013/14. This will then enable the uncommitted risk reserve to be carried forward to 2014/15 to manage the risk of achieving the savings in that year, which will be even more challenging.
- 6.15 The following table summaries changes in the budget position for 2013/14, which in total are neutral and are summarised to inform Member of the factors which have changed.

Summary of budget changes 2013/14

	£'000	£'000
Net deficit reported 04.10.12 (as per para. 6.3)		0
Increases in budget deficit		
<u>People Services Collaboration saving</u> Delayed achievement of forecast saving from People Services collaboration as detailed in paragraph 6.13.	500	
<u>Looked After Children Pressure</u> Increase demand for children's social care services and workload pressures within system resulting in need for additional capacity within social work teams to manage demand and ensure caseloads remain at safe level	96	
<u>Denominational School Transport</u> Following the Council decision in February 2012 to provide one-off funding to defer making this saving	125	

in 2012/13 the MTFS forecast anticipated this saving being made in 2013/14. Following the decision by Cabinet on 19 th November 2012 the anticipated saving included in the previous MTFS forecast will not be achieved.		
<u>Reduced Council Tax increase</u> A decrease in the planned Council Tax increase from 2.5% to just below the referendum trigger point to 1.99% will reduce ongoing Council Tax income and therefore increase the budget deficit.	150	
Sub Total – increases in budget deficit		871
Decreases in budget deficit		
<u>Council Tax base</u> The 2013/14 Council Tax base will be approved in January. It is anticipated that there will be a small increase in the actual tax base compared to the initial assessment included in the MTFS in January 2012.	(168)	
<u>One-off Council Tax Support Grant</u> The Council will benefit in 2013/14 from a one off grant of £0.2m owing to the impact of the cut in Government grant to fund the new Local Council Tax Support scheme being higher for Hartlepool than the national funding cut. This partly offsets the pressure included in the MTFS to partly fund the implementation of a Local Council Tax Support scheme in 2013/14, although this pressure increases in 2014/15 and the one-off grant will not be received in this year.	(200)	
<u>Department Savings proposals</u> As detailed in paragraph 6.6 and the detailed savings proposal exceed the savings targets by £36,000.	(36)	
<u>External Audit Fee savings</u> An initial assessment of the forecast External Audit Fee savings was included in the June 2012 MTFS report. Based on information received from Mazars (the new external auditors) on 1 st November 2012 in relation to the 2012/13 External Audit fee it is anticipated that the ongoing saving in	(15)	

2013/14 will be £105,000, which is £15,000 more than initially forecast and included in the MTFS. This fee level assumes the timely preparation of good quality financial statements and working papers.		
<u>Director of Regeneration and Neighbourhood Services saving</u> Saving reflects lower salary and associated pension and national insurance savings.	(36)	
Sub Total – Decreases in budget deficit		(455)
Temporary Savings / Funding		
<u>Use of 'Delayed Saving' Risk Reserve</u> As detailed in paragraph 6.13 this amount will partly offset the delayed achievement of planned 2013/14 People Services collaboration savings detailed above.	(367)	
<u>Chief Executive's savings</u> The MTFS forecast reported on 4 th October included a permanent savings from the reduction in the Chief Executive's salary as detailed in paragraph 6.3. Following the appointment of the current Chief Executive there will also be a temporary employers' pension contribution saving (£24,000) as the current Chief Executive is no longer in the pension scheme and his pension will be based on his previous salary as Director of Regeneration and Neighbourhoods. This saving will continue while the existing officer is Chief Executive, although it will not be sustainable when there is a change in Chief Executive. There will also be a temporary savings (£10,000) as the Chief Executive was appointed at the bottom of the revised salary grade.	(34)	
<u>Human Resources Saving</u> The Chief Executive is currently reviewing all departmental structures and will be making recommendations to Cabinet on a proposed	(15)	

structure early in the New Year. In relation to the Chief Executive's department these proposals will need to address issues in relation to the Human Resources function, in particular the shared Head of Human Resources post. Members will recall that when this arrangement was initially entered into a saving of £51,000 was included in the base budget leaving a net budget provision of £51,000. The Chief Executive's review of the structure will address this issue and recommend whether the whole of this budget is needed to replace lost HR capacity and capability, or whether part, or the whole of the remaining budget can be taken as a saving. Until this review is complete existing temporary arrangements will continue. Therefore, for planning purpose a minimum temporary saving of £15,000 can be included in the 2013/14 budget.		
Sub Total – Temporary Savings / Funding		(416)
Revised Budget Deficit based on forecast grant cuts and annual Council Tax increases of 2.0%		0

- 6.16 The above forecast will change if the actual grant cuts for 2013/14 and 2014/15 are higher than forecast and an update will be provided as soon as the Government provide these details. These forecasts will also be affected by the level of Council Tax Members determine to recommend for 2013/14 and this is addressed in section 7. There may also be a one-off benefit to the 2013/14 budget from the 2012/13 Collection Fund as initial work indicates there will be a Collection Fund surplus. The detailed work will be completed over the next few weeks and assuming there is a Collection Fund surplus this one-off funding must be taken into account when the 2013/14 budget is set. This amount will therefore be available to either offset the actual grant cut if it is higher than forecast, or to reduce the planned use of other one-off resources allocated to support the 2013/14 budget which can then be carried forward to manage budget risks in 2014/15.
- 6.17 For 2014/15 the MTFs forecast assumes the full year one saving from People Services Collaboration of £0.75m will have been achieved and additional year two savings are achieved in this area. A number of other factors have been updated and these measures reduce the 2014/15 net budget deficit from £1.282m reported in October to **£0.608m**, based on the following factors:
- The achievement of the planned 2013/14 and 2014/15 savings programme;
 - Actual grant cuts not exceeding the MTFs forecasts;

- The anticipated Treasury Management strategy saving;
- Annual Council Tax increase of 2% in 2013/14 and 2014/15;
- Budget pressures in 2014/15 do not exceed the £1m headroom provision included in the MTFS. Initial forecasts anticipate the whole of this amount being needed to permanently fund budget pressures which will be funded from specific reserves in 2013/14 relating to income shortfalls (shopping centre and building control) and increased Looked after Children costs. As reported previously the strategy of funding these pressures in 2013/14 from specific reserves has avoided additional budget cuts next year, although it was recognised this is only a temporary solution as these pressures are anticipated to become permanent.

6.18 In summary the updated gross budget deficits for 2013/14 to 2016/17 are slightly higher than the previous forecasts owing to the impact of reducing planned Council Tax increases in 2013/14 and 2014/15 from 2.5% to 2%. There is also a slight re-phasing of the gross deficit from the first two years to the second two years, as summarised below:

	Low £'000	High £'000
2013/14	5,326	5,326
2014/15	5,272	5,272
Sub Total	10,598	10,598
2015/16 (note 1)	5,015	6,015
2016/17 (note 1)	3,481	4,481
Updated Total deficit	19,094	21,094

Total deficit reported 04.10.12 (note 2)	18.795	20.795
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Note 1 – The higher 2015/16 and 2016/17 budget deficits reflect higher grant cuts in these years.

Note 2 – The deficits for individual years assume each year is balanced from permanent budget reductions. Where temporary funding is used to balance a specific years' budget the implications of deferring permanent saving is reflected in the following year.

7. Council Tax 2013/14

7.1 As reported in November the Government has announced details of the proposed 2013/14 Council Tax Freeze Grant and referendum trigger points, as follows:

- Council Tax Freeze Grant – a 1% grant will be paid to local authorities which freeze the 2013/14 Council Tax at the current level. This grant will be paid for two years - 2013/14 and 2014/15.
- Council Tax referendum threshold – this will be reduced from 3.5% in 2012/13 to 2% for 2013/14.

7.2 It is anticipated that the above proposal will be formally approved by Parliament in December 2012 and will therefore apply for 2013/14 as these issues need to be approved by Parliament on an annual basis.

7.3 The June 2012 MTFS report recognised the risk of the Government reducing the Council Tax referendum thresholds and recommended reducing the forecast annual Council Tax increases included in the MTFS for 2013/14 to 2016/17 from 3.5% to 2.5%. This proposal was approved by Cabinet and increased the budget deficits over the period of the MTFS.

7.4 In view of the Government's recent announcement the latest planning assumptions included in the MTFS and summarised at section 6 are now based on setting a Council Tax increase just below 2% i.e. at 1.99% for 2013/14.

7.5 Cabinet needs to determine whether to recommend either increasing Council Tax just below the referendum trigger point of 2%, i.e. by 1.99% for 2013/14, or to accept the Council Tax Freeze Grant for 2013/14. This decision needs to take account of both the immediate impact on the Council's financial position in 2013/14 and also the longer term impact beyond 2013/14.

7.6 Another factor the Council needs to consider is the level of the Council Tax referendum trigger which the Government may set in future years, which is currently unknown. The Government's policy over the period 2011/12 to 2013/14 has been to reduce both the period Council Tax Freeze Grant is paid for and the value of the grant. At the same time the Council Tax referendum thresholds for 2013/14 are significantly lower than they were in 2012/13. Against this background the best that Councils can plan for 2014/15 is that the Council Tax Freeze Grant and referendum trigger points will be the same as for 2013/14. However, there is a risk that lower levels could be implemented, which would further undermine individual Councils' financial resources and exacerbate the impact of continuing grant cuts.

7.7 The impact of the options available to the Council for 2013/14 are detailed below:

Impact of increasing Council Tax by 1.99%

This option is more sustainable than accepting the Council Tax Freeze Grant of 1% as it will generate additional ongoing Council Tax income

of £0.6m in 2013/14 and future years. The Councils ability to achieve additional sustainable income is particularly important at a time of reducing Government grant as this income helps to partly mitigate the impact of these funding cuts on services.

The option will impact on household budgets and the weekly additional charge per household will be as follows if this option is implemented:

Property Band	Percentage of houses in each band	Additional weekly charge arising from a 1.99% increase in HBC own Council Tax
A	46.9%	0.36p
B	16.4%	0.42p
C	16.1%	0.48p
D	9.5%	0.54p
E	5.7%	0.66p
F	2.8%	0.78p
G	2.3%	0.90p
H	0.3%	1.08p
	100%	

Impact of accepting the 2013/14 Freeze Grant of 1%

As reported previously temporary Council Tax freezes result in permanent funding reductions. Accepting the 2013/14 Council Tax Freeze Grant will reduce ongoing gross income by £0.6m.

This permanent income reduction will be offset by a reduction in the budget pressure for the Local Council Tax Support scheme of £0.2m as provision will not be needed to be made for the increased costs arising from a 1.99% Council Tax increase. This reduces the ongoing net income loss to £0.4m. It will not be possible to make up this loss in future years through higher Council Tax increases as these would require a Council Tax Referendum and it is unlikely that the public would vote to pay higher Council Tax.

If the Council determines to freeze Council Tax an additional 1% grant will be paid by the Government for 2 years, which for Hartlepool will be £0.3m. As this is a time limited grant this does not provide a permanent solution to the permanent loss of Council Tax income and simply defers part of these additional cuts until 2015/16, as summarised in the following table.

	2013/14 £'000	2014/15 £'000	2015/16 £'000
Permanent reduction in net resources from freezing 2013/14 Council Tax	400	400	400
Council Tax Freeze grant – received for 2 years	(300)	(300)	0
Additional sustainable 2013/14 budget cuts	0	(100)	(100)
Increase in budget cuts	100	0	300

As detailed earlier in the report 2015/16 will be a very difficult budget year owing to the cuts which will have been made in the previous 4 years. The financial challenges (and cuts required) in 2015/16 would therefore be increased if Council Tax is frozen next year.

- 7.8 In summary increasing Council Tax by 1.99% will generate additional permanent income, which is particularly important during a period of Government grant reductions. Accepting the Council Tax Freeze Grant will require additional budget cuts of £0.4m to be made before the start of 2015/16. It is therefore recommended that a Council Tax increase of 1.99% is implemented as this maximises the Council's ongoing income base and provides greater protection for services.
- 7.9 For 2015/16 and 2016/17 it is recommended that the indicative Council Tax increases of 2.5% are maintained, as the Council will need to begin increasing Council Tax income to partly mitigate the ongoing impact of further expected grant cuts. Central Government will need to recognise that if Council Tax continues to be constrained at a time of continuing grant cuts that Councils will become unviable and unable to provide local services. The indicative 2015/16 and 2016/17 Council Tax increases will need to be reviewed when more information is available.
- 7.10 For 2013/14 the Government is removing the requirement on Local Authorities to provide an explanatory leaflet with Council Tax bills. Whilst, the statutory requirement is being removed it is recommended that a leaflet is provided with the 2013/14 Council Tax bills as this provides an opportunity to explain to the public the financial issues facing the Council, the strategy for dealing with these issues and an explanation of the decisions taken in relation to the level of Council Tax for 2013/14. The additional cost of producing the black and white Council Tax information leaflet is £1,800, as all other costs of printing and distributing the Council Tax bills will still be incurred. This cost can be funded from the existing budget.

8. Early Intervention Grant (EIG)

- 8.1 The EIG was established in 2011/12 and funded from a number of specific grants. Hartlepool's initial EIG allocation for 2011/12 was nearly 22% lower than the previous separate grant allocations.
- 8.2 As reported in November the Government are now proposing further changes which will come in next year. Indicative figures provided by the Government indicate that Hartlepool's EIG will be reduced by £1.15 million next year, a cut of 15% compared to a national reduction of 11%.
- 8.3 The national EIG allocation is forecast to reduce by a further 6% in 2014/15. This could increase Hartlepool's EIG cut to £1.6m in 2014/15, an additional cut of £0.45m.
- 8.4 These cuts are not wholly unexpected and previous reports have identified the risk of cuts in EIG. In response to this risk a careful assessment of EIG commitments has been adopted since this funding regime was introduced and this strategy delivered an under-spend in 2011/12. It is also planned to achieve an under-spend in 2012/13. Based on current forecasts the under-spends in 2011/12 and 2012/13 should provide one-off funding of between £1.431m and £1.531m, depending on the actual outturn for 2012/13.
- 8.5 In view of the forecast EIG funding cuts over the next 2 years Cabinet previously approved the recommended strategy of allocating the under-spends from previous years to temporarily offset these grant cuts. This strategy will not provide a permanent solution. However, the alternative strategy would be to cut EIG services by 15% from April 2013, which would require a detailed strategy to be developed and implemented within the next 5 months.
- 8.6 The recommended strategy provides a longer lead time for Members to assess the implications of reducing EIG services to the level of the ongoing EIG funding and a detailed report will be brought back to a future meeting to propose a permanent strategy.
- 8.7 The strategy for addressing the cut in the EIG will also include the impact of redundancy / early retirement costs which will need to be funded from the Council's overall redundancy / early retirement provision.

9. Local Authority Central Spend Equivalent Grant (LACSEG)

- 9.1 Previous reports advised Members of the cuts in the Formula Grant arising from the transfer of Local Education Authority (LEA) funding to academies to reflect the transfer of responsibilities to individual schools. This position affected all LEAs irrespective of the number of academies in an individual authority's area and meant that in 2011/12

and 2012/13 Hartlepool lost funding even though there were no academies. The arrangements for top slicing the Formula Grant do not reflect the costs which will remain with LEA, even if all schools became academies.

- 9.2 The 2012/13 budget included a provision of £0.28m to off-set the grant reduction. This amount will not be needed in the current year as, following legal challenge by a number of authorities, the Government have withdrawn these arrangements and will be refunding the grant cuts already made for 2011/12 and 2012/13. Detailed allocations for individual councils are not yet known, although it is anticipated Hartlepool may receive a refund for these years of £0.48m. Assuming this amount is received this will mean the Council has £0.76m (£0.28m in-year budget underspend, plus £0.48m one-off grant refund) of one-off resources at the end of the current year.
- 9.3 Whilst the Government has now reversed the previous arrangements for transferring funding they have indicated that new arrangement will be implemented for 2013/14. The new arrangements will involve removing Local Authority Central Spend Equivalent Grant (LACSEG) from the main Formula Grant from 2013/14. The national amount top sliced from the Formula Grant will then be allocated by the Government between LEAs and academies in each LEA's area. The more academies there are in an area the lower the funding which will be allocated to the LEA. There is a significant risk that the funding allocated to individual authorities will not be sufficient to fund statutory, regulatory and overhead costs currently funded from LACSEG. This risk will increase as more schools become academies.
- 9.4 Nationally this funding change will remove £1.2 billion from the Formula Grant and initial figures provided by the Department for Communities and Local Government indicates that Hartlepool's Formula grant will be reduced by £2.35m. As one secondary school has indicated it is to become an academy it is anticipated that the amount of specific funding allocated back to Hartlepool will be £2.15m, a reduction of around £0.2m on the current funding allocation. If more Hartlepool schools become academies further in-year grant reductions will be made during 2013/14 and future years. It is estimated these reductions will be £200,000 per secondary school and £45,000 per primary school. In addition, if more schools become academies during 2013/14 or future years the Government may top slice the national funding and make in-year reductions in individual authorities grant allocations.
- 9.5 At this stage it is anticipated the forecast grant cut of £200,000 can be funded from the budget provision of £280,000 included in the MTFS. It is recommended that the uncommitted budget of £80,000 is earmarked to offset additional in-year grant reductions which it is expected will be made when other schools become academies, as two primary schools are expected to convert during 2013/14. If this occurs the expected in-year grant cut is £90,000, which will mean there is a funding shortfall of

£10,000, although this would increase if more schools become academies. It is recommended that this shortfall is funded from the one-off resources detailed in paragraph 9.2 and the remainder of these resources earmarked to manage the impact of additional schools becoming academies in 2013/14 and future years.

- 9.6 This strategy is not sustainable, as the funding cuts when schools become academies are permanent, and a strategy needs to be developed to address this issue. This strategy needs to determine the minimum level of resources which will be needed to discharge the Council's statutory and regulatory duties as an LEA. It also needs to address the impact on overheads currently funded from the LACSEG. At this stage it is not known how much funding will be provided for these costs, whether the required services can be delivered within the available resources, or whether there will be a budget pressure in 2014/15 and future years.
- 9.7 The availability of this one-off funding provides the Council with the necessary financial flexibility to review this position over the next 12 months and to develop a strategy for managing this position. It is therefore recommended that the one-off funding not needed to fund grant reductions in 2013/14 is allocated towards developing this strategy. This will also include the impact of redundancy / early retirement costs which will need to be funded from the Council's overall redundancy / early retirement provision.

10. Public Health Funding

- 10.1 As Members will be aware Public Health funding will transfer to councils in April 2013. Details of individual councils funding allocations have not yet been issued by the Government, although indicative figures have been provided.
- 10.2 Officers have been working with Health colleagues to develop and agree detailed arrangements for ensuring a smooth transfer of services. This work includes identifying existing contractual commitments which will also transfer to the Council and will be funded from the Public Health grant. This work indicates the indicative funding allocation will be fully committed to meet existing commitments during 2013/14. Officers will develop a detailed strategy for Public Health and use of the funding provided by the Government for 2014/15 and future years during 2013/14. Further updates will be provided when the Government provide more information.

11. Capital Programme 2013/14

- 11.1 There are two elements to the capital programme, namely schemes funded from specific Government capital allocations and locally funded schemes.

- 11.2 In relation to schemes funded from specific Government capital allocations it is anticipated allocations will be announced after the Chancellor Autumn statement, probably towards the end of December, or early January. Details will be reported when they are available.
- 11.3 With regard to local schemes these are provided for from the Council Capital Fund, which is funded from Prudential Borrowing and the resulting annual repayment costs picked up as a revenue budget pressure. As part of the approved 2012/13 budget a Council Capital Fund of £1m was approved to cover capital expenditure requirements in 2012/13 and 2013/14. Council approved the allocation £0.582m to fund specific schemes in 2012/13 and the carry forward of £0.418m for schemes in 2013/14. Use of the carry forward funding will need separate Council approval.
- 11.4 A review of previously approved schemes has been completed to reflect the completion of schemes and the value of resources to carry forward to fund schemes in 2013/14 is £0.470m. In addition, the revenue budget pressures identified for 2013/14 include provision for an additional Council Capital Fund allocation of £0.6m. Therefore, total funding available for 2013/14 is £1.070m.
- 11.5 Detailed proposals for using this funding will be reported to Cabinet and Council in the final budget report for 2013/14 in February 2013. At this stage two schemes has been identified as detailed in the following paragraphs.
- 11.6 The first proposed scheme for 2013/14 is a contribution of £0.1m towards the reconstruction of the A689 arising from the deterioration a section of the highway. Detailed condition surveys indicate that a section of the carriageway is now classified as 'red' on the condition survey criteria. Reconstruction is required as soon as practical owing to the high volume of traffic that uses this section of highway on a daily basis and the need to maintain the highway in a safe condition to avoid accidents. Emergency repairs have been carried out using £16,000 of Local Transport Plan funding. This section of road had not previously been identified for reconstruction in the foreseeable future. However, the condition of the road has deteriorated and parts of the road now require reconstruction. The total cost of reconstruction is £0.68m and it is proposed to fund these costs as follows:

	£'000
Council capital fund	100
Underspend on the 2012/13 Coast Defence Prudential Borrowing repayment budget of £50,000, which has not been needed to match fund contribution towards Coast defence projects which will now be fully funded from Government Capital Grant. It is anticipated this position will continue in 2013/14.	100
Prudential Borrowing – the annual loan repayment costs arising in 2014/15 will be funded by permanently realigning part of the Coast Defence Prudential Borrowing repayment budget of £50,000.	480
Total Funding	680

- 11.7 The funding proposal will reduce the resources available to match fund Coast Protection works. However, following the success in securing Government grants to undertake major Coast Protection schemes this proposal will not impact on the delivery of these schemes. The proposal will leave a residual budget provision of £20,000 to match funding future Coast Protection projects.
- 11.8 The issues in relation to the A689 highlight the future financial challenges facing all Councils in relation to the management of infrastructure assets in a period of reducing capital resources and pressure on the revenue budget from grant cuts and demographic pressures. These issues cannot be addressed by individual Councils and at some point the Government will need to develop a strategy to finance the upgrade of infrastructure managed by Councils. Until such as strategy is developed individual Councils' will need to manage the position as best they can and develop local financial solutions.
- 11.9 The second proposed schemes relates to potential works to the Bowls Club building, which will commit £0.2m of the available Council Capital Fund if approved by Members. There is a separate report on this issue on the agenda.
- 11.10 A detailed report was submitted to Council on 18th October 2012 recommending that the additional costs (£165,000) and contingency provision (£150,000) for managing the financial risk of extending the Empty Homes project should be funded from Prudential Borrowing, which would be repaid from the additional rental income generated from extending this scheme, in line with the original business case. Full Council determined that the additional amounts of prudential borrowing only be drawn upon when any departmental underspends had been exhausted.
- 11.11 As detailed earlier in the report the achievement of managed departmental underspends is a key component of the overall financial strategy for managing the financial risks facing the Council over the

next few years, including the impact of actual grant cuts for 2013/14. This information was not reported to Council when they considered the report on the Empty Homes project. Therefore, it is recommended that the budget proposals to be referred to full Council in February 2013 should recommended that the original strategy for funding the additional costs of £165,000 and £150,000 from Prudential Borrowing, which will be repaid from the additional rental income generated from extending this scheme, in line with the original business case, should be adopted. This strategy will maximise the Councils' overall financial flexibility to address the impact of the actual 2013/14 grant cuts, whilst providing a robust financial base for the Empty Homes project.

12. Robustness of Budget forecast – Chief Finance Officer's Professional Advice

- 12.1 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Chief Finance Officer (CFO) to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the CFO and in practice is a situation that I would not expect to arise for this Authority.
- 12.2 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) issued guidance reminding chief finance officers and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help chief finance officers discharge their responsibilities.
- 12.3 The Chief Finance Officer's advice will be provided in the budget report to be submitted to Cabinet and Council in February 2013. At this stage there are a number of key issues which will underpin this advice:
- The overall strategic approach being adopted to develop and implement a robust multi-year approach to managing the Council's financial position. This includes setting targets for achieving in-year managed budget underspends in the current year and the review of reserves to identify resources to fund additional one-off expenditure commitments over the next few years. This approach provides a sound financial basis for managing ongoing annual grant cuts and will help avoid even higher budget cuts in future years when one-off unavoidable expenditure commitments need to be funded.

Previous reports identified three significant financial risks over the period of the MTFS and indicated that there may need to be flexibility around the timing of funding for individual risks, which cover the following issues:

i) Redundancy and Early Retirement costs

This risk reflects the scale of the budget deficits over the MTFS period and the impact these cuts will have on staffing levels. For the 2013/14 budget it has been possible to minimise the numbers of potential compulsory redundancies through careful management of vacancies, which will reduce redundancy and early retirement costs for this year. However, this is not sustainable and given the scale of budget cuts which will be required over the period of the MTFS there will be significant redundancy and early retirement costs in future years. Furthermore, the initial assessment of these costs only covered General Fund budgets and not the impact of EIG and LACSEG costs. Therefore, the existing provision for redundancy and early retirement costs is still the level recommended by the Corporate Management Team.

ii) Capital Receipts target of £4.5m

These resources are allocated to fund capital schemes which have already commenced, principally the completion of Housing Market Renewal schemes. Previous reports have advised Members that achieving these targets will be challenging in the current climate and need careful management. If there is a shortfall in the level of capital receipts actually achieved this will need to be funded from Prudential Borrowing. This would result in an unbudgeted revenue cost and therefore increase future year's budgets deficits. The phasing of these capital receipts over the period of the MTFS is also important as this need to match expenditure commitments. The latest position for 2013/14 is that the phasing risk has increased as a major capital receipt planned for completion early in the new financial year (i.e. the sale of land at Tanfield Road) may be delayed or not achieved at all. This position will need to be managed carefully in 2013/14.

The risk in relation to managing capital receipts targets may increase if Members determine a strategy for the Brierton site as up-front costs will need to be incurred to enable future capital receipts to be achieved. These costs will include the relocation costs of the Education Development Centre / Pupil Referral Unit and demolition costs of the top site at Brierton. These issues will need to be carefully assessed and a strategy developed to manage the phasing of expenditure to reduce risk that the costs which need to be incurred before capital receipts from the sale of land at Brierton and the Education Development Centre / Pupil Referral Unit can be achieved.

The proposal to set an additional capital receipts target of £2m to fund developments at the Brierton Site from the sale of land at the Brierton (upper) site and the EDC site will increase the financial risk that the Council is managing. This is minimum forecast for these sites. As indicated in previous reports if capital receipts targets are not achieved the shortfall will need to be funded from Prudential

Borrowing, which would result in an additional unbudgeted revenue pressure. Achieving these additional capital receipts will need to be managed carefully to avoid this situation and it is anticipated that the Brierton and EDC sites will be attractive to developers.

Setting an additional capital receipts target of £2m for Brierton means that the Council will be managing an overall capital receipts target of £6.5m. After reflecting capital receipts achieved to date of £0.7m this means capital receipts of £5.8m need to be achieved over the next 2 to 3 years. There are fundamentally two risks which need managing in relation to achieving this target.

The first risk relates to managing any phasing delays in the achievement of capital receipts. This would result in a temporary funding shortfall if capital expenditure has already been incurred and forecast capital receipts are achieved later than anticipated. This would result in an unbudgeted revenue costs as the capital funding shortfall would need to be funded from Prudential Borrowing, until the capital receipt is received.

The second risk relates to a permanent shortfall in the achievement of capital receipts. This would result in a permanent unbudgeted revenue costs as the capital shortfall would need to be funded from Prudential Borrowing on a permanent basis.

The MTFs forecasts make no provision for either a temporary delay in the achievement of planned capital receipts, or a permanent shortfall in forecast capital receipts. For 2013/14 it is anticipated that this position should be manageable. This position will become clear in the early part of 2013/14 as a number of capital receipts are anticipated to be complete in this period. However, it is recommended that should additional revenue resources become available as part 2012/13 outturn that it these should be earmarked to manage the temporary revenue cost of having to use Prudential Borrowing on a short-term basis if capital receipts are achieved later than expected. In the event that capital receipts targets are fully achieved there will be permanent revenue pressures from using Prudential Borrowing. For each £1 million shortfall in capital receipts the unbudgeted revenue pressure is around £60,000, at current interest rates.

In assessing the overall financial risks relating to achievement of an increased capital receipts target I have relied upon information provided by professional officers on the value of forecast capital receipts from specific land sales. On this basis the plans are robust, although the financial risks of achieving additional capital receipts in the current economic environment will need to be carefully managed.

iii) Business Rate Retention

The key risk relates to the safety net arrangements and thresholds for managing in-year reductions in business rates collected by individual councils. This is particular risk for Hartlepool owing to the impact of the Power Station on income if there is an in-year shut down. The Government has recently issued final details of how these arrangements will be implemented and a detailed report will be submitted to a future meeting. Although detailed regulations have still not been issued and until these are available the financial impact on Hartlepool cannot be finalised. One of the significant factors confirmed by the Government is the trigger point for providing financial support for in-year reductions in business rates, which has been set at 7.5%. It is still unclear what this equates to in financial terms for Hartlepool, although it does mean that support will only be paid for shortfalls above this threshold. Therefore, as reported previously the Council will face a significant ongoing financial risk in relation to the Power Station.

- The arrangements for implementing a Local Council Tax Support scheme. There is a detailed report on this issue on your agenda which outlines the potential financial risks of this change and arrangements for managing these risks.
- The assumption that Members will approve the proposals for bridging the budget deficit detailed in the report. The proposed savings are the key issue affecting the robustness of the proposed budget. If Members do not approve these proposals the budget forecasts will not be robust as overall expenditure will inevitably exceed available resources;
- The assessment by the Corporate Management Team of the achievability and sustainability of proposed budget reductions for 2013/14. The assessment of the proposed savings reflects the process adopted for identifying, managing and implementing these measures. This includes action taken in the current year to implement proposals earlier to ensure a full year saving is achieved in 2013/14. It also reflects a risk assessment of proposed savings based on an assessment of the level of pay, non-pay savings and increased income savings. In relation to the level of pay savings achieved for 2013/14 this reflects management action taken to hold posts vacant where possible to reduce the need for compulsory redundancies. This action is not sustainable over the period of the MTFS and in future years the number of compulsory redundancies will increase as it will not be possible to hold posts vacant;
- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;

- Prudent provision for potential pay awards for April 2013;
- A prudent provision for inflation on non pay budgets and income budgets during 2013/2014;
- The identification of specific pressures and inclusion of these commitments within the overall budget requirement;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The comprehensive review of reserves and risks, which has enabled some resources to be released to partly fund additional risks detailed in section 4.

12.4 Advice on the robustness of the budget proposals cannot be finalised until the 2013/14 Local Government Finance Settlement is known as this will set out the actual grant cuts for 2013/14.

13. Initial budget consultation feedback

- 13.1 The initial budget report considered by Cabinet on 4th October was referred to Scrutiny Co-ordinating Committee (SCC) to commence the 2013/14 budget consultation process. A report detailing the comments of SCC will be presented at you meeting.
- 13.2 Consultation meetings have also been held with the Trade Unions and Business Sector as detailed in Appendix 13.

14. CONCLUSION

- 14.1 As detailed in previous reports the Council has had to manage significant funding cuts over the last two financial years (2011/12 and 2012/13). In summary the total grant funding received by the Council in 2012/13 is £18.6m lower than it was in 2010/11, which equates to a cut of 25%, which includes:
- A cut in the core Formula Grant of £11.9m, a 20% cut;
 - The complete withdrawal of the Working Neighbourhood Fund, a cut of £4.9m.
- 14.2 In comparison to other areas the reduction in Hartlepool's 'spending power' per resident (the Government's measure of grant cuts) over the last two years is £200, which is nearly twice the national average.
- 14.3 Whilst, the Council has managed the permanent removal of this funding, this has not been easy and it will become even more difficult to manage further grant cuts over the next 4 years.

- 14.4 The report outlines the financial outlook for the next four years and indicates that further significant grant cuts will need to be managed, both in relation to the core Formula Grant, the EIG and the impact of LACSEG changes.
- 14.5 In relation to the forecast cuts in the core Formula Grant the Council faces a total forecast deficit of **£19m to £21m**, over the next 4 years as summarised below. There is a risk that the actual grant cuts may be higher than forecast, which would increase the budget deficits facing the Council. The forecast deficits are based on annual Council Tax increases of 1.99% in 2013/14 and 2014/15 and 2.5% in 2015/16 and 2016/17. If lower increases are implemented this will reduce the ongoing Council Tax income and increase the forecast budget deficits.

	Low £'000	High £'000
2013/14	5,326	5,326
2014/15	5,272	5,272
Sub Total	10,598	10,598
2015/16 (note 1)	5,015	6,015
2016/17 (note 1)	3,481	4,481
Updated Total deficit	19,094	21,094

Total deficit reported 04.10.12 (note 2)	18.795	20.795
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Note 1 – The high 2015/16 and 2016/17 budget deficits reflect higher grant cuts in these years.

Note 2 – The deficits for individual years assume each year is balanced from permanent budget reductions. Where temporary funding is used to balance a specific years' budget the implications of deferring permanent saving is reflected in the following year.

- 14.6 The report provides a detailed strategy for managing the 2013/14 budget deficit, which includes:
- The achievement of net savings of £3.7m, including the part year ICT procurement saving. In relation to the level of pay savings achieved for 2013/14 this reflects management action taken to hold posts vacant where possible to reduce the need for compulsory redundancies. This action is not sustainable over the period of the MTFS and in future years the number of compulsory redundancies will increase as it will not be possible to hold posts vacant;
 - The use of £1.6m of one-off resources from the 2011/12 and 2012/13 outturns. The use of these one-off resources defers this amount of the budget deficit until 2014/15 and provides a longer lead time to identify permanent savings;

- 14.7 The strategy for balancing the 2013/14 budget deficit is based on a Council Tax increase of 1.99%, which is just below the 2% referendum trigger point. This strategy is recommended by the Corporate Management Team as it provides sustainable income. For most households (i.e. the 63% living in a Band A or B property) the weekly increase is 42p or less.
- 14.8 The report details the impact of accepting the Government's 2013/14 Council Tax Freeze Grant of 1%, which would be received for 2 years. It is not recommended that Council Tax is frozen as this will result in a net reduction in ongoing Council Tax income of £0.4m, which would increase the budgets deficits and the service cuts which will need to be made over the period of the MTFs.
- 14.9 In relation to the 2014/15 budget previous reports identified initial savings proposals and these measures should reduce the budget gap from £5.272m to £0.608m. Detailed proposals for managing the remaining deficit will need to be developed during 2013/14.
- 14.10 With regard to the 2015/16 and 2016/17 budget deficits detailed savings plans will need to be developed. Making these additional budget cuts will be extremely difficult and require the prioritisation of services. Work on developing a strategy to address the budget deficits in these years will need to commence in 2013/14 to provide adequate lead time to consult the public on these proposals and to enable the planned savings to be achieved.
- 14.11 In addition to the significant ongoing budget deficit facing the Council the report also provides details of the additional financial risks transferred to Councils in April 2013 as a result of changes to the Business Rates system and the arrangements for providing Council Tax Support. These risks will need to be carefully managed during 2013/14 and future years.
- 14.12 In relation to the cuts in EIG and LACSEG the reports outlines the actions already taken by managers to prepare for these grant cuts, which provides one-off resources to manage the impact of these cuts over a longer period. This should help achieve a more effective transition of services to reflect the significant cut in funding, particularly in relation to the EIG. If this proactive strategy had not been implemented the Council would have to make these cuts within the next 4 months to ensure 2013/14 costs do not exceed the reduced funding allocation.
- 14.13 Details of additional one-off financial commitments which will need to be funded by the Council are also provided in the report, together with a strategy for funding these issues. This strategy is based on the achievement of managed budget underspend targets in the current year and the re-assessment of existing reserves and the risks/priorities these reserves were earmarked for. If these targets had not been

achieved additional budget cuts of £5.3m would have been needed over the next 4 years.

14.14 In summary over the next 4 years the Council is facing the most challenging financial position since becoming a unitary authority in 1996, which reflects:

- The scale of forecast ongoing Government grant cuts over the next 4 years;
- The transfer of financial responsibility for Council Tax Support to individual Councils, with a 10% national funding cut (effectively a cut for Hartlepool of 14% when account is taken of actual support already provided);
- The implementation of the Business Rates Retention system, which will transfer significant financial risk to individual Councils. This is a particular risk for Hartlepool owing to the potential impact of in-year reductions in the business rates paid by the Power Station.

14.15 The implementation of just one of the above issues in 2013/14 would be challenging for local authorities to manage. The implementation of three fundamental changes in a single year is unprecedented and significantly increases the financial risks being managed by Councils. These issues will need to be carefully managed in 2013/14 and future years. To address these issue the Council needs to adopt a multi-year strategy based on the achievement of 2012/13 managed underspends targets, the achievement of planned saving over the next 4 years and the earmarking of one-off resources to fund one-off expenditure commitments. The recommendations detailed in the next section provide a robust financial strategy for managing these changes and financial risks.

15. RECOMMENDATIONS

15.1 It is recommended that the Cabinet notes the report and refers the following proposals to Scrutiny Co-ordinating Committee.

15.2 2012/13 Outturn Strategy

15.3 Approve the proposed strategy for funding additional one-off commitments of £5.350m from the review of reserves and the achievement of 2012/13 managed underspend targets, as detailed in paragraph 4.4.

15.4 To note that the level of resources achieved from the review of reserves and the achievement of 2012/13 managed underspend targets is forecast to exceed the additional one-off commitments by between £0.191m and £1.011m, depending on the actual outturn, and to defer making a decision on the allocation of these uncommitted resources until details of the 2013/14 actual grant cuts are known.

15.5 2013/14 General Fund Budget

- 15.6 Reconfirm approval of the budget pressures detailed in Appendix 1.
- 15.7 Approve the Departmental savings plans for 2013/14 of £3.364m detailed in Appendices 2 to 12 (including the Waste Management Service savings approved by Cabinet on 3rd December 2012) and the ICT procurement saving.
- 15.8 Approve the proposal to fund one-off costs of £184,000 of achieving ongoing accommodation savings of £170,000 from 2014/15 from a combination of the 2012/13 outturn (£119,000) as detailed in recommendation 15.3 and the 2013/14 in-year savings in accommodation costs (£65,000). To note that the savings of £170,000 exceeds the forecast savings included in the 2014/15 MTFS by £70,000, which will reduce the budget deficit for this year.
- 15.9 Note that in the event of there being any shortfall in planned 2013/14 savings individual departments will be responsible for identifying alternative proposals for consideration by Members to address any temporary/permanent funding shortfall.
- 15.10 Approve the allocation of £0.367m from the 'Delayed implementation of planned 2013/14 and 2014/15 savings' reserve to offset a reduction in the planned People Collaboration savings, to a part year saving of £0.25m. To note that the budget forecast assumes a full year saving of £0.75m in 2014/15.
- 15.11 Approve the proposal that any in-year saving achieved in 2013/14 from the Chief Executive's Structure Review are allocated to reduce the call on the 'Delayed implementation of planned 2013/14 and 2014/15 savings' reserve, which will enable any uncommitted reserve to be carried forward to manage risk in future years.
- 15.12 Reconfirm approval to use one-off resources of £1.198m to support of 2013/14, consisting of
- £0.348m from the reserve earmarked to offset the removal of the 2012/13 Council Tax freeze grant and to note the remaining balance of this reserve of £0.379m is allocated to support the 2014/15 budget; and
 - £0.85m from the 2012/13 outturn to offset the impact of higher anticipated grant cuts.
- 15.13 To note that recommendations 15.10 (£0.367m) and 15.12 (£1.198m) will result in total one off support for the 2013/14 budget of £1.565m.

- 15.14 Approve the revised planning assumptions detailed in paragraph 6.15, which in total are budget neutral and reflect increases in the budget deficit including the additional Looked After Children pressure, the impact of not achieving the Denominational School Transport savings, which are offset by additional savings/income, including an increase in the Council Tax base.
- 15.15 Approve a 2013/14 Council Tax increase of 1.99%, which is just below the 2% Council Tax Referendum threshold and to note this secures a permanent increase in net Council Tax income of £0.4m, which would not be achieved if 2013/14 Council Tax is frozen.
- 15.16 Note that the previous recommendations enable a 2013/14 balanced budget to be set, assuming the actual grant cut does not exceed the forecast.
- 15.17 Approve the production of a 2013/14 Council Tax Leaflet to explain the budget issues for 2013/14 and to note this cost of £1,800 can be funded from the existing budgets.
- 15.18 **2014/15 to 2016/17 General Fund Budget**
- 15.19 Approve indicative Council Tax increases of 1.99% for 2014/15 and 2.5% for 2015/16 and 2016/17.
- 15.20 Note that an initial savings plan has been developed for 2014/15, which reduces the forecast deficit still to be bridged for this year to £0.608m and a detailed report will be submitted during 2013/14 to finalise this strategy. To note that the 2014/15 deficit will be reduced by any additional accommodation cost savings which are achieved (as detailed in recommendation 15.8) and savings achieved from the Chief Executive's Structure Review.
- 15.21 Note that no saving plans have been developed for 2015/16 and 2016/17 and these will be developed during 2013/14.
- 15.22 Early Intervention Grant.**
- 15.23 Approve the proposed strategy to allocate EIG 2011/12 and 2012/13 underspends of between £1.431m and £1.531m (depending on the final 2012/13 outturn) to temporarily offset the EIG grant cut in 2013/14 of £1.15m and increasing grant cut in 2014/15 of £1.6m.
- 15.24 To note that if 15.26 is approved this will provide a longer lead time for developing a strategy to address these funding cuts, which will be reported to Members before the end of June 2013.

15.25 Local Authority Central Spend Equivalent Grant

- 15.26 Approve the proposed strategy to allocate Formula Grant refunds of top sliced Academy funding (£0.48m) and 2012/13 budget underspend for forecast Academy funding top slice (£0.28m) to manage the risk of in-year 2013/14 LACSEG funding cuts if schools convert to academies
- 15.27 To note that if 15.22 is approved this will provide a longer lead time for developing a strategy to address these funding cuts, which will be reported to Members before the end of June 2013.

15.28 Public Health Funding

- 15.29 Note the current position as detailed in section 10 and note that further a further update will be provided when the Government announced details of 2013/14 Public Health allocations.

15.30 Capital Programme 2013/14

- 15.31 Note that detailed proposal for using the Council Capital Fund will be reported to Cabinet and Council in February 2013 as part of the final 2013/14 budget report and will include the following proposed schemes:
- £100,000 towards the reconstruction of the A689 (as detailed in paragraph 11.6, which provided details of the funding strategy for meeting the total costs of this scheme of £680,000);
 - Approve the proposal in relation to the Empty Homes project to seek Council approval of the original strategy for funding the additional costs for this scheme of £165,000 (additional 3 properties) and £150,000 (contingency provision) from Prudential Borrowing, which will be repaid from the additional rental income generated from extending this scheme, in line with the original business case. To note that this strategy will maximise the Councils' overall financial flexibility to address the impact of the actual 2013/14 grant cuts, whilst providing a robust financial base for the Empty Homes project.

16. REASONS FOR RECOMMENDATIONS

- 16.1 To enable Cabinet to approve the final budget proposal to be referred for formal scrutiny.

17. APPENDICES

- 17.1 Included in the report to provide detailed information to support recommendations in the report.

18. BACKGROUND PAPERS

- Cabinet report 19th November 2012 – MTFS 2013/14 to 2014/15 update
- Cabinet report 4th October 2012 – MTFS 2013/14 to 2016/17
- Cabinet report 11th June 2012 – MTFS 2013/14 to 2016/17
- Cabinet report 3rd September 2012 – MTFS – Strategy for Managing Financial Risks
- Cabinet report 3rd September - 2013/14 Localisation of Council Tax Support

15. CONTACT OFFICER

Chris Little
Chief Finance Officer
Civic Centre
Victoria Road
Hartlepool
TS24 8AY
Tel: 01429 523003
Email: chris.little@hartlepool.gov.uk

SCHEDULE OF 2013/14 PRESSURES

Description of pressure	Value of pressure		
	Reported 04.10.12 £'000	Additional pressure identified since 04.10.12 £'000	Total £'000
Corporate issues			
<u>Brierton Community Sports</u> Actual pressure exceeds provision included in base budget from 2012/13.	65	0	65
Income pressures - these issues relate to the 2.5% inflation increase included in the MTFS forecast which is not expected to be achieved for areas previously identified as shortfalls in the 2012/13 budget and addressed as budget pressures covering			
<u>a) Shopping Centre income inflation</u> Income depends on occupancy of shop units and it is not expected that the Council's share of rental income will increase in the current economic climate.	24	0	24
<u>b) Car Parking income inflation</u> Car Parking - owing to the current economic climate it is not recommend that an increase in car parking charges is implemented in 2013/14. Furthermore, owing to the practicalities of setting an increase which generates increases in multiples of 5p a higher increase than 2.5% would be required. It is therefore recommended that no increase is applied for 2012/13. The position can be reviewed for 2014/15.	37	0	37
<u>Council Capital Fund</u> A one-off Council Capital Fund of £1m was established as part of the 2012/13 budget proposals and included in the 'one-off strategic costs', to cover capital priorities in 2012/13 and 2013/14. Council approved commitments against this fund of £0.582m, leaving an uncommitted balance of £0.418m (this increased from £0.368m to £0.418m as West View Cemetery Lodge and Carnegie schemes did not progress) for additional schemes which need Cabinet and Council approval. The pressure shown would support Prudential Borrowing of approximately £0.6m in 2013/14 (actual value of capital spending depends on specific schemes approved which will have different operational lives). When account is taken of the brought forward resources there will be £1.070m to manage one-off capital risks. Detailed proposals for using part of this funding is set out in section 11 and final proposals will be reported in February 2013.	50	0	50
Regeneration and Neighbourhood Services			
<u>NFFO (Non Fossil Fuel Obligation)</u> The Government have removed the 27% 'credit' SITA and the Council received since the start of the contract. This was part of the contract and always planned.	279	0	279
<u>Landfill Tax</u> There is an annual increase in Land Fill Tax of £8 per tonne, which includes the bottom ash from the incinerator.	29	0	29
<u>Loss of LPSA funding</u> The Independent Domestic Violence Advisor (£20k) and Men's Perpetrator Programme (£15k) are services included in the Domestic Violence specification, which has recently been commissioned. The Victims Services Officer (£20k) is linked to Neighbourhood teams and covers all crime categories.	55	0	55
<u>Street Lighting Pressure</u> It had previously not been anticipated that the Carbon Reduction Commitment (CRC) would apply to street lighting. However, from 2013/14 the CRC will apply to street lighting and it is anticipated this will increase costs by £50k. It is envisaged that for 2013/14 (and probably 2014/15) this additional cost can be funded from the overall electricity budget of the Council as costs have not increased as much as previously forecast owing to action taken by NEPO (North East Purchasing Organisation) to secure to lower energy prices for 2013/14.	0	0	0
Child and Adult Services			
<u>Looked After Children</u>	0	96	96
Total Potential Pressure Identified	539	96	635

Report of: Assistant Director – Adult Social Care

Subject: SAVINGS PROGRAMME 2013/14 – ADULT SOCIAL CARE

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of adult social care as part of the budget for 2013/14.

2.0 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme

- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.

2.3 Scope

The areas of expenditure that are under consideration within this review are as follows:

Assessment & Care Management

- Social Work Teams
- Adult Safeguarding
- Occupational Therapy Team

Residential Placements

Personal Budgets

- Home Care
- Equipment
- Day Services
- Supported Accommodation
- Direct Payments (allocations to people to use as they wish to meet their care and support needs)

2.4 Aims

The focus of adult social care is to support people to remain independent and to exercise choice and control regarding how their support needs are met. Some services are provided by the department (including assessment and care management and disability day services) and others are commissioned for people (such as residential placements and day services for older people).

2.5 Service Users

People who use adult social care services in Hartlepool are over 18 and assessed against the Fair Access to Care Services (FACS) criteria as having a substantial or critical level of need. Services support older people, people with learning disabilities or a physical disability, people with mental health needs, people who have alcohol dependency and carers.

2.6 Engagement

The department engages with people who use services through a range of methods including:

- Carers Strategy Group
- Learning Disability Partnership Board
- Mental Health Forum
- Champions of Older Lifestyles Group
- Service User Focus Groups; and
- Family Leadership Courses

Feedback is also obtained through the annual Adult Social Care User Survey, Service User Experience Sampling and through complaints and compliments.

The first Local Account for adult social care was published in December 2012 and tells residents about:

- how well adult social care in Hartlepool has performed
- the challenges faced; and
- plans for future improvements

It is a requirement that a Local Account is produced annually and feedback on the first published document in 2012 will inform future versions.

2.7 Inputs / Expenditure

The total expenditure on adult social care is £41.1m, with £8.2m income from people's personal contributions and a further £3.7m from other income (primarily NHS funding).

The breakdown of how the £41.1m is spent is as follows:

Area of Expenditure	Spend
Assessment & Care Management	£6.2m
Residential Placements	£17.5m
Personal Budgets	£17.4m

The breakdown of spend on personal budgets is as follows:

Area of Expenditure	Spend
Home Care	£6.85m
Direct Payments	£4.5m
Supported Accommodation	£1.87m
Day Services	£1.8m
Equipment	£1m
Other	£1.38m

2.8 Outputs / Outcomes

The Care Quality Commission no longer assess or rate adult social care service provision but the last two assessments rated Hartlepool's services as excellent – the best rating that could be achieved. Since the last assessment, services have continued to perform well and the majority of the performance indicators for adult social care have been achieved or exceeded.

Some of the outputs achieved are as follows:

- Over 5,700 people receive support from adult social care services.
- Over 2,000 carers had an assessment during the last year and received support to maintain their caring role.
- The number of people using telecare continues to grow with almost 900 people currently being supported.
- People received over 5,200 pieces of equipment to help them stay at home.
- Over 95% of people receive their equipment and adaptations within 7 working days.

Some areas where particularly positive outcomes have been achieved include:

- Just over 90% of people who have ongoing social care needs and are eligible to receive a personal budget have their support provided through a personal budget and exercise choice and control over how their support needs are met.
- Over 18% of people with a learning disability and approximately 12% of people receiving mental health services are in paid employment.
- Hartlepool has not had a delayed transfer of care from hospital which is attributable to social care.
- A wide range of services have been developed to support older people to retain their independence. These include reablement services, extra care housing options and telecare.

2.9 Savings Target

The savings target for the Child & Adult Services Department for 2013/14 is £2,580,000 and £860,000 of this target relates to Adult Social Care.

3.0 **PROPOSALS**

3.1 Commissioned Services

There are a range of services that are commissioned by the department to support people who are eligible for adult social care services. These include:

- Carers Assessment and Information Services
- Direct Payment Support Service
- Housing Related Support (extra care housing, floating support and supported accommodation schemes)

- Respite Service for People with Learning Disabilities
- Day Opportunities for People with Mental Health Needs; and
- Day Opportunities for Older People

A significant level of savings was achieved from commissioned services in 2012/13 and all services have been reviewed again to identify areas where further savings can be made in 2013/14.

There are two commissioned services which provide building based day opportunities for older people – a day centre at Hartfields and a service specifically for people with dementia at Gretton Court (which is jointly funded by the PCT). Ongoing work with the day centre for older people at Hartfields has identified a saving of £120,000 due to lower uptake of places than was anticipated when the service was originally commissioned. This is largely due to people using direct payments to access support and social activities in different ways. There will be no reduction in service as a result of this saving being achieved, so no impact on people using the service.

A review of funding for support for carers has identified that a saving of £80,000 can be made through changing how some services are delivered and also through additional funding being secured from the PCT. For example, the support required when carers access the Carers Emergency Respite Service is now provided through the in-house Direct Care & Support Service and a new three year contract for Carers Assessment and Support will be jointly funded rather than being fully funded by the Council. There will be no reduction in service as a result of this saving being achieved; there will be additional investment from the PCT in carers services which will support carers to meet their own health needs. There will be no adverse impact on carers who are currently being supported.

A review of high cost placements for people with learning disabilities has identified a saving of £40,000. This saving has been achieved through negotiation with providers to ensure that people are receiving appropriate levels of care and hours of support based on their individual assessed needs. Again, there will be no reduction in service as a result of this saving being achieved, so no impact on people receiving this support.

The total saving from commissioned services is £240,000.

3.2 Equipment Budget

Approximately £1m is spent each year on equipment and adaptations that enable people to retain their independence and stay in their own homes for as long as they are able to. The type of equipment supplied includes;

- Mobility aids such as walking sticks and walking frames
- Grab rails
- Bathing aids; and
- Daily living aids that help with dressing, cooking and cleaning.

The budget has been under spent for the last three years and the balance has been used to support Disabled Facilities Grants (which fund larger adaptations such as level access shower rooms and downstairs bath or bedrooms) or to offset pressures elsewhere within the adult social care budget. This under spend of £100,000 has now been identified to contribute to the adult social care savings for 2013/14.

3.3 Provider Services

There are a small range of services which are provided in-house by adult social care. These are:

- Direct Care & Support Service – Reablement and Home Care
- Disability Day Services - Warren Road and the Centre for Independent Living (previously the Havelock Day Centre)
- Employment Link and Floating Support Service for People with Learning Disabilities or Mental Health Needs

All of these services have been reviewed and a number of areas where savings can be made have been identified. The restructure involves bringing all of the services together under a single Provider Services Manager, which will reduce management costs and enable more flexible working across services, making best use of the skills and experience of the current staff.

Within the Direct Care & Support Service there are a number of unworked hours / vacant posts which have been held, partly as a contingency to manage peaks in demand and partly to create redeployment opportunities for staff identified as being at risk in other areas of the service. The saving that can be identified in this area, while still retaining some posts for redeployment, is £200,000.

The proposed restructure within Disability Day Services involves reducing tiers of management, making the service more streamlined without having a direct impact on the people who are supported at Warren Road and the Centre for Independent Living. This will involve deleting seven posts (including two vacancies) and creating three new posts.

The Employment Link and Floating Support Service supports people with mental health needs and / or learning disabilities to access employment and services within their communities. The team is made up of:

- 1 Band 12 Team Manager
- 1 Band 10 Supervisor
- 3 Band 8 Employment Link Workers
- 7 Band 8 Floating Support Workers
- 4 Band 6 Community Workers
- 1 Band 6 Team Clerk

The Employment Link element of the service supports a total of 116 people with 12 new referrals in 2011 and 35 referrals in 2012 (linked to the introduction of a new apprenticeship scheme). It is proposed that the team of three Employment Link Workers moves to be managed within the

Employment Development Team in Economic Regeneration. This is a more effective use of resources and will mean that people with additional support needs due to their learning disability or mental health issues will be able to access the generic employment support service while still having access to staff with the particular knowledge and expertise required to meet those needs. This model provides greater resilience within the Employment Development Team and promotes the integration of people with additional needs within mainstream services.

The floating support element of the service provides a service to approximately 80 people at any one time, supporting people to access community services, build their confidence and become more independent. A review of the service has identified that the work undertaken and the focus on increasing independence is very similar to the approach taken within the reablement service although with smaller caseloads and slower throughput. As a result, it is proposed that this service is disbanded and all posts are deleted, with four new posts created within the reablement service to pick up this element of work. A total of fourteen posts would be deleted with four new posts created within the reablement team to absorb some of this work and to provide redeployment opportunities. The loss of this number of posts will inevitably result in a change or reduction in service for some people. Individuals who are affected will be offered support to use their personal budget differently to access services through a Personal Assistant or other alternative.

The proposed restructures within disability day services, employment link and floating support service will achieve a saving of £320,000. Together with the removal of vacant posts / unworked hours within the home care service, the total saving from provider services is £520,000

4.0 OPTIONS ANALYSIS

4.1 Various options have been explored across Adult Social Care to achieve the savings which have been discounted, primarily due to the level of risk involved. These include:

- Reduce capacity in social work teams – considered too high risk due to impact on waiting times, performance indicators and caseloads.
- Reduce spend on residential placements – not possible in light of the fair cost of care exercise and increased pressures on residential provision.
- Reduce spend on personal budgets – this is not possible without a fundamental review of the Council's approach to personalisation and the Resource Allocation System. People who already have services could not have their resource reduced without evidence of a change in their assessed level of need.
- Increase income from personal contributions – this would require a full review of the current Contributions Policy involving a formal consultation exercise and the level of savings that would be generated has not been quantified. This may be revisited for 2014/15.

- Increase income from the NHS – this is a very volatile area and funding secured is often allocated on a short term basis, which does not address the requirement for ongoing cuts from the general fund budget.

5.0 RISK IMPLICATIONS

5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Reduced flexibility within provider serviced to manage peaks in demand, which are usually associated with severe winters or pressures within NHS services. This may result in delayed transfers of care from hospital which are attributable to adult social care as well as tensions with the Foundation Trust if cases cannot be picked up as quickly as they have been previously.
- Reduced flexibility to manage changing demand for equipment services, which may result in increased waiting times and / or financial pressures in future years.
- Increased spend on personal budgets due to the disbanding of the floating support service for people with learning disabilities or mental health needs.

6.0 FINANCIAL CONSIDERATIONS

6.1 The Savings Programme 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

6.2 The proposals outlined will deliver the following savings:-

Service	Proposed Savings
Commissioned Services	£240,000
OT Equipment Budget	£100,000
Provider Services	£520,000
Total Proposed Savings	£860,000

6.3 The proposals in relation to Provider Services involve a number of posts being deleted, which will result in redundancy costs. The exact costs can't be determined until redeployment opportunities are fully explored and the relevant redundancy selection processes are undertaken.

7.0 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 An Equality Impact Assessment has been undertaken and is attached as **Appendix 2A**.
- 7.2 By definition, all of the savings proposals in adult social care will affect the people who access adult social care services – people who are over eighteen and assessed against the Fair Access to Care Services (FACS) criteria as having a substantial or critical level of need (older people, people with learning disabilities or a physical disability, people with mental health needs, people who have alcohol dependency and carers).

8.0 STAFF CONSIDERATIONS

- 8.1 Informal consultation with Trade Unions regarding the recommendations has been undertaken. Staff affected by the proposals have been informally and formal consultation will be undertaken (in line with agreed HR policies and procedures) if the proposals are accepted.
- 8.2 It is anticipated that a total of 21 posts will be deleted resulting in 13 potential redundancies and 8 people being redeployed into posts that are being held / created to reduce the impact on staff. Of the 13 people at risk of redundancy there have been 5 expressions of interest in voluntary redundancy leaving 8 people at risk of compulsory redundancy if the voluntary redundancy applications are approved and they are not successfully redeployed.

9.0 COMMENTS FROM SCRUTINY REVIEW

The Adult & Community Services Scrutiny Forum considered the savings proposals for adult social care at their meetings on 17 September, 23 October and 5 November 2012.

In relation to the savings proposals put forward 'Members of the Adult and Community Services Scrutiny Forum were mindful of the very difficult financial position and the required savings required in Adult and Community Services. Although Members reluctantly recognised the need to support a number of the saving proposals they wished to draw Cabinet's attention towards the desire to protect vulnerable people wherever possible from cuts, particularly when related to mental health needs'.

In relation to reductions in front line service provision 'Members were particularly concerned about the proposed staffing implications through the deletion of 15-20 posts. Although the Forum acknowledged that savings had to be found, they emphasised that if there was a way to protect staff from compulsory redundancies, then those avenues should be explored'.

10.0 RECOMMENDATIONS

It is recommended that Cabinet support the proposals outlined, which will achieve savings of £860,000 in adult social care in 2013/14.

11.0 REASONS FOR RECOMMENDATIONS

- 11.1** The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11 June 2012.

12. CONTACT OFFICER

Jill Harrison
Assistant Director – Adult Social Care
Level 4, Civic Centre
Tel: (01429) 523911
E-mail: jill.harrison@hartlepool.gov.uk

Department	Division	Section	Owner/Officer
Child & Adult Services	Adult Social Care		Jill Harrison, Assistant Director – Adult Social Care
Function/ Service	Adult Social Care Services <u>Commissioned Services</u> <ul style="list-style-type: none"> • Day opportunities services for older people • Services that support carers • Residential placements for people with disabilities <u>Provider Services</u> <ul style="list-style-type: none"> • Disability Day Services • Employment Link Service • Floating Support Services 		
Information Available	<p>Savings proposals have been identified following careful consideration of commissioning budgets, spend in service areas over the past three years and existing staffing structures.</p> <p>The proposed savings from commissioned services will be achieved without any reduction in service or direct impact on those people currently accessing services.</p> <p>The proposed savings from provider services will be achieved without any reduction in service or direct impact on those people currently accessing services.</p> <p>There will be less flexibility for services to respond to increased demand and less potential for one off investment in provision of Disabled Facilities Grants. People who are eligible to receive Disabled Facilities Grants will still receive the same service although there may be longer waiting times.</p> <p>People who currently access floating support services will continue to receive a service, although this will be provided by reablement workers with a specific focus on working age adults. The support will continue to focus on supporting people to access community services, build their confidence and become more independent but may be more time-limited than the current service with people encouraged to use their personal budget to access support if they have ongoing support needs and are eligible for services. In such cases, care managers will work with individuals to identify their support needs and how they can most appropriately be met. The Direct Payment Support Service is also available for people to access if they need help with managing their finances, employing staff etc. The service currently supports adults with learning disabilities and / or mental health needs who will be informed of the change in how services are provided and any negative impact will be monitored.</p> <p>The proposed savings from provider services will involve the deletion of approximately 21 posts. From the information available from workforce statistics, there is no inequity in terms of impact on staff due to their age, gender or any other protected characteristic.</p>		

Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age	X
	Disability	X
	Gender Re-assignment	
	Race	
	Religion	
	Gender	
	Sexual Orientation	
Information Gaps	Staff affected by the proposed restructure in Provider Services will be formally consulted in (line with agreed HR policies and procedures) if the proposals are accepted.	
	With regards to the floating support service, whilst we know that currently the service supports 80 people at any one time to access community services, build their confidence and become more independent, we are not sure how many of these individuals can make more use of their personal budget to arrange their own support or will need support from the reablement team. We will monitor the service to ensure that the impact of the proposed changes for those who access the service is minimised.	
What is the Impact	Eliminate Unlawful discrimination , harassment, victimisation, and any other conduct prohibited by the act N/A	
	Advance Equality of Opportunity , between people who share protected characteristics and those who don't N/A	
	Foster Good Relations , between people who share a protected characteristic and people who do not share it. N/A	
Addressing the impact	1. No Impact- No Major Change	
	2. Adjust/Change Policy	
	3. Adverse Impact but Continue The proposed changes to the floating support service will potentially have an impact on people who access those services who are more likely to be people with a mental health problem and / or learning disability. However, we will monitor the proposal to ensure that individuals maximise the use of their personal budget to identify more personalised support. In addition, support will still be available via the reablement service and we will monitor take up of that service.	
	4. Stop/Remove Policy/Proposal	

4.2 Appendix 2A

Action identified	Responsible Officer	By When	How will this be evaluated?
Consultation with Provider Services staff.	Neil Harrison, Head of Service	31 January 2013	Staff will have been offered the opportunity to consider / comment on proposals and put forward alternative suggestions, in line with agreed HR policies and procedures.
Communication with people using floating support services.	Neil Harrison, Head of Service	31 March 2013	People who use the services will have been offered the opportunity to consider / comment on proposals and put forward alternative suggestions.
Monitor uptake of reablement services and use of personal budgets by people currently accessing floating support services.	Neil Harrison, Head of Service	31 January 2014	Services will be reviewed to ensure that they are meeting the identified needs of individuals who are eligible for services and require ongoing support.

Report of: Assistant Director, Community Services

Subject: SAVINGS PROGRAMME 2013/14 – Community Services division of the Child & Adults department

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of Community Services as part of the budget for 2013/14.

2.0 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The services under consideration in this report are all part of the universal services provided and managed through the Community Services division. Earlier in the year there was considerable work undertaken to investigate the potential benefit of including all current services within a 'Cultural Trust'. This was originally considered as a larger collaboration model with Darlington Borough Council and then latterly, once it became clear it was a not an appropriate cost saving option, some additional work was undertaken to investigate a Hartlepool model. The conclusions identified that such a move would actually cost more to implement, the biggest unknown at this point in time is the Governments intentions regarding NNDR tax relief for charities. Existing charitable trusts currently benefit from 85% tax relief on non domestic rates which can be a considerable saving. Many local authorities have considered Trusts or other forms of outsourcing for their services, from the work undertaken, the recommendation was to withhold from going down this route at the present time. This has therefore led to consideration of other more immediate savings and efficiencies to assist in meeting the departmental target for the current corporate cost savings.
- 2.4 The universal services provided within Community Services have seen significant reductions in recent years, including the reduction of senior management and amalgamation of service areas. In 2012/13, this culminated in the combining of Libraries and Museums etc into Culture and Information with the deletion of another senior manager post.
- 2.5 The services provided by the local authority are unique in scope and apart from some specialist private, educational or voluntary sector specific service

providers in sport, music and specialist heritage, the town's cultural sector provision is largely underdeveloped in broad service terms outside of those services provided by Hartlepool Borough Council. The current scope of Community Services included for consideration is wide ranging and includes:

- 2.5.1 **Culture & Information – Libraries** This area consists of a very busy central library with four branch libraries, a mobile library and home library service and the network gives excellent coverage across the town. The service was reduced by the closure of two branch libraries in 2011/12 with one being demolished and one joint library and community centre building transferring to the voluntary sector for alternative use. The home library service and the outreach activities undertaken by staff, particularly targeted at older people and children are very well patronised.
- 2.5.2 **Culture & Information – Museums, Arts & Events** A wide ranging service which provides the Museum of Hartlepool, Hartlepool Maritime Experience, Hartlepool Art Gallery, Town Hall Theatre and a wide ranging events and arts outreach programme. The service was severely reduced in size as part of the 2011/12 budget but remains resilient in providing core services to the resident and visitor alike. Visitor figures at the Museum and Art Gallery have shown good increases in the current year which is also the final year of the renaissance funding with a transition grant ending in March 2013 and as a consequence, a number of staff will leave posts as the funding ceases. The current year has seen delivery of the Diamond Festival and the Olympic Torch Relay with additional regular smaller scale events including the Seaton Fireworks Display for which we currently have one further year of very welcome private sponsorship.
- 2.5.3 **Sport & Recreation – Leisure Services** The facilities are centered on Mill House Leisure Centre, Headland Sports Centre, Brierton Sports Centre and Grayfields Recreation Ground that are supported by the Sport & Physical Activity Team providing sport, health and wellbeing programmes such as club and coach development, disability sport, fitness and exercise programmes and holiday activities for example which all contribute towards the aim of increasing participation to contribute to the Public Health Agenda. These are complemented by the vigorous Hartlepool Exercise for Life Programme (HELP) supported with PCT funding, the Outdoor Activity Team and the Community Learn to Swim Team which provides the Primary School Swim Programme as well as community lesson provision.
- 2.5.4 **Sport & Recreation - Outdoor Education** The service manages Carlton Outdoor Education Centre (OEC) and has been very successful in reducing costs and increasing income over the last two years as the centre has been robustly managed and marketed to achieve good occupancy. This has been very challenging as former local authorities have withdrawn their funding over the last 3 years and the Carlton Trustees have been very supportive of the initiatives introduced and planned.
- 2.5.5 **Sport & Recreation – Summerhill** Summerhill Local Nature Reserve (LNR) & Outdoor Activity Centre (OAC) is becoming more active as a centre

for outdoor activity. The recent cycling centre initiative and the current investment from grants and partners to improve the BMX track which will greatly improve its standing in national circuits, are real timely legacies following the 2012 Olympics. The Visitor Centre also continues to be developed with the introduction of the Emerge Gallery and the Café operation in this current year.

- 2.5.6 **Sport & Recreation** The service is also responsible for the development of projects and initiatives and is very adept at funding bid developments that have attracted considerable capital investment from external partners to support Hartlepool's sporting and recreational infrastructure. Over the years this has made the provision of facilities such as the Headland Sports Hall, King George V and Grayfields Pavilion, the extensive refurbishment of Mill House and the Rossmere Skatepark and MUGA possible. It also secures revenue partner funding year on year and delivers a wide range of health related activity to encourage participation and improve healthy lifestyles. This also includes the distribution of Public Health funding on behalf of the PCT.

2.6 SERVICE USERS

The range of services covered in this report are delivered across the whole of the Borough dealing with all age groups and abilities. Within this broad definition there are many specialist and targeted activities and these are usually in respect to well established core functions. For example with the Home Library service for housebound users, these are generally the elderly in the community and the service links well with colleagues in adult social care as part of the preventative agenda whereas the primary swimming program is targeted at primary schoolchildren who have swim standards to meet and therefore covers a different age group altogether. Similarly, the service supports the development of sporting activity from grass roots community provision to elite programmes.

All the service areas are also able to secure opportunities for grants which often have very specific output criteria to meet, therefore, in general Community Services has a very diverse range of delivery opportunities and outputs.

2.7 ENGAGEMENT

Feedback and engagement with service users and non users is obtained in a number of different ways and this is determined by the nature of the service, the target audience, the way in which the services are delivered or as previously mentioned, the criteria of any specialist funding. Examples include:

- Satisfaction questionnaires / annual customer surveys
- Active People national data
- Annual returns to funding bodies and annual inspections/monitoring
- Activity evaluation and feedback forms
- Consultation to aid project development

- Standards achieved in relation to service standards
- Quality achievement awards/Licences – e.g. VAQAS for visitor attractions, Adventurous Activity Licensing Authority (AALA) and Learning outside the classroom (LoTC) for Carlton Outdoor Education Centre and the Outdoor Activity Team. Matrix standards for library services, Quest for Leisure Facilities and the Sport & Physical Activity Team, Green Flag for Summerhill etc.
- Immediate customer feedback – compliments & complaints
- Mystery Visits
- Inspections e.g. AALA, LoTC, Quest, Green Flag etc
- Visitor / admission numbers
- Scrutiny investigations – e.g. Museum Collections
- Third party user participation statistics e.g. Sport England
- Income generation targets.

2.8 INPUTS

The net cost to the Council of providing the services within the Community Services Division is as follows:

	Net cost	Gross budget
Culture – Arts, Museums & Events	£531,000	£1,230,000
Culture – Libraries & community	£1,359,000	£1,423,000
Sport & Rec – facilities & sport & physical activity	£839,000	£1,673,000
Sport & recreation – Carlton OEC	£68,000	£494,000
Sport & Rec – Summerhill LNR & OAC	£100,000	£130,000
Archaeology	£23,000	£145,000
Adult Education	£ 0	£1,317,000
TOTAL	£2,920,000	£6,412,000

2.9 OUTPUTS

A brief overview of service outputs for Hartlepool is impressive:

Visitor attractions	Hartlepool Art Gallery Annual Visitors (2011/12)	63,361
	Town Hall Theatre Annual Visitors (2011/12)	59,091

	Museum of Hartlepool Annual Visitors (2011/12)	101,999
	Hartlepool Maritime Experience Annual Visitors (2011/12)	47,163
Libraries	Annual visits 2011/12	447,260
	Books loans 2011/12	369,679
	Number of people supported by the Home Library Service 2011/12	618
	Use of the Peoples Network computers [hours per annum]	41,008

Visitor Survey analysis for Headland, MHLC and Brierton

550 customers surveyed by independent researchers

92% customers either very satisfied or satisfied

85% customers feel what they get is good value for money

Leisure Centre attendances – 2011/12 375,077

Carlton OEC - 93% respondents felt centre was offering a service at either above or in excess of expectations (Sept 2010 to Sept 2011)

2011/12 GP Referrals – 1087 people

2.10 OUTCOMES

Outcomes are always more difficult to quantify, particularly in the short term, however the services provided contribute greatly to the health & wellbeing agenda, living longer and better physical and mental health, adult literacy and mature student qualifications via Adult Education, and generally a contribution to the quality of life. Libraries directly input into improving literacy levels and enabling people to reach their full potential through the delivery of its early years literacy programmes, services to schools and successful engagement with adults seeking informal learning opportunities.

The library provides a safe, non-judgemental and welcoming community space where people can meet or engage with others.

2.11 SAVINGS TARGET

The savings target for the Child & Adult services department is £2,580,000 for the financial year 2013/14. The specific target allocated to Community Services is £205,000 which reflects the size of the net budget of Community Services.

3.0 PROPOSALS

- 3.1 **Culture & Information – Libraries** – the proposals include the retention of appropriate non pay budgets at 2012/13 levels and the re-organisation of staffing at tier 5 level to reduce by two posts, both of which are currently vacant following staff departures. The service impact should not be noticeable to the general service user and whilst certain services may take longer to achieve, the whole service delivery function is undergoing constant change and improved efficiency and re-thinking service functions is a constant.
£31,000
- 3.2 **Culture & Information – Arts, Museums & Events** – the proposals include the retention of appropriate non pay budgets at 2012/13 levels, the inclusion of a new income area based on a successful outcome of utilising the HME car park for regular hire events and a regular car boot sale is currently within the planning process. It is considered that this or potential alternative income streams are sufficiently robust to include. Income targets for admissions etc across the Cultural Services area are proposed to be limited to current levels due to challenges in securing paid admissions; this is a major marketing requirement for 2013/14 and does underline the vulnerability to maintaining service provision in areas which rely on significant income generation. The impact of the budget reductions will not overtly impact on the general service user, in fact the potential for more activity on site and event led promotion will hopefully seek to ensure busier cultural sites with additional income being generated.
£37,000
- 3.3 **Culture & Information – Maritime Festival** – whilst this is fully managed within the cultural events section, this is identified separately due to this saving proposal being selected and discussed by Scrutiny. The proposal is to cease the biannual maritime festival and save the annual budget of £35,000, however in place of a two yearly high profile but risk challenged 2 day event, the intention is to focus on delivery of current and additional self funding regular events. A full description and case has been submitted as part of the Scrutiny process. Will the loss be noticed? As this is a major event once every two years then Officers would suggest; not initially, however this is mitigated by the intention of enabling event staff to actually do more on a more regular basis and seek greater attendances at the events that run. The loss will also be mitigated by the opportunity for Council to consider future major events on a one off basis and provide support funding on a case by case basis.
£35,000
- 3.4 **Sport & Recreation – Facilities and Physical Activity** – the savings proposals within sport and recreation include a second year of budget reduction across non staff budgets through continued budget efficiencies, reassessing income generation and by the non inflationary increase of individual budget heads. This is helpful at securing substantial contributions

towards savings without significant impact on any one area of service delivery. This also includes a review of the management and staffing structure at Summerhill LNR & Outdoor Activity Centre to better reflect the opportunity that can be achieved at income generation and site management and appearance; with the potential for a subsequent removal of a post. It also includes a reduction in operational opening hours at the Headland Sports Centre on weekends when usage is extremely low.

The Primary School swimming programme is currently provided with a budget and marketed through the annual 'buy back' procedure. However, this causes many logistical problems for Mill House Leisure Centre due to a lack of knowledge of the pool reservation required for schools owing to late information of the actual buy back levels required. It is therefore intended to change the procedure and will drop out of the 'buy back' and market lesson provision directly to all schools and other organisations. This has been costed and it is estimated that a cost neutral position can be achieved for the programme without any increase on the offer made currently to schools. In 2014/15, it is envisaged that this should actually be able to be reduced. Ultimately this should be a more robust arrangement and there is greater potential to then offer main pool space to other groups including the public who are currently not able to make use of the Pool during term-time weekday mornings.

Will the budget proposals significantly impact? There will be an immediate awareness of the closure of the Headland Sports Centre on a weekend, but alternative facilities are available within the service and also in the private sector. Should demand improve then this could potentially be reversed in part and the facility will of course remain for major event hire on a demand basis. The Primary School Swimming programme and Summerhill will be more reactive to demand and developing needs and it should have a positive impact in terms of cost benefit.

£70,000

- 3.5 **Sport & Recreation – Carlton OEC** – Carlton has had its revenue position transformed over the last two years and we are still reaping the benefit of management structure changes within the first full (academic) year of implementation. Carlton has been selected by Scrutiny for investigation and the full presentation and reports have been submitted as part of that process.

It is important to highlight that the facilities at Carlton are not owned by Hartlepool BC and are only managed and operated by the Council by virtue of a lease arrangement with the Carlton Trustees. In other words, it is not an asset that could potentially generate a capital receipt for the Council.

Carlton has suffered from a number of funding challenges with the withdrawal of the three former Cleveland partners over the last three or four years. Whilst this left a series of significant budget gaps, these have been largely filled by seeking additional full market price residencies. This in turn has safeguarded the facility for all current users, including of course the

prime original participants – Hartlepool Primary Schools.

Working with the Carlton Trust members has been most helpful in securing their support and anticipated funding assistance by securing grants that local authorities are deemed ineligible to apply for. The current budget for Carlton by Hartlepool is £68,000pa, in recent years the Carlton budget has had to have significant short term additional support by the Council due to the withdrawal of partner local authorities and prior to the benefits of new management arrangements. This now gives confidence that we are able to reduce costs further. The current proposals include slightly reducing the Hartlepool primary school allocation to match recent demand and to maintain the Hartlepool subsidy differential, whilst introducing seasonal cost changes being the only area where individual school preference will impact. The changing basis of school funding and the direct allocation of pupil premium funds should safeguard against discrimination for any disadvantaged families. This is really in the gift of the individual primary schools and their policies in relation to the targeting of the pupil premium.

Following Scrutiny discussion, Officers will work on continued site efficiencies, a new pricing structure to reflect the seasonal aspects of peak and off-peak weeks and increased occupancy with the further development of new markets. Carlton operates in a free market business world and it is confidently anticipated the outlined savings can be made.

£32,000

4.0 OPTIONS ANALYSIS

- 4.1 The approach to the budget efficiency targets has been specifically to minimise loss of service and skilled staff and the outlined option seeks to achieve this.
- 4.2 The current service areas are broad ranging and have already been integrated into a smaller number of management units as part of previous years' efficiencies. The alternative to the options proposed is additional closure of front line services - these are either difficult to achieve without complete closure of a service area or a complete withdrawal of service areas from community locations.
- 4.3 The closure of two branch libraries and three community centres in 2011/12 was only achieved due to a professionally demonstrated series of alternatives and a careful withdrawal of service from areas which could be adequately served by the remaining branch network, now more in tune with a service for the size of the Borough.
- 4.4 Remaining services are largely represented by one service outlet – e.g. one community theatre (Town Hall Theatre), one art gallery, one Museum and associated visitor attraction which is regularly hailed as the jewel in the Tees Valley etc. Future ongoing service efficiencies will undoubtedly begin to bite into the remaining cultural fabric of the town.

- 4.5 Most other services earn significant revenue income, draw in considerable partnership funding or are supported by outside contract funding (adult education) or archaeology which saw the introduction of a 4 day week in May 2012 and is now demonstrating the ability to earn significant contract income to meet its annual running costs which partly mitigates the public subsidy required.
- 4.6 If the outlined efficiencies are not approved then the alternatives are very unpalatable indeed.

5.0 RISK IMPLICATIONS

- 5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- Loss of regular school attendances at Carlton leading to shortfalls in income.
 - Lack of culture spending leading to shortfalls in anticipated service income targets.
 - High reputation and popularity of Community Services areas of service are damaged leading to non achievement of user targets.
 - Failure to fulfil contractual funding obligations causing damage to existing partnerships.
 - Reduced staff morale. This was hit with the service cuts in 2012/13 and will therefore not be raised by continued cuts in service and ongoing efficiencies. Staff will be fully consulted in redesigning of services to ensure that the service is delivered in an effective and efficient manner.
 - Loss of staff expertise. The efficiencies will seek to minimise loss of experience and skills wherever possible but staff resignations cannot be anticipated and may account for the greatest threat to loss of experience.

6.0 FINANCIAL CONSIDERATIONS

- 6.1 The Savings Programme 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

The proposals are confidently identified as being sustainable in approach and give opportunity to continue to minimise service costs whilst maintaining current core areas of service provision and minimise the loss of experienced staff.

The proposals deliver the following proposed savings:

Service	Proposed Savings
Element 1 Libraries	£31,000
Element 2 Arts, Events & Museums	£37,000
Element 3 Maritime Festival	£35,000
Element 4 Sport & Recreation	£70,000
Element 5 Carlton OEC	£32,000
Total Proposed Savings	£205,000

7.0 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 The potential impact of the budget proposals on the future of service provision and consideration of how this will affect service users and details of any alternative services users may be able to access (including services available from external providers are considered within the EIA (Equality impact Assessment)).

Impact Assessments have been undertaken and are attached as follows.

Appendix 3A – EIA for budget reductions relating to non scrutiny determined items.

Appendix 3B – Carlton OEC proposed reductions in budget.

Appendix 3C – Hartlepool Maritime Festival, budget removal.

8.0 STAFF CONSIDERATIONS

- 8.1 Consultation on the proposals has included full involvement of Human Resources colleagues for advice and impact. Consultation with staff Trade Unions regarding the recommendations will be undertaken and is planned as an integral element of the proposals.

9.0 ADULTS & COMMUNITY SCRUTINY FORUM COMMENTS

- 9.1 Reduce Subsidy to Carlton Outdoor Centre (£32k), Cease Biennial Maritime Festival (£35k).

In relation to the reduced subsidy to Carlton Outdoor Centre, the Forum strongly felt it could not support such a saving proposal, in particular without the results of the questionnaire to schools carried out by Community Services being available at the time of the meeting.

Members were particularly concerned about the impact of the reduced subsidy on the affordability for local schools to continue to support Carlton Outdoor Centre and the potential for pupils to miss out on the experience at a time when household budgets are becoming increasingly tighter. The Forum

recommended that this saving be reconsidered in twelve month's time and an alternative saving proposal be found.

In considering the proposal to cease the biennial maritime festival, Members reluctantly agreed to support the saving proposal, particularly with Community Services continuing to focus on smaller, more frequent activities such as Christmas Crackers and Spoo-Quay.

10 RECOMMENDATIONS

- 10.1 It is recommended that these proposals, as outlined, be approved as having the least impact on service delivery and the public who are the recipients of our service activities.

11 REASONS FOR RECOMMENDATIONS

- 11.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

12 BACKGROUND PAPERS

There are no background papers to this report.

13 CONTACT OFFICER

John Mennear
Assistant Director (Community Services)
Level 4
Civic Centre
Hartlepool
TS24 8AY

Tel (014290 523417
e-mail: john.mennear@hartlepool.gov.uk

Department	Division	Section	Owner/Officer
Child and Adult Services	Community Services	Community Services	John Mennear
Function/Service	<p><i>Culture and Information – Libraries</i> <i>Culture and Information – Museums, Arts & Events</i> <i>Sport and Recreation</i></p> <p>The impact assessment focuses on the proposed closure of the Headland Sports Hall at weekends. Impact assessments for the proposed ceasing of the Maritime Festival and changes to Carlton Outdoor Education Centre are attached.</p>		
Information Available	<p>The information we have about users of our services suggests that the section has been successful in attracting people to the services.</p> <p>Sport and recreation services provide activities to vulnerable adults including those with a learning and/or physical disability. For the quarter July to September 2012, there were 1,482 attendances at events such as the Sportability Club, Boccia, New Age Curling and the disability football league.</p> <p>We engage with our service users in a number of ways including:</p> <ul style="list-style-type: none"> • Satisfaction questionnaires • Annual returns to funding bodies • Activity evaluation and feedback forms • Standards achieved in relation to service • Quality achievement awards • Immediate customer feedback - complaints and compliments • Visitor/admission numbers • Scrutiny investigations • Third party user participation statistics, eg. Sport England • Income generation targets <p>Weekend attendances at Headland Sports Hall are low at an average of 45 people per day (including team activity). Attendance numbers and income are significantly less than during the week.</p> <p>We do not systematically collect demographic data on the people who use the centre. However, we do know that the centre is currently booked for disabled football every Saturday during term time until March 2013. On average 15 people attend these weekly sessions and the sessions were originally scheduled at the Headland to increase weekend participation and income. Brierton Sports Centre</p>		

	has been identified as an alternative location for these sessions.	
Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age	
	Disability	√
	Gender Re-assignment	
	Race	
	Religion	
	Gender	
	Sexual Orientation	
Marriage & Civil Partnership		
Pregnancy & Maternity		
Information Gaps	We do not systematically gather demographic data on people who attend venues, events or activities in community services unless specifically requested to do so by funders.	
What is the Impact	The main identifiable impact in terms of the proposed closure of Headland Sports Hall at weekends is on the group accessing disabled football. However, alternate arrangements are available for this group.	
Addressing the impact	<p><i>The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.</i></p> <p>1. No Impact- No Major Change - <i>It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.</i></p> <p>2. Adjust/Change Policy – <i>You may have to make adjustments to address potential problems or missed opportunities that impact adversely on those with protected characteristics.</i></p> <p>3. Adverse Impact but Continue – <i>Your decision may be to continue without making changes, this may be the right outcome even if your assessment identifies the potential for adverse impact. (E.g. Cabinet decision to withdraw a service).</i></p> <p>4. Stop/Remove Policy/Proposal – <i>Your assessment reveals unlawful discrimination it must be stopped and removed or changed.</i></p>	
Actions		

It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.

Action identified	Responsible Officer	By When	How will this be evaluated?
Consult with disabled football group to assess suitability of alternate venue	Ian Gray	March 2013	Football group continue to meet.
Collect data on characteristics of people accessing the centre at weekends.	Ian Gray	December 2013	Better understanding of any additional support needed for people being able to access alternate venues.
Consultation with weekend users of Headland Sports Hall	Ian Gray	December 2013	People are able to access alternate venues.

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

Department	Division	Section	Owner/Officer
Child & Adult	Community Services	Culture & Information	John Mennear – Assistant Director (Community Services)
Function/ Service	Hartlepool's bi-annual Maritime Festival – removal of the budget and to cease the event.		
Information Available	<p>The numbers attending the maritime festival vary considerably and are significantly dependant on the weather. Questionnaires are distributed to attendees and comments on social media and in visitors books are reviewed.</p> <p>From analysis of 149 completed questionnaires from the Diamond Festival (2012), the majority of completed questionnaires were by women (62%) and 54% were aged 44 or under. This was a snapshot of attendance and with evidence from staff who run the events indicating that attendance at the festivals tend to be from a good mix of the town's population, we cannot say how representative or generally applicable to all free events this finding is. For example, the evaluation of the Tall Ships Races 2010 in contradiction, found that just under two thirds of visitors were aged over 45 years.</p>		
Relevance	Age		√
Identify which strands are relevant to the area you are reviewing or changing	Disability		√
	Gender Re-assignment		
	Race		
	Religion		
	Gender		
	Sexual Orientation		
	Marriage & Civil Partnership		
	Pregnancy & Maternity		
Information Gaps	We do not systematically gather demographic data on people who attend free events organised by the section. Where we do have data, it is just a snapshot of attendees and so not necessarily representative of attendees. It would be difficult and resource intense to try and collect more meaningful data due to potential number of visitors and the fact that they come along to an event for entertainment and are less likely to want to take part in surveys.		
What is the Impact	1. No Impact- No Major Change - It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.		

	<p><i>As noted, anecdotally we believe that attendees at the Maritime Festivals have tended to be mixed and representative of the town's population. As such we do not anticipate that no longer delivering a free Maritime Festival will have a disproportionate impact on any of the protected characteristics of the Equality Act.</i></p> <p><i>However, it is possible that the organising and holding of such free events might encourage people from socio economic groups who don't normally attend cultural activities to participate. Removing such opportunities might impact on those groups decisions to access cultural services in the future.</i></p>		
Addressing the impact	<p><i>The Council will continue to provide a series of low cost events as part of their annual programme. Currently, due to sponsorship, the annual firework display is still free to visitors and ongoing sponsorship will be sought. Low cost event include Spooquay; Christmas Crackers; and Pirate Day.</i></p> <p><i>As part of the Cultural Services draft business development plan, we will explore the active promotion of HME car park to other organisations wanting to stage events.</i></p> <p><i>The events team are working more closely with other HBC teams such as sport & recreation, youth services, and health services, along with external organisations such as the Headland Carnival Committee and Red Dreams to jointly organise and provide support to run and expand existing events for local people. The events staff will continue to provide advice and guidance to those wishing to execute their own events, this includes representation to the Independent Safety Advisory Group (ISAG) group.</i></p> <p><i>Whilst removing a bi-annual event from the programme may have an effect on the Cultural life of the town it will not disproportionately affect any single group in the society. The fact that the Culture & Information Service still offers a mixture of free and paid events will mitigate the loss of the Maritime Festival.</i></p>		
Actions			
It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.			
Action identified	Responsible Officer	By When	How will this be evaluated?
Surveys at other events such as Spookquay, Christmas Crackers	David Worthington	October & December 2012	Face-to-face surveys with people attending events.

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

Department	Division	Section	Owner/Officer
Child & Adult	Community Services	Sport & Recreation	John Mennear – Assistant Director (Community Services)
Function/ Service	Carlton Outdoor Education Centre – reduction of Council budget that supports the use of the Centre		
Information Available	<p>Carlton Outdoor Education Centre delivers residential outdoor activities to primary school children and other groups. A subsidy is provided by the Council which allows Hartlepool primary schools to access the centre at a reduced rate. During 2011/12, 15 out of 30 Hartlepool primary schools used Carlton at the reduced rate.</p> <p>We do not believe that the subsidised rate impacts on the rate that is charged by the school to parents but this needs to be investigated further.</p> <p>Evidence suggests that when the subsidy is removed completely, the numbers of schools accessing the service will reduce. The retention of a subsidised or discounted price is critical to Hartlepool school retention. Despite the previous removal of subsidy, schools from Stockton, Middlesbrough and Redcar do continue to access Carlton Outdoor Education Centre to varying degrees.</p> <p>In addition, the centre now delivers activities to a wide range of age groups including adults and clients with disabilities.</p> <p>Feedback from user evaluation is very positive with 93% of users advising that they felt the service offered was either above or exceeded standard expectations.</p>		
Relevance	Age	X	
Identify which strands are relevant to the area you are reviewing or changing	Disability		
	Gender Re-assignment		
	Race		
	Religion		
	Gender		
	Sexual Orientation		
	Marriage & Civil Partnership		
	Pregnancy & Maternity		
Information Gaps	Whether any local authorities continue to subsidise schools for educational use of outdoor centres since the introduction of the Pupil Premium. Telephone survey to be conducted to elicit		

	<p>information.</p> <p>We do not know exactly what impact reducing the subsidy would have on the numbers of Hartlepool schools who access the service. Whilst evidence from the other local authorities suggests that the impact would be minimal, further information would be needed to be obtained from operational experience.</p> <p>A reduction in the subsidy rate would potentially have an impact on individuals/families – if schools decide to increase the cost to families, the impact could be unfairly felt by low income families. Whilst not a protected characteristic, it is flagged up as schools currently have different approaches to parental contributions. Schools are in receipt of the Pupil Premium and it is with them to determine how that funding is to be used.</p>
What is the Impact	<p>We do not anticipate that the proposed reduction of base budget would have any impact in terms of increasing inequality in access to the service. However, if the school decided to increase cost to families to adjust for the lack of subsidy, this might have a negative impact on poorer families.</p> <p>It is possible that because of our intention to standardise pricing and introduce peak/off-peak rates, wider access to the centre will be improved so providing more opportunities to more people.</p> <p>There may be a risk of Hartlepool Primary schools no longer making use of Carlton but experience has shown that where subsidised use has already been withdrawn by previous partner local authorities, some of their schools have continued to attend at a non-subsidised price.</p>
Addressing the impact	<p>The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.</p> <p>1. No Impact- No Major Change - It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.</p> <p>We do not believe that the proposal targets or excludes a specific equality group or community. Potentially, the proposal will create more opportunities for wider access to Carlton Outdoor Education Centre so foster good relations between different groups.</p> <p>2. Adjust/Change Policy – You may have to make adjustments to address potential problems or missed opportunities that impact adversely on those with protected characteristics.</p> <p>3. Adverse Impact but Continue – Your decision may be to continue without making changes, this may be the right outcome even if your assessment identifies the potential for adverse impact. (E.g. Cabinet decision to withdraw a service).</p> <p>4. Stop/Remove Policy/Proposal – Your assessment reveals unlawful discrimination it must be stopped and removed or</p>

changed.			
Actions			
<i>It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.</i>			
Action identified	Responsible Officer	By When	How will this be evaluated?
Survey other local authorities re subsidised use	Pat Usher	October 31 st 2012	Telephone survey
Survey HBC schools to ascertain whether they will continue to promote and value Outdoor Education opportunities	Pat Usher	October 31 st 2012	Paper questionnaire
Survey HBC schools to seek their current approach to parental contributions to OE opportunities.	Pat Usher	October 31 st 2012	Paper questionnaire
Monitor use of the site by groups/individuals other than schools.	Pat Usher	July 2014	Visitor figures
Monitor impact of decision.	Pat Usher	July 2014	Visitor figures

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Date Published	00/00/00
Date Assessment Carried out	00/00/00

Report of: Head of Planning and Development

Date: 17 December 2012

Subject: SAVINGS PROGRAMME 2013/14 – HOME TO SCHOOL TRANSPORT

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to identify proposals for the delivery of savings in respect of Home to School Transport as part of the budget for 2013/2014.

2 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/2014 Savings Programme.
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The services under consideration in this report are as follows,
- 2.4 **Home to School Transport –**

The Services provides transport related support to pupils who are eligible to free transport from Home to School.

- 2.5 **Service Users** – The range of services covered by this report are Primary and Secondary mainstream pupils, Primary and Secondary Special pupils in mainstream settings and Special School pupils.
- 2.6 **Engagement** – Service users provide feedback in a number of different ways and this is determined by the type of service, target group and arrangements to do with the type of delivery. Examples include:
- The Transport Champion Group is made up of neighbourhood, diverse operators and young people's representatives. The aim of the group is to consult on all transport related matters, in an effort to improve the transport opportunities to the community as a whole.
 - The Special Educational Needs Transport Panel is made up special needs, transport and education specialists. The aim of the group is to

evaluate the current transport provision, in order to ensure all aspects of travel meet the individual needs of the pupils

- Individual surveys and consultation exercises are used predominantly during any proposed alteration to the service provided

2.7 Inputs

The net cost to the Council of providing the services within the Home to School Transport area is as follows:

	Net Cost	Gross Budget
Primary (mainstream)	£33,171	£33,171
Secondary (mainstream)	£360,447	£445,381
Special in Primary	£57,720	£57,720
Special in Secondary	£101,772	£101,772
Special	£803,549	£830,158
<u>TOTAL</u>	£1,356,659	£1,468,202

2.8 Outputs

A brief overview of service inputs is as follows:

	Pupil numbers
Primary mainstream	54
Secondary mainstream	461
SEN	327
Primary concessionary	6
Secondary concessionary	49

2.9 Outcomes

The Council has a responsibility to make arrangements for all eligible children to travel to school in reasonable safety and comfort and arrive there without stress or difficulty so that they can benefit from their education. The Home to School transport arrangements provides an efficient and cost effective solution to that duty.

2.10 Savings target

The savings target for the Child and Adult Services Department for the financial year 2013/2014 is £2,580,000 with the Home to School Transport budget within the Resources and Support Services Division having to achieve £100,000 of this figure.

3 SAVINGS PROPOSALS

- 3.1 Tenders – following a review of current Home to School Transport provision, the Passenger Transport Service identified a number of contracts relating to Taxi and Private Car Hire and relevant PSV routes which expired in July 2012. It was therefore necessary to undergo a tender process in order to secure new contracts. Tenders unless otherwise disclosed, were invited for a three year period with a further option to extend for a further two years. All new contracts were awarded by September 2012.

£30,000

- 3.2 Yellow Bus Review – The Integrated Transport Unit additionally took the opportunity to bring in-house three routes currently operated by external providers in order to support a further efficiency. The service is extremely popular and has been developed in order to accommodate, extended school activities, swimming programmes and other curriculum activities. Each school has been allocated a Transport Officer in order to manage the provision. The service is a cost effective provision for schools and the Council.

£28,000

- 3.3 All Route Review – A further in year review of all routes took place providing for further efficiencies. The review takes place on a 6 monthly basis in order to accommodate changes to particular routes. The review is a fundamental strategy for the Integrated Transport Unit in administering cost effective service delivery. The review is carried out in consideration of the Special Educational Needs Transport Panel in order to support the progress of young people who have special educational needs

£42,000

4. OPTIONS ANALYSIS

- 4.1 Following a review of current Home to School Transport provision, the Passenger Transport Service identified a number of contracts relating to Taxi and Private Car Hire and appropriate PSV Routes which expired in July 2012. It has been therefore necessary to undergo a tender process in order to

secure new contracts. The outcome resulted in an efficiency of 30k .The Council followed an E Auction process which encourage good competition with all participating operators

5. RISK IMPLICATIONS

5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Increased pressure to achieve cost reductions leading to less flexibility in use of transport resources
- Reduced opportunity to invest in additional fleet (yellow buses) in order to expand services
- Departmental budgeting structure demonstrates that the Integrated Transport Unit supports budget efficiencies for both Regeneration and Neighbourhood Services and Child and Adult Services

6. FINANCIAL CONSIDERATIONS

6.1 The Savings Programme 2013/2014 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/2014. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

The proposals deliver the following proposed savings:

Service	Proposed Savings
Tenders	£30,000
Yellow Bus Review	£28,000
All route review	£42,000
Total Proposed Savings	£ 100,000

7. EQUALITY AND DIVERSITY CONSIDERATIONS

7.1 There are no equality or diversity implications resulting from these proposals as the service has not been reduced and continues to provide transport to all eligible pupils.

8 STAFF CONSIDERATIONS

- 8.1 There are no staffing implications arising from the proposals.

9 FEEDBACK FROM THE TRANSPORT WORKING GROUP

- 9.1 The Working Group has expressed its support for the implementation of these savings proposals and requested that these views be included in the report to be considered by Cabinet.

10 COMMENTS FROM SCRUTINY REVIEW

- 10.1 Members supported all the savings proposals presented to the Children's Services Scrutiny Forum and recognised that the areas identified would have the least impact on front line services and staffing.

11 RECOMMENDATIONS

- 11.1 It is recommended to proceed with the proposals as outlined above.

12. REASONS FOR RECOMMENDATIONS

- 12.1 The review forms part of the 2012/2013 Savings Programme as set out in the Medium Term Financial Strategy 2013/2014 to 2016/2017 to Cabinet on 11th June 2012.

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

- 13.1 There are no appendices to this report.

14. BACKGROUND PAPERS

- 14.1 There are no background papers with this report.

15. CONTACT OFFICER

Peter McIntosh
Head of Planning and Development
Level 4
Civic Centre
HARTLEPOOL
TS24 8AY

Tel: (01429) 284103
E-mail: peter.mcintosh@hartlepool.gov.uk

Report of: Assistant Director Performance & Achievement

Subject: SAVINGS PROGRAMME 2013/14 - PERFORMANCE
& ACHIEVEMENT DIVISION OF CHILD AND ADULT
SERVICES DEPARTMENT

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Performance & Achievement Service as part of the budget for 2013/14.

2.0 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme.
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The aim of the Performance and Achievement Division is to fulfill the statutory responsibilities of the Local Authority in relation to its educational provision and to provide a range of advice and support services to schools and educational establishments that enable those organisations to function more effectively. A small School Improvement and Advice Team has been retained within the Performance and Achievement Division. This team is funded from three sources: (1) earned-income via a Service Level Agreement with schools (2) additional income from OFSTED inspections, conferences and out-of-borough school support (3) Council funding. The School Improvement Team works, on request, with all the schools in Hartlepool and a growing number of schools in other boroughs. The service is highly regarded in Hartlepool, particularly for its support of literacy, numeracy and Early Years issues, and has a growing reputation in Darlington and South Tyneside.
- 2.4 The impact of this service can be best described through a number of qualitative and quantitative measures:
- No school in Hartlepool has been judged by OFSTED to be 'failing' for a number of years. In addition, 79% of Hartlepool's educational establishments have been judged to be 'Good' or 'Outstanding' by OFSTED, which places Hartlepool 25th nationally in the HMCI rankings.

- Primary school achievement, as measured by Key Stage 2 SAT results, are above the national average and at their highest in the last seven years.
- The number of pupils achieving five A*-C GCSE (including maths and English) has been on an upward trend for five years.

2.5 A savings target of £100,000 has been identified for 2013-14.

3.0 PROPOSALS

3.1 It is proposed that:

1. The School Improvement and Advice budget will be reduced by £73,381 from £161,399 to £88,018 to reflect revised operational and funding arrangements.
2. The Children's Services Specific Support which has a budget of £42,471 will be reduced by £26,619 to £15,852, again to reflect revised operational and funding arrangements.
3. The Performance and Achievement budget will therefore be reduced by £100,000 in 2013-14.
4. Furthermore, additional income will be generated in a number of ways, including:
 - Increasing in the number of OFSTED inspections to be carried out by the School Improvement Team.
 - Marketing the 2013-14 School Improvement Service SLA to schools outside of Hartlepool.
 - Increasing the charge made to schools for the 2013-2014 School Improvement Service SLA
 - Bringing more of the School Improvement Partner work in-house to avoid payment to external suppliers.
 - Arranging regular conferences where a charge will be made to participants.

4.0 OPTIONS ANALYSIS

In order to prevent any further reduction in the staffing size of the Performance and Achievement team, which has been reduced drastically over the last three years, and to capitalize on the income-generating ability of the School Improvement and Advice service, this was the only option that was considered in detail and that was felt to be achievable without a detrimental impact upon schools in Hartlepool.

5.0 RISK IMPLICATIONS

5.1 It needs to be recognised that the savings proposed represent very little risk in terms of detrimental impact upon the service offered in 2013-2014. In

subsequent years, however, a number of risks need to be borne in mind to ensure that schools are fully supported:

- Not achieving the income generation target; a business plan will be devised that sets out how the income will be generated over the course of 2013-2014 and 2014-2015 for each of the potential funding streams.
- A negative impact upon Hartlepool schools due to officers working in schools in Darlington and Redcar & Cleveland as part of the collaboration
- Maintaining the capacity of the School Improvement and Advice team; additional capacity has been built into the team through the appointment of a Senior School Improvement Officer (vacant since January 2012) and an affordable increase in the full-time equivalence of the two part-time literacy and numeracy consultants.
- The reputation of the council should any school be judged to be 'inadequate' by OFSTED.
- A further risk to consider is the financial implications of schools converting to academies. Both the Local Authorities Dedicated Schools Grant (DSG) which provides funding for areas such as FSM eligibility, Trade Union support, Ethnic Minority, Licences and Behaviour Support Services (ie. Ed Psych, School Attendance, Exclusions). and the Local Authority Central Spend Equivalent Grant (LACSEG) which is funding that the Council currently receives as part of its overall funding settlement (separate to DSG) to fund statutory Education services will be reduced according to the number of schools that convert.

6.0 FINANCIAL CONSIDERATIONS

- 6.1 The Savings Programme 2013/14 is planned to deliver total savings of 3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

The proposals contained in this report deliver the following proposed savings:-

Service	Proposed Savings
Performance & Achievement	£100,000
Total Proposed Savings	£100,000

There will be no additional costs to the Council of this savings plan.

7.0 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 See the attached Equality and Diversity Impact Assessment Statement (**Appendix 5A**)

8.0 STAFF CONSIDERATIONS

- 8.1 All staff have been consulted on this proposal and are supportive of the action being taken. There are no redundancy implications contained within this proposal.

9.0 RECOMMENDATIONS

- 9.1 It is recommended that the proposals set out in this paper be accepted as the Performance and Achievement Division's contribution to the 2013/14 Savings Programme.

10.0 REASONS FOR RECOMMENDATIONS

- 10.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

11 CONTACT OFFICER

Dean Jackson

Assistant Director (Performance & Achievement)

Department	Division	Section	Owner/Officer
Child and Adult Services	Performance & Achievement	School Improvement, Advice & Support	Dean Jackson
Function/Service	School Improvement, Support and Advice section of Performance and Achievement Division of Child and Adult Services		
Information Available	<p>The proposed reduction in the budget for School Improvement, Advice and Support in 2013-14 will not result in any reduction in the service currently being offered to schools but it removes any additional capacity that the School Improvement Service has to react to unexpected changes in a school's circumstances, such as pupil achievement, leadership and management, the quality of teaching or behaviour and safeguarding. Schools have indicated, however, through the Schools' Forum, that should any 'unexpected change' occur in a school that necessitated high levels of additional support, they would provide additional financial resource for the School Improvement Service.</p> <p>The provisions in Part 4 of the Education and Inspections Act 2006, as updated by 2012 Advice to Local Authorities, relating to schools causing concern places a responsibility upon a Local Authority to identify any of its schools that are causing concern and to act accordingly to bring about improvement in order to "... ensure that every pupil is provided with the education and opportunities they deserve".</p> <p>Hartlepool Local Authority has clear strategies and procedures in place for:</p> <ul style="list-style-type: none"> (a) identifying a school judged to be temporarily vulnerable or, over time, causing concern; (b) supporting and challenging the school to bring about improvement; (c) monitoring the school's self-evaluation of its improvement. <p>A school causing concern is likely to one where, over time, standards are unacceptably low and are likely to remain so, there has been a serious breakdown in the way the school is managed or governed which is prejudicing standards of performance or the safety of staff or pupils is threatened. The overriding priority of the School Improvement Service is to support the school to provide the best possible environment to help all children and young people maximize their potential and make the progress they deserve.</p>		

Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age		J
	Disability		
	Gender Re-assignment		
	Race		
	Religion		
	Gender		
	Sexual Orientation		
Marriage & Civil Partnership			
Pregnancy & Maternity			
Information Gaps		The impact on the School Improvement Service of schools becoming academies.	
What is the Impact	Eliminate Unlawful discrimination , harassment, victimisation, and any other conduct prohibited by the act N/A		
	Advance Equality of Opportunity , between people who share protected characteristics and those who don't N/A		
	Foster Good Relations , between people who share a protected characteristic and people who do not share it. N/A		
Addressing the impact	1. No Impact- No Major Change: The policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.		
	2. Adjust/Change Policy: N/A		
	3. Adverse Impact but Continue: N/A		
	4. Stop/Remove Policy/Proposal: N/A		
Actions			
<i>It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.</i>			
Action identified	Responsible Officer	By When	How will this be evaluated?
Monitor the ongoing quality of the support provided to schools by the School Improvement Service	Mark Patton, Senior School Improvement Officer	31 st August, 2013	1. Evaluation questionnaires completed by schools 2. Discussion with Headteachers

Monitor the impact of schools becoming academies on the School Improvement Service	Dean Jackson	31 st August, 2013	1. Monitoring Service Level Agreement buy-back 2. Monitoring number and nature of requests for support received from Academies.
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Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

Report of: Sally Robinson

Subject: SAVINGS PROGRAMME 2013/14 – PREVENTION, SAFEGUARDING AND SPECIALIST SERVICES

1.0 PURPOSE OF REPORT

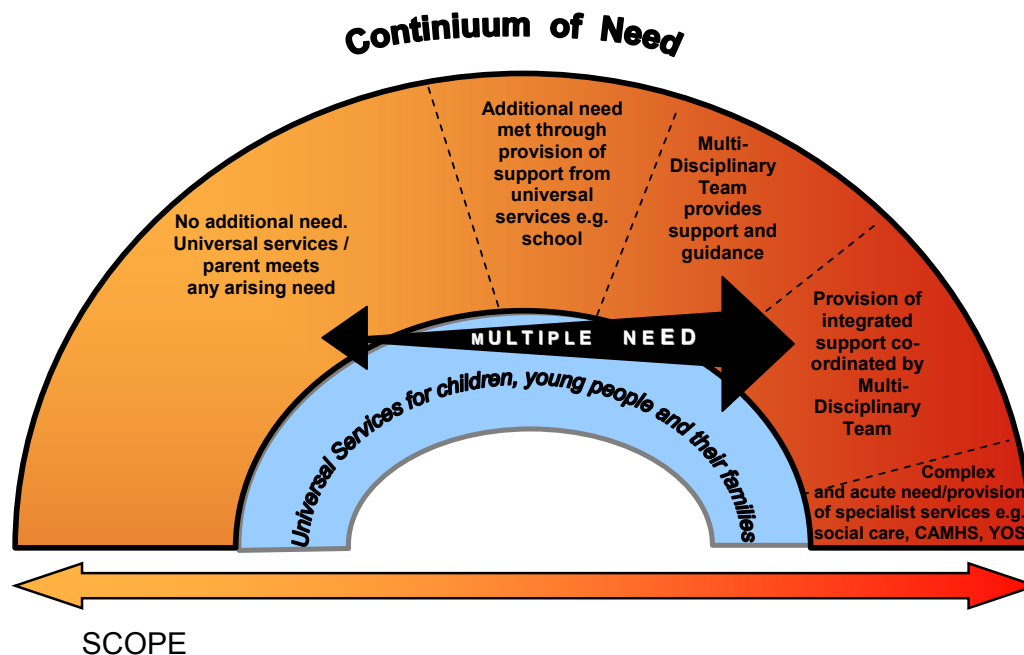
- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Prevention, Safeguarding and Specialist Services division of Child and Adult Services as part of the budget for 2013/14.

2.0 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The Prevention, Safeguarding and Specialist Services division of Child and Adult Services has a range of statutory and non statutory responsibilities. It is responsible for the delivery of:
- Social care services for children in accordance with the Children Act 1989;
 - The Youth Offending Service in accordance with the Crime and Disorder Act 1998;
 - Early intervention services for children, young people and their families including the provision of children's centres and the families information service;
 - Integrated Youth Support Service including the provision of youth centres and services for young people not in education, employment or training;
 - Strategic commissioning for children.

AIM

- 2.4 The division is structured to provide support services to children, young people and their families across the continuum of need as illustrated below. The aim of this is to ensure that families receive the right services at the right time and where a child is identified as having needs that cannot be met through universal services alone, a range of responsive tailored services are available to the child and his/her family to prevent need from escalating and becoming more acute. Prevention, Safeguarding and Specialist Services support children and their families throughout Hartlepool.



2.5 The following areas of service are within the scope of this proposal:

- Social work services for children in need (including those in need of protection;
- Youth Offending Service;
- Early intervention information hub, locality teams and resource team;
- Services for looked after children including provision of residential and foster care, services for care leavers and the adoption service;
- Integrated Youth Support Service;
- Review and development unit and Independent Reviewing Officer service;
- Commissioned services for children.

SERVICE USERS

2.6 Prevention, Safeguarding and Specialist Services provide services to children and young people between the ages of 0 – 18. For some specific groups, for example young people with disabilities and those leaving care, services are extended beyond childhood up to the age of 25. In responding to the needs of children and young people, the service works with the child's parents, carers and significant others to ensure that family members have their needs met wherever possible to enable them to provide safe and effective care for their children and promote their wellbeing.

ENGAGEMENT

2.7 The service undertakes regular engagement activity with service users across the breadth of the service and within each service area. The service has a Participation Strategy which outlines how children, young people and their

families are engaged in shaping and influencing the delivery of services they receive individually as well as the wider development of policy and services provided by the division. Earlier in 2012, the Integrated Youth Support Service was awarded the Gold 'Hear by Right' Award in recognition of the work of the service in putting young people's voices at the heart of service delivery and development.

- 2.8 There are a number of engagement and consultation groups which inform the development of services, these include amongst others, the Children in Care Council, Friends of Exmoor Grove, One Hart, One Mind One Future, (parents Forum), Young Inspectors and Children's Centre Forums. Feedback from services users is also sought through satisfaction surveys which are sent out at the point of case closure for all social care cases, comments, compliments and complaints received and focus groups to consult on particular proposals or developments.
- 2.9 The information received through these mediums informs the remodeling, and development of services and the policies and procedures that detail how services are to be provided. For example during 2011/12, the Early Intervention Strategy was developed which reshaped how these services are delivered in Hartlepool. As part of the development of the strategy, a series of consultation sessions were completed with groups of children, young people, parents and carers, staff and partner agencies. The information from these sessions was collated into emerging themes and informed the development of the strategy.

INPUTS

- 2.10 The total expenditure for Children's Services (excluding the Dedicated Schools Grant) is £23.9m.

The breakdown of how the £23.9m is spent is as follows:

Area of Expenditure	Spend
Prevention Safeguarding and Specialist Services	£20.8m
Education (excluding DSG)	£0.8m
Resources and Support Services	£2.3m

- 2.11 A breakdown of expenditure in the Prevention, Safeguarding and Specialist Services is as follows:

Area of Expenditure	Spend
Children's Social Care	£11.5m
Early Intervention Services	£7.5m
Youth Offending Service	£0.5m
Youth Service	£0.4m
Management and Support	£0.9m

OUTPUTS/OUTCOMES

- 2.12 Children's Services deliver services to children, young people and their families to enhance their quality of life and achieve key outcomes in terms of safety, health, education, wellbeing and supporting successful transitions to adulthood. Services are provided across the universal, targeted and specialist services continuum.
- 2.13 The Prevention, Safeguarding and Specialist Services Division provides service to children in Hartlepool in accordance with their needs and include the delivery of universal, targeted and specialist services. Children's social care is responsible for ensuring that children are protected from harm, receive services to meet any assessed needs they may have and their welfare is promoted to achieve improved outcomes. For children who are looked after and leaving care, the service fulfils a statutory and corporate parent responsibility providing children with appropriate care placements to meet their needs, promoting their education, health and social and emotional wellbeing and supporting young people into independence. Children's social care services are regulated via various inspections undertaken by Ofsted. The current judgments of regulated services are as follows:
- Announced Inspection of Safeguarding and Services for Looked After Children – GOOD (June 2010);
 - Adoption Service – SATISFACTORY (May 2011);
 - Fostering Service – GOOD (July 2012);
 - Residential Care Exmoor Grove – GOOD (September 2012).
- 2.14 Performance of the service is monitored via statutory returns to the Department for Education on an annual basis. The service performs well with the majority of indicators achieving or exceeding their target and when compared with the national average and regional and statistical neighbours.
- 2.15 The Youth Offending Services provides both prevention and statutory services in line with legislation to work with young people to prevent offending and re offending and promote community safety. This service was re-inspected in January 2011 and judged as performing in accordance with the national average scores for Youth Offending Services nationally. This was a significant improvement on the previous inspection outcome when scores were below average. Performance of the Youth Offending Service is monitored by the Strategic Management Board on a quarterly basis. Good performance has been noted in the significant reduction of first time entrants to the criminal justice system and the low use of remand and custodial sentences. The service is currently focusing its efforts on reducing the re-offending rates of young people.
- 2.16 For vulnerable children, under the Early Intervention Strategy, the service provides information, support and guidance to universal services and families to support children's needs. Where these needs require a targeted response, the service provides and commissions a range of integrated support services on a locality basis across the 0 – 19 age range. These services provide

tailored packages of support to children and their families to meet assessed needs at the earliest point of these emerging and prevent need from increasing to where more specialist services are required. The early intervention strategy is in its first year of delivery and its effectiveness is yet to be fully evaluated. However, to date feedback from children, young people, their families and professionals has been positive and the recent peer review of safeguarding identified the strategy and service delivery model as a strength. A performance management framework has been developed to measure the effectiveness of the strategy and a report will be presented to Cabinet in June 2013 detailing a full year one review of the service.

SAVINGS TARGETS

- 2.17 The savings target identified for the Prevention, Safeguarding and Specialist Services division of Child and Adult Services is £475,000.

3.0 PROPOSALS

CHILDREN'S SOCIAL CARE

- 3.1 Children's social care is made up of a number of budgets which provide for the delivery of social work teams, services for children and families and services commissioned from the voluntary, community and independent sector. The majority of the social care budget is allocated for the provision of placements for looked after children. A high proportion of these placements are delivered by the Council's foster care service; however a minority, around 24%, is provided by the independent fostering and residential sector. These placements are high cost and a substantial amount of work is undertaken within the division to manage demand for these placements and ensure the service achieves value for money from providers. During the 2011/12 budget savings review, a significant amount of the savings realised from the division was identified from within commissioned services.
- 3.2 The proposals for 2013/14 include a contribution of £133,000 from children's social care. The largest proportion of this (£60,000) has been identified by the removal of the Care Matters budget for children looked after. In 2008/09, local authorities first received the Care Matter Grant via the Area Based Grant to provide additionality to services provided for looked after children. The grant was allocated for three years to be invested in projects designed to improve the outcomes of looked after children which research had shown were substantially below those of their peers who were not looked after. The grant was subsequently moved to the Revenue Support Grant in 2011/12. Since its introduction, the Care Matters grant has been used in Hartlepool to provide support and services for children looked after over and above the base budget and as a consequence its use has changed annually as there are no ongoing commitments against the budget. It has been used for, amongst other things, a residential holiday for children in care to Carlton, provision of individual support for children to promote their education and the

- refurbishment of Exmoor Grove and 9 Church Street to provide a high quality and comfortable environment for children.
- 3.3 In 2011/12 a reserve was created from the underspend of the Care Matters budget which is to be utilised to support the development of supported accommodation at Blakelock Gardens and the children's home at 302 Stockton Road. It is proposed that the Care Matters budget of £60,000 is removed from the divisional budget in 2013/14. In addition to this, it is proposed that an additional £10,000 of savings is realised from the budget allocated to improving outcomes for looked after children. This budget is used to promote opportunities for looked after children, for example to fund residential school trips, extra curricular activities for children in care such as dancing, music or horse riding lessons. The budget also supports participation work with looked after children providing the resources required to fund this work. Historically there has been an underspend in this budget and in 2012/13, the projected underspend is £10,000, indicating that the activity it supports is at a lower cost than the allocated budget.
- 3.4 The impact of the reduction in these budgets for looked after children will be that the department will lose the flexibility these budgets offers to promote additionality for looked after children. However, the creation of the reserve to support development work will mitigate the impact for projects that are currently in the pipeline. Within the divisional budget there remains a budget commitment for improving outcomes for looked after children and this budget will continue to be used to support participation and extra curricular activities for children in care. Funding has also been allocated to schools through the Pupil Premium to provide additional support for children looked after as well as other vulnerable pupils and the authority is working with schools to ensure that this funding is maximised to improve the education outcomes for looked after children.
- 3.5 During 2011/12, the division redesigned and re-commissioned the service specification for the delivery of child and adolescent mental health services (CAMHS) for children looked after from Tees Esk and Wear Valley NHS Trust. This contract provides dedicated services for these vulnerable children over and above the services commissioned for all children in Hartlepool by PCT. Under the revised service specification, the division has ensured that it is not commissioning services for children looked after which are included in the PCT contract. For example the provision of psychiatric services; if a looked after child requires this type of support, s/he will receive this as an entitlement through the PCT contract, therefore the local authority should not be commissioning this service as well. As a consequence of the redesign of the service specification, which includes a clear stipulation of the number of sessions purchased per week from, for example, psychologist, primary mental health workers and therapists, the service can monitor services received and ensure that looked after children benefit directly from these additional services.
- 3.6 The revised service specification has reduced the cost of the contract realising a saving of £20,000, which it is proposed forms part of the divisional savings target. Due to the stringent service specification and monitoring

arrangements in place for the delivery of these CAMHS services for looked after children, there will be no detrimental impact arising from this saving which has been realised as a result of robust negotiation and commissioning.

- 3.7 In 2011/12 the service consolidated its contracts with providers of therapeutic services for children and created a spot purchase budget to procure these services under a framework agreement rather than block contracting with providers. As it was the first year of this revised arrangement, a budget was set aside for these services and the current spend and forecast indicates that this budget can be reduced. It is therefore proposed that this budget is reduced by £10,000. It is not anticipated that this saving will have a detrimental impact upon the delivery of therapeutic services for children as these will continue to be arranged within the remaining budget.
- 3.8 The balance of the proposed savings for children's social care is made up of the consolidation of a number of costs centres where changes of accommodation and practices have resulted in budget under spends. This includes supplies and services budgets which as a result of rationalisation of capital assets are no longer required and budgets with uncommitted balances that have, in the past, been used to fund service development work. In 2012/13, these budgets have not been spent and the consolidation of them, which amounts to £33,000, is proposed for savings. There will be no impact upon the delivery of services for children through the removal of this funding as it has not been required within the current year and officers now undertake service development work.

EARLYINTERVENTION AND PREVENTION SERVICES

- 3.9 In 2011/12 the division developed an Early Intervention Strategy which came about as a consequence of the removal of the ring fenced grants that were previously allocated for these services. The removal of ring fenced arrangements allowed local authorities to look more flexibly at how services were delivered and make them more responsive to need in the local area. The strategy was ratified by Cabinet in December 2011 and the implementation of the Early Intervention Strategy commenced in April 2012.
- 3.10 As part of the development of the new service, a saving of £220,000 was created in preventative services base budgets when these transferred to the re-modelled provision funded from the Early Intervention Grant. It is proposed that this saving contributes towards the divisional savings target for 2013/14.
- 3.11 Under the Early Intervention Strategy, it was identified that there is a need to promote the emotional health and wellbeing of children, young people and their families at a universal and targeted level. Therefore within the strategy, a budget of £100,000 was allocated for the procurement of two primary mental health workers from Tees, Esk and Wear Valley NHS Trust (TEWV) to work within the north and south locality teams. Over the past 6 months the

service has worked with the Trust to recruit to these posts without success. In the meantime, further work has been undertaken on a Tees wide basis to develop child and adolescent mental health services and the PCT has committed funding to local areas for community based primary mental health workers. These workers will be identified from within existing TEWV staff as the service is remodeled under a new service specification. This development from the PCT fits with the proposals within the Early Intervention Strategy and meets the same assessed need; therefore it is proposed that the £100,000 is taken as a saving.

- 3.12 As the savings identified from early intervention and prevention are as a consequence of the transfer of funding to the early intervention grant, there will be no impact upon staff or services as these continue to be delivered funded by the Early Intervention Grant. Similarly there will be no impact resulting from the decision not to continue with the procurement of primary mental health workers and offering this budget as a saving given this is now being funded by the PCT. However, the Government has recently announced significant cuts to this grant in 2013/14 and 2014/15 and a report outlining the risks and proposals to mitigate these as far as possible was considered by Cabinet on 19th November 2012.

YOUTH OFFENDING SERVICE

- 3.13 A saving of £22,000 is proposed from the Youth Offending Service. This service is funded by a grant from the Youth Justice Board and a partnership budget to which the local authority is the major contributor. As part of the funding, the budget makes provision for the delivery of a substance misuse nurse to work with young people in or on the periphery of the criminal justice system. Following the departure of the postholder in 2010, this post has been vacant and substance misuse services have been provided through the wider substance misuse contract for young people delivered by Hyped. When the substance misuse service was re-commissioned in 2012, the service specification included the detailed requirements of the service to support young people in contact with the Youth Offending Service. This contract is fully funded through the Early Intervention Grant and meets the requirements of the Youth Offending Service as they have a full time substance misuse worker based in the team.
- 3.14 It is proposed that 50% of the allocated budget (£22,000) is taken as savings for 2013/14. The remaining amount will be retained within the budget to mitigate potential future risks associated with cuts to the Early Intervention Grant, a revised youth offending grant formula likely to be introduced in 2013/14 and the transfer of funding of the Youth Offending Service to the Police and Crime Commissioner. As the young people's substance misuse service contract includes the provision of services to young people in the youth offending service, there will be no impact on staff, service users or service delivery from this savings proposal.

4.0 OPTIONS ANALYSIS

- 4.1 A number of other savings options have been considered within Prevention, Safeguarding and Specialist Services, however these have been discounted primarily due to the potential impact they have on service delivery and the risks associated with realising the savings. These include:
- Freezing foster care allowances – HBC currently pays the Fostering Network recommended allowance rates to foster carers and has, year on year, uplifted its rates in accordance with the recommended rate. This has ensured that the Council competes well in the fostering market and continues to attract prospective foster carers to the Council. Not uplifting foster carers rates on an annual basis will have an impact upon our ability to continue to recruit foster carers and may result in existing carers moving to the independent sector. The loss or slowing of recruitment of foster carers will increase the Council's dependence upon the provision of foster placements from the independent sector which are higher cost as an agency fee is paid in addition to the carers allowance for the child. In the long term, this shift will result in substantially higher placement costs for the local authority and therefore would be a false economy.
 - Reduce capacity within social work and prevention teams – currently there is an increasing demand for services for children and young people and their families as demonstrated by the increasing numbers of referrals to social care and increase in children looked after. Staff caseloads are being effectively managed, however any reduction in the number of workers in the teams will increase caseloads to an unmanageable level and result in unacceptable risks in terms of child protection, staff well being and achievement of performance indicators.
 - Reduce spend on placements for children looked after – the service is robust in seeking to manage demand for placements and the costs of these. The numbers of children looked after are increasing in Hartlepool and this is reflective of the national picture. Services are in place to, wherever possible, prevent the need for a child to come into care, however where children cannot be safely maintained with their family it is necessary for them to become looked after as not to do so would result in them being at risk of significant harm.
 - Further reductions in prevention and early intervention services – research highlights the long term benefits to children and their families of early intervention and prevention of problems from becoming acute and harmful. Reducing the capacity of early intervention services will very likely increase pressure on specialist services for example youth offending and children's social care which are higher cost. In addition, as a consequence of cuts to future funding for these services, they will be scaled back substantially in 2013/14.
 - Further reductions in the Youth Offending Service – there are plans to revise the funding formula for the Youth Offending Service and in the future, some or all of these services will be commissioned by the Police and Crime Commissioner. The uncertainty of future funding of the Youth Offending Service means that cuts should not be considered until the future arrangements and their impact on the local service becomes clear.

- 4.2 The above options have not been proposed for savings for the reasons outlined. The proposals outlined in this report in the view of officers are the most efficient and effective options as they have the lowest risks associated with them in terms of impact upon children and young people and service delivery.

5.0 RISK IMPLICATIONS

- 5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- Reduced flexibility and funding to fulfill our corporate parent responsibilities to children looked after. Removal of budgets that have been used to provide additionality for children looked after means there will be less opportunity to deliver high cost service developments in the future. However, in the past two years a number of projects have been or are in the process of being delivered and reserve funding is available to complete these. For individual children, there remains funding within the budget to promote participation, corporate parenting activities and opportunities for them to enjoy a variety of activities that enhance their wellbeing.
 - The biggest risk to early intervention services in the context of the proposed savings in 2013/14 relates to the recent announcement of a cut of £1.1m in 2013/14 and a further £0.5m in 2014/15. This information was not known when the divisional savings were initially developed. A full report has been presented to Cabinet on these risks with proposals for use of reserve to mitigate the immediate impact of the cuts so that services can be scaled back in a planned and evidence based way.
 - For the Youth Offending Service there are risks associated with the uncertainty around future funding arrangements. In order to effectively manage this, the service has held vacant posts and retained 50% of the funding for the substance misuse nurse post to mitigate the uncertainty and risk.

6.0 FINANCIAL CONSIDERATIONS

- 6.1 The Savings Programme 2013/14 is planned to deliver total savings of 3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.
- 6.2 The proposals for Prevention, Safeguarding and Specialist Services meet the target set for the division and are sustainable as provision is made to manage the budget reduction and continue to deliver services effectively.

6.3 The proposals deliver the following proposed savings:-

Service	Proposed Savings
Care Matters Grant	£60,000
Improving outcomes for CLA	£10,000
CAMHS	£20,000
Contracts	£10,000
Consolidation of budgets	£33,000
Early Intervention and Prevention Service	£320,000
Youth Offending Service	£22,000
Total Proposed Savings	£475,000

6.4 There are no associated costs with delivering the proposed savings.

7.0 EQUALITY AND DIVERSITY CONSIDERATIONS

7.1 An Impact Assessment has been undertaken and is attached as **Appendix 6A**.

7.2 The vast majority of children who receive services from the division are vulnerable children and their lives are affected by issues such as poverty, abuse and neglect, poor parenting and deprivation. The savings proposals will affect vulnerable children through the reduction in funding to the services they receive. However, in identifying these savings proposals, every effort has been made to minimise the impact on vulnerable children by identifying the least disruptive options and where capacity remains within the service to mitigate the impact.

8.0 STAFF CONSIDERATIONS

8.1 There are no staffing implications to the savings proposals put forward within this report.

9.0 COMMENTS FROM SCRUTINY REVIEW

9.1 Members supported all the savings proposals presented to the Children's Services Scrutiny Forum and recognised that the areas identified would have the least impact on front line services and staffing. However, Members did note that the proposals stripped out any flexibility of service provision in a number of the areas identified.

9.2 With regard to the divisional savings for Prevention, Safeguarding and Specialist Services, Members supported the savings proposals, but raised concerns regarding the sustainability of funding in a number of areas, particularly where services were now fully or partially dependant on

external/partner funding, which cannot be guaranteed to continue in the future.

9.0 RECOMMENDATIONS

- 9.1 That Cabinet approves the proposed saving of £475,000 from the Prevention, Safeguarding and Specialist Services division of Child and Adult Services for 2013/14.

10.0 REASONS FOR RECOMMENDATIONS

- 10.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

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

12 BACKGROUND PAPERS

Early Intervention Strategy December 2011
Participation Strategy 2012
Cabinet Report – Medium Term Financial Strategy (MTFS) 2013/14 to 2016/17 – Update 19/11/2012

13 CONTACT OFFICER

Sally Robinson
Assistant Director, Prevention, Safeguarding and Specialist Services
Child and Adult Services
Civic Centre

Tel: 01429 523732
sally.robinson@hartlepool.gov.uk

Impact Assessment Form

Department	Division	Section	Owner/Officer
Child and Adult Services	Prevention, Safeguarding and Specialist Services	Prevention, Safeguarding and Specialist Services	Sally Robinson
Function/Service	Prevention, Safeguarding and Specialist Services division of Child and Adult Services		
Information Available	<p>Children receiving services from Prevention, Safeguarding and Specialist Services are amongst the most vulnerable children in the town and their lives are affected by issues such as poverty, abuse and neglect, poor parenting and deprivation. As a consequence, they are vulnerable to poor outcomes in terms of their health, education and social and emotional development. Within this group of vulnerable children, the division provides services to children looked after, children at risk of significant harm and children and young people in the Youth Offending Services. These children are especially vulnerable and have significantly poorer outcomes when compared to their peers for example in areas such as educational achievement, mental health and wellbeing and engagement in education, employment and training.</p> <p>The division provides services to children, young people and their families across the continuum of need including universal services e.g. youth clubs; targeted services e.g. children's centres and prevention teams; and specialist services e.g. children's social care and youth offending service. The greatest number of children access universal services which are open to all children in the town. The early intervention services offer universal services, for example via services available through children's centres, however, these services are targeted at children and their families who have needs that require additional support and if continued unmet would escalate becoming more complex and acute. The services delivered under the early intervention strategy are supporting approximately 1,000 children and their families.</p> <p>Specialist services are delivered in accordance with the statutory framework through the Children Act 1989 for children's social care and the Crime and Disorder Act 1998 for the Youth Offending Service. As at 30 September 2012, there were 956 children active to social care, of whom, 198 were looked after, 101 were subject to a child protection plan and 657 were children in need. Within the Youth Offending Service there are 54 young people receiving a statutory service and a further 78 young</p>		

people being supported by the service to prevent them from entering the criminal justice system.

The proposals for savings affect all services delivered by the division. Demand for services is high and the service has seen an increase in the numbers of referrals for both prevention and social care services. The delivery of the savings will have a small impact upon the services provided as there will be less funding within the budget to manage resources flexibly.

The impact of the reduction in the funding for looked after children will be that the department will lose the flexibility these budgets offers to promote additionality for looked after children. However, the creation of the reserve to support development work will mitigate the impact for projects that are currently in the pipeline. Within the divisional budget there remains a budget commitment for improving outcomes for looked after children and this budget will continue to be used to support participation and extra curricular activities for children in care. Funding has also been allocated to schools through the Pupil Premium to provide additional support for children looked after as well as other vulnerable pupils and the authority is working with schools to ensure that this funding is maximised to improve the education outcomes for looked after children. A revised service specification for the child and adolescent mental health services for children looked after will ensure that services commissioned meet the needs of children in care that they benefit directly from these additional services.

There will be no impact associated with the savings proposed from the Early Intervention Service as funding for posts has been transferred from the revenue support budget to the Early Intervention Grant. Services previously proposed to be commissioned through the use of the grant are now being commissioned by the PCT and will meet the purpose of these roles as outlined in the early intervention strategy. As part of the development of the strategy, a series of consultation sessions were completed with groups of children, young people, parents and carers, staff and partner agencies. The information from these sessions was collated into emerging themes and informed the development of the strategy.

There will be no impact associated with the savings proposed from the Youth Offending Service. Through the re-commissioning of the Young People's Substance Misuse Service, substance in 2012, the service specification included the detailed requirements of the service to

	support young people in contact with the Youth Offending Service. This contract is fully funded through the Early Intervention Grant and meets the requirements of the Youth Offending Service as they have a full time substance misuse worker based in the team.		
Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age		✓
	Disability		✓
	Gender Re-assignment		✓
	Race		✓
	Religion		✓
	Sex		✓
	Sexual Orientation		✓
	Marriage & Civil Partnership		✓
Pregnancy & Maternity		✓	
Information Gaps	No gaps in information identified. The savings proposals have been developed over a six month period allowing sufficient time for all of the relevant information to be taken into consideration.		
What is the Impact	The proposed changes support the three aims of the Equality Act to ensure services provided are appropriate to the needs of children and young people.		
Aim 1: Eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the act.			
Aim 2: Advance Equality of opportunity, between people who share protected characteristics and those who don't.			
Services for vulnerable children aim to improve life chances, opportunities and outcomes.			
Aim 3: Foster good relations between people who share a protected characteristic and those who do not share it.			
Services for vulnerable children and young people, promote their needs and improving outcomes lead to improved community cohesion.			
Addressing the impact	1. No Major Change		
	2. Adjust/Change		
	3. Continue as is		
	4. Stop/Remove		
Action identified	Responsible Officer	By When	How will this be evaluated?

Date sent to Equality Rep for publishing		12/11/2012	

Report of: Head of Planning and Development

Date: 17 December 2012

Subject: SAVINGS PROGRAMME 2013/14 – RESOURCES
AND SUPPORT SERVICES DIVISION OF CHILD
AND ADULT SERVICES DEPARTMENT

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Resources and Support Services Division as part of the budget for 2013/2014.

2 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/2014 Savings Programme.
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The services under consideration in this report are as follows,

Support Services and Admissions – Administrative support to the Child and Adult Services Department and school admissions arrangements;

Performance and Management Information – Management and school performance data;

Schools Transformation – Capital development planning across all school sectors

- 2.4 **Service Users** – The range of services covered by this report are delivered across the whole department as a support to internal users and in providing specific services to school sectors and a neighbouring Local Authority.
- 2.5 **Engagement** – Service users provide feedback in a number of different ways and this is determined by the type of service, arrangements to do with the type of delivery and target group. Examples include:
- Regular progress meetings;
 - Service agreements;

2.6 Inputs

The net cost to the Council of providing these specific services within the Resources and Support Services Division are as shown below:

	Net Cost	Gross Budget
Support Services and Admissions	£709,979	£709,979
Performance and Management Information	£151,706	£214,700
Schools Transformation	£ 20,761	£ 20,761
<u>TOTAL</u>	£882,446	£945,440

2.7 Outputs

The Resources and Support Services Division manages and delivers the following across school sectors and the department:

- Income generation from neighbouring Local Authority;
- Delivery of Support and Management Information Services to the Child and Adult Services Department and Schools
- Planning and preparation of the Schools' Capital Programme
- Contract management of the BSF ICT Contract

2.8 Savings target

The savings target for the Child and Adult Services Department for the financial year 2013/2014 is £2,580,000 with the Resources and Support Services Division having to achieve £90,000 of this figure.

3 SAVING PROPOSALS

3.1	<u>Support Services</u>	
	Various non-staff budgets	£60,000
3.2	<u>School Admission</u>	
	Provision of appeals service to neighbouring Local Authority	£15,000
3.3	<u>Performance and Management Information</u>	
	Reduction of hours in a post	£10,500
3.4	<u>Schools Transformation</u>	
	Reduction in feasibility budget	£6,000

TOTAL £91,500

3.5 Impact of Proposals

3.6 Proposals have been drawn up with a view to minimising the impact on service delivery across the department:

- Savings in Support Services are drawn from Premature Retirement Costs, Mobile Phones, Consumables, Catering and Supplies and will have little impact as primarily the reductions are a result of under utilised budgets.
- The reduction in hours of the Performance and Management Team will be covered by a reorganisation of workloads and functions within the team itself;
- The savings rely upon income generation in relation to the increased workload arising from arrangements to manage the appeals process in a neighbouring Local Authority which generates an income of £15k annually;
- Early feasibility work on the schools' capital programme can be met by project funding with less reliance on this budget.

4 OPTIONS ANALYSIS

4.1 In order to prevent reduction to the size of the Resources and Support Services Division pending the outcome of the major Support Services Review, it was considered appropriate to focus on a detailed examination of all administrative budgets and to fully utilise the opportunity that has presented itself to bring in additional income following an approach by another Local Authority. All of the savings and earned income proposals can be achieved without a detrimental impact on the department.
The review of Support Services is expected to be implemented by the summer of 2013 in readiness for the 2014/15 savings round.

5 RISK IMPLICATIONS

5.1 There are a number of risks implicit in the delivery of any package of savings and it is importance to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Increased pressure and less flexibility;
- Potential for income generation – contribution and new opportunities;
- Balance of workload conflicting with income earning potential;
- Possible reduced effectiveness.

6 FINANCIAL CONSIDERATIONS

6.1 The Savings Programme 2013/2014 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/2014. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

6.2 The proposals deliver the following proposed savings:

Service	Proposed Savings
Support Services	£60,000
School Admissions (income)	£15,000
Performance and Management Information	£10,500
Schools Transformation	£ 6,000
Total Proposed Savings	£ 91,500

7 EQUALITY AND DIVERSITY CONSIDERATIONS

7.1 An Impact Assessment has been undertaken for each service areas to ensure the impact upon service users is minimal. The Impact Assessment form is included at **Appendix 7A**

8 STAFF CONSIDERATIONS

8.1 Informal dialogue will be undertaken with Trade Unions and staff. Staff impacted on by the proposals are fully supportive of the plans. There are no redundancy implications contained within this proposal.

9 COMMENTS FROM SCRUTINY REVIEW

9.1 Members supported all the savings proposals presented to the Children's Services Scrutiny Forum and recognised that the areas identified would have the least impact on front line services and staffing.

10 RECOMMENDATIONS

10.1 It is recommended that Cabinet accept the proposals as outlined above.

11 REASONS FOR RECOMMENDATIONS

- 11.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11TH June 2012.

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

- 12.1 **Appendix 7A** - Impact Assessment Form

13 BACKGROUND PAPERS

- 13.1 There are no background papers to this report.

14 CONTACT OFFICER

Peter McIntosh
Head of Planning and Development
Level 4
Civic Centre
HARTLEPOOL
TS24 8AY

Tel: (01429) 284103
E-mail: peter.mcintosh@hartlepool.gov.uk

Department	Division	Section	Owner/Officer
Child and Adult Services	Performance and Achievement	Resources and Support Services	Peter McIntosh
Function/Service	<p>Resources and Support Services. Changes proposed to address the budget deficit and achieve targets set.</p> <p>Support Services – Proposals for reduction in a number of non-staffing budgets that are under utilised.</p> <p>Admissions – Proposal to generate additional income through management of appeals work in a neighbouring Local Authority.</p> <p>Performance and Management – Proposal to decrease resources through the voluntary reduction of hours by a member of staff.</p> <p>Schools Transformation – Proposal to decrease some of the resources used to fund feasibility studies in the schools capital sector.</p>		
Information Available	<p>Information available that has been used to inform these proposed changes:</p> <ul style="list-style-type: none"> • Current structures and proposed structure • Job Description • Consultation with staff and Unions • Divisional and sectional budgets 		
Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age		
	Disability		
	Gender Re-assignment		
	Race		
	Religion		
	Gender		
	Sexual Orientation		
	Marriage & Civil Partnership		
	Pregnancy & Maternity		
Information Gaps	None		
What is the Impact	<p>Careful consideration has been given to the financial proposals and they are not deemed likely to impact on equality for the workforce. No adverse equality impact has been identified.</p>		

Addressing the impact	1. No Major Change – The Impact Assessment shows that the proposals are robust and that there is no potential for discrimination or adverse impact on any protected group.		
	2. Adjust/Change Policy – non applicable		
	3. Adverse Impact but Continue – non applicable		
	4. Stop/Remove Policy/Proposal – non applicable		
Actions			
Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing		00/00/00	
Date Published		00/00/00	
Date Assessment Carried out		00/00/00	

Report of: Assistant Director – Regeneration and Planning

Subject: SAVINGS PROGRAMME 2013/14 – REGENERATION AND PLANNING SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Regeneration and Planning Division as part of the budget for 2013/14.

2. BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme.

- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.

- 2.3 The services under consideration as part of this report are as follows,

- 2.3.1 **Planning Services** – Planning Services is responsible for Planning Policy Development Control, Planning Enforcement, and Landscape Planning and Conservation. Planning Policy: Is responsible for spatial planning policy and sustainable development policy, this includes the preparation, monitoring and review of the statutory Local Development Framework including the Core Strategy, which will establish the overarching planning policy framework for the Borough and will eventually replace the Hartlepool Local Plan. The section also provides policy advice in relation to planning applications and guidance on development activities, including the preparation of development briefs. Development Control & Planning Enforcement: This section is concerned with assessing proposals for new development and their impact on their surroundings, particularly in the form of planning applications. The service encourages the use of an advisory service (One Stop Shop) to enable proposals to be considered informally before applications are submitted, helping to improve the quality of development where appropriate. The section is also responsible for monitoring development and, where necessary, implementing enforcement action against unauthorised development, including derelict and untidy buildings and land. Landscape Planning and Conservation: Provide professional and technical expertise aimed at the conservation, protection and enhancement of the natural and built environment of Hartlepool.

- 2.3.2 Public Protection** - The Public Protection section consists of three discrete teams: Commercial, Environmental Protection and Trading Standards & Licensing. The Commercial Team carries out inspections, complaint investigation and sampling to ensure that food is safe and fit to eat and workplaces are safe. The Environmental Protection Team is involved with noise and pollution related matters as well as providing a comprehensive service for pest control and managing and promoting the open market. The Trading Standards & Licensing Team ensures that the business sector complies with a wide range of trade and consumer legislation. The team also issues and carries out enforcement relating to a large variety of licences, including Alcohol, Entertainment, Takeaways, Taxis, Gambling and Fireworks.
- 2.3.3 Housing Services** - The Housing Services Team is responsible for administering and undertaking the Council's strategic housing functions, together with Housing Market Renewal activity and the Housing Options Service based at Park Tower. Activity also includes managing bids for associated housing and regeneration funds, together with funding for the provision of affordable housing, housing advice and homeless services, tenancy advice and assistance. The team work with Registered Providers to build affordable housing in the town and with other developers to improve and increase the affordable housing options available in Hartlepool. Their role is also to support and assist in the progression of the Housing Partnership. In addition, the team co-ordinates and works with housing delivery services teams to ensure an integrated Housing Service across the Authority. The Private Sector Housing team is involved in the current problems associated with low demand in the private housing sector, working with landlords regarding empty homes and selective licensing and leads on key delivery projects such as the empty property acquisition project. The team also provides financial help for adaptations to houses for disabled persons and to owners to improve the condition of private houses. The Housing Advice Team runs the Choice Based Lettings Service, maintains the Housing Register (waiting list), gives free advice and, where appropriate, assistance in obtaining and keeping accommodation. The team operates a Tenancy Relations Service to give advice and assistance to landlords and tenants in the conduct of tenancies.
- 2.3.4 Economic Regeneration** - The Economic Regeneration Team provides the Council lead on the Jobs and Economy Theme and offers services to residents and businesses. The Business Team is responsible for Hartlepool's Business Incubation System providing business infrastructure such as Queens Meadow, Incubation Units at Hartlepool Enterprise Centre and working with key partners including UKSE to develop high quality business units. The Team has established Enterprise Zones at Queens Meadow, Port Estates and Oakesway. At the same time the team works with growth companies to ensure they can maximise financial assistance available through, for example, Regional Growth Fund where the team has a successful track record. The Regeneration Team is driving forward regeneration plans

for Seaton Carew, based on mixed development opportunities, Mill House and Skills Quarter initiative. The Tourism Team undertakes specialist business support for the visitor economy and is actively involved in the development of a range of activities including the EAT Initiative. The service is also at the forefront of e marketing activities. Hartlepool Working Solutions offers employability services to get residents back into training and employment.

2.3.5 Building Control - The Building Control Section provides a mix of advisory, consultancy, inspection and enforcement services. Its aim is to ensure that building work is carried out to meet the national Building Regulation requirements, which include health and safety, energy conservation, disabled access and facilities, electrical safety and water conservation measures. This is achieved by examining submitted plans, site inspections, enforcement of non-compliant and unauthorised work and consultations on various matters such as safety at sports grounds. The Building Control team work closely with many agencies and Council sections, especially Development Control, to allow for ease of development for those undertaking building work, providing pre-submission advice via the One Stop Shop.

2.3.6 Service Users

The range of services covered by this report are delivered across the whole of the borough dealing with all age groups, however, within these functions there are many discreet services which are tailored for particular user groups, for example,

- Going Forward project – 16 to 24 year olds (NEETS)
- Flexible Support Fund – 80% targeted towards 18 to 24 year olds.
- Selective Licensing – targeted towards areas of the town with a high proportion of private rented housing
- Housing Adaptations service – targeted towards people with disabilities
- The Business Team – supports the business community from both new start businesses through to large inward investors.

2.3.7 Engagement

Feedback from service users is obtained in a number of different ways and this is often determined by the type of service, the target audience, the way in which it is delivered. Examples include,

- Development of the Economic Regeneration Strategy – involved full consultation and engagement with the business community, partner

agencies, the third sector, colleges, residents, etc through workshops and web based engagement.

- Building Control – regular annual customer satisfaction survey.
- Private Sector Housing services – full scrutiny investigation including workshops with residents, landlords, agents and presentations to the Neighbourhood Services Scrutiny forum and members of the public by other local authorities, the probation service, etc.
- Housing Regeneration Carr and Hopps Street – fortnightly drop in session for local residents to keep them informed of developments and discuss their housing needs.
- Development of Housing Strategy – visited all residents groups and consultative forums to share information and discuss proposals.
- Regular attendance at residents groups related to issues of housing standards, Selective Licensing, Empty Homes strategy, etc.
- Public Protection undertake questionnaire survey of businesses regarding the services they have received whether it be for Trading Standards, Commercial Services or Licensing services.
- Visitor surveys related to tourism activities, for example the Golf Week to evaluate the success and to learn from comments and suggestions.
- Annual satisfaction survey with tenants of the Hartlepool Enterprise Centre.
- Regular consultation with key stakeholders through the Economic Regeneration Forum and the Housing Partnership.
- All trainees on employability programmes including Going Forward are regularly consulted for satisfaction ratings.
- These are just a few examples of the many forms of consultation and engagement undertaken to ensure that the right services are being delivered and in the right way to meet customer needs and expectations. The information and feedback collected is then used to shape and inform future service delivery. A recent example of this is the consultation and engagement undertaken in the run up to the relocation of

2.4 Inputs

The net cost to the Council of providing the services within the Regeneration and Planning Division are as follows,

Economic Regeneration	£1,041,000
Planning Services	£ 453,000
Public Protection	£ 551,000
Housing Services	£ 608,000
Building Control	£ 224,000
Total	£2,877,000

2.5 Outputs and Results

Building Control

- The service significantly impacts on key outcomes by the enforcement of the Building Regulations, contributing towards the health, safety and wellbeing of Hartlepool residents and visitors alike by ensuring their safety in and around buildings. The service also has a positive key impact on sustainability in regard to climate change issues and at the same time contributes to the health and wellbeing of local residents.
- Hartlepool Building Control section enforces the national Building Regulations by way of plan appraisals, site inspections, and contravention inspections. This ensures that buildings and developments are built to agreed national building regulation standards.

Economic Regeneration

- The service contributes to a range of key economic performance outcomes including unemployment and employment rates, business start up and business stock levels, provision of key business infrastructure including business park development and managed workspace. Whilst not the focus of the service the health and wellbeing of local residents is positively impacted on through meaningful employment.
- Hartlepool was particularly successful in RGF round 2 with five Hartlepool companies receiving awards including Heerema, Huntsman Tioxide, PD Ports, Able UK and J&B Recycling. Hartlepool achieved 55% of the round two allocations made in Tees Valley. Total proposed private sector investment including potential end users for PD Port and Able UK are as follows;

Total direct jobs	1,920
Total indirect jobs	2,236
Construction jobs	500

Safeguarded jobs	462
Total investment	£225m

- Hartlepool achieved 33% of the land allocation within the Tees Valley Enterprise Zone with Port Estates achieving ECA status, Queens Meadow achieving NDR discount status and Oakesway Industrial Estate achieving local Enterprise Zone status.

Planning Services

- The service contributes to key outcomes including supporting the long term sustainable development and growth of the town which in turn impacts on the health and wellbeing of local residents.
- The determination of planning applications which supports the development and growth of the town and also carries out appropriate planning regulation enforcement which supports appropriate development and growth. Planning plays a key role in a comprehensive and coordinated approach of action against untidy and derelict buildings and land and also deals extensively with the control of waste sites.
- Production of the Local Development Framework which provides a long term plan to support the development of the town and at the same time supporting the Council's priorities. In addition the framework will incorporate CIL obligations to secure funding to implement new infrastructure investment.
- The service has supported the development of Hartlepool's three Enterprise Zones with the implementation of LDO's.
- Development of planning and development briefs for key sites including master planning which helps deliver growth through the allocation of sites.
- Provision of the One Stop Shop advisory service which helps to ensure applications are submitted that address relevant issues.
- Conservation provides specialist advice aimed at the conservation, protection and enhancement of the natural and built environment of Hartlepool including advice and guidance to owners of listed buildings and other historic assets and has supported conservation areas by providing grant support. The service includes ecology and arbocultural advice and the service has undertaken paid for consultancy work. Current key projects include the Limestone Landscape project in Hart and Elwick, the Village Atlas for Elwick and the delivery of greater public access and connectivity in the area supported by Heritage Lottery Funding. In addition the service ensures that the Authority complies with all statutory duties and contributes to external environmental plans such as the European Marine Site Management Plan.

Housing Services

- The service contributes to key performance outcomes including the reduction in empty homes, improved residential accommodation including HMR and reducing homelessness, which in turn contributes to the health and wellbeing of local residents.
- Empty Homes initiatives are a key activity within this service, including a pilot programme with Housing Hartlepool and the Empty Homes purchase scheme.
- The service proactively uses section 215 planning powers to improve housing conditions and at the same time undertakes statutory enforcement where appropriate.
- A range of grant assistance is delivered to help owners carry out essential repairs and also offers the disabled facilities grant.
- Housing and homelessness advice is provided and specific targeted support is given to many vulnerable groups and clients which allows individuals to maintain independent living.
- The service also develops strategies and provides specialist advice on the development of appropriate Council policies in relation to the housing market and at the same time liaises with external partners and developers to ensure the appropriate provision of residential accommodation. A developing area of work is around welfare reform and there is extensive liaison with partners to ensure that local residents are fully supported through major reform processes.
- Housing Regeneration remains a key issue for the town with several sites including Carr Hopps seeing significant investment in improving homes and housing stock.
- Choice based letting allocations has been successfully implemented in the town and is very popular with clients and service partners.
- Selective Licensing has been introduced to improve standards in properties in low demand areas. This tool is proving useful in conjunction with other measures to improve housing management.

Public Protection

- The Public Protection service contributes to key performance outcomes by the enforcement of food, health & safety, animal health, environmental protection, trading standards and licensing legislation which aims to safeguard and improve the health and well-being of people working, living and visiting Hartlepool. In addition we provide technical and professional

advice to duty holders (internal & external), local businesses and members of the public.

- The following are key activities of the service and their associated outcomes:
 - Discharge of a wide range of statutory functions
 - Premises Visits
 - Investigation of complaints and notifiable incidents e.g. accidents, food poisoning, air pollution and noise complaints etc.
 - Licensing, Registration or Approval of premises, processes and persons
 - Provision of pest control service
 - Management of open market
 - Provision of technical & professional advice
 - Sampling & monitoring e.g. food, water, air quality, product safety
- Key outcomes include :-
 - reduction in work-related accidents and occupational disease
 - reduction in food poisoning
 - reduction in complaints
 - reduction in crime and/or public disorder e.g. doorstep crime
 - an improvement in health
 - an improvement in environmental quality (air & water quality)
 - an improvement in public safety
 - better informed, legally compliant businesses

2.6 Savings target

The savings target for the Regeneration and Neighbourhoods Department is £1,048,000 for the financial year 2013/14. The approach taken within the Department has been not to apportion specific percentage targets to each Division/service, but to look at options emerging from across the department in a more structured manner in order to achieve the overall target.

3 PROPOSALS

3.1 Planning Services

Reduce the number of Planning Services staff by one post.

In addition, as a result of all of the planning functions being brought together under one service manager during the last round of budget savings, other savings have been identified through the consolidation of budgets.

3.2 Public Protection

Various proposals including the following,

- Non implementation of the Career Development Scheme
- Deletion of one post within the service
- Misc small budget items
- Income generation related to new commercial contracts for pest control services related to mice

The proposed savings can be achieved, though there are certain risks which need to be borne in mind. The decision not to implement the career development scheme has been agreed with staff in consultation with the trade unions. This however, is on the understanding that if and when the financial situation of the Council improves, discussions can be recommenced with a view to its implementation.

3.3 **Housing Services**

Reconfiguration of the Service leading to a reduction of one post.

The risks involved in reducing by one post mean that other officers will be required to pick up additional duties from the deleted post. This can be managed, but will increase the pressure upon staff at a time when all staff are working under extreme pressure. As part of this process, two other members of staff dealing with Housing Adaptations would transfer across to the Resources Division within Building Design and Management. This would create greater resilience within that service area.

3.4 **Economic Regeneration**

Reconfiguration of the service resulting in the reduction of one post. In addition, it is proposed to reduce the marketing budget.

As with the proposal for a similar reconfiguration within the Housing Services area, there are risks and impacts associated with a reduction of this nature. There will be a need to integrate the role of the selected post across the rest of the section and there will be a loss of expertise.

It is also worth pointing out that given the current state of the economy, the Economic Regeneration services are increasingly in demand due to the need to encourage new business formations, encourage business expansion and job creation, and encourage investment in the area, especially through the promotion of the Enterprise Zones in Hartlepool. There is also an increasing need to work with those people without employment, especially young people.

3.5 **Building Control**

Increased fee income from expanding the partnering service with builders and developers operating outside the Borough – this could be through offering a remote plan checking service, etc.

Grand Total across the division - £201,000

4 OPTIONS ANALYSIS

- 4.1 Various options have been explored across all of the service areas within the Division, including the following,
- Reduce the number of Housing Advice team staff based at Park Tower
 - Cease the Out of Hours Noise service
 - Reduce the number of planning officers across both Development Control and Planning Policy
 - Reduce the number of Environmental Health officers
 - Further streamlining of management functions within the Division
 - Reduce the Pest Control service.
- 4.2 In reaching the decision as to why these options have not been put forward in this report, the key driver has been the impact this would have on the delivery of frontline service. All of the above listed options would seriously impact upon the Council's ability to deliver key frontline and often statutory services at a time when these particular services are in increasing demand – eg impact of welfare reforms on the workload of the Housing Advice team.

5 RISK IMPLICATIONS

- 5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- Increased pressure on frontline staff and management.
 - Reduced staff morale. Where restructuring has a staff impact in a service area full consultation will be undertaken with staff in those areas and staff will be actively engaged in redesigning services to ensure that the service is delivered in an effective and efficient manner.
 - Reduced effectiveness with regard to marketing the Borough to potential visitors and businesses. To mitigate against budget reductions the service will continue to move further towards e marketing as a cost effective and targeted approach, brochure printing will be rationalised and combined where appropriate. In addition income generation will continue supporting the cost of key marketing campaigns such as the EAT initiative.
 - Loss of expertise. The proposed staff restructure will ensure that the majority of management and operational skill sets are still maintained at an appropriate level and training will be provided to staff where appropriate.

6 FINANCIAL CONSIDERATIONS

- 6.1 The Savings Programme 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

The proposals deliver the following proposed savings:-

Service	Proposed Savings
Planning Services	£57,000
Public Protection	£42,000
Housing Services	£48,000
Economic Regeneration	£49,000
Building Control	£5,000
Total Proposed Savings	£201,000

7 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 An Impact Assessment will be undertaken for each service area to ensure impacts upon service users is minimised.

8 STAFF CONSIDERATIONS

- 8.1 Informal dialogue will be undertaken with the trade unions and staff in order to flag up potential areas where staff may be placed at risk of redundancy. The potential number of redundancies as a consequence of these proposals being accepted is 4.

9 RECOMMENDATIONS

- 9.1 It is recommended to proceed with the proposals as outlined above.

10 REASONS FOR RECOMMENDATIONS

- 10.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

11 BACKGROUND PAPERS

There are no background papers with this report

12 CONTACT OFFICER

Damien Wilson
Assistant Director (Regeneration and Planning)
Level 3
Civic Centre
Hartlepool
TS24 8AY

Tel: (01429) 523400
E-mail: damien.wilson@hartlepool.gov.uk

Report of: Director of Regeneration and Neighbourhoods

Subject: SAVINGS PROGRAMME 2013/14 – RESOURCES
DIVISION OF THE REGENERATION AND
NEIGHBOURHOODS DEPARTMENT

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Resources Division as part of the budget for 2013/14.

2 BACKGROUND

- 2.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The services under consideration as part of this report are as follows,

Logistics – Stores, plant, equipment, depot management and ancillary services

Procurement – Corporate Procurement Team and Reprographics.

Building Design and Management – Architects, surveying, technical support

Estates and Property Management – Centralised management of Council property, including energy management and asset management

Support Services – Administrative, financial and workforce support to the Regeneration and Neighbourhoods Department

Service Users

The range of services covered by this report are delivered across the whole of the borough as a support to internal customers within the Council and in providing commercial services to external organisations

Engagement

Feedback from service users is obtained in a number of different ways and this is often determined by the type of service, the target audience, the way in which it is delivered. Examples include,

- Satisfaction questionnaires
- Regular progress meetings
- Attending user forums e.g. Hartlepool Access Group

Inputs

The net cost to the Council of providing the services within the Resources Division are as follows,

	Net Cost	Gross Budgets (cost)
Logistics	£ 0k	£728K
Procurement (inc Reprographics)	£ 17k	£509k
Building Design and Management	£ 801k	£989K
Estates and Property Management	£ 196k	£375K
Support Services	£ 100k	£1,200K
<u>TOTAL</u>	£1114k	£3,801k

Note: Some areas do not have budgets and rely on fees and income as is demonstrated in the information above.

Outputs

- Delivery of Support Services to internal Council departments.
- Income generation from external organisations.

Savings target

The savings target for the Regeneration and Neighbourhoods Department is £1.1 million for the financial year 2013/14. The approach taken within the Department has been not to apportion specific percentage targets to each Division/service, but to look at options emerging from across the department in a more structured manner in order to achieve the overall target.

3 SAVING PROPOSALS

3.1	Collaboration Original aspiration was to gain some “quick wins” in the Corporate Services Collaboration project particularly through joint procurement exercises and possibly staffing. It is too early in the project to identify such savings and therefore the £50k target has been taken up in the “Logistics” savings.	£ 0k
3.2	<u>Logistics</u> Use of stores services surplus and additional income through project work and selling of services	£80k
3.3	<u>Building Design and Management</u> Combination of technical / surveying staff and consequential reduction in number of staff through a retirement (Linking work on DFG / DPAs in Housing Services)	£38k
	Reduction of hours of Legionella Team Leader after a request from the member of staff	£16k
3.4	<u>Support Services</u> Combination of functions with a post in Public Protection	£13k
	Various non-staff budgets	£ 6k
	Reduction of hours in a post in Service Development after a request from the member of staff	£ 6k
	Reduction of one post in Support Services	£15k
3.5	<u>Estates and Property Management</u> Energy savings from reduced consumption as a result of energy saving measures instituted over the past two years through “Invest-to-Save”	£30k
3.6	<u>Procurement</u> Not replacing a member of staff who has recently left the Authority and developing existing team members (net saving)	£24k
	<u>TOTAL</u>	£228k
3.7	Impact of Proposals	
	<ul style="list-style-type: none"> The savings rely upon income generation in relation to maintaining existing services / workflow with reduced resources and 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. 	

- Savings in Support Services will rely upon more efficient working and reduction of service in some low risk areas.
- Reductions in the Procurement Team will be covered by a reorganisation of workloads and functions within the team itself (including developing team members) and in Support Services. Delivery of key projects such as the ICT Contract and the Child and Adult / VCS programmes will need to be monitored carefully. The reduction here may link into the Corporate Services Collaboration Project.

4 OPTIONS ANALYSIS

4.1 Various options have been explored across all of the service areas within the Division, including the following: -

- Reducing further the number of Technical Officers in Building Design and Management, however, in order to deliver workloads this would not be recommended. Most officers in this area are not budgeted and rely on fees. The workload is high at present.
- Reviewing the Print Unit – this was reviewed in the last two years and is contributing positively.
- The Estates and Asset Management Team were reviewed but the team was the subject of cuts last year and its workload determined that no reduction was justified.
- Maintenance budgets generally were considered, although this budget is reduced every time we dispose of a property.

5 RISK IMPLICATIONS

5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Increased pressure on frontline staff and management
- Potential for income generation – contribution and new opportunities
- Balance of workload versus fee earning potential
- Potential reduced effectiveness
- Loss of expertise and internal technical support generally and to key projects and programmes in particular

6 FINANCIAL CONSIDERATIONS

6.1 The Savings Programme 2013/14 is planned to deliver total savings of 3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative

unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

The proposals deliver the following proposed savings:-

Service	Proposed Savings
Logistics	£80,000
Building Design and Management	£54,000
Support Services	£40,000
Property Management	£30,000
Procurement	£24,000
Total Proposed Savings	£228,000

7 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 An Impact Assessment has been undertaken for each service area to ensure impacts upon service users is minimised. The Impact Assessment form is included at **Appendix 9A**.

8 STAFF CONSIDERATIONS

- 8.1 Informal dialogue will be undertaken with the trade unions and staff in order to flag up potential areas where staff may be placed at risk of redundancy. The potential number of redundancies as a consequence of these proposals being accepted is 1. There is one retirement involved (confirmed by the member of staff) and two members of staff who have requested reductions in their working hours. A vacancy will not be filled in one area but there will be some development and enhancement for the remaining team.

9 RECOMMENDATIONS

- 9.1 It is recommended to proceed with the proposals as outlined above.

10 REASONS FOR RECOMMENDATIONS

- 10.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 17th December 2012.

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

- 11.1 **Appendix 9A** - Impact Assessment Form

12 BACKGROUND PAPERS

- 12.1 There are no background papers with this report.

13 CONTACT OFFICER

Graham Frankland
Assistant Director (Resources)
Level 3
Civic Centre
Hartlepool
TS24 8AY

Tel: (01429) 523211
E-mail: graham.frankland@hartlepool.gov.uk

4.2 APPENDIX 9A

Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	Resources	Resources	Graham Frankland
Function/ Service	<p><i>Resources</i></p> <p><i>Changes proposed to address the budget deficit and achieve targets set within the resources.</i></p> <p><i>Property Management - Proposal for energy savings from reduced consumption as a result of energy saving measures.</i></p> <p><i>Support Services - Proposal to combine existing support functions with a post in Public Protection, make small reductions in various non staffing budgets, decrease Service Development resources through the voluntary reduction of hours by a member of staff and through the removal of one post from the structure.</i></p> <p><i>Building Design and Management - Proposal to combine technical / surveying staff and consequential number of staff through a retirement (linking work on DFG / DPAs in Housing Services)</i></p> <p><i>Procurement - Proposal to not replace a member of staff who has recently left the Authority.</i></p> <p><i>Logistics - Use of stores services surplus and additional income through project work and selling of services</i></p>		
Information Available	<p><i>Information available that has been used to inform these proposed changes:</i></p> <ul style="list-style-type: none"> <i>Current structures and proposed structures</i> <i>Staffing profiles across all areas</i> <i>Established HR Procedures (Selection criteria is based on objective matters which are not related to any protected groups).</i> <i>Job Descriptions</i> <i>Job evaluation process</i> <i>Formal consultation process with staff and Unions.</i> 		
Relevance	Age		
<i>Identify which strands are relevant to the area you are reviewing or changing</i>	Disability		
	Gender Re-assignment		
	Race		
	Religion		

4.2 APPENDIX 9A

	Sex	
	Sexual Orientation	
	Marriage & Civil Partnership	
	<p>Pregnancy & Maternity - One post will be reduced. One person from the team affected by this proposal is currently on maternity leave and will be provided with full information, communication and consultation in line with Council Policy in order to ensure there is no adverse impact on equality within the team.</p>	
Information Gaps	NONE	
What is the Impact	<p><i>This Impact Assessment has been carried out at the formative stage and is an integral part of the development of the proposals. Careful consideration has been given to the financial proposals and they are not deemed likely to impact on equality for the workforce. No adverse equality impact has been identified.</i></p> <p><i>The profile of affected staff is not significantly different from the overall profile of the service.</i></p> <p><i>Support mechanisms are in place to minimise impact on all staff including those identified as at risk and those with protected characteristics.</i></p> <p><i>The staff identified as being at risk have been defined by reference to service areas or particular job role and the process does not unfairly target individuals or discriminate against any protected groups. The selection criteria are based on objective matters which are not related to any protected groups.</i></p>	
Aim 1: Eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the act.		
No impact		
Aim 2: Advance Equality of opportunity, between people who share protected characteristics and those who don't.		
No impact		
Aim 3: Foster good relations between people who share a protected characteristic and those who do not share it.		
No impact		
Addressing the impact	1. No Major Change - The Impact Assessment demonstrates that the proposed changes are robust and that there is no potential for	

4.2 APPENDIX 9A

	<i>discrimination or adverse impact on any protected group.</i>		
	2. Adjust/Change		
	3. Continue as is		
	4. Stop/Remove		
Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing		00/00/00	

Report of: Director of Regeneration and Neighbourhoods

Subject: SAVINGS PROGRAMME 2013/14 –
TRANSPORTATION AND ENGINEERING DIVISION
OF THE REGENERATION AND
NEIGHBOURHOODS DEPARTMENT

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to identify the proposals for delivering savings in respect of the **Transportation and Engineering Division** as part of the budget for 2013/14.

2. BACKGROUND

- 2.1 The report details one of the reviews which form part of the 2013/14 Savings Programme.
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.
- 2.3 The services under consideration as part of this report are as follows,
- Highways, Traffic and Transport
Integrated Transport Unit
Engineering Design and Management.
- 2.4 Description of Services

Highways, Traffic and Transport are:

Traffic and Transport Services

The Team is responsible for the development and implementation of the Council's traffic policy, thereby maintaining the safe and smooth flow of traffic in Hartlepool, together with achieving a reduction in casualties on the town's roads. The Team also deals with the co-ordination of road works in order to minimise congestion by the implementation of legislation imposed upon the Authority through the Traffic Management Act 2004. It also deals with the development of the traffic signals and controlled crossing network and the licensing of activities that take place on the highway and co-ordination of traffic/transportation responses to planning applications.

Other key roles are to provide a safe and effective transport system that enables equal accessibility and maximum choice. This involves the development, co-ordination and monitoring of a wide range of schemes

funded through the Local Transport Plan (LTP), co-ordination of public transport services and information and the encouragement of more sustainable forms of transport through travel planning and promotion.

Parking Services

The Parking Services section is responsible for the enforcement of yellow line offences on the public highway and parking orders covering all car parks and several on-street permit controlled locations. The section manage the resident, visitor, commuter and business contracted parking, together with all pay and display car parks and limited stay sites.

Asset Management

The Asset Management Team is responsible for the management of the highway asset, the identification and prioritisation of highway maintenance works, the overall management of public rights of way, stopping-up and diversion orders and the management of new developments.

Highway Services

The section provides reactive and scheduled maintenance and regeneration services on highways and public lights in Hartlepool. The aim of the section is to maintain the highway network in a manner that enables continuous and safe movement for all modes of transport. The service has five parts:

- the Gulley Service;
- the Highway Inspection Service;
- the Highway Maintenance Service;
- the Street Lighting Service; and
- the Winter Gritting Service.

Integrated Transport Unit (ITU) are:

School Crossing Patrol

School Crossing Patrols were first established by the School Crossing Patrol Act 1953. School Crossing Patrols are provided under the Road Traffic Regulation Act 1984 as amended by the Transport Act 2000. The 1984 Act gives the Council the power to appoint School Crossing Patrols to help children cross the road on their way to and from school, or from one part of the school to another, between specified hours. Section 270 of the Transport Act 2000 amended the aforementioned 1984 Act to permit patrols to operate 'at such times as the Authority thinks fit' to stop traffic to help anyone (child or adult) to cross the road whether or not they are travelling to or from school.

The School Crossing Patrol Service is not a statutory function and the responsibility for ensuring that school children arrive at school remains with parents/guardians.

Collaborative Working

Hartlepool Borough Council has maximised the operation of fleet vehicles in order to provide both core services and extended opportunities to schools, colleges and educational sites, additional Local Authorities and Health Trusts. The programme offers cost effective transport to a range of establishments and generates income to support further development.

The integration of services allows the Council to reduce the amount of time that vehicles are not used during the day. Each service is supported by Transport Officers to encourage efficient use of the integrated services available.

Income surplus is used to compensate existing budget areas, replacing existing budget with trade income. This ensures that services can continue without the need for a centralised budget. It is important to note that the income must be sustainable in order to ensure the initiative if fully effective

Service Users

The range of services covered by this report are Schools, Colleges, Local Authorities, Health Services, general public and business.

Highways Design and Management

Civil Engineering – This team provides a service to a number of clients that includes the Transport and Engineering Division, Resources Division, and Regeneration and Planning Division.

The works carried out includes feasibility studies, site investigations, detailed design, traffic engineering, preparation of contract documents including tendering process, contract management including site supervision and financial control of projects, procurement of goods / services and the management of consultants including the preparation of briefs.

Structural Engineering

This team provides a service to a number of clients that includes Transport and Engineering Division, Resources Division and Children's Services. In addition, this team has client responsibility for the ongoing maintenance of all highway structures in the town.

The works carried out includes feasibility studies, site investigations, detailed

design, preparation of contract documents including tendering process, contract management including site supervision financial control of projects, procurement of goods / services, the management of consultants including the preparation of briefs, dealing with dangerous structures and the checking of submitted building regulation structural calculations.

Environmental Engineering

This team provides a service to a number of clients that includes Technical Services Division, Resources Division and Children's Services Department and Hartlepool Revival. In addition, this team has client responsibility for contaminated land, coast protection, land drainage, closed landfill sites and advice on planning applications in these work areas. This client based work includes the production and implementation of high level policy documents covering all of these client activities.

The works carried out includes demolition work, feasibility studies, site investigations, detailed design, preparation of contract documents including tendering process, contract management including site supervision, financial control of projects, procurement of goods / services and the management of consultants including the preparation of briefs.

2.5 Engagement

Feedback from service users is obtained in a number of different ways and this is often determined by the type of service, the target audience, the way in which it is delivered. Examples include,

- Satisfaction questionnaires
- Regular progress meetings
- Attending Neighbourhood Forums
- Transport Champions Group
- Transport Liaison Group

2.6 Inputs

Highways, Traffic and Transportation

Service specific	Highways, Traffic & Transportation	£526,000
	Winter Maintenance	£259,000
	Scheduled Highway Maintenance	£120,000

Integrated Transport Unit

Service specific	Passenger Transport	£79,000
	ITU Management	£63,000
	Road Safety (school crossing patrols)	£181,000

Engineering Design & Management

Service specific £35,000

2.7 **Outputs**

- Delivery of integrated transport associated services.
- Delivery of Local Transport Plan, incorporating design, management and maintenance of network.
- Income generation from external organisations.

2.8 **Savings Target**

The savings target for the Regeneration and Neighbourhoods Department is £1,048,000 for the financial year 2013/14. The approach taken within the department has been not to apportion specific percentage targets to each division/section, but to look at options emerging from across the department in a more structured manner in order to achieve the overall target.

3.0 **PROPOSALS**

Highways, Traffic & Transportation

Deletion of a Management post within Asset Management creating a saving of £34,000. This post will be deleted 'in year' (September 2013) to allow appropriate handover and training to the remaining Asset Management staff. This will minimize any likely negative impact on service delivery.

Cessation of dedicated verge signage enforcement function. This will achieve a saving of £10,000. Presently the enforcement function is carried out by the Neighbourhood Services Division on behalf of the Transportation and Engineering Division. Giving up this budget will determine the need for a more collective responsibility from supervisory staff across both Divisions in relation to reporting illegal signage on the network. The risks are therefore low in negative terms.

Reduction of £25,000 from the existing winter maintenance budget. Improvements to existing and additional asset renewal programmes have ensured better and more reliable equipment for the future. This should reduce the need for maintenance of same assets for the foreseeable future therefore reducing spend. Investment in back-up machinery and plant should also assist in reducing operational costs.

Integrated Transport Unit (ITU)

Collaborative working

Initial discussions with neighbouring authorities has highlighted a desire for joined up working with the Integrated Transport Unit, in particular, the area of

passenger transport with Darlington Borough Council and Redcar & Cleveland Council.

The ITU has been tasked with achieving a target income of £50,000 in this area for the 2013/14 period. As with any collaborative venture, there is always an element of risk in not achieving desired outcomes. To ensure the Council meets this target the agreed sum will be removed from the ITU Management budget provision therefore ensuring the target is achieved and found from baseline budget. Income, as and when generated will then be set against the budget reduction therefore creating a balance.

Health Partnership

Stage 1 discussions with the Health Trusts and broader health sector within Tees Valley are nearing completion and opportunities for income generation are now being negotiated. A target income receipt of £50,000 has been set for the ITU and as described in collaborative working narrative, any risks in not achieving this target will be borne by the overall ITU budget provision.

School Crossing Patrol Service

Initial proposals suggested the removal of staff at those crossing sites already serviced by controlled crossing systems i.e. Puffin light controlled.

The management team of road Safety, have devised a scheme which will ensure a full service continues therefore reducing the need for staff redundancies.

The full service will be retained by administering the following key tasks:

- Each crossing point will be profiled in terms of risk rating based on other safety features e.g. light controlled, zebras, traffic calming, 20 mph zones etc.
- Each site will be rated against national establishment criteria – level of use, volume and speed of vehicles.
- Each site will be given a red, amber and green risk rating and a priority rank for coverage in the event of sickness.
- When sickness occurs staff will be expected to cover a higher priority site (red) from their own lower risk (green) site. This typically will involve staff moving from a light controlled crossing (green rating) to a higher priority site.
- The benefit of adopting a rating system is that those sites with the greatest risk will always be covered.
- All sites and staff will be reviewed with a view to locating staff closer to their own homes, and employing staff on lower risk crossings on fixed term stand-by contracts to cover for absence at higher risk sites.

This option ensures that HBC budgets for the service received and reduces the need to pay for any additional casual staff to cover sickness which currently occurs. The added benefit of adopting this model is that all occupied

sites would be budget to reflect this. The ITU will offer every school the opportunity to have a member of staff suitably trained to cover sites in extreme circumstances. This will include regular refresher training and full SCP uniform. This proposal will also reduce the need to recruit staff into the service to cover on a casual basis which proves to be difficult. This option would result in year 1 efficiency savings without the need to reduce the service formally (£17k). A further £18k will be achieved through service income (£8k) and £10k on sites no longer required.

Engineering Design and Management

Specialisms in this technical area have enabled opportunities for income generation across a wide area of function responsibilities.

A target of £50,000 has been levied on the section and should be achieved by the continuation of additional external contracts over the 13/14 period.

Total £254K

Impact of Proposals

The savings rely upon the generation of income from external bodies within an already pressured environment. Reduced resources will require a flexible approach to workloads and operational demands. Schools and other client/customers will require continued dialogue and careful marketing strategies will be paramount if we are to be successful in attracting new business.

Reduction of staffing within the Highways Asset Management team will be covered by a re-organisation of workload and priority process mapping of functions.

Collaborative working should lead to better efficiencies and shared service provision including the promotion of combined ICT provision.

4.0 OPTIONS ANALYSIS

4.1 Various options have been explored across all of the service areas of the Division including:-

- Cessation of some transport services of the ITU, this however is not recommended as the unit is in a gradual growth trend for external works and vehicle acquisitions will require a return from income to enable spend profiles to be achieved.
- Direct cuts to service provision would be detrimental to any collaborative or partnership working progression therefore no further reduction on the transport provision was justified.

- Removal completely of staff from controlled crossing sites is always a potentially sensitive issue. Although the service is not a statutory service there is still a perceived requirement by some for full service provision. The Road Safety Management team has investigated the potential for sponsorship from the private sector and the schools taking ownership but very little positive feedback has transpired to date. The new service function proposals will ensure a service remains for the 13/14 period and continual dialogue will be held with any potential sponsor and schools.

5.0 RISK IMPLICATIONS

5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Increased pressure on frontline staff and management
- Potential for income generation – contribution and new opportunities
- Balance of workload versus fee earning potential
- Potential reduced effectiveness
- Loss of expertise and internal technical support generally and to key projects and programmes in particular.

6.0 FINANCIAL CONSIDERATIONS

6.1 The Savings Programme 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

6.2 The proposals deliver the following proposed savings:-

Service	Proposed Savings
Engineering Design & Management	£50,000 (income)
ITU – collaborative working	£50,000 (income)
ITU – partnership with Health	£50,000 (income)
Highways Asset Management	£34,000
Highways verge signage	£10,000
Highways winter maintenance	£25,000
School crossing patrol(re-configuration)	£35,000
Total Proposed Savings	£254,000

This section should also include an assessment of the potential costs of delivering the savings e.g. redundancy and other costs and relate to the section below on staffing implications

7.0 EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 **Appendix 10A** outlines the impact assessment for each of the areas within the report.

8.0 STAFF CONSIDERATIONS

- 8.1 Dialogue will continue with Trade Unions and staff to ensure any areas of risk or change are highlighted.
- 8.2 The impact in relation to redundancies is minimal within these proposals and discussions have already taken place with the staff and the Council's HR department/section management.
- 8.3 No other staff members are subject to compulsory redundancies within the proposals.

9.0 COMMENTS FROM SCRUTINY REVIEW

- 9.1 The savings were discussed at the Neighbourhood Services Scrutiny Forum on the 14th November

“iii) Transport and Engineering Division Savings

Members were supportive of the savings proposals and income generation activities, particularly the potential to provide direct services for health partnerships.”

10.0 RECOMMENDATIONS

- 10.1 It is recommended to proceed with the proposals as outlined in the report.

11.0 REASONS FOR RECOMMENDATIONS

- 11.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

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

12.1 Impact Assessment forms.

13.0 BACKGROUND PAPERS

13.1 There are no background papers to this report.

14. CONTACT OFFICER

Alastair Smith
Assistant Director (Transportation and Engineering)
Regeneration and Neighbourhoods Department
Civic Centre
Hartlepool
TS24 8AY

Tel 01429 523802
e-mail alastair.smith@hartlepool.gov.uk

APPENDIX 10A

Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Transportation and Engineering	Highways, Traffic and Transport	Mike Blair
Function/Service	Winter Maintenance		
Information Available	Winter Maintenance Service Plan- No impact on service provision, savings established through operational efficiencies		
Relevance Identify which strands are relevant to the area you are reviewing or changing	Age		No
	Disability		No
	Gender Re-assignment		No
	Race		No
	Religion		No
	Gender		No
	Sexual Orientation		No
	Marriage & Civil Partnership		No
	Pregnancy & Maternity		No
Information Gaps	None		
What is the Impact	No impact service will be maintained in its entirety		
Addressing the impact	1. No Impact - No Major Change Service delivery will be maintained at the same levels, savings will be achieved through operational efficiencies		
	2. Adjust/Change Policy- N/A		
	3. Adverse Impact but Continue as is N/A		
	4. Stop/Remove Policy/Proposal- N/A		
Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing			
Date Published			

Date Assessment Carried out	
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Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Transportation and Engineering	Highways, Traffic and Transport	Mike Blair
Function/Service	Scheduled Highway Maintenance contribution to Highway Enforcement		
Information Available	£10k contribution to enforcement of illegal signage positioned on the public highway. Reduction in contribution will not effect service provision		
Relevance Identify which strands are relevant to the area you are reviewing or changing	Age		No
	Disability		No
	Gender Re-assignment		No
	Race		No
	Religion		No
	Gender		No
	Sexual Orientation		No
	Marriage & Civil Partnership		No
	Pregnancy & Maternity		No
Information Gaps	None		
What is the Impact	No impact as service will not be affected		
Addressing the impact	1. No Impact - No Major Change - No change to service		
	2. Adjust/Change Policy- N/A		
	3. Adverse Impact but Continue as is N/A		
	4. Stop/Remove Policy/Proposal- N/A		
Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing			
Date Published			
Date Assessment Carried out			

Impact Assessment Form

Department	Division	Section	Owner/Officer	
Regeneration and Neighbourhoods	Transportation and Engineering	Highways, Traffic and Transport	Mike Blair	
Function/ Service	Highway Asset Management			
Information Available	Savings attributable to voluntary redundancy of one post, replacement with existing member of staff and removal of their post from structure			
Relevance	Age	No		
Identify which strands are relevant to the area you are reviewing or changing	Disability	No		
	Gender Re-assignment	No		
	Race	No		
	Religion	No		
	Gender	No		
	Sexual Orientation	No		
	Marriage & Civil Partnership	No		
	Pregnancy & Maternity	No		
	Information Gaps	None		
	What is the Impact	No impact		
	Addressing the impact	1. No Impact - No Major Change - Service will continue to be provided with fewer staff 2. Adjust/Change Policy - N/A 3. Adverse Impact but Continue as is - N/A 4. Stop/Remove Policy/Proposal - N/A		
	Action identified	Responsible Officer	By When	How will this be evaluated?
Date sent to Equality Rep for publishing				
Date Published				
Date Assessment Carried out				

Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Transportation and Engineering	Integrated Transport Unit	Alastair Smith
Function/Service	To provide an integrated transport service for the community of Hartlepool including services relating to fleet, passenger transport and road safety		
Information Available	<p>To maximize the operation of fleet vehicles in order to provide both core services and extended opportunities to schools, colleges, and educational sites, additional Local Authorities and Health Trusts</p> <p>Income surplus will be used to support the target efficiency of £100,000</p> <p>The minor alteration to the School Crossing Patrol Service will provide a further 35k</p> <p>The impact to services is extremely minimal and would not demonstrate significant impact to service users</p>		
Relevance	Age		No
Identify which strands are relevant to the area you are reviewing or changing	Disability		No
	Gender Re-assignment		No
	Race		No
	Religion		No
	Gender		No
	Sexual Orientation		No
	Marriage & Civil Partnership		No
	Pregnancy & Maternity		No
Information Gaps	N/A		
What is the Impact	N/A		
Addressing the impact	1. No Impact - No Major Change		
Action identified	Responsible Officer	By When	How will this be evaluated?
N/A	N/A		
Date sent to Equality Rep for publishing			
Date Published			
Date Assessment Carried out			

CABINET REPORT

3rd December 2012



Report of: Director of Regeneration & Neighbourhoods

Subject: REVIEW OF WASTE MANAGEMENT SERVICES

1.0 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i)/(ii)) Forward Plan Reference No. RN26/12

2.0 PURPOSE OF REPORT

- 2.1 To confirm changes to the domestic household waste collection service in Hartlepool, which provide savings that contribute to the Council's overall financial strategy for 2013/14.
- 2.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them.

3.0 BACKGROUND

- 3.1 At a meeting in October 2011, Cabinet gave approval for the Waste & Environmental Services section to carry out a review of the domestic household waste collection service in Hartlepool. The review featured four key elements:
- i. Changes to the kerbside dry recycling service;
 - ii. Use of route optimization technology to increase efficiency of collection rounds;
 - iii. Four day working week;
 - iv. Suspension of green waste collections during winter months.
- 3.2 The overall savings target for 2013/14 was set at £400,000.
- 3.3 Hartlepool Borough Council currently delivers a refuse collection service to around 42,000 households, which involves an alternate weekly collection of residual waste and recyclable waste, including garden waste.

- 3.4 Essentially, the service is delivered over the five working days, Monday to Friday inclusive; however, Saturday collections are also carried out on occasions where there is a Bank Holiday.
- 3.5 The present kerbside dry recycling service is undertaken partly in-house and partly by an external service provider. The external service provider collects paper, cans and glass, along with any textile recyclables, using blue boxes and blue bags. The Council's own service is responsible for collecting plastic and card, along with green waste, in a split bodied vehicle.
- 3.6 The system was introduced in 2005 and at the time was considered amongst the best, with residents being given the opportunity to recycle a high percentage of their domestic household waste. Despite this innovative approach, the system is not without its problems in that segregation of the various waste streams is dependant on residents and their willingness to participate in the scheme. Some receptacles used for the scheme, such as poly bags, are perishable and are often carried away by the wind or 'disappear'. A recent inspection by the Health & Safety Executive also criticised the scheme because of the level of manual handling required. Furthermore, a shift in public support for recycling services has meant the scheme is in need of updating. Indeed, a public consultation exercise carried out in the autumn of 2011 shows there is strong support in Hartlepool for a kerbside recycling service that makes participation easier and encourages residents to recycle more.
- 3.7 A copy of the HSE Audit of the Hartlepool Waste Collection Service is available on request, in the member's library, and on-line. The HSE guidelines 'Collecting, transfer, treatment and processing household waste and recyclables' is available as a background paper.
- 3.8 Further details of the public consultations carried out for the kerbside dry recycling service are also available as a background paper; Transport & Neighbourhoods Portfolio, 10th February 2012.
- 3.9 A soft market testing exercise carried out in 2011 confirmed the likelihood of significant financial savings being achieved by consolidating the two currently separate dry recycling elements of the kerbside collection service, and delivering the one service through an external service provider. Accordingly, a contract tender was prepared in the summer of 2012, which took account of the required changes. The tender attracted the interest of twelve external service providers and of these twelve; seven were invited to tender (ITT). Four tenders were returned by the closing date of 5th October 2012.
- 3.10 Following the subsequent evaluation process, the contract was awarded to the successful bidder after it was confirmed the savings target of £400,000 could be achieved by externalizing the service in this way. The savings are illustrated in the table at 7.2 below.

- 3.11 Further details of the contract evaluations for the Kerbside Dry Recycling contract are available as a background paper to this report; Audit Sub-Committee, 5th November 2012.

4.0 PROPOSALS

- 4.1 In order to achieve the target savings of £400,000 for 2013/14, it is proposed that the following changes to the domestic household waste collection service are introduced concurrently on the 1st April 2013:

CHANGES TO THE KERBSIDE DRY RECYCLING SERVICE

- 4.2 The present dual stream service carried out partly by the in-house team and partly by an external contractor, will be consolidated into one. This will be delivered by an external service provider. The contract will run for a period of seven years, commencing 1st April 2013, and will end on March 31st 2020. This coincides with the end of the present residual waste disposal contract with SITA.
- 4.3 As part of the new arrangements, households will be provided with a single 240 litre wheeled bin in which all dry recyclable wastes will be co-mingled and presented, with the exception of glass materials. Glass will be presented separately in the blue box already provided.

USE OF ROUTE OPTIMISATION TECHNOLOGY TO INCREASE EFFICIENCY OF COLLECTION ROUNDS

- 4.4 The Council has used Routesmart software funded by the Regional Improvement & Efficiency Partnership to investigate the use of route optimisation technology and minimise the number of miles travelled on each collection round. By implementing the recommendations of the route optimisation project, it is anticipated that the Council will reduce its carbon footprint and also achieve savings on fuel costs.

FOUR DAY WORKING WEEK

- 4.5 A four day working week, Tuesday to Friday, will bring a range of benefits, including a reduced requirement for Bank Holiday 'catch up' i.e. weekend working. The number of Bank Holiday's where a service is required would effectively be reduced by half, needing only to cover Good Friday, Christmas and New Year. This alone would present a significant reduction in overtime payments and extra payments to the waste disposal site at Haverton Hill (SITA) for opening on a weekend.
- 4.6 Downtime that results from the four day working week can be used for vehicle maintenance; thus reducing the need for hire vehicles at approx £250 a day.

- 4.7 All staff affected by the 'four day working week' proposals have been consulted throughout the process and will continue to be kept informed via informal and formal briefings sessions. Trade Unions have also been consulted, and will continue to be informed, on all aspects of the proposed changes.

SUSPENSION OF GREEN WASTE COLLECTIONS DURING WINTER MONTHS

- 4.8 Whilst given consideration as part of the review, suspending the green waste service was likely to be unpopular with residents, as many households take advantage of the opportunity to carry out winter pruning/garden clearance operations during this period; furthermore, such a proposal would have implications for staff involved in delivering the service. However, it is now apparent that the required savings target of £400,000 for 2013/14 has essentially been achieved through other aspects of the review and in particular the dry recycling collection service. It is therefore not necessary at this time to suspend the green waste service during the winter months.

5.0 COMMUNICATION / CONSULTATION

PUBLIC

- 5.1 To ensure that residents are aware of the future changes, an intense and comprehensive communication campaign will be carried out from December 2012 up until the full implementation on the 1st April 2013. This will include direct drop leafleting, use of social media, presentations at public meetings, and drop-in sessions, website, press releases/media, Hartbeat and vehicle advertising. The use of multiple communication methods/techniques will provide several opportunities for members of the public to learn of the changes to their domestic household waste collection service. In addition, when the new receptacles are delivered to each household, information leaflets will be attached outlining the new collection methods and service.
- 5.2 The public consultation exercise will also assist in identifying those households that are unable to store and/or present a co-mingled 240 litre wheeled bin. In situations like this, alternative arrangements will be offered in the way of smaller receptacles or bags.

STAFF

- 5.3 All staff affected by these proposals have been consulted throughout the process and will continue to be kept informed via informal and formal briefings sessions. Trade Unions have also been consulted, and will continue to be informed, on all aspects of the proposed changes.

MEMBERS

- 5.4 Members will receive direct and indirect communications via the proposed communication strategy that will be carried out across the town prior to the introduction of the changes on April 1st 2013.

6.0 RISK IMPLICATIONS

- 6.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- 6.1.1 Diversion of extra waste to recycling, as a result of an improved recycling service will impact upon tonnages required under contractual obligations with SITA. However, if the proposed changes realise an anticipated 20% saving in the amount of residual waste being taken to the EfW plant, this will not breach our contractual obligations with SITA.
- 6.1.2 These radical changes may cause some disruption to the service, which in turn could lead to non compliance by residents, whether deliberate or accidental. However, as each of the three 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, that their views have been taken into account, and that the new improved service will be capable of encouraging increased recycling rates.
- 6.1.3 Non-participation in the kerbside dry recycling scheme could occur in situations where residents are unable to store and/or present a co-mingled 240 litre wheeled bin. In situations like this, alternative arrangements will be offered in the way of smaller receptacles or bags. Records of properties, which may have storage/presentation issues, already exist within the Waste & Environmental Services section; however, the communication strategy associated with the introduction of the new service will assist in identifying other properties where there is a need for alternative solutions.
- 6.1.4 If the Council adopts a system whereby the income it receives from recyclable materials is based on market 'tracker' rates, then the level of income received will also fluctuate. This will present particular problems with budget forecasting. This risk has been eliminated via an upper limit being set for the contract management fee, which is £380,000 per annum, and a lower limit being set for any reimbursement for recyclable waste collected. This lower limit is fixed at £0 (zero pounds), which effectively

means the Council will never pay over and above the fixed management fee for the disposal of recyclable waste collected from the kerbside during the term of this contract.

7.0 FINANCIAL CONSIDERATIONS

7.1 The Savings Programme 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

7.2 The following table illustrates the positive financial outcomes resulting from changes to the kerbside dry recycling service:-

Current			Proposed		Savings
	Service Area	Budget	Service Area	Proposed Costs	
Contracted	Kerbside Collection (blue boxes)	£ 410,000.00	All Dry Recyclable Materials	£380,000.00	£30,000.00
In House	Kerbside Collection \ Green Waste (White Bag\ Brown Bin)	£ 724,391.00	Green Waste (brown bin)	£354,391.00	£370,000.00
TOTAL		£1,134,391.00		£734,391.00	£400,000.00

PRUDENTIAL BORROWING FOR THE PURCHASE OF BINS

7.3 As part of the proposals to consolidate the two currently separate dry recycling elements of the kerbside collection service, and deliver this service through one external service provider, it will be necessary for the Council to provide suitable receptacles for each household. This will involve the purchasing of circa 42,000 240 litre wheeled bins in which residents will place all dry recyclable waste material, with the exception of glass. Glass items will be presented separately in the blue box currently provided by the Council. It should be noted that any replacement/additional boxes will be provided entirely at the contractors expense for the duration of this contract.

7.4 The cost of the new wheeled bins can be initially financed from the existing wheeled bin leasing budget, and the procurement of the bins can be progressed using the normal purchase agency arrangements for leases.

However, it may be possible to achieve further savings by undertaking an options appraisal of the financing options, including Prudential Borrowing. The preferred financing option will be considered as part of the 2013/14 MTFS and approval for any borrowing sought from Council in February, if required.

DELIVERY OF WHEELED BINS

- 7.5 The logistics of rolling-out the proposed 240 litre wheeled bin to circa 42,000 households will require precise coordination. The receptacles are stacked for ease of transportation and therefore require assembling on site. The cost of delivering and assembling the receptacles town-wide will be circa £52,000 and this will be funded from the underspend on the 2012/13 Waste Management Revenue Budget.

PUBLIC COMMUNICATION

- 7.6 The costs associated with the public communications described in section 5.1 above will be absorbed within the Waste & Environmental Services staffing levels and budgets.

8.0 LEGAL CONSIDERATIONS

- 8.1 Section 45a of the Environment Protection Act and the Household Waste Recycling Act states that Local Authorities must provide a separate collection of at least two recyclates by December 2010 this is reinforced in the Waste Regulations 2011, sections 8 and 11. The above proposals will continue to meet these requirements.

9.0 STAFF CONSIDERATIONS

- 9.1 All staff affected by these proposals have been consulted throughout the process, and will continue to be kept informed via informal and formal briefings sessions. Trade Unions have also been consulted, and will continue to be informed on all aspects of the proposed changes.
- 9.2 Natural wastage has reduced staffing levels by three, meaning no compulsory redundancies will be necessary as a result of these changes, and it will not be necessary for any member of staff to transfer to the external service provider under TUPE regulations.
- 9.3 As savings have been achieved through the dry recycling contract, suspension of the green waste collection service during the winter months will not be necessary; therefore, the current level of service will be maintained and staff will remain on 52 week contracts instead of the originally proposed 40 weeks.

10. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 10.1 There are no section 17 considerations associated with the proposed changes to the domestic household waste collection service.

11. EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 An Impact Assessment has been undertaken in relation to the proposed changes to the domestic household waste collection service. A copy of the Impact Assessment is available on request, in the member's library, and on-line.

12. RECOMMENDATIONS

- 12.1 It is recommended that the following changes, which allow for a more efficient and cost effective waste management service in Hartlepool are introduced concurrently on the 1st April 2013:
- a) The Council consolidates its two currently separate dry recycling elements of the kerbside collection service, and delivers the service via one external service provider. In doing so, it is proposed that the Council provides residents with a 240 litre wheeled bin for co-mingled dry recyclable waste, to accompany the 55 litre blue box already in service; this will be used for glass materials.
 - b) Changes to collection rounds are introduced under the route optimisation programme as detailed in section 4.4 above.
 - c) A four-day working week, Tuesday to Friday inclusive, is introduced as detailed in section 4.5 above.
 - d) Essentially, the required savings target of £400,000 for 2013/14 has been achieved through consolidating the dry recycling elements the kerbside collection service. It is therefore not necessary at this time to suspend the popular green waste collection service during the winter months and accordingly no changes are proposed. However, this element of service could be a consideration in any future financial planning/strategic exercise.

13. REASONS FOR RECOMMENDATIONS

- 13.1 The changes to the waste management service form part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

- 13.2 Essentially, the consolidation of the kerbside dry recycling service will deliver the 2013/14 savings target; however, the proposed changes also reflect the wishes expressed by residents in the public consultation exercise. Furthermore, the proposed changes also provide a solution to concerns shown by the HSE in a recent audit of the Council's refuse collection service.
- 13.3 By implementing the recommendations of the route optimisation project, it is anticipated that the Council will reduce its carbon footprint and also achieve savings on fuel costs.
- 13.4 The four-day working week will bring Hartlepool in line with the rest of the Tees Valley authorities. This compatibility will provide greater scope for future collaborative working with neighbouring authorities.
- 13.5 The green waste, or garden waste, collection service is a favourite with residents and whilst the tonnages collected during the winter months may reduce, many people take advantage of the opportunity to carry out winter pruning/clearance operations. As such, any suspension of the service during the winter months is likely to be unpopular.
- 13.6 Non-suspension of the green waste service during the winter months will ensure staff delivering the service retain a full 52-week employment status.

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

- 14.1 HSE Audit of the Hartlepool Waste Collection Service (**Appendix 11A**)
- 14.2 Impact Assessment (Changes to the Domestic Household Waste Collection Service) (**Appendix 11B**)

15. BACKGROUND PAPERS

- 15.1 Cabinet report of October 2011 – Review of Waste Management Services.
- 15.2 WYG Environment report - 'Review of Kerbside Recycling Collection Schemes in 2010/11
- 15.3 HSE guidance - 'Collecting, transfer, treatment and processing household waste and recyclables.
- 15.4 Transport & Neighbourhoods Portfolio, 10th February 2012 – Findings of the Kerbside Dry Recycling Consultation.
- 15.5 Audit Sub Committee report, 5th November 2012 – Kerbside Dry Recycling Contract.

16. CONTACT OFFICER

- 16.1 Denise Ogden
Assistant Director (Neighbourhood Services)
Civic Centre
HARTLEPOOL
TS24 8AY
- Tel: 01429 523800
Email: denise.ogden@hartlepool.gov.uk

17. FURTHER INFORMATION

- 17.1 Craig Thelwell
Waste & Environmental Services Manager
1 Church St
Hartlepool
TS24 7DS
- Tel: 01429 523370
Fax: 01429 523038
E-mail: craig.thelwell@hartlepool.gov.uk

4.2 Appendix 11A

Field Operations Directorate

Jonathan Colin Wills

Denise Ogden
Hartlepool Borough Council
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Arden House
Regent Centre
Gosforth, Newcastle upon Tyne
NE3 3JN

Tel: 0191 202 6200
Fax: 0191 202 6300
jonathan.wills@hse.gsi.gov.uk

<http://www.hse.gov.uk/>

HM Principal Inspector
Bruno Porter

15 April 2011

Reference 4241356

Dear Mrs Ogden

HEALTH & SAFETY AT WORK ETC. ACT 1974

Re: Waste management and recycling intervention

I write following my attendance at the meeting held at The Civic Centre with Craig Thellwell, Fiona Srogi and Stuart Langston on 2 February, and my subsequent visits to observe municipal waste collection with Tony Spence on 8 March.

As a result of these visits, I have identified the following matters which require further attention.

1. Reversing Assistants

Reversing causes a disproportionately large number of moving vehicle accidents in the waste/recycling industry. Injuries to collection workers or members of the public by moving collection vehicles are invariably severe or fatal.

Hartlepool Borough Council currently use reversing assistants as one of the ways in which this risk is controlled. HSE's guidance '*Waste and recycling vehicles in street collection (WASTE04)*' identifies the roles of the reversing assistant as to:

- a) Signal the collection vehicle driver to stop when necessary to prevent the vehicle colliding with pedestrians and other road users;
- b) Warn approaching vehicles or pedestrians; and
- c) Assist trained and competent drivers to safely manoeuvre the vehicle.

I noted on several occasions that although the operatives were assisting the driver in the manoeuvre, there was little attention given to the likelihood of vehicles and pedestrians entering the danger zone.

The Council should review its Reversing Assistants training, and monitor how the activity is being carried out in practice.

2. Avoiding school start and finish times

I observed a team carrying out the collection of trade waste at 8.50am around the St. Cuthbert's School area of the town, where there were a number of children walking to school.

You should identify those areas where collections are carried out where there is an increased risk of pedestrian/vehicle interaction, in particular at school start and finishing times. You should then assess whether it would be reasonably practicable to carry out those collections at a more suitable time.

3. Manual Handling of White Sacks

Several operatives raised concerns over the manual handling of the white sacks used to collect plastic and cardboard.

The height required to deposit the contents of these sacks into the collection vehicle is at a level at which the sacks need to be lifted at/above head height.

The Council should assess the musculoskeletal risks associated with this activity and consider reasonably practicable remedial measures.

4. Supervision of contractors

I was made aware that the collection of the recycling boxes was being carried out by external contractors, namely Ward Recycling Limited.

I observed examples of bad practice being carried out by the company's operatives including the collection of containers from far side kerb, lack of high visibility clothing and the driver leaving the vehicle on to the road.

Representations were made by your employees that they rarely see management from Wards Recycling Limited monitoring the work being carried out by their own workforce.

As the client, you should liaise with the contractor to:

- a) Determine if supervisors' roles are clearly defined
- b) Determine if supervisors are aware of their duties and exercise them
- c) Collate evidence that the contractor monitors effectiveness of supervision

5. Auditing of contractors by the client

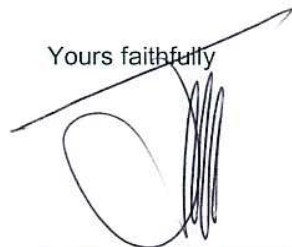
You should review how the Council audit its external contractors and consider the implementation of an on-the-ground monitoring regime, run either independently or in conjunction with your contractor, to ensure that they are delivering the service to your agreed methods, and to review the continuing suitability of those working methods.

Guidance for local authorities on the procurement, management, and monitoring of waste contracts/services can be found on the HSE website at <http://www.hse.gov.uk/waste/services/index.htm>.

I have enclosed a second copy of this letter which should be brought to the attention of your employees.

Please contact me in writing before the 15 May 2011, with how you intend to address the matters raised in this letter.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by several vertical strokes.

Jonathan Colin Wills
HM Inspector of Health and Safety

Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	Neighbourhood Services	Waste & Environmental Services	Craig Thelwell, Waste & Environmental Services Manager
Function/Service	Review of the Waste Management Service		
Information Available	<p><i>You should consider what information you hold in order to give proper consideration to the Equality Duty. You will need to draw upon local, regional and national research particularly if internal information is scarce. Include any consultation carried out</i></p> <p>Both the residual waste and recycling services will move from the current 5 day working week (Monday – Friday) to a 4 day working week (Tuesday – Friday). Residual waste collections will otherwise remain the same. Recycling collections, however, will change.</p> <p>The new recycling service is based on findings from a consultation exercise completed by 1,278 residents. The general consensus was that a single wheeled bin with a lid would be more suitable than the current collection system, which utilises a range of containers for various materials. A high number of responses pointed out that a wheeled bin would be more suitable, including:</p> <p><i>‘Blue box is often too heavy to carry - could do with something on wheels, also with a cover if possible’, and</i></p> <p><i>‘A wheelie bin would be more beneficial’.</i></p> <p>Residents with disabilities and some elderly residents may require assisted collections, and the offer of such collections will be offered during awareness raising activities. However, the proposed service will be more user-friendly and will require less strenuous manual handling than the system it will replace.</p> <p>The green waste collection has historically been provided throughout the year. However, tonnages collected during the winter months are minimal, and for this reason a decision has been made to suspend the service from December to February inclusive.</p> <p>Information pertaining to this policy review has been obtained from the following sources: Hartlepool fact file; Profile of customers using the Assisted Collection Service; Statistical information on the waste collection service; National Waste Policy Review.</p>		
Relevance	Age		X
Identify which strands are relevant to the area you are reviewing or changing	Elderly people with mobility difficulties		
	Disability		X
	People with mobility difficulties		
	Gender Re-assignment		

	Race	x
	People who do not have a good grasp of the English language	
	Religion	
	Gender	
	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	
Information Gaps	<p><i>Are there any gaps in your information and, if so, what further information do you need? What involvement or consultation is needed? How will it be done? You must also ensure compliance of any third parties which carryout functions on you behalf.</i></p> <p>The new service will apply to the entire community, which will need to be made aware of what will be involved, and how they are expected to participate. A comprehensive awareness raising programme will be undertaken, whereby representatives from the Waste & Environmental Services section will visit community groups and tenants and residents association meetings to present the new service and offer question and answer sessions. Information will also be posted to every household and articles placed in the Hartlepool Mail and on the Council's website.</p> <p>All literature that is produced will need to have clear illustrations showing what can be recycled and how to do it. This will ensure that those who are illiterate, and/or those who cannot speak/read the English language are able to participate in the service. The new service will be simpler than the current service, and a single receptacle will replace the range of containers currently used for dry recyclables.</p>	
What is the Impact	<p><i>Consider the impact of the policy/service/function in respect of the three aims of the Equality Duty, this must form an integral part of your decision making process and in such a way that influences the final decision.</i></p> <p>Residents must understand the new service in order to be able to participate. If residents do not understand the new service then they will not be able to dispose of their waste, which will have an impact on their health and wellbeing, and also on that of their neighbours. As the new service will be simpler for residents to understand and use, it is anticipated that it will have a positive impact on groups with protected characteristics.</p> <p>If residents are not using the waste service, then there may well be an impact on the appearance of their property and/or area. This could potentially cause tensions within communities.</p> <p>It is anticipated that less residents will require assisted collections as a result of the introduction of a single, easier to handle, wheeled bin.</p>	

	Residents who participate in the green waste collection service will be affected during the Winter months (December to February). However, it is clear that very little green waste is produced during this period, and it is anticipated that residents will either store the waste, place it in the residual waste bin, compost it at home (subsidised compost bins are available to Hartlepool residents) or transport it to the Household Waste Recycling Centre. All residents are therefore able to deal with green waste, regardless of whether or not they have their own vehicle.		
Addressing the impact	<i>The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.</i>		
	1. No Impact- No Major Change - <i>It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.</i>		
	The new simpler service will make it easier for all members of the community to recycle.		
	The green waste service will be suspended during the Winter months, but the small amount of green waste collected during this period will either be stored until Spring, placed in the residual waste bin, or transported to the Household Waste Recycling Centre. Either way, all householders have a viable option for dealing with green waste.		
	2. Adjust/Change Policy - <i>You may have to make adjustments to address potential problems or missed opportunities that impact adversely on those with protected characteristics.</i>		
	3. Adverse Impact but Continue - <i>Your decision may be to continue without making changes, this may be the right outcome even if your assessment identifies the potential for adverse impact. (E.g. Cabinet decision to withdraw a service).</i>		
	4. Stop/Remove Policy/Proposal – <i>Your assessment reveals unlawful discrimination it must be stopped and removed or changed.</i>		
Actions			
<i>It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.</i>			
Action identified	Responsible Officer	By When	How will this be evaluated?
Provide information on the new service to all households within the borough.	Craig Thelwell	31 st March 2013	Number of households receiving information leaflet
Offer presentations	Craig Thelwell	31 st March 2013	Letters will be sent to all relevant groups

and Q&A sessions to all community groups and tenants & residents associations			

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

Report of: Chief Executive

Subject: SAVINGS PROGRAMME 2013/14 - CHIEF
EXECUTIVE'S DEPARTMENT 2013/14
SAVINGS PLAN

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non Key Decision.

2. PURPOSE OF REPORT

2.1 The purpose of the report is to identify the proposals for delivering savings in respect of the Chief Executive's Departmental Savings Plan as part of the budget for 2013/14.

3. BACKGROUND

3.1 The report details one of the reviews which forms part of the 2013/14 Savings Programme.

3.2 The proposals in the report identify the savings to be made, the risks associated with these and the considerations which have been taken into account in developing them including consideration of key elements which together comprise SROI.

3.3 As detailed in previous Medium Term Financial Strategy (MTFS) reports there are two aspects to the 2013/14 savings plan for the Chief Executive's department.

3.4 The first element relates to the ICT procurement exercise which is currently underway. As detailed in previous reports this is a complex process and work is currently progressing to put in a place a new contract commencing in October 2013. This will enable a part year saving to be achieved in the current year and a full year saving from 2014/15. The first phase of this procurement was completed on 2nd November 2012 when 8 companies submitted their PQQ (Pre Qualification Questionnaire) documents. These proposals are currently being assessed with the aim of producing a shortlist of companies to move on to the next stage of the procurement process. Based on progress to date and the detailed timetable which is in place for managing this procurement it is anticipated that the overall timetable for achieving the ICT procurement savings will be achieved.

3.5 The second element of the Chief Executive's departmental 2013/14 saving plan relates to proposed collaboration savings. A savings target for this area for 2013/14 of £0.2m has previously been set, increasing

by £0.5m in 2014/15. Previous reports identified the linkages between this project and the People Services collaboration which will shape the nature, scope and method of delivering corporate support services. As detailed in the main MTFS report on your agenda today the development of detailed proposal for the People Services collaboration is taking longer than initially planned. This position is not wholly unexpected owing to the challenging deadline the three authorities set themselves, the complexity of this service area and the issues which need to be addressed. It is essential that these issues are addressed to ensure that robust, safe and sustainable proposals for People Services collaboration are identified and implemented. In financial terms this risk was identified and the MTFS proposals previously reported to Cabinet included a one-off provision of £0.5m to manage potential temporary delays in the achievement of collaboration savings. As detailed in the main MTFS report it is now recommended that the majority of this amount is allocated to support the 2013/14 budget to allow adequate time to implement People Services collaboration.

- 3.6 These issues have impacted on the Corporate Collaboration project which to a large extent, although not exclusively, is predicated on the People Services collaboration. This position has been recognised and an alternative savings plan for the Chief Executive's department for 2013/14 has been developed. These alternative savings will replace the potential collaboration savings for 2013/14 of £0.2m. It needs to be recognised that these alternative measures are replacement savings and not additional savings as they are coming from the same budgets the proposed collaboration saving would have come from. Nevertheless these alternative proposals are sustainable and therefore replace the Corporate Collaboration savings included in the MTFS for 2013/14. These proposals are detailed in the next section.
- 3.7 The service areas reviewed to identify replacement savings cover the full range of services provided by the Chief Executive's department, which includes support services such as legal, finance, corporate strategy, human resources etc., and services provided directly to the public such as registrars, contract centre, housing and council tax benefit administration etc.

4. PROPOSALS

- 4.1 In line with the savings strategy adopted by the Council over the last two years (2011/12 and 2012/13) the Chief Executive's Department has previously achieved significant savings in these years. Owing to the nature of the Chief Executive's Department the majority of these savings have been achieved by reviewing and reducing staffing structures. Where possible this has been achieved by deleting vacant posts, redeployment or voluntary redundancies/retirement, although it has not been entirely possible to avoid compulsory redundancies.

- 4.2 Achieving further savings on this basis is difficult and this was a key driver for pursuing the Corporate Collaboration project. As this project will not deliver the required savings in 2013/14 alternative proposals have been developed. These proposals achieve the 2013/14 savings target of £200,000 for the Chief Executive's department. The savings proposals for 2013/14 have been designed to have minimal affect on service users. This has been achieved by identifying the majority of savings from reduction in support services and increased income. In addition, temporary savings of £49,000 have been identified for 2013/14. The Chief Executive's departmental 2013/14 savings proposals are set out below.

DESCRIPTION OF PROPOSED SAVING	VALUE OF SAVING £'000
PERMANENT SAVINGS	
<u>Democratic Support Services and Corporate Strategy</u> Permanent removal of staffing budgets to reflect approved flexible working patterns of staff who work reduced hours. This can be achieved by changing working arrangements and will not require any compulsory redundancies.	11.5
<u>Public Relations Team</u> Increased income from the provision of PR services to external organisations including securing a three-year contract to provide public relations support to Cleveland Fire Brigade and retained a similar contract with Wynyard Business Park. In addition a new service level agreement has been reached with the Cleveland Road Safety Partnership and the vast majority of Hartlepool schools are buying back the public relations resilience service.	15.0
<u>Support Services</u> As part of the ongoing review of resources within Support Services within the Chief Executives department it would be proposed that a vacant post be deleted and a development scheme implemented for a number of those posts currently on a lower grade to provide for progression and development of staff in the context of the services provided.	10.0

<u>Finance and Accountancy</u> These services were centralised in April 2010 and significant staffing savings were achieved. No savings were made in this area in 2012/13 to enable these changes to be embedded. A number of posts became vacant during the summer. Therefore, a detailed assessment of workloads and working practices, including increased use of IT and the operational benefits of these services being centralised has been completed. This has identified scope to achieve additional permanent savings by restructuring services. The majority of this saving will be achieved by deleting 4 fte posts (3 of which are currently vacant) and the permanent removal of staffing budgets to reflect approved flexible working patterns of staff who work reduced hours. These can be achieved by changing working arrangements. It is anticipated the changes will require one compulsory redundancy.	134.0
<u>Procurement savings</u> Reduced printing costs arising from the replacement of a colour Council Tax leaflet with a black and white leaflet and more competitive prices for a range of printing requirements (£15,000). An Insurance Procurement saving was included in the 2012/13 MTFS based on claims experience in previous years. This assessment has been updated to reflect experience in 2012/13 and a further saving is anticipated to be achievable in 2013/14 (£4,500).	19.5
<u>Revenues and Benefits increased income</u> Contribution from Business Improvement District (BID) scheme towards administration costs directly related to running this scheme.	5.0
<u>Legal and Members Services</u> Reduction in legal advertising and courses budget. Reduction in Members Services overtime budget.	5.0
Permanent Savings	200.0

Temporary Savings	
<p><u>Chief Executive saving</u></p> <p>The MTFS forecast reported on 4th October included a permanent savings from the reduction in the Chief Executive's salary. Following the appointment of the current Chief Executive there will also be a temporary employers pension contribution saving as the current Chief Executive is no longer in the pension scheme and his pension will be based on his previous salary as Director of Regeneration and Neighbourhoods.</p> <p>This saving will continue while the existing officer is Chief Executive, although it will not be sustainable when there is a change in Chief Executive.</p> <p>There will also be temporary savings (£10,000) as the Chief Executive was appointed at the bottom of the revised salary grade.</p>	34.0
<p><u>Human Resources Saving</u></p> <p>The Chief Executive is currently reviewing all departmental structures and will be making recommendations to Cabinet on a proposed structure early in the New Year. In relation to the Chief Executive's department these proposals will need to address issues in relation to the Human Resources function, in particular the shared Head of Human Resources post. Members will recall that when this arrangement was initially entered into a saving of £51,000 was included in the base budget leaving a net budget provision of £51,000. The Chief Executive's review of the structure will address this issue and recommend whether the whole of this budget is needed to replace lost HR capacity and capability, or whether part, or the whole of the remaining budget can be taken as a saving. Until this review is complete existing temporary arrangements will continue. Therefore, for planning purpose a minimum temporary saving of £15,000 can be included in the 2013/14 budget.</p>	15.0
Total savings for 2013/14	249.0

5 OPTIONS ANALYSIS

- 5.1 As indicated earlier in the report the main alternative option for achieving savings in the Chief Executive's department is the potential

to collaborate with other authorities. This option continues to be pursued with Darlington and Redcar and Cleveland Council with the objective of identifying proposals for achieving savings from 2014/15. However, owing to the complexities and timescales for completing this work collaboration will not provide savings in this area for 2013/14. Therefore, the alternative proposals detailed in the previous section have been identified.

- 5.2 When developing the alternative savings proposals the impact of savings made in the last two years was taken into account and a strategic review of areas where further savings could be made in the Chief Executive's department was adopted. As part of this review it was determined to maintain existing resources in the Revenues/Benefits Services and the Contract Centre owing to the impact of Government legislative changes to Re-localise Business Rates and to implement Local Council Tax Support schemes in April 2013. These issues will be extremely challenging and will need carefully managed in 2013/14 to ensure these fundamental changes are implemented successfully.

6 RISK IMPLICATIONS

- 6.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

- Capacity Risks

A number of the proposed saving reduce staffing capacity by permanently removing vacant posts and/or by removing staffing budgets to reflect reduced working hours. These proposals reduce staffing capacity and it is anticipated this can be achieved by changing working practises, which will mitigate risks.

Capacity within the Chief Executive's department will also be impacted by the range of significant one off projects being undertaken over the next twelve months, including work on a the new ICT contract, the implementation of the local Council Tax Support scheme and work on collaboration. These projects and the normal day to day work of the Chief Executive's department will need to be managed carefully to ensure all outcomes are achieved and risk is managed effectively.

- Income Risks

The savings proposals involving the achievement of income are considered to be sustainable. In the event that any of the

income targets are not achieved alternative savings will need to be identified.

7 FINANCIAL CONSIDERATIONS

- 7.1 The Savings Programme for 2013/14 is planned to deliver total savings of £3.8m towards the budget deficit for 2013/14. It has been highlighted in previous reports to Cabinet that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget. The proposed saving for the Chief Executive's department detailed in section are sustainable.

8. STAFF CONSIDERATIONS

- 8.1 Informal dialogue will be undertaken with the trade unions and staff in order to flag up the potential area where staff may be placed at risk of redundancy. The potential number of redundancies as a consequence of these proposals being accepted is 1.

9. CONCLUSION

- 9.1 In advance of progressing with the Corporate Collaboration project officers had continued to manage budgets carefully to identify potential savings which could be implemented as part of this project, which protect services and help avoid the need for compulsory redundancies wherever possible. This proactive approach now provides a range of measures which can be implemented for 2013/14 to replace the forecast collaboration savings in this area.
- 9.2 The adoption of the proposed savings will enable officers to continue to work with the other two authorities over the remainder of 2012/13 and through 2013/14 to achieve the Corporate Collaboration savings target for 2014/15 of £0.5m.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 There are no equality and diversity considerations of the proposed savings as these measures are designed to avoid impact on services by increasing efficiency or by generating income from external organisations.

11. RECOMMENDATIONS

- 11.1 It is recommended that the Cabinet
- i) note the report;

- ii) approve the 2013/14 savings for the Chief Executive's department detailed in paragraph 4.2.

12. REASONS FOR RECOMMENDATIONS

- 12.1 The review forms part of the 2013/14 Savings Programme, as set out in the Medium Term Financial Strategy 2013/14 to 2016/17 report to Cabinet on 11th June 2012.

13. APPENDICES

- 13.1 None

14. BACKGROUND PAPERS

- 14.1 None

15. CONTACT OFFICER

Dave Stubbs
Chief Executive
Civic Centre
Victoria Road
Hartlepool
TS24 8AY
Tel: 01429 523001
Email: dave.stubbs@hartlepool.gov.uk

BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

Minutes of Meeting held on 24 October 2012

Present: *Hartlepool Borough Council Officers*

Stuart Drummond, Mayor
 Dave Stubbs, Director of Regeneration and Neighbourhoods
 Chris Little, Chief Finance Officer
 Andrew Atkin, Assistant Chief Executive
 Sally Robinson, Assistant Director (Prevention, Safeguarding and Specialist Services)
 Councillor C Hill
 Councillor P Thompson
 Councillor J Lauderdale

Business Representatives

Peter Olson
 Adrian Liddell
 Brian Beaumont
 John Megson
 Thomas Chacko

Apologies:

Jill Harrison, Assistant Director Adult Social Care

Sam Durham, PA to CEMT (Minutes)

1.	Presentation
<p>Chris Little and Councillor Paul Thompson reported on Hartlepool's Financial Future for 2013/14 – 2016/17 and provided a brief summary of reports submitted to Cabinet highlighting the following areas;</p> <ul style="list-style-type: none"> • Medium Term Financial Strategy for 2013/14 to 2016/17 • Business Rate localisation • Localisation of Council Tax Support • Approach to managing the Councils finance/ risks 	
Comments Made	Response
Business Partners queried why the national headline grant cut for Council Tax Support for 2013/14 shows at 10% but the real impact is 14%?	CL advised that the Government headline reductions was based on previous years caseloads, whereas the real impact reflects current caseloads which have increased as a result of economic factors.

Business Partners feel that the best approach for the Council to undertake is sharing of services.	CL confirmed that a number of options are currently being reviewed. In terms of ongoing work there is the Reprocurement of ICT contract along with collaboration with other Local Authorities. If these were to go ahead there would be a part saving in 2013/14 and a substantial saving in 2015/16. All Local Authorities are in a similar position. Stockton Borough Council and Middlesbrough Borough Council are not interested in collaborating at present.
Business Partners questioned future effect to next year's deficit if the proposed 2% Council Tax increase is agreed?	CL explained that the deficits were based on 2.5% as the Government had not issued details of proposed referendum trigger when the report was prepared. Reducing Council Tax increases will increase the deficits.
Business Partners queried long term plans.	CL advised that the main strategy at the moment is to deal with the next 2 years deficits. Plans for addressing deficits beyond this period will be developed during 2013/14.
Business Partners queried the perceived way forward for the Power Station and the financial risk to the Council.	CL advised that current Government 'safety net' arrangements will not address this issue and the Council will need to manage this ongoing risk from its own resources. The 2012/13 Outturn Strategy proposes allocating one off monies to manage this risk on a temporary basis.
Peter Olsen praised Cabinet Members for attending the meeting to hear Business Partners views and questioned if all Councillors are fully aware of future issues faced by the Council?	CL advised that Councillors are aware of the budget position and regular updates continue to be provided.
The Business Partners stressed that further continuation and support to businesses is required. They feel that the way forward is to continue with economic development.	DS agreed that this is the right proposal for next couple of years. Hartlepool needs to grow as much as possible but there is also a point when substantial cuts will be made. DS explained that majority of work is Tees Valley centric. DS confirmed that the Council will continue to try and get Government grants for businesses.
Business Partners feel the way forward is to bring in profitable businesses to generate funding to contribute to cuts. Also feel debt must be reviewed.	CL explained that Hartlepool Borough Council has high collection rates for both Business Rates and Council Tax.

<p>John Megson explained that significant business need bringing to Hartlepool.</p> <p>Is there a strategy in place to bring in big projects.</p> <p>John Megson confirmed if required he is happy to speak to PD Ports as an ambassador for HBC if required.</p>	<p>Mayor explained that Hartlepool is making best of what is available in the Enterprise Zone.</p> <p>AA advised that new jobs may be generated through ICT and shared services.</p> <p>The Mayor advised that the Council is currently looking at a retail revival strategy.</p> <p>All comments are welcome</p>
<p>The Business Partners feel that the Authority needs to take a lead on industrial tourism as they feel it will help increase income to the town.</p> <p>What strategy do we have to accentuate what we already have in town?</p>	<p>Mayor confirmed that tourism has been put back on the agenda to review as no other Authority is currently looking at tourism.</p>
<p>Business Partners queried how many staff the Authority had 5 years ago and how many it expects to have moving forward in to 2016 and questioned staffing loss for the next 12 months?</p>	<p>CL confirmed that the number of staff who may be affected has not yet been confirmed as numbers are still to be reviewed.</p>

**BUDGET CONSULTATION MEETING WITH TRADE UNION
REPRESENTATIVES**

Minutes of Meeting held on 29 October 2012

Present: ***Hartlepool Borough Council Officers***
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Sally Robinson, Assistant Director
Councillor C Hill
Councillor P Thompson
Councillor J Lauderdale

Trade Union Representatives
Edwin Jeffries
Steve Williams
Tony Watson
Malcolm Sullivan
Andy Waite
Matthew Pearce

Apologies:
Stuart Drummond, Mayor
Debbie Kenny
Sue Garrington

Sam Durham, PA to CEMT (Minutes)

1.	Presentation
The Trade Unions confirmed that it was not necessary to view the Budget Consultation 2013/14 Initial Proposals presentation as they had already been provided with the information. CL advised the meeting that the Local Government Finance Settlement is not expected to be announced by the Government until 19 December 2012. An additional Cabinet meeting will be held on 21 st December 2012 to review the settlement and the impact on Hartlepool.	
Comments Made	Response
<p>Trade Unions understand the difficult position the Council are currently in and are willing to work with Officers.</p> <p>Trade Unions asked for an update on future proposals for 2014/15?</p>	<p>DS advised that things will continue to change and are happy to receive any proposals staff and Trade Unions may have.</p> <p>Future training for staff is important. The Council aims to save as many staff as possible.</p> <p>AA advised looking at longer leading options available to build into 2014/15 budget.</p>
Trade Unions requested an update on final business rates?	<p>CL advised that business rates changes have not been finalised by the Government.</p> <p>There have been no changes to information previously provided to the Trade Unions and an update will be provided when more information is available.</p>
SW stressed that future decisions need to be made as soon as possible.	<p>AA advised that the earlier decisions are made the better but the budget settlement will not be provided until 19 December which is poor timing and delaying future decisions.</p> <p>The MTFS forecast have been updated to reflect officers assessment of national changes, although the exact position will not be know until the budget settlement is provided by the Government.</p>
	DS confirmed that officers will continue to remain open with Trade Unions and advised that clarification can be sought from officers when required.

Corporate Capital Fund Proposed 2013/14 Schemes

Project	Description	Justification	Proposed Budget £'000
Essential schemes in priority order			
Multi Storey Car Park	Electrical rewire	Car parking provision can be maintained in the longer term. Ensure safe site conditions	130
Underground Car Park	Electrical rewire	Car parking provision can be maintained in the longer term. Ensure safe site conditions	50
Hart PS	Structural works to boundary wall.	To maintain the asset boundary wall and ensure longer term stability	Project cost 14 (Note 6 grant available) 8 required
A689	Highway reconstruction	Detailed condition surveys indicate that a section of the carriageway is now classified as 'red' on the condition survey criteria and requires reconstruction as soon as possible.	100
Indoor Bowls Centre	Upgrade external walls, cladding and roofing to maintain integrity and insulation values	To enable the Council to discharge its responsibilities under the terms of the lease and any future lease revision	200
Children's Home 302 Stockton Road	Refurbishment of the new Children's home at a total cost of £0.170m of which £0.100m has been already been approved by Members.	Additional funding to complete the refurbishment of an existing property which represents good value for money compared to a new build.	70

Maritime Experience	Renew failed LCD track lighting to the Fighting Ships exhibits	LCD floor lighting provides fire exit routes in darkened conditions. Significant areas are out of action	32
Mill House Leisure Centre	Renew main pool circulation and filtration pipe work, strainer boxes, calorifiers and rate of flow instrumentation.	Main pool circulation pipe work is scaled up. Pool filtration rates are reduced and the swimming pool is showing biological growth. To keep the pool in use it is to be drained in late December 2012 and manually cleaned as a short term solution.	114
Maritime Experience	Replace sacrificial anodes, dock gate seal and replace old balancing submersible pumps	Water levels in the Trincomalee dock must remain balanced. The Dock gate seal has failed. Sacrificial anode renewal is required to protect gates and flotation tanks from corrosion. Existing pumps are in poor condition and running constantly to maintain water levels within the Trincomalee dock.	30
Kitchen works	Further phase of School kitchen upgrades to ensure compliance with statutory obligations and operational requirements.	The kitchens will be modernised to bring them up to current standards. This will comprise replacement equipment, fittings and fixtures. New ventilation and gas installations to comply with current gas regulations will be installed as required. Replacement lighting and power to current standards will be installed as required.	200

		Includes associated repairs to building fabric.	
Hartlepool Enterprise Centre	Refurbishment of Hartlepool Enterprise Centre.	Modifications and upgrade to the Reception area and 2 business units. These works are required to improve business delivery and assist relocation of staff from Bryan Hanson House	113
		Total	1,047

Resources Available**(1,070)****Unallocated Resources****23**

CABINET REPORT

17th December 2012



Report of: Director of Regeneration and Neighbourhoods
and Chief Finance Officer

Subject: FUTURE USE OF BRIERTON SITE

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Test i and ii apply. Forward Plan Reference No: RN 89 / 11.

2. PURPOSE OF REPORT

- 2.1 To update Cabinet on options for the future use of the site.
- 2.2 To seek Cabinet endorsement of a preferred option and the associated funding solution.
- 2.3 To seek Cabinet endorsement to the referral of the preferred solution to full Council to consider as part of the Budget and Policy Framework for 2013 / 14.

3. CURRENT SITUATION

- 3.1 The Brierton buildings were used by Dyke House School during the construction phases of the Building Schools for the Future (BSF) project and are now vacant. It had originally been anticipated that these buildings would have been used over the lifetime of the BSF programme which was originally anticipated to run until 2017/18. Following withdrawal of BSF funding this will no longer be the case and a strategy for managing this site now needs to be developed.
- 3.2 Demolition of the upper school building started on 15th October and this work was programmed to be complete by the end of January 2013 but this will largely be complete before Christmas. In addition to this two wings of the lower site will need to be demolished together with the greenhouse and swimming pool to make space for the outcomes of the playing pitch strategy and future road junction requirements at Catcote Road.

- 3.3 An agreement with “Catcote Futures” has been reached for them to lease some of the buildings on the lower site including the former Caretaker’s house and craft block. Some adaptation works will be undertaken which will be funded by the school. Their presence on site brings benefits to both the school and the Council and links with the concept of a “community campus”.

4. PLAYING PITCH STRATEGY

- 4.1 The Final Draft Playing Pitch Strategy has now been received and was adopted by Cabinet at the meeting on 3rd December 2012. There will be a further piece of work on playing pitch layouts relating to changing FA requirements, which will need to be taken into account in the future.
- 4.2 The options discussed in this report relate to allocating space to meet the playing pitch strategy at this point in time. The added benefit of a 3G pitch is also included to support the strategy and enhance the Brierton site substantially.
- 4.3 In addition the playing pitch strategy highlights the contribution of the existing tennis course to the site.
- 4.4 The Strategy will form guiding principles for how the Authority determines all playing pitch and sports strategy issues for the next 5 years, the imminent benefit of this updated Strategy will help to guide and smooth a path in relation to the future development of the Brierton site.
- 4.5 In regard to Brierton we need to work closely with Sport England to determine how we can achieve retention of a major sports site with some redevelopment which can provide income to re-invest into the site to improve all sporting qualitative and quantitative needs, across all sports, not just football. This will need careful and sensitive negotiation to demonstrate we are delivering true improvement with additionality particularly where any suspected or real loss of green playing field is identified.
- 4.6 Key Issues are:-
- Sport England as a statutory consultee will protect land designated as playing fields.
 - The demolition of the upper site with a potential for development is not an issue, however we will need to demonstrate net “playing field” area has not decreased over the whole site.
 - The demolition of lower school ‘wings’ and the potential creation of additional ‘playing field’ area may help in using ‘substitution reasoning’ on a like for like basis. It could be argued that the current green space fronting Catcote Road and the existing tennis courts are not currently classed as playing field space, but could become so.

- The further investment and development of a full size 3G pitch will create additionality as a 3G surface can also absorb additional training usage that the playing fields cannot provide. Simple substitution may not be a sole justification but additional investment will assist in demonstrating Council objectives and intent.
- The findings and recommendations of the Strategy are confirming that no reduction in current playing field stock should take place, that junior football deficiencies are maximised within existing resources, that junior clubs with multiple teams, are not dispersed across town but helped to be accommodated on centralised sites, that a new 3G pitch (to facilitate training facilities, particularly for football) should be provided with Brierton a recommended site, and that all clubs have access to facilities of appropriate specification, i.e. on site changing etc – clearly Brierton can immediately be seen as a very important site for future sporting provision in the town.
- The further addition of reserved and demarcated recreational land elsewhere in town for future development when resources permit, will go some way to demonstrate the intention of the Council in its support for good sporting facilities, land allocation and adherence and implementation of its own Playing Pitch Strategy. There have been some discussions that have revolved around the Seaton Lane site and they are worthy of consideration (subject to any conflict in use) or new reserved sites in the South West extension within the emerging Local Plan. This potential cannot however be used as an alternative to the continued retention of Brierton Playing Fields.

5. MASTER PLAN – KEY ELEMENTS

5.1 The Brierton site is currently being considered for the following purposes:

- Retention of the current Sports Centre managed by Hartlepool Borough Council including development of the Playing Pitch Strategy which will help set the scene for range of ‘retained’ sports areas.
- Kitchen facilities for the in-house team as a base rather than the Golden Flatts Primary School kitchen as is currently the case.
- The provision of a “community café” on the site providing facilities for the occupiers of the site and as well as users.
- Potential community use of facilities to develop the “Brierton campus”.
- Part occupation by “Catcote Futures” to enable them to develop their activities for 16 – 25 year olds.

- Part occupation by Pupil Referral Unit (PRU) currently located at the Golden Flatts site at Seaton Lane.
- Part occupation by Education Development Centre (EDC) relocating from the Golden Flatts site with additional enhanced and modernised training and conference facilities which could serve the Campus, the community and the whole Council.
- Improved provision for some of our most vulnerable young people from the PRU, including development of the Home and School Classroom.
- Footprint for a future 25m swimming pool to enhance the sporting focus of the site.
- Construction of a 3G pitch
- Footprint reserved for potential future relocation of Catcote School and possibly Springwell School subject to the requirements of those schools and future funding opportunities.
- Footprint reserved for future re-modelling of Brierton Lane / Catcote Road junction for the South West extension contained in the emerging Local Plan.
- Potential development of parts of the site not required for community or sporting facilities thereby bringing capital investment to fund the development of the lower site.
- Potential disposal of the EDC site for identified development, again to bring investment into the site.

6. CATCOTE FUTURES

- 6.1 The technology block and caretaker's bungalow are being adapted for use by Catcote Futures business operation (16-25 year olds) on a 10 year lease for teaching and training purposes. This long term arrangement for Catcote Futures is in recognition of their financial input into the scheme. The school is funding the adaptation works and future revenue costs for the buildings they will occupy.
- 6.2 A scheme has been developed by our Building Design and Management Section in accordance with Catcote School's brief and will be undertaken by our Facilities Management team.

7. OPTIONS FOR FUTURE USE

- 7.1 Any scheme identified must be, as a minimum, self funding and this can only be achieved by the sale of all associated property assets. In

the event that actual capital receipts from these property sale are higher than needed for this project these could contribute to the existing £4.5m capital receipts target included in the Medium Term Financial Strategy (MTFS). The achievement of the £4.5m capital receipts target is a fundamental part of MTFS and the resources allocated to fund specific commitments relating to the completion of Housing Market Renewal Projects. Not achieving these receipts will bring additional pressure in the light of limited potential to achieved alternative capital receipts. To this end Council has already agreed that the top site at Brierton can be demolished with a view to potential disposal of land as a development site. There will be restrictions on the size of the development site via the statutory consultee, Sport England and will be dependant on the outcome of the playing pitch strategy.

- 7.2 The plan in **Appendix 1** indicates the current site use.
- 7.3 There are only 3.98 acres of land not currently identified as playing field land in the Local Plan to the rest of the site (the site of the upper school building). There are, however, an additional 4.12 acres of playing field on this western strip which may have potential for development depending on the additional play area that could be delivered over the whole of the site.
- 7.4 The potential for residential development needs to be ultimately considered by Cabinet and Council in relation to alternative uses, permitted development, costs and funding sources.
- 7.5 Relocation of services and remodelling of the lower site have been examined together with associated costs. There may be a timing delay in relation to expenditure and achieving receipts and temporary funding options will need to be considered.
- 7.6 Officers have been working on the various options available and these have been considered to quantify the likelihood of achieving the desired result. The conclusion of the feasibility studies was that there are only three real options with some variations that merit further consideration. These are discussed below.
- 7.7 The area required for sports pitches (incl. a 3G pitch) is common to all options. The Playing Pitch Strategy / Sport England requirements will be taken into account. In addition space will be reserved for a future 25m swimming pool, future relocation of Springwell Primary Special / Catcote School and for the future re-modelling of Brierton Lane / Catcote Road junction for the South West extension in the Core Strategy

Option 1: The Minimum Option (status quo and demolish lower site but add a 3G pitch)

- 7.8 This option would involve the demolition of all buildings on the lower site with the exception of the indoor sports facilities but would also retain a section of the lower school building as required for the ongoing

community and sports centre service provision (gym, dance studio, changing room, existing boiler plant and associated rooms). The commercial kitchen would also remain as this is ready for the catering section to use as their central facility. This would allow the sports pitch strategy to be delivered leaving a larger area for a potential development site increasing the capital receipt. There would be a net gain of playing field in this option.

- 7.9 It is council policy to demolish redundant buildings that have no other use rather than mothball and maintain security; therefore the minimum option does have some large capital costs in the region of £700k associated with it for demolition of large areas of the lower site.
- 7.10 There is no specific funding identified for these costs unless Council allocates funding as part of the 2013 / 14 budget process and the Medium Term Financial Strategy or unless this option is coupled with the disposal of part or all of the upper site for residential development (see other options). The total costs of this option are summarised below:

Capital Cost Element	Totals
Demolition	£682,200.00
3G Pitch	£600,000.00
Landscape Buffer	£54,000.000
Grand-Total	£1,336.200.00

Option 2: Re-site existing services (develop lower site and dispose of land at the upper site for development)

- 7.11 The upper school building has already been designated as surplus to requirements, as was the swimming pool. £200k was secured as part of the Council's 2012 / 13 budget for their demolition. This £200k was subject to funding from capital receipts, either from this site or from other capital receipts. There is a risk with the latter option in relation to market conditions and the effect on the targets to be achieved as part of the Medium Term Financial Strategy. An area will therefore become available for disposal as a development site. In addition to this a reduced area of the lower site will be demolished to make space for the outcome of the sports pitch strategy including a 3G pitch.
- 7.12 As discussed in option 1 the sports centre would remain, together with associated rooms and the main kitchen with space available for development of a future community café. In this option 2 the remainder of the existing school building would be adapted to house the EDC and PRU relocated from Golden Flatts with some space available for possible community use.

- 7.13 Some minimal works will be required to bring the kitchen back in to use. A community café will be developed as part of the scheme for use by visitors and on site staff. The total costs of this option are summarised below:

Capital Cost Element	Totals
Construction Costs PRU:	£254,400.00
Construction Cost EDC:	£302,200.00
Demolition	£602,200.00
Decant Costs	£24,000.00
3G Pitch	£600,000.00
Community Café (linked to existing kitchen)	£25,000.00
Landscape Buffer	£54,000.000
IT Installation	£113,000.00
Grand-Total	£1,974,800.00

Option 3: Re-site existing services (as option 2 with additional facilities)

- 7.14 In addition to the above, at a recent consultation meeting with senior Child & Adults officers we looked at the possibility of providing some additional training / conference space. In terms of conference facilities there is a space available within the building that could provide this function. In respect of training facilities, more can be provided however this would mean that more of the existing building is left standing. This can be done without encroaching on the space left to accommodate the sports pitches and would improve the facility and give more flexibility. These additional spaces could also provide a buffer zone during the demolition phase of the scheme and reduce the need to decant staff.
- 7.15 By retaining additional space a community café could be formed giving it a proper frontage and access on the south of the building. This then releases the space originally allocated for the café to be used as a further meeting / training room.
- 7.16 Additional space can also be provided by management of the rooms in terms of bookings from the sports facility. The total costs of this option are summarised below:

Capital Cost Element	Totals
Construction Costs PRU:	£254,400.00
Construction Cost EDC:	£302,200.00
Demolition	£592,200.00
Decant Costs	£24,000.00
3G Pitch	£600,000.00
Community Café (separate outlet)	£60,000.00
Landscape Buffer	£54,000.000
IT Installation	£113,000.00
Grand-Total	£1,999,800.00

Macaulay Road Residents Parking

- 7.17 There have been long standing problems with residents' parking in the narrow 'groves' which extend to Sitwell Walk. There maybe an opportunity to incorporate parking areas for residents at the head of each 'grove' within the strip of land currently fenced-off (and unused) on Brierton School field. It might be possible to fund this via a combination of income from Brierton project and highway budgets or from another source to be agreed. This is supported by residents and Ward Members.

Release of Land for Residential Development

- 7.18 Within each of the 3 options above there are a number of options in relation to the release of land for development.
- 7.19 The plan in **Appendix 2** indicates "Future Development of the Existing Footprint of the Upper Site" i.e. that area not designated as playing fields. The development of this part of the site is simplest from a planning perspective and provides the largest area for recreational use but would produce the smallest capital receipt. However, if this receipt was added to a receipt from a potential disposal of the EDC site at Golden Flatts then option 3 in 7.14 to 7.16 could be delivered although there would be a risk in terms of the success of the marketing of the development site and the achievement of the required receipt. There will be a net gain of playing field in this case.
- 7.20 The plan in **Appendix 3** indicates "Future Development on the Western End of The Site" and includes the site previously occupied by the upper

school buildings with an additional area of currently designated playing field (although this area is not currently marked out for playing pitches). There would need to be some negotiation and justification with Sport England to deliver this option as there is a net loss of playing field. However, the additional investment will assist in demonstrating the Council's objectives and intent, particularly in relation to the 3G pitch and the extended areas for recreational use at the east side of the site. This proposal provides a capital receipt when added to that from the EDC site would cover the cost of the Brierton site development at a much reduced risk. This is a preferred option.

- 7.21 For the developments suggested in 7.19 and 7.20 there would be a requirement for an emergency access to the west of the site on to Turner Walk and thereafter to Sinclair Road.
- 7.22 The plan in **Appendix 4** indicates "Future Development on the Northern end of the Site along Sitwell Walk". This would occupy land currently overlapped by a number of existing playing pitches thereby requiring a more complex negotiation with Sport England over pitch requirements and Planning issues. This proposal would also require a junction to Catcote Road and two entrances via the "groves" from Macaulay Road which would need widening. There are substantial additional costs to these access arrangements as parking areas for the houses in the "groves" would have to be provided and planning issues with highway access on to Catcote Road. This development would be on a more linear shape and to ensure productive development width the amount of "land take" would result in a substantial loss of recreational land which in turn would bring direct conflict with the Statutory Consultee Sport England, particularly when compared with alternative proposals.
- 7.23 As well as the above options there could be a combination, however, whichever proposal is selected the developable area needs to fulfil the requirements of the playing pitch strategy, safeguard recreational land and secure the achievement of capital receipts to deliver the Council's aspirations of the lower site "campus". In terms of risk if Sport England were to object to this development it may lead to a call in from the Secretary of State.

Future Option: 25m Swimming Pool

- 7.24 A future option to locate a 25m swimming pool has been considered and a footprint will be retained in anticipation of a future funding opportunity. Whilst the cost of an integrated pool is estimated at £5 million such a facility could well be delivered in conjunction with Olympic legacy funding initiatives and therefore this presents an opportunity that will be pursued.

Future Option: Springwell Primary Special / Catcote School Relocation.

- 7.25 A future option to relocate Springwell Primary Special / Catcote School to a purpose built school on the Brierton site subject to those schools' requirements is still an aspiration. A new combined school would cost in the region of £20million, and despite potential capital receipts from disposals of the current sites there would be a significant funding gap. An indicative site can be reserved for a future combined school and this is shown on the plan in **Appendix 3**.

8. FINANCIAL CONSIDERATIONS

- 8.1 As indicated earlier in the report the development of this site will need to be self funding from capital receipts achieved from the sale of the Brierton and EDC sites. The table below shows the estimated range of possible capital receipt income from the disposal of property assets based on 3 options (as illustrations) for developing the upper site for residential purposes.

	Site Size Acres	Pessimistic Value	Optimistic Value
Western Side of site 10% Affordable	8.1	£1,400,000	£2,250,000
Western Side of site 30% Affordable	8.1	£450,000	£800,000
Western Side of site 50% Affordable	8.1	£70,000	£250,000
SW Corner only 10% Affordable	3.98	£1,000,000	£1,150,000
Northern edge of site 10% Affordable	6.52	£830,000	£1,600,000
EDC and adjoining land (No Affordable required)	6.25	£1,000,000	£1,600,000
NB All assume grant of suitable residential development planning permission			

- 8.2 The valuations for the Brierton site have been calculated depending upon the size of the development proposed and a mix of properties.
- 8.3 The valuations for the land at the EDC site includes the 2 sites either side of the Golden Meadows development off Seaton Lane. The plan at **Appendix 5** indicates the area of land in question.
- 8.4 The valuations assume that there are no significant abnormal costs and planning permission for residential schemes is received.
- 8.5 Any development site could be made up of a mix of properties, (detached, semi detached and some bungalows) depending upon the planning brief, 10% affordable housing is in line with Council policy and this would be the recommendation from Planning Policy.

- 8.6 There are other property mix options available or possibly a greater number of bungalows which could include more than the minimum affordable housing allowable under council policy, however these would not be financially viable as they would reduce the value of the development site options below £2 million. In this situation the proposed schemes to develop the lower school site as discussed in options 1, 2 and 3 (clauses 7.8 to 7.16) would not then be affordable unless additional funding could be identified by the Council.

Affordability of Capital Scheme.

- 8.7 The costs of the various options will be phased over 3 financial years as detailed below.

Forecast Capital Costs:	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Option 1: The Minimum Option (status quo and demolish lower site)	226*	510	600	1,336
Option 2: Re-site existing services (develop lower site and dispose of land at the upper site for development)	236*	1,138	600	1,974
Option 3: Re-site existing services (as option 2 with additional facilities)	240*	1,160	600	2,000

* funded from other receipts on a temporary basis pending the sale of the Brierton (upper) site.

- 8.8 In addition to the above costs there maybe an opportunity to provide off road parking to the narrow 'groves' which extend to Sitwell Walk at a cost of £90k. This could be provided as part of any of the three construction options; however it would be a requirement of the development brief for the "Future Development on the Northern end of the Site along Sitwell Walk" option. At this stage this additional cost is not reflected in the affordability of this scheme and a separate funding strategy will need to be developed.
- 8.9 As detailed in paragraph 8.1 the value of potential capital receipts will depend on the size of the Brierton site which is sold and the Council's ability to achieve this sale and the sale of the EDC site. In financial terms it is recommended that the level of forecast receipts is based on achieving this lowest value for these sites. On this basis the forecast minimum capital receipts which should be achievable is £2m. This will

be phased £1m in each year of the next two years, with the EDC receipt being anticipated in 2013/14 and the Brierton receipt in 2014/15. This broadly balances the phasing of the forecast expenditure commitments, although there may be a temporary shortfall in 2012/13 of £36,000 and in 2013/14 of £138,000. It is anticipated these temporary shortfalls can be managed as part of the overall capital programme.

- 8.10 The risk assessment of achieving these additional capital receipts targets is addressed in section 9.
- 8.11 This option appraisal indicates that the preferred scheme to develop the lower school site “Option 3” - Re-site existing services (with additional facilities) is within affordability limits however this is based on the capital receipt from the “Future Development on the Western End of The Site” option (see plan at **Appendix 3**) with a small financial margin. If Sport England intervene and contest this option because it encroaches on to an area currently designated as playing fields (although not marked out pitches) the fall back position would be the “Future Development of the existing footprint at the upper site” i.e. that area not designated as playing fields (see plan at **Appendix 2**). The preferred scheme would still be deliverable but this would be marginal and with increased risk.
- 8.12 There will be a significant funding gap if the “Future Development on the Northern end of the Site along Sitwell Walk” Plan at **Appendix 4** is chosen. This would be compounded by the loss in value due to requirement for highway alterations which could cost the developer up to £250K for this site option. In addition to this there would also be a further cost to the authority to reinstate the upper school demolition site to playing fields to satisfy the requirements of Sport England. Under these circumstances this is not recommended as a viable option.
- 8.13 In conclusion, Option 3 - Re-site existing services (with additional facilities) is the recommended option and the estimated cost of delivering this option is £2m. There is currently no funding available for these costs and the scheme can only progress if the additional capital receipts from development options discussed can be achieved. The phasing of this expenditure is summarised below:

Forecast Capital Costs: Option 3	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Construction Costs PRU:	10	244		254
Construction Cost EDC:	10	292		302
Demolition	215	377		592
Decant Costs	0	24		24

3G Pitch	0	0	600	600
Community Café (separate outlet)	5	55		60
Landscape Buffer	0	54		54
I.T. Installation	0	113		113
Total Forecast Capital Expenditure (A)	240	1,159	600	1,999

9. Risk Assessment of achieving additional capital receipts

- 9.1 As reported in previous MTFs reports a capital receipts target of £4.5m was set in February 2012 as part of the 2012/13 Medium Term Financial Strategy. This target needs to be achieved by 2014/15 to fund one-off commitments relating to the Housing Market Renewal project. Previous reports advised Members that achieving this capital receipts target will be challenging and if the target is not achieved the shortfall will need to be funded from Prudential Borrowing, which would result in an unbudgeted revenue pressure. Progress in achieving this target is being monitored closely. In the current year net capital receipts forecast to be achieved are £0.7m compared to a target for the year of £1.4m. This shortfall can be managed in the current year as HMR expenditure has been rephased to 2013/14. A number of capital receipts are currently progressing and it is anticipated will be received in the early part of 2013/14. The achievement of the existing £4.5m capital receipts target will continue to be managed carefully over the next two years.
- 9.2 The proposal to set an additional capital receipts target of £2m (minimum) to fund developments at the Brierton Site from the sale of land at the Brierton (upper) site and the EDC site will increase the financial risk that the Council is managing. As reported previously if these capital receipts targets are not achieved the shortfall will need to be funded from Prudential Borrowing, which would result in an additional unbudgeted revenue pressure. Achieving these additional capital receipts will need to be managed carefully to avoid this situation and it is anticipated that the Brierton and EDC sites will be attractive to developers.
- 9.3 Setting an additional capital receipts target of £2m for Brierton means that the Council will be managing an overall capital receipts target of £6.5m. After reflecting capital receipts achieved to date of £0.7m this means capital receipts of £5.8m need to be achieved over the next 2 to 3 years. There are fundamentally two risks which need managing in relation to achieving this target.

- 9.4 The first risk relates to managing any phasing delays in the achievement of capital receipts. This would result in a temporary funding shortfall if capital expenditure has already been incurred and forecast capital receipts are achieved later than anticipated. This would result in an unbudgeted revenue costs as the capital funding shortfall would need to be funded from Prudential Borrowing, until the capital receipt is received.
- 9.5 The second risk relates to a permanent shortfall in the achievement of capital receipts. This would result in a permanent unbudgeted revenue costs as the capital shortfall would need to be funded from Prudential Borrowing on a permanent basis.
- 9.6 The MTFs forecasts make no provision for either a temporary delay in the achievement of planned capital receipts, or a permanent shortfall in forecast capital receipts. For 2013/14 it is anticipated that this position should be manageable. This position will become clear in the early part of 2013/14 as a number of capital receipts are anticipated to be complete in this period. However, it is recommended that should additional revenue resources become available as part 2012/13 outturn that it these should be earmarked to manage the temporary revenue cost of having to use Prudential Borrowing on a short-term basis if capital receipts are achieved later than expected. In the event that capital receipts targets are fully achieved there will be a permanent revenue pressures from using Prudential borrowing. For each £1 million shortfall in capital receipts the unbudgeted revenue pressure is around £80,000 at current interest rates.
- 9.7 In assessing the overall financial risks relating to the preferred option the Chief Finance Officer has relied upon the expenditure forecasts from professional officers and information provided in relation to the achievement of capital receipts from specific land sales relating to this scheme. On this basis the plans are robust, although the financial risks of achieving additional capital receipts in the current economic environment will need to be careful managed.

9.8 **Affordability Revenue.**

The estimated ongoing revenue operational cost for the Brierton site option 3 for 2012/2013 will be £67.5K this will be covered by the transfer of revenue costs from EDC / PRU.

10. CONSULTATION

- 10.1 A master planning exercise to look at options for the future use of the site is now complete to a stage where a decision to approve the project is now required.
- 10.2 Scrutiny Coordinating Committee and Children's Services Scrutiny Committee have made comment and have requested feedback and involvement at varying stages.

10.3 Ward Members have also been consulted.

10.4 A report was taken to Children's Services Scrutiny Forum on 13th November 2012 with the following comments:-

- The Forum welcomed the report noting the benefits of the proposals. The Chair highlighted the need to consider the needs of the Home and School Classroom situated at Golden Flatts and the relocation of the Pupil Referral Unit as part of the master plan to increase flexibility and options for the site.
- The Chair requested that more than one option for the configuration of the Brierton site was delivered for Members' consideration.
- Reference was made to discussions with Manor school who had indicated that they would not be looking to utilise Brierton for decant purposes.

10.5 Further consultation to discuss proposals with local community / resident groups and the Ward Councillors will be carried out as part of the planning process if the project is approved.

10.6 Senior officers within Child and Adult Services have been consulted with respect to the relocation of the PRU / EDC services from the EDC site to a refurbished Brierton site and have been involved the feasibility and design process.

11. TIMESCALES

11.1 The key milestones for delivering the preferred option are detailed in the table below. There were two main limiting factors in the delivery of this scheme.

11.2 The first is the PRU and the EDC operate on school term basis so we need to ensure that this causes as little disruption as possible. The target completion would therefore be the start of a new term, opening in January 2014.

11.3 The second is the removal of all furniture and equipment. from the areas identified for demolition to allow a demolition asbestos survey to be carried out so that there is no risk of contamination. Open days for schools to view furniture were arranged by Child & Adult Services for 12th and 13th November. Thereafter the VCS were offered an opportunity.

11.4 The demolition of the EDC site can only begin once the move to the Brierton site is complete, although marketing can take place in advance.

Milestone	Approximate Timescale
Demolition top Site	15 October – 11 January 2013
Initial Stakeholder consultation / briefing stage	Complete December 2012
Approval of Cabinet	17 th December 2012
Demolition Survey and Results	December 2012
Complete tender documents	December 2012 - January 2013
Demolition Tender Period	January 2013
Demolition Tender Evaluation	1 February – 8 February 2013
Approval of Council	7 th February 2013
Demolition Lead-in	8 February – 1 March 2013
Demolition	1 March – 19 July 13
Detail design phase / Procurement etc.	3 December 2013 -19 July 2013
Commencement of Construction works	19 July 2013
Completion of Construction works	9 November 2013
Decant	12 November 21 December
Operational	January 2014
Demolition EDC	Start Process January 14

12. STAFF CONSIDERATIONS

- 12.1 Consultation and forward planning is required to ensure a smooth transition and minimising services disruption

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 The attention of Cabinet is drawn to the Asset Management element of the Medium Term Financial Strategy. The decision by Cabinet in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues, the proceeds of this transaction being a contribution to the Medium Term Financial Strategy.
- 13.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.

14. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 14.1 Any community safety issues will be addressed at design and planning stages

15 LEGAL CONSIDERATIONS

- 15.1 The Chief Solicitor will provide legal advice as the development plans progress.

16. EQUALITY AND DIVERSITY CONSIDERATIONS

- 16.1 The relocation of staff, services and users will need to be completed in an open and transparent manner so that various groups are not unfairly affected. This will include consideration of access issues.

17. SUMMARY

- 17.1 The Brierton buildings were used by Dyke House School during the construction phases of the Building Schools for the Future (BSF) project and are now vacant. It had originally been anticipated that these building would have been used over the lifetime of the BSF which was originally anticipated to run until 2017/18. Following withdrawal of BSF funding this will no longer be the case and a strategy for managing this site now needs to be developed.
- 17.2 Catcote Futures now have a 10 year lease and will move to the Brierton site when building works are complete.. The long term arrangement for Catcote Futures was agreed in recognition of their financial input into the scheme.
- 17.3 The PRU / EDC services can be relocated from the EDC site to the refurbished Brierton site, with additional meeting / conference facilities and improved Home and School Classroom facilities.
- 17.4 The current Sports Centre managed by Hartlepool Borough Council will be retained.
- 17.5 The Playing Pitch Strategy dictates the required area for play and therefore for development purposes, although there will be negotiation with Sport England required.
- 17.6 Kitchen facilities at the Brierton site will be used for the in-house catering team as a base rather than the Golden Flatts Primary School kitchen as is currently the case. This will provide a sound base together with the provision of a “community café” on the site.
- 17.7 A development option needs to be maximised and agreed for that part of the site not required for playing pitches. Three options have been put forward to be considered. The “Future Development on the Western End of The Site” option can fund the preferred option with a small financial margin. If Sport England intervene and contest this option the fall back position would be the “Future Development of the existing footprint at the upper site” The preferred scheme would still be deliverable but this would be marginal. There will be a significant

funding gap if the “Future Development on the Northern end of the Site along Sitwell Walk” is chosen and this is not therefore viable. A mix of 10% affordable housing in line with planning policy is also required to ensure viability.

- 17.8 Further consultation is required to discuss proposals with local community / resident groups and Members as part of the project development and planning process. There maybe an opportunity to provide off road parking to the 3 no narrow groves which extend to Sitwell Walk bordering the Brierton site to ease ongoing access and parking issues.
- 17.9 The proposal to set an additional capital receipts target of £2m (minimum) to fund developments at the Brierton Site from the sale of land at the Brierton (upper) site and the EDC site will increase the financial risk that the Council is managing. As reported previously if these capital receipts targets are not achieved the shortfall will need to be funded from Prudential Borrowing, which would result in an additional unbudgeted revenue pressure. Achieving these addition capital receipts will need to be managed carefully to avoid this situation and it is anticipated that the Brierton and EDC sites will be attractive to developers.
- 17.10 Setting an additional capital receipts target of £2m for Brierton means that the Council will be managing an overall capital receipts target of £6.5m. After reflecting capital receipts achieved to date of £0.7m this means capital receipts of £5.8m need to be achieved over the next 2 to 3 years. There are fundamentally two risks which need managing in relation to achieving this target.
- 17.11 The first risk relates to managing any phasing delays in the achievement of capital receipts. This would result in a temporary funding shortfall if capital expenditure has already been incurred and forecast capital receipts are achieved later than anticipated. This would result in an unbudgeted revenue costs as the capital funding shortfall would need to be funded from Prudential Borrowing, until the capital receipt is received.
- 17.12 The second risk relates to a permanent shortfall in the achievement of capital receipts. This would result in a permanent unbudgeted revenue costs as the capital shortfall would need to be funded from Prudential Borrowing on a permanent basis.
- 17.13 The MTFs forecasts make no provision for either a temporary delay in the achievement of planned capital receipts, or a permanent shortfall in forecast capital receipts. For 2013/14 it is anticipated that this position should be manageable. This position will become clear in the early part of 2013/14 as a number of capital receipts are anticipated to be complete in this period. However, it is recommended that should additional revenue resources become available as part 2012/13 outturn that it these should be earmarked to manage the temporary revenue cost of having to use Prudential Borrowing on a short-term basis if

capital receipts are achieved later than expected. In the event that capital receipts targets are fully achieved there will be a permanent revenue pressures from using Prudential borrowing. For each £1 million shortfall in capital receipts the unbudgeted revenue pressure is around £80,000.

18. RECOMMENDATIONS

Cabinet are asked to:-

- 18.1 Consider the options for the future use of the site
- 18.2 Endorse a preferred option for consideration by full Council at its meeting on 7th February 2012 as part of the Council's Budget and Policy Framework for 2013 / 14 including the marketing of relevant areas of the Brierton site and the EDC site.
- 18.3 To note the MTFS report includes the following recommendations
 - To note the additional financial risk of setting an additional capital receipts target of £2m (minimum) to fund developments at the Brierton Site from the sale of land at the Brierton (upper) site and the EDC site.
 - To note that any shortfall in the achievement of capital receipts targets will need to be funded from Prudential borrowing and this will result in an unbudgeted revenue budget pressure. Therefore, it is recommended that should additional revenue resources become available as part 2012/13 outturn that these should be earmarked to temporarily fund the revenue costs of having to use Prudential Borrowing on a short-term basis if capital receipts are achieved later than expected.

19. REASONS FOR RECOMMENDATIONS

- 19.1 In order to consider various options to successfully develop the Brierton site for the future.

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

- 20.1 **Appendix 1** – Current site use
Appendix 2 –“Future Development of the existing footprint at the upper site”
Appendix 3 –“Future Development on the Western End of The Site”
Appendix 4–“Future Development on the Northern end of the Site along Sitwell Walk”.
Appendix 5 –The development land at the EDC site.

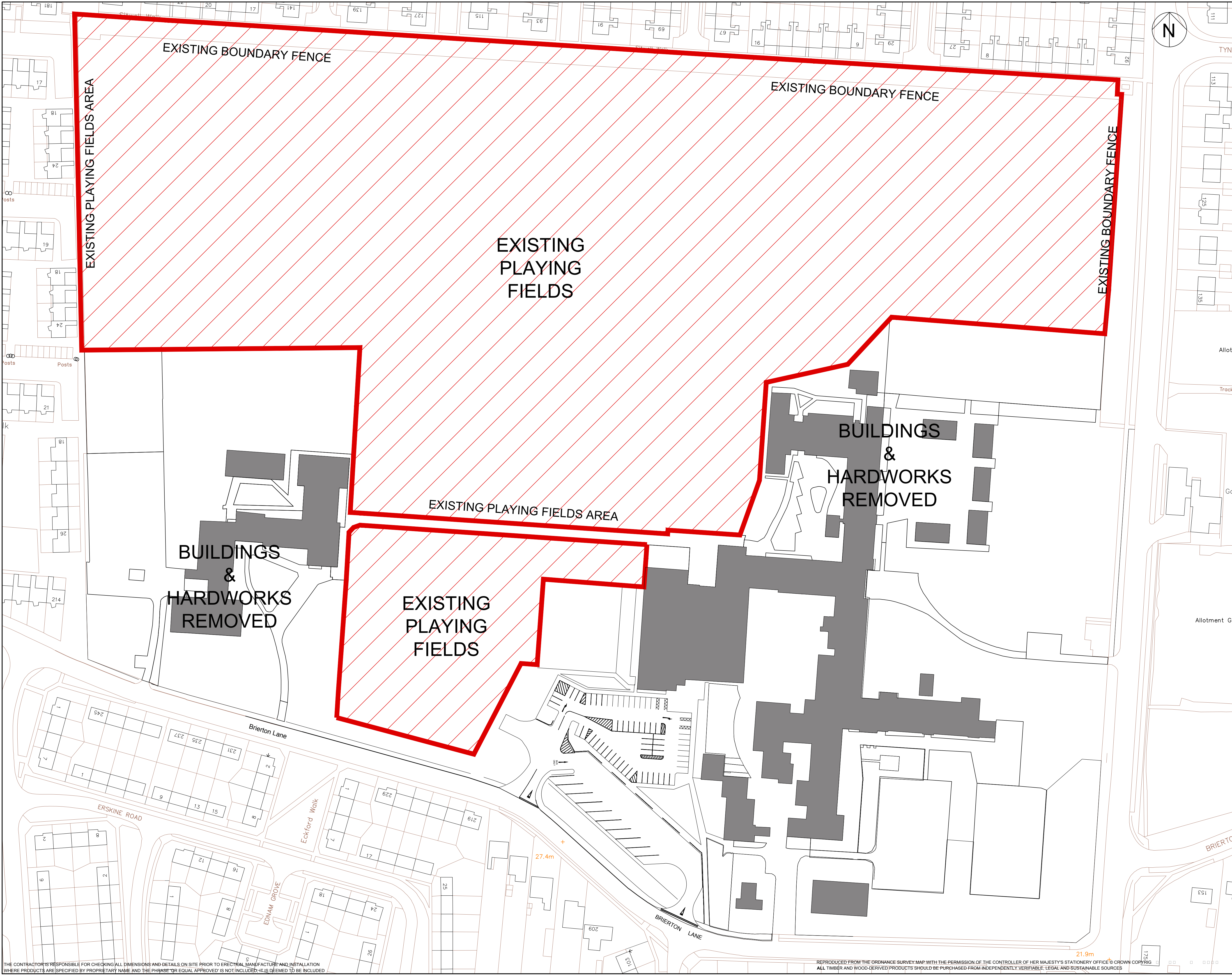
21. BACKGROUND PAPERS

21.1 There are no background papers for this report.

22. CONTACT OFFICER

Denise Ogden, Director of Regeneration and Neighbourhoods
Civic Centre, Victoria Road, Hartlepool, TS24 8AY
Tel: 01429 523301 Email: denise.ogden@hartlepool.gov.uk


Chris Little, Chief Finance Officer
Civic Centre, Victoria Road, Hartlepool, TS24 8AY
Tel: 01429 523003 Email: chris.little@hartlepool.gov.uk



Existing Playing Fields
area as defined by
Sport England approx.
7.4 hectares.

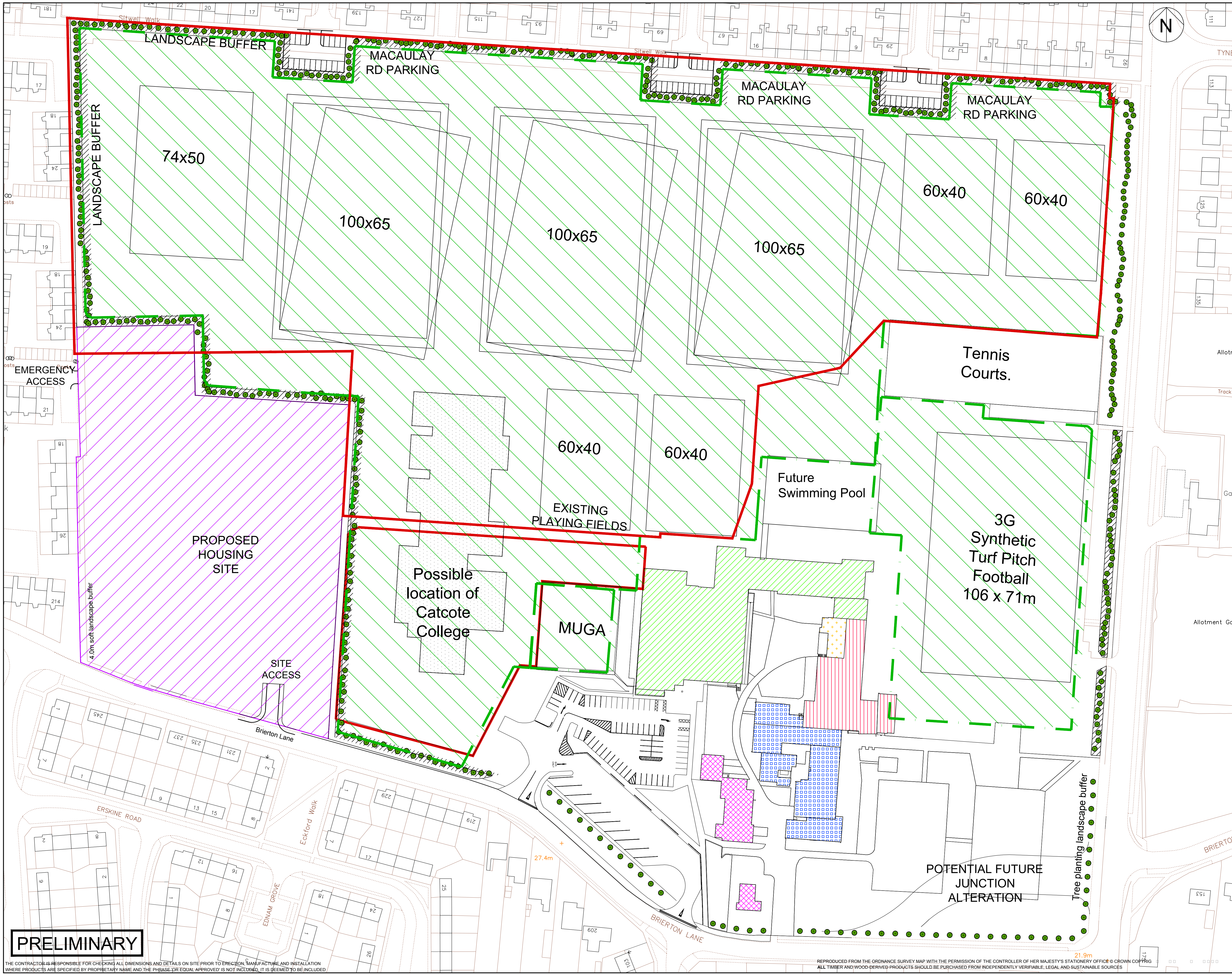
5.1

CURRENT SITE USE
APPENDIX 1

Rev	Amendment	Date
 HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT DIRECTOR: Dave Stubbs		
RESOURCES DIVISION Graham Frankland Head of Procurement, Property and Public Protection Bryan Hanson House Hanson Square Hartlepool TS24 7BT TEL: 01429 266522 FAX: 01429 523899		
Client		
Project Former Brierton School Site		
Title Proposed Site Masterplan Current Site Use APPENDIX 1		
Drawn SW/DP	Scale 1:750 at A1	Date
Drawing No.	Rev.	
Appendix 1		
DWG. LAST UPDATED		DATE: 06/12/2012 TIME: 08:55

THE CONTRACTOR IS RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND DETAILS ON SITE PRIOR TO ERECTION, MANUFACTURE AND INSTALLATION WHERE PRODUCTS ARE SPECIFIED BY PROPRIETARY NAME AND THE PHRASE "OR EQUAL APPROVED" IS NOT INCLUDED, IT IS DEEMED TO BE INCLUDED.

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Sports Development

Central Catering

EDC

PRU

Catcote Futures

5.1


FUTURE DEVELOPMENT OF THE EXISTING FOOTPRINT AT THE UPPER SITE

APPENDIX 2

Rev

Amendment

Date



HARTLEPOOL BOROUGH COUNCIL

REGENERATION AND NEIGHBOURHOODS DEPARTMENT

DIRECTOR: Dave Stubbs

RESOURCES DIVISION

Graham Frankland
Head of Procurement, Property and Public Protection
Bryan Hanson House
Hanson Square
Hartlepool
TS24 7BT
TEL: 01429 266522
Client

FAX: 01429 523899

Project

Former Brierton School Site

Title

Proposed Site Masterplan
Future Development of the Existing Footprint at the Upper Site

APPENDIX 2

Drawn
SW/DP

Scale
1:750 at A1

Date

Drawing No.

Appendix 2

Rev.

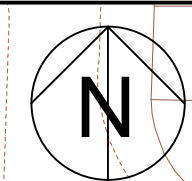
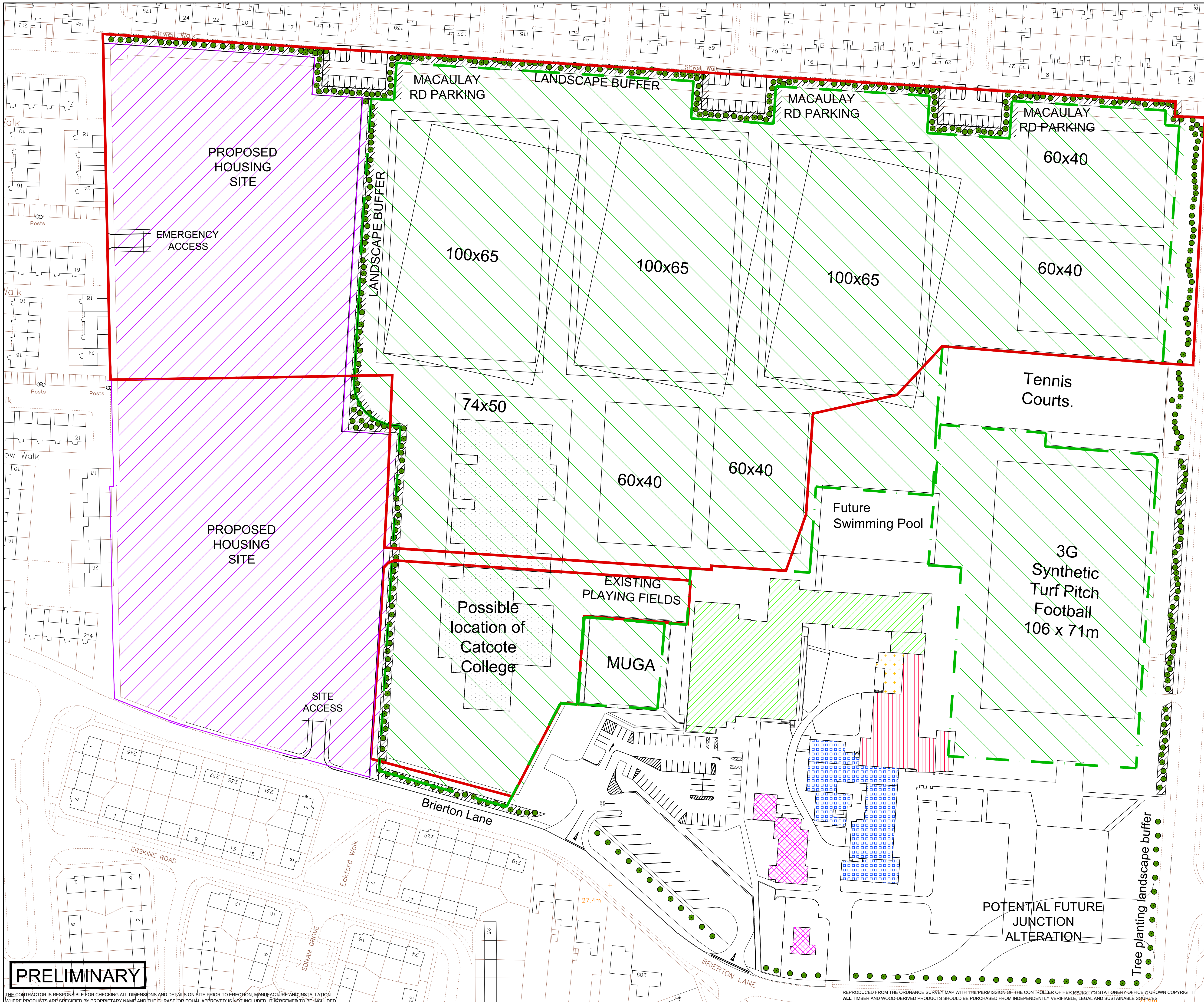
DWG. LAST UPDATED

DATE: 06/12/2012
TIME: 08:55

PRELIMINARY

THE CONTRACTOR IS RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND DETAILS ON SITE PRIOR TO ERECTION. MANUFACTURE AND INSTALLATION WHERE PRODUCTS ARE SPECIFIED BY PROPRIETARY NAME AND THE PHRASE 'OR EQUAL APPROVED' IS NOT INCLUDED, IT IS DEEMED TO BE INCLUDED.

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- KEY TO BRIERTON COMPLEX**
- Sports Development
 - Central Catering
 - EDC
 - PRU
 - Catcote Futures

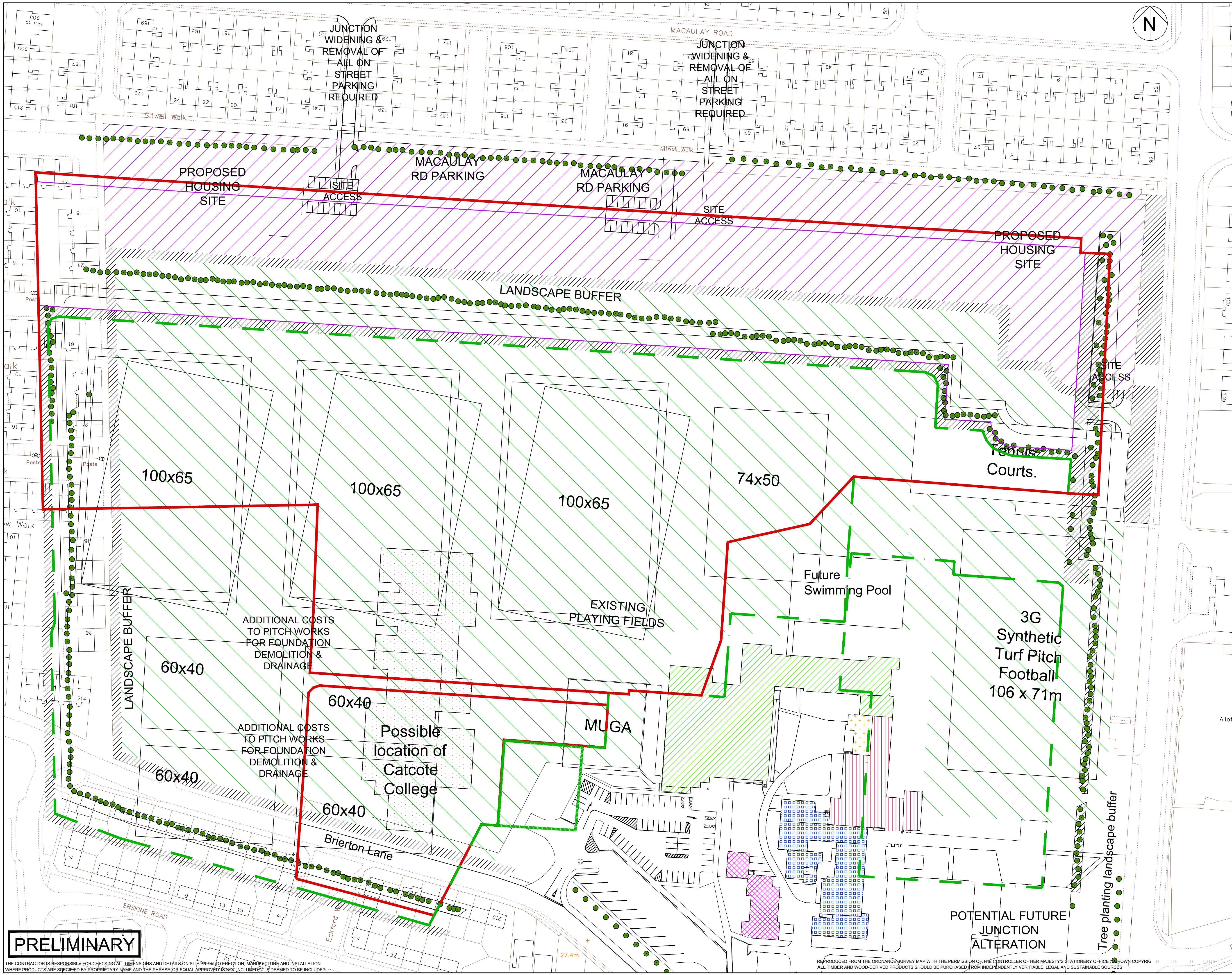
5.1
FUTURE DEVELOPMENT ON THE
WESTERN END OF THE SITE
APPENDIX 3

Rev	Amendment	Date
HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT DIRECTOR: Dave Stubbs		
RESOURCES DIVISION Graham Frankland Head of Procurement, Property and Public Protection Bryan Hanson House Hanson Square Hartlepool TS24 7BT TEL: 01429 266522 FAX: 01429 523899		
Client		
Project Former Brierton School Site		
Title Proposed Site Masterplan Future Development on the Western End of the Site		
APPENDIX 3		
Drawn SW/DP	Scale 1:750 at A1	Date
Drawing No. Appendix 3	Rev.	
DWG. LAST UPDATED		DATE: 05/12/2012 TIME: 15:42

PRELIMINARY

THE CONTRACTOR IS RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND DETAILS ON SITE PRIOR TO ERECTION. MANUFACTURE AND INSTALLATION WHERE PRODUCTS ARE SPECIFIED BY PROPRIETARY NAME AND THE PHRASE OR EQUAL APPROVED IS NOT INCLUDED, IT IS DEEMED TO BE INCLUDED.

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KEY TO BRIERTON COMPLEX

Sports Development

Central Catering

EDC

PRU

Catcote Futures

5.1

FUTURE DEVELOPMENT ON THE NORTHERN END OF THE SITE ALONG SITWELL WALK

APPENDIX 4

Rev

Amendment

Date

HARTLEPOOL BOROUGH COUNCIL

REGENERATION AND NEIGHBOURHOODS DEPARTMENT
DIRECTOR: Dave Stubbs

RESOURCES DIVISION
Graham Frankland
Head of Procurement, Property and Public Protection
Bryan Hanson House
Hanson Square
Hartlepool
TS24 7BT
TEL: 01429 266022 FAX: 01429 523899

Client

Project

Former Brierton School Site

Title

Proposed Site Masterplan
Future Development on the
Northern End of the Site along
Sitwell Walk
APPENDIX 4

Drawn

SW/DP

Scale

1:750 at A1

Date

Drawing No.

Appendix 4

Rev.

DWG. LAST UPDATED

DATE:05/12/2012

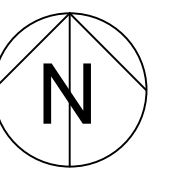
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PRELIMINARY

THE CONTRACTOR IS RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND DETAILS ON SITE PRIOR TO ERECTION, MANUFACTURE AND INSTALLATION WHERE PRODUCTS ARE SPECIFIED BY PROPRIETARY NAME AND THE PHRASE 'OR EQUAL APPROVED' IS NOT INCLUDED, IT IS DEEMED TO BE INCLUDED.

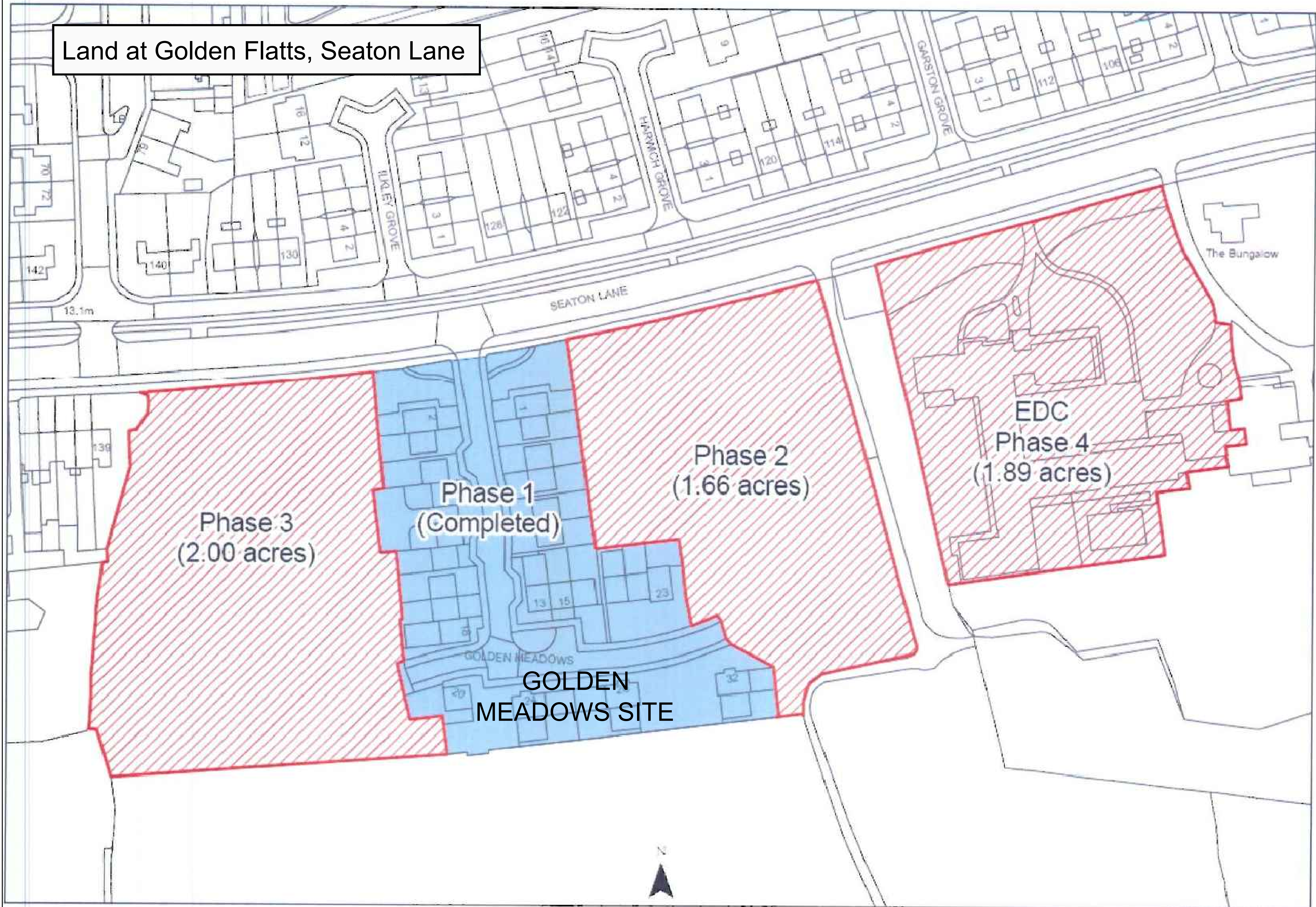
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Land at Golden Flatts, Seaton Lane



5.1

THE DEVELOPMENT LAND AT THE EDC SITE
APPENDIX 5



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Scale 1:1250

DRAWN BY J.BROWN 2012
DEPT REGENERATION & NEIGHBOURHOODS
HARTLEPOOL BOROUGH COUNCIL

Rev	Amendment	Date
 HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT DIRECTOR: Dave Stubbs		
RESOURCES DIVISION Graham Frankland Head of Procurement, Property and Public Protection Bryan Hanson House Hanson Square Hartlepool TS24 7BT TEL: 01429 266022 FAX: 01429 523899		
Client		

Project
Former Brierton School Site

Title
Proposed Site Masterplan
The development land at the EDC site

APPENDIX 5

Drawn SW/DP	Scale NTS	Date
Drawing No.	Rev.	

DWG. LAST UPDATED
DATE: 06/12/2012
TIME: 11:24

PRELIMINARY

THE CONTRACTOR IS RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND DETAILS ON SITE PRIOR TO ERECTION, MANUFACTURE AND INSTALLATION
WHERE PRODUCTS ARE SPECIFIED BY PROPRIETARY NAME AND THE PHRASE 'OR EQUAL APPROVED' IS NOT INCLUDED, IT IS DEEMED TO BE INCLUDED

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CABINET REPORT

17th December 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: LANDLORD ACCREDITATION SCHEME

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i)/(ii)) Forward Plan Reference No. RN 36/12

2. PURPOSE OF REPORT

- 2.1 To provide members with a summary of the findings of the recent internal review of the existing 'in-house' Landlord Accreditation Scheme. This is a non statutory service.
- 2.2 To seek approval to withdraw this already suspended scheme from service provision, subject to consent being given to the introduction of an alternative proposal, which will encourage private landlords to take up membership of an independent nationally recognised accreditation scheme.

3. BACKGROUND

- 3.1 The Landlord Accreditation Scheme was first introduced by the Council in 2002 in line with the overall Housing Strategy. It is aimed at sharing and promoting good practice within the private rented sector, whilst also recognising those landlords who manage their properties to a good standard.
- 3.2 It is a non statutory service which is administered entirely through the Council by officers based within the Landlord/Tenant unit of Housing Services. Membership of this local scheme is voluntary and there is no fee charged to landlords who apply to join.
- 3.3 The 'Code of Conduct' forms the basis of the scheme and in order to obtain 'Accredited' status the rented property belonging to the landlord must satisfy one of two recognised housing standards. The primary focus is on the physical condition of the property although landlords must also demonstrate competent management practices. Ensuring compliance with all of these requirements is extremely resource intensive and therefore a degree of self regulation is unavoidable.

4 ACCREDITATION SCHEME REVIEW

- 4.1 An internal audit inspection of the scheme was carried out towards the end of 2011 and the main recommendation contained within the report was that this service would need significant development and investment in order to achieve its intended aims and objectives. The scheme was subsequently suspended, to allow a thorough review to take place which also considered all the viable alternatives to an 'in-house' scheme.
- 4.2 During this review consultation took place with all landlords participating in the existing scheme as well as with all landlords and managing agents operating within the areas of the town designated for Selective Licensing. Despite contacting over 140 landlords for their views, on the way forward for accreditation, there was an extremely poor response with only one landlord replying.
- 4.3 Accredited landlords currently benefit from a heavily discounted licence fee in Selective Licensing areas. The research undertaken during the review has shown that the number of properties now registered with the scheme has increased significantly since licensing was first introduced and now exceeds 1600, a rise of approximately 80%, a substantial number of which are located within the designation. This suggests the primary purpose of applying for membership is simply to qualify for this discount.
- 4.4 There are insufficient resources available to ensure compliance with the accreditation standards and a substantial amount of potential licensing revenue has therefore been unavoidably 'lost' through awarding the discounted rate to landlords whose properties have not been inspected and who could be in serious breach of the Accreditation 'Code of Conduct'.

5 PROPOSALS

- 5.1 As already outlined the existing scheme is a locally operated scheme which accredits the landlord, although the unit of accreditation is the property itself. There are however, several schemes which are administered by nationally recognised organisations, and professional regulatory bodies, which landlords can apply to join, which are focused around the management and competency skills of landlords and agents, with an emphasis on continuous professional development.
- 5.2 Membership of all these national schemes is subject to compliance with a range of qualifying criteria and 'Code of Practice'. They are focused on keeping members up to date with changes in legislation and they provide wide-ranging training and guidance to help members understand and interpret all aspects of letting and managing a property.
- 5.3 We recognise that the private rented sector plays an important role in providing accommodation for a diverse range of households across the town

and by taking up membership of one of these nationally recognised bodies; landlords are showing a real commitment to becoming more professional.

- 5.4 Compliance with the requirements of any national scheme is monitored by the governing body of each provider and offers a degree of confidence that those members follow best practice. This will enable us to focus our resources on licence holders who are not already members of an appropriate scheme.
- 5.5 Although membership of any accreditation scheme cannot be enforced, even under the selective licensing regime, we will continue to actively promote membership to all landlords. It is also our intention to continue to offer a level of discount for licence applications should Cabinet agree to designate further areas of town for selective licensing in the future. Any proposed discounts will be explored in detail within future reports to Cabinet regarding this.

6. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 6.1 There are no such considerations in respect to this report.

7. EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 There are no such considerations in respect to this report

8. RECOMMENDATIONS

- 8.1 It is recommended that the current Accreditation Scheme administered by the Council is formally withdrawn and landlords and agents operating across the town are actively encouraged to become members of one of the nationally recognised accreditation schemes or other related professional bodies.

9. REASONS FOR RECOMMENDATIONS

- 9.1 The reasons for these recommendations are as follows:
- The review of the scheme has shown that there is no tangible evidence to suggest that Accreditation has achieved its primary aim and objectives, and it requires significant investment and resources if it is to be effective.
 - There are sufficient enforcement powers under the Housing Act 2004, Part 1 to address property standards, which would not be affected by the withdrawal of the scheme.
 - To ensure that any future discounted fees for Selective Licensing will only be awarded to landlords who have demonstrated a high level of

competency by being accepted as a member of one of these professional bodies.

- The advice, guidance and support provided by the Landlord/Tenant unit to all landlords operating in the town will complement membership of any national scheme.
- Encouraging membership will also help to achieve one of the Housing Strategy key priorities: *'Improving existing homes, supporting sustainable communities'*.

10. CONTACT OFFICER

Damien Wilson
Assistant Director (Regeneration and Planning)
Regeneration and Neighbourhoods Department
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Tel: 01429 523400

E-mail: Damien.wilson@hartlepool.gov.uk.



Report of: Chief Finance Officer

Subject: LOCALISATION OF COUNCIL TAX SUPPORT
2013/14

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Key decision test (i) and (ii) apply. Forward Plan ref CE 53/12

2. PURPOSE OF REPORT

2.1 The purposes of the report are:

- i) To set out the implications of the Government's replacement of the current national Council Tax Benefit scheme with a localised Council Tax Support scheme and the linkages to the Medium Term Financial Strategy (MTFS) ; and
- ii) To enable Cabinet to approve a proposed Local Council Tax Support Scheme for 2013/14 to be referred to full Council for approval.

3. BACKGROUND

- 3.1 The existing national Council Tax Benefit (CTB) scheme will be abolished at the end of 2012/13. From April 2013, local authorities will be required to operate their own local schemes of Council Tax Support. Cabinet on 3rd September agreed to a proposed local scheme centred around six core principles to be the subject of formal consultation as required by statute, the results of which are detailed within this report at section 6.
- 3.2 National regulations require full Council approval of the proposed Local Council Tax Support scheme on an annual basis. Once agreed the approved scheme cannot be changed in-year, although it can be reviewed annually and changes implemented for future years.

- 3.3 If councils do not approve a Local Council Tax Support scheme before the statutory 31st January 2013 deadline, they will be required to implement a default scheme for 2013/14. If this situation arises this will result in a significant budget pressure as the cost of a default scheme will be the same as the existing national scheme, but Government funding to operate the local scheme will still be reduced. The financial impact on Hartlepool of a default scheme in 2013/14 based on latest data would be a gross budget pressure of £1.38m, as detailed in paragraph 7.6. This pressure would reduce to a net £0.68m after applying the pressure already included within the MTFS and by implementing changes to Council Tax exemptions. The Council would be required to maintain a default scheme throughout 2013/14 and could only then introduce a local scheme in 2014/15 – a year after it is expected most other Councils will have implemented a local scheme.
- 3.4 The costs of the current national CTB scheme are met by the Department for Work and Pensions on a demand led basis. Therefore, if costs increase councils receive more funding. Under the new arrangements for funding Local Council Tax Support schemes the Council will be allocated a cash limited grant. The Government has stated that the national grant cut will be 10%, however when account is taken of the value of awards under the current CTB scheme and the recommended Council Tax increase for 2013/14 the actual grant cut for Hartlepool for 2013/14 is 12.2%. The local impact is slightly less than the 14% cut forecast in September and reflects the impact of the recommended Council Tax increase reducing from 2.5% to 2% and a small change in claimant numbers.
- 3.5 Provisional data from the Government shows that the national funding control totals for Council Tax Support schemes in England are estimated at £3.387 billion in 2013/14. There will be a further cash reduction to £3.383 billion in 2014/15 and when account is taken of Council Tax increases and potential demand pressures the real term reduction is greater, which will increase the financial challenges Councils need to manage. The impact on Hartlepool is reflected in the financial modelling detailed later in the report.
- 3.6 The updated MTFS report presented to Cabinet in June recognised the impact of future Government grant reductions for Local Council Tax Support Schemes and included a budget pressure of £0.4m in 2013/14, rising to £0.8m in 2014/15 to partly cover the impact of these grant cuts, the impact of annual Council Tax increases and to provide a small provision for increased demand led costs. No additional pressure was included in the budget forecasts for either 2015/16 or 2016/17 owing to the uncertainty of this change and this position may need to be reviewed when the MTFS is rolled forward.
- 3.7 The inclusion of this budget pressure will not remove the requirement to reduce existing levels of Council Tax Support owing to the level of the

Government grant cuts being implemented for Council Tax Support and the level of General Fund budget deficits.

- 3.8 In addition, these changes transfer an additional financial risk to the Council as any increase in claimant numbers will result in an in-year budget pressure which will need to be funded from either the 2013/14 General Fund budget and / or reserves. The Council would then need to address the medium term sustainability of the scheme by either reviewing the local Council Tax Support scheme for 2014/15, or funding an additional General Fund budget pressure.
- 3.9 The Government have stated that in introducing a Local Council Tax Support Scheme, it will require local authorities to ensure that low income pensioners are protected. As reported previously, this protection will mean that working age households currently in receipt of CTB will face higher cuts in their financial support as a result of the Government funding cut.
- 3.10 The changes to the CTB scheme are only one component of the Welfare Reform changes being implemented by the Government and many households in Hartlepool will be adversely affected by a number of these changes. This will be extremely challenging for household budgets and will also impact on the local economy given the relatively high level of benefit recipients within the borough.

4. Overview of Government Proposals and Requirements

- 4.1 The Welfare Reform Act 2012 details the Government's proposals for the abolition of national Council Tax Benefit and its replacement with new localised schemes. The Local Government Finance Act 2012 sets out a framework for new localised council tax support schemes. This primary legislation will be supplemented by detailed statutory regulations, which are still yet to be finalised. The key features of the local Council Tax Support Scheme proposals are:
- Headline Government funding for local schemes will be reduced by 10%;
 - There will be a statutorily prescribed scheme for low income pensioners that will maintain support in line with the current CTB scheme for current and future low income pensioners;
 - Councils will be free to design their own schemes and may supplement the cost of a local scheme from their own budgets / resources.
- 4.2 The Council will need to adopt a Local Scheme by 31st January 2013 and failure to do so will result in a Default Scheme being imposed. The Local CTS scheme decision will be required to be made by full Council.

A Default Scheme would be equivalent to the current CTB scheme, which would result in an additional forecast gross budget pressure of £1.38m in 2013/14. After apply the budget pressures included in the MTFs and additional council tax revenue from making changes to Council Tax exemptions and discounts there would still be a net deficit of £0.68m in 2013/14. This would need to be funded by either making additional General Fund budget cuts, or form the one-off risk reserve for managing the implementation of this change. If the risk reserve was used this would commit a significant element of the £1.197m and mean that the Council had to implement a 20% reduction in 2014/15.

- 4.3 The Local Government Finance Act 2012 also introduces technical reforms to Council Tax that will provide Council's with the potential to generate additional Council Tax revenue from making changes to Council Tax exemptions and discounts covering empty properties that are uninhabitable / undergoing major repairs, short term empty unfurnished properties and second homes. The additional Council Tax revenues can be used to offset in part the costs of a local Council Tax Support Scheme or could be used to fund General Fund expenditure.
- 4.4 The major potential income stream arises from 'encouraging' councils to use existing flexibility to increase Council Tax yield by removing the former 50% discount on empty Council Tax properties (after 6 months). However, Hartlepool implemented this change as part of the strategy for balancing the current 2012/13 budget. Therefore, the income from this change is already committed to supporting the General Fund budget on an ongoing basis.
- 4.5 Details of the potential additional Council Tax yields for Hartlepool from implementing other technical changes are set out in the table below. It is recommended that these proposals are approved by Members and the resources allocated to partly mitigate the Government CTB grant cut. The achievement of this additional Council Tax income will need careful management during 2013/14.

Potential Additional Council Tax yield from proposed Changes to Exemptions and Discounts

Class	Description	Current Charge	Proposed Charge	Forecast Yield £
A	Properties undergoing or in need of major structural repair and uninhabitable	Exempt for up to 12 months	50% discount for up to 12 months	53,000
C	Properties Empty and unfurnished	Exempt for 6 months	100% discount for 1 month only	148,000

	2 nd Homes	10% discount	Zero discount %	29,000
	Properties empty over 2 years	100%	150%	70,000
			Total	300,000

4.6 The financial modelling detailed in section 7 recommends the above proposals are implemented. This additional income will partly mitigate the cut in Government grant for Council Tax Support and therefore the cut in support which the Council will not be able to avoid passing on to households currently receiving Council Tax Benefit.

4.7 Major Precepting Authorities (i.e. Cleveland Police and Cleveland Fire Authority) will also be affected by the local Council Tax Scheme proposals. From April 2013 major precepting Authorities will receive a share of the existing national CTB funding and will be required to fund their share of the financial risk of operating the new local Council Tax Support Scheme. Under this arrangement funding and risks are shared on the following basis:

- 85% - Hartlepool Council;
- 11% - Cleveland Police Authority
- 4% - Cleveland Fire Authority.

Officers have been consulting with these bodies as part of the development of a Hartlepool local scheme.

4.8 In relation to Parish Councils the national regulations require billing authorities (i.e. Hartlepool Borough Council) to pass on an element of the Council Tax Support grant received to individual Parish Council's. For some local authorities with a large number of Parish Council's levying relatively high additional Parish Council Tax precepts this may be a significant issue. This is not the case for Hartlepool as the total share of the grant for all parish councils is estimated at around £1,200.

4.9 Additional Government Proposals

4.10 On 16th October the Government made an unexpected announcement regarding an additional £100m "transitional funding" being made available for 2013/14 only. Councils will need to meet specific DCLG criteria conditions to access this funding. The most significant condition is that CTS support awards should be no more than 8.5% less than awards under the existing CTB scheme. The impact of this proposal on the development of the Council's scheme is detailed later in the report.

5. Impact of headline 10% cut in Government Support for local Council Tax Support Schemes

- 5.1 As detailed earlier in the report the Government has stated that the national grant cut will be 10%, however when account is taken of the value of awards under the current CTB scheme and a forecast council tax rise for 2013/14 the actual grant cut for Hartlepool for 2013/14 is 12.2%. The local impact is slightly less than the 14% cut forecast in September and reflects the impact of the recommended Council Tax increase reducing from 2.5% to 2% and a small change in claimant numbers.
- 5.2 Regional analysis by the Association of North East Councils (ANEC) shows that Hartlepool faces the largest cut in CTS scheme grant per head of population in the North East of £14.58. Hartlepool's cut is nearly twice the cut of the lowest reduction in the North East of around £8 and is significantly more than the average across the Country. The table below shows the estimated impact of the Government's grant cut in £ per person.

Estimated Grant Cut per Head of Population

Authority	Grant Cut per head of population £ per person
Hartlepool	14.58
Middlesbrough	12.85
Gateshead	12.04
South Tyneside	11.77
Redcar & Cleveland	11.31
Durham	10.75
Newcastle	9.95
Sunderland	9.76
North Tyneside	9.33
Stockton	8.87
Darlington	8.80
Northumberland	7.78

Source: Association of North East Councils

- 5.3 Based on the local cut in Government funding the previous report indicated that the Council would need to implement a 20% cut in support for existing Council Tax Benefit claimants (excluding low income pensioners who are protected) for 2013/14. To help to mitigate this impact the previous forecast included provision for discretionary support for hardship, based on a funding allocation of £0.23m in 2013/14, £0.18m in 2014/15 and £0.1m in 2015/16 and 2016/17. These proposals formed the basis of the formal public consultation on the implementation of a local Council Tax Support Scheme. In addition, the consultation included the option of limiting the reduction to 15% in 2013/14 and 20% in 2014/15 and future years.

- 5.4 The following paragraphs provide details of the results of the public consultation and revised financial modelling, which will enable Cabinet to recommend a Local Council Tax Support Scheme to be referred to full Council in January.

6. Public Consultation Results

- 6.1 A draft of the LCTS Scheme was approved for public consultation at the Cabinet meeting on 3rd September 2012. The draft Scheme then went out for formal consultation with the public on 14 September 2012 for a period of eight weeks ending on 9th November 2012. The consultation process was publicised in Hartbeat, the Hartlepool Mail, on Radio Hartlepool and on the council's website. Specific consultation events were also held with the two Neighbourhood Forums.
- 6.2 The consultation used the Council's normal consultation arrangements via "survey monkey" and a detailed questionnaire was designed to gather feedback on the proposed schemes. The questionnaire could be completed online, using the web based "survey monkey" or paper copies were available from a number of council buildings across the Borough. "Survey Monkey" is used by the Council for the majority of its major consultations and allows residents to complete questionnaires electronically, wherever they have an internet connection – at home, work, libraries etc.
- 6.3 The consultation was based around six key principles previously approved by Cabinet and also the concept of an extreme hardship fund to help mitigate the impact of the Scheme changes on individual households:

Principle 1 - Every working age household should pay something towards Council Tax

Existing CTB claimants should have their current entitlements recalculated and reduced to ensure a sustainable local Council Tax Support Scheme.

Principle 2 - Everyone in the Household should contribute

Under the current national CTB scheme, when assessing a claimants entitlement to help, other adults in the claimant's home (ie. non dependants) are treated as contributing towards the council tax bill resulting in a lower level of CTB award. The Government are implementing a programme of increases in non dependant deduction levels and Hartlepool's local Scheme will not make any further adjustments in addition to those planned by central government.

Principle 3 - Benefit should not be paid to those with relatively large capital / savings

The local Scheme proposes £10,000 as a capital limit ie. claimants with savings greater than £10,000 will have no entitlement. This will ensure that people with significant savings cannot claim support whilst continuing to encourage saving for the future.

Principle 4 – The scheme should encourage work

Under the current national CTB scheme claimants are allowed to keep some of their earnings before they are taken into account in the benefit calculation (currently set at £5, £10 and £25 for single person, couple and single parent households respectively). The Hartlepool local Scheme will increase earnings disregards by £5 per week to further develop work incentives and result in a CTS scheme consistent with that being considered by other Councils.

Principle 5 – Streamline / Simplify the Local CTS Scheme

The Hartlepool Local Scheme will introduce changes that will assist in administration and provide greater clarity and ease of understanding for claimants, in particular the removal of 2nd Adult Rebate, and the restriction of backdating to a maximum of 4 weeks.

Principle 6- Retain War Widows / War Pensions local disregards framework

Under the national CTB regulations Local Authorities are required to disregard the first £10 per week of War Pension Scheme and Armed Forces Compensation Scheme payments. In addition local authorities have the discretion to top up the disregard to the full amount. This discretionary top up is currently applied by Hartlepool and the existing arrangements should be carried over to the local CTS scheme.

- 6.4 In total 303 responses were received, which is in line with the responses received for other consultations. Around 86% of responses were from people not currently receiving Council Tax Benefit. The lack of engagement and participation by those most likely to be affected by the changes is similar to the experience of other local authorities.
- 6.5 The following table summarises the result of the consultation responses received and shows a high level of support for each core principle. Whilst the consultation provides the view of those people who responded Cabinet also needs to consider the wider implications of these changes, on both individual households and the Council's own financial position, particularly the collection of additional Council Tax from low income households.

Public Consultation Outcomes

		Principle is Fair
Principle 1	Recalculate and reduce Council Tax Support by 20%	68.3%
	Recalculate and reduce Council Tax Support by 15% in 13/14 rising to 20% in subsequent years	49.6%
Principle 2	Non Dependant Deductions should be increased in line with Government increases	80.5%
Principle 3	Working Age Households with more than £10,000 in capital should not be eligible for council tax support	62.1%
Principle 4	Encourage work by increasing the amount of earnings people are entitled to keep before their council tax support is calculated	81.8%
Principle 5	Remove 2 nd Adult Rebate	78.4%
	Restrict Backdating of CTS to 4 weeks	70.7%
Principle 6	War Pension or Armed Forces Compensation Payments should not be taken into account when calculating council tax support	73.9%

6.6 In addition the majority of respondents agreed with the concept of measures to mitigate the effects of the changes. Whilst this question specifically related to the provision a discretionary fund there are other methods of providing support, such as a lower reduction in support for all households.

6.7 Over the summer months a working group of the Scrutiny Co-ordinating Committee, representatives from the voluntary sector providing Welfare Advice services and Council Officers has considered various issues relating to the development of a local Council Tax Support scheme. This process has been very useful in evaluating the financial and practical implications of issues relating to the development of a local scheme.

7. Financial Modelling – Updated position

7.1 As previously reported the replacement of the current national CTB scheme and funding arrangements with a local Council Tax Support Scheme from April 2013 transfers a significant additional financial risk to the Council owing to the impact of the following factors which will need managing:

- Impact of Government CTB grant cut;

- Potential increases in demand for Council Tax Support;
- The impact on collection rates from reducing existing Council Tax support to low income households. This is a significant issue and the greater the cut in existing Council Tax Support the greater the impact on collection rates.

7.2 The impact on Council Tax collection rates of reducing existing CTB is expected to be one of the most challenging aspects of these changes which the Council will need to manage. The Council operates effective arrangements covering the collection of Council Tax. In 2011/12, 97.2% of Council Tax due for the year was collected by 31st March, the same as the national unitary average and placed Hartlepool joint second in the Tees Valley. This is a very positive position given the higher levels of deprivation in Hartlepool compared to many other areas. The long term collection rate is 99.2% after 5 years and uncollected Council Tax generally relate to people who have died, or absconded.

7.3 A local CTS scheme will involve households either receiving Council Tax bills with amounts due for the first time (ie. where previously they paid nothing under the national CTB scheme) or higher amounts of Council Tax to pay. Recovery of these amounts of Council Tax will be significantly more difficult owing to pressure on household budgets therefore collection rates will be much less certain and this will also have implications for bad debt provisions. This is an unprecedented change and the only experience of a similar nature was the impact on collection rates when the Community Charge was introduced in 1990 which required Councils to collect a local tax from individuals who had not previously had to make such payments. Reduced collection rates for Community Charge impacted on Council's budgets and were one of the factors which resulted in this system being replaced with Council Tax in April 1993. It is not expected that these changes will have the same impact on collection rates as occurred with the Community Charge, although they will make collecting overall Council Tax more difficult.

7.4 The Government have indicated that in 3 years time a review should be undertaken to establish whether local Council Tax Support should be included within the new system of Universal Credit and paid to the individual. This would be a very significant financial risk for Hartlepool as the Council Tax Support grant (£9.94m for 2013/14) would not be paid directly to the Council but would be paid to individual households as part of the Universal Credit. The Council would then need to collect all council tax liabilities from individual households, which would be extremely challenging. It seems illogical for the National Government to pay tax payers money out to individual households and then require individual councils to collect this money, as this would be expensive and potentially destabilise local authorities financial positions. The Local Government Association has already expressed concerns about this suggestion.

- 7.5 The risks detailed above have been reflected in the financial models in the following paragraphs, although current planning assumptions will need close monitoring and regular review in light of actual experience in 2013/14. Collection costs associated with claimants on low incomes paying small amounts may increase and collection will be time consuming and difficult especially as many households will also be affected by the wider welfare reforms. The operational impacts of the changes are covered within section 8 of this report.
- 7.6 As reported previously the Council faces a forecast funding shortfall as a result of the national reduction in funding for Council Tax Support of 10%. As detailed earlier in the report this equates to a 12.2% funding cut for 2013/14, which equates to £1.38m and this is forecast to increase to £2.4m by 2016/17, a 20% funding cut. These deficits are owing to the known Government grant cuts for 2013/14 and 2014/15, the expectation of a cash freeze in grant funding in 2015/16 and 2016/17 and the impact of assumed annual Council Tax increases on the costs of providing Council Tax support to all households, including low income pensioners.
- 7.7 These forecasts are based on claimant levels remaining broadly at existing levels. Caseloads for pensioner claims have remained broadly unchanged since July 2009. For working age claimants the number of claims increased between April 2009 and April 2010 and then remained broadly stable until October 2011. There was then a further increase of just over 1.5% between October 2011 and January 2012, since which time caseloads have remained broadly unchanged.
- 7.8 As detailed earlier in the report the MTFS forecasts included £0.4m in 2013/14, increasing to £0.8m in 2014/15 to partly address the impact of the Government CTB grant cut. The pressure included in the MTFS partly mitigates the gross funding gaps detailed above.
- 7.9 The Council will be able to further mitigate the funding gap by implementing a range of changes to exemptions which should increase Council Tax income on a sustainable basis by £0.3m per annum, as detailed at 4.5. It is recommended that Members approve these proposals and allocate these resources to partly mitigate the Government CTB grant cut. Achieving this income will be challenging as it is based on an assessment of current level of exemptions granted and these may change.
- 7.10 After reflecting the above factors the Council still faces a forecast funding gap of £0.68m for 2013/14, which is forecast to increase to £1.3m by 2016/17 as set out below. These are the net deficits if a local Council Tax Support Scheme is not implemented and the Council is required to fund a default scheme from the General Fund budget, which would increase the forecast budget deficits previously reported.

	13/14	14/15	15/16	16/17
Assumed Council Tax Increase	2%	2%	2.5%	2.5%
	£m	£m	£m	£m
HBC share of forecast Council Tax Support at existing levels	11.32	11.55	11.84	12.14
Forecast Council Tax Support Grant + Floor Ceiling Adjustments	(9.94)	(9.74)	(9.74)	(9.74)
Gross Funding Gap	1.38	1.81	2.1	2.4
Pressure included in MTFS	(0.4)	(0.8)	(0.8)	(0.8)
Changes to CTax Exemptions	(0.3)	(0.3)	(0.3)	(0.3)
Net Funding Gap	0.68	0.71	1.0	1.3

7.11 Cabinet previously approved that owing to the overall financial position of the Council that the net deficit will need to be addressed by reducing the existing level of CTB support. This formed the basis of the consultation proposal approved by Cabinet.

7.12 Further financial modelling work has now been completed and this indicates there are two options for implementing a Local Council Tax Support scheme:

- Option 1 – Implement planned 20% reduction from 2013/14
- Option 2 – Implement a 15% reduction for 2013/14 to 2015/16 and increase to 20% in 2016/17
- Option 3 - Implement a 8.5% reduction for 2013/14 and 15% for 2014/15 and 2015/16 and increase to 20% in 2016/17

Further information of the impact of these options is set out in the following paragraphs.

7.13 Option 1 – Implement planned 20% reduction from 2013/14

7.14 This is the initial proposal previously recommended and provided as a sustainable solution based on financial modelling undertaken at the time.

7.15 This option recognised the impact on individual households of a 20% reduction in existing Council Tax support and proposed funding discretionary support to mitigate the impact of this reduction.

7.16 Further work on the operation of a discretionary Hardship Scheme has now been completed. As Members will be aware the award of existing Council Tax Support is based on a detailed 'means test', based on an

assessment of income, which therefore targets support at low income households. These arrangements will continue when a Local Council Tax support scheme is implemented. A local discretionary Hardship Scheme would require a further more detailed means test, which would need to examine both income and expenditure. One of the inherent problems with operating such a scheme is the potential that all 8,600 working age households affected by the LCTS Scheme may choose to apply for a discretionary hardship award. If this were to happen it would result in a potential significant administrative burden, processing delays which would mean individual households would not know if they would receive additional support and frustrate the council tax recovery process.

7.17 In broad terms, the level of funding identified for a hardship scheme in 2013/14 would equate to reducing the overall cut from 20% to 15%, assuming all households received a hardship award. This is not an unreasonable assumption as it would be extremely difficult to design criteria which targeted this support and also complied with equality requirements.

7.18 Option 2 – Implement a 15% reduction for 2013/14 to 2015/16 and increase to 20% in 2016/17

7.19 Further financial modelling has been completed since the initial proposals were prepared and this reflects the impact of the recommended Council Tax increases for 2013/14 and 2014/15 reducing from 2.5% to 2%. This change reduces the overall cost of operating a local scheme.

7.20 The revised financial modelling demonstrates that the initial reduction in support can be reduced from 20% to 15% and it is anticipated this can be sustained until 2015/16. From 2016/17 it is anticipated that the reduction in support will need to increase to 20%.

7.21 This alternative proposal will help mitigate the cut in Council Tax Support arising from the Government proposals, whilst continuing to ensure a sustainable Scheme is operated. This proposal therefore benefits both households and the Council. This proposal however would not provide a discretionary fund as these resources need to be allocated to reduce the cut in support from 20% to 15%.

7.22 This proposal would be more favourable than the proposed schemes by the Tees Valley authorities, which it is expected will implement cuts of 20%. On the other hand the proposal will be less generous than the proposal in Durham and Northumberland, where it is expected no cuts will be implemented in 2013/14. Some concerns have been expressed that implementing a lower cut in Hartlepool may lead to people moving to Hartlepool. This is considered a low risk as there will be many factors influencing someone's decision to move area, including the level of Council Tax Support, the actual level of Council Tax, the costs of moving and ties to a particular area.

- 7.23 Adopting this option will commit part of the resources set aside from the budget outturn strategy for 2011/12 as a sum of £1.197m was earmarked to assist the Council to deal with the risks associated with implementing a LCTS Scheme. Financial Modelling indicates that by implementing a cut in CTS entitlements of 15% covering the financial years 2013/14 to 2015/16 and increasing to 20% in 2016/17 about half of this earmarked reserve, £0.67m will be required to ensure a sustainable scheme as shown in the table below. It is recommended the remaining balance of £0.527m is retained to manage the financial risks arising from Council Tax Support transferring to the Council, particularly the risk of claimant numbers increasing over the period of the MTFS.

	13/14	14/15	15/16	16/17	Total
	£m	£m	£m	£m	
Net Funding Gap	0.68	0.71	1.0	1.3	
Saving from cut in CTS Support 15% for 3 years then 20%	(0.67)	(0.69)	(0.71)	(0.95)	
Required contribution from Reserve	0.01	0.02	0.29	0.35	0.67

7.24 Option 3 - Implement an 8.5% reduction for 2013/14 and 15% for 2014/15 and 2015/16 and increasing to 20% in 2016/17

- 7.25 A detailed financial assessment of limiting the cut in existing support to 8.5% was completed on the basis of the forecasts underpinning the original financial model reported to Cabinet in September. These forecasts were based on annual Council Tax increases over the period of the MTFS of 2.5%. On the basis of this assessment it was determined that limiting the cut in CTS to 8.5% was not viable as this would result in an additional unbudgeted General Fund budget pressure.

- 7.26 Further analysis has now been completed on the impact of reducing the proposed Council Tax increase to 2% and the scope to limit the cut in existing Council Tax support to 8.5% for 2013/14. This analysis shows that after reflecting the lower costs of providing Council Tax Support arising from the lower Council Tax increase in 2013/14 and 2014/15 and the additional **one-off grant** of £0.26m which will be received from the Government by limiting the cut to 8.5% that the Council would face a one off cost unfunded cost of £0.16m.

- 7.27 If this option is adopted the Council would still need to implement a 15% reduction in 2014/15 and the costs of operating the scheme over the period 2013/14 to 2016/17 would be the same as under option 2. Therefore, the Council would still need to allocate £0.67m of the

resources set aside from the 2011/12 outturn strategy of £1.197m to assist the Council to deal with the risks associated with implementing a LCTS Scheme to maintain the cut at 15%. It is recommended the remaining balance of £0.527m is retained to manage the financial risks arising from Council Tax Support transferring to the Council, particularly the risk of claimant numbers increasing over the period of the MTFS.

7.28 Adopting this option would require the Council to fund the one-off additional costs of £0.16m in 2013/14. It is not recommended that this is funded from the uncommitted risk reserve of £0.527m, as this would reduce the Council's ability to manage any in-year increases in Council Tax Support cuts. This money needs to be maintained to manage this risk and avoid any costs falling on the General Fund, as it is expected that cuts in the core Formula Grant may be more than forecast. This risk has increased following the Chancellor announcement on 5th December 2013 that additional grant cuts of 2% will be made to Local Government funding in 2014/15.

7.29 An alternative strategy is therefore needed to fund the additional one-off cost of £0.16m. It is recommended that this cost is funded from the Supporting Family Poverty Reserve. This proposal would leave a balance on the Supporting Family Poverty Reserve of £0.149m, net of this contribution and the monies allocated for the Food Bank.

7.30 Many councils are considering implementing LCTS schemes that will involve cuts in awards of 20% or more. By implementing a scheme based on either a 15% cut, or an 8.5% for 2013/14 and then increasing in 2014/15 to a 15% cut Hartlepool would demonstrate that the Council recognises the challenges faced by those dependent on welfare support, the impacts on the wider local economy and has developed a balanced sustainable solution.

7.31 As reported previously whatever cut is implemented there is still a risk that actual costs of providing Council Tax Support exceed the budget forecast, particularly if unemployment increases. The proposals for options 2 and 3 maintain an uncommitted risk reserve of around £0.53m, which will help the Council manage any in-year cost pressure. This would provide a longer lead time to develop a permanent solution if the cost increase is permanent.

7.32 Impact on households of LCTS cut of 15% or an 8.5% cut in 2013/14 only

7.33 The majority, 96%, of existing Council Tax Benefit working age claimants which will be affected by the Government cut in funding reside in Band A and B properties. Claimants fall into two distinct groups:

- **Passported** - cases that currently receive full Council Tax Benefit i.e. households in receipt of DWP Income Support, Job Seekers Allowance (Income Based) or Employment and Support Allowance

(Income Based). There are about 6,000 households in the borough that will be affected by the LCTS that fall within the Passported group;

- Non Passported - current council tax benefit claimant households that receive part Council Tax Support. There are about 2,600 households in this category.

7.34 The following table illustrates the impact of a 15% cut on average for each group for those households living in a Band A or B property. As a LCTS award will continue to be a means tested benefit, the actual level of support will be dependent on each household's particular financial circumstances.

Average Impacts of a 15% Cut in LCTS Entitlement

	Passported Number Impacted	Passported cases Average Amount to pay.	Non Passported Number Impacted	Non Passported cases Average Amount extra to pay.
		£ pa		£ pa
Band A	5,476	138	2,110	103
Band B	381	164	278	110

As the level of awards under the current Council Tax Benefit scheme are higher for passported cases than non passported cases, the application of a flat rate of cut on the size of awards will have a greater impact on passported cases.

7.35 Option 3 would reduce the cuts in support for 2013/14 as follows:

Average Impacts of an 8.5% Cut In LCTS Entitlement for 2013/14 ONLY

	Passported Number Impacted	Passported cases Average Amount to pay.	Non Passported Number Impacted	Non Passported cases Average Amount extra to pay.
		£ pa		£ pa
Band A	5,476	78	2,110	58
Band B	381	93	278	62

7.36 Impact on Households of other Welfare Reform Changes in addition to a new LCTS Scheme

- 7.37 A range of Welfare Reform revisions are being implemented by the Government, changes to the system of housing benefit for private rented sector tenants have already been actioned. From April 2013 new under occupancy “bedroom tax” rules are being introduced for social rented sector tenants from April 2013.
- 7.38 The Council’s Benefits Service has been working closely with registered social landlords (RSL’s) to identify those households at risk of being affected by the Government’s under occupancy rules which apply only to those of working age. There are about 1,650 households that are at risk from the change, of which 1,270 will potentially see a 14% reduction in their housing benefit entitlement with a further 380 households at risk of a 25% reduction in their housing benefit.
- 7.39 Whilst the level of housing benefit loss will vary between households, Housing Hartlepool have estimated that for a typical 3 bedroom property a 14% reduction (under occupancy by 1 bedroom) the loss in benefit will be £11.87 per week, a 25% reduction (under occupancy by 2 bedrooms) the loss in benefit will be £21.65 per week.
- 7.40 The RSL’s have been engaging with their tenants at risk of these changes providing advice and support. The Council plans to supplement the current engagement process by issuing a letter in mid January 2013 to all households at risk based on latest available data.
- 7.41 Simultaneously from next April, a system of government Benefit Caps will be implemented which will restrict the maximum amount of state help for housing and living expenses to £26,000 pa for couples and single parent families and £18,200 pa for single individuals. Using data provided by the DWP, the Council’s Benefits Service have identified 140 households that are at risk from the Benefit Cap rules. All households affected have received face to face visits by either the Benefits Service or from the Families Information Support service (FISH). The financial impact will vary between households but indications are that housing benefit will be cut on average by about £66 per week from April 2013.
- 7.42 The effect of the wider welfare reforms is that individual households will be impacted by one or more of the changes. The compounding impact on some households of the reforms will be significant.
- 7.43 The announcement by the Chancellor in the Autumn Statement on 5th December 2012 that most working-age benefits will rise by 1% for each of the next 3 years will also impact on households.

8. Operational issues associated with the introduction of a LCTS scheme and other Welfare Reform changes

- 8.1 A further report will be submitted to Cabinet in January detailing proposal for managing the impact of the reductions in CTS support. These proposals will cover potential additional capacity within the Revenue/Benefits team and the Contact Centre to manage customer contacts when these changes are implemented. This will ensure people are dealt with quickly and efficiently as possible, which will be important given the impact of the changes. Similarly, this report is also examining the need to additional Welfare Advice services in the community. These additional issues may require additional financial resources and it may be possible to fund this from the 2013/14 outturn without impacting on the outturn proposal detailed in the MTFS.
- 8.2 From April 2013, the Council will need to collect new or small amounts of Council Tax from 8,600 working age households, which equates to a 15% increase in the number of households the Council will need to collect Council Tax from. Increased collection capacity may become a budget pressure in future years, although every effort will be made to manage the increased workloads within existing resources.
- 8.3 In addition, impact modelling has been undertaken by officers of the potential increase in customer contacts both face to face and by telephone, the associated resourcing needs and the accommodation logistics as part of a response plan. The detailed response plan is being developed and will consider:
- staggering the issue of blocks of correspondence to help smooth out levels of customer contact.
 - operating revised telephone call handing arrangements and deploying increased temporary resources within the Revenues and Benefits services back office functions
 - increasing capacity for face to face enquiries within Hartlepool Connect including triage arrangements
 - improving levels of security cover within the Civic Centre
 - engaging with external advice agencies to ensure a co-ordinated response and consistent messages
 - the delivery of community out reach advice services

The Response Plan is currently being finalised and will be reported to Members at a later date, however initial evaluation indicates that the additional customer demand resources can be funded from a projected

underspend within the Chief Executive's Departmental budget in 2012/13.

- 8.4 As part of the council's communication arrangements with those affected by the changes, 1,650 letters will be issued in Mid January 2013 to those households at risk from the under occupancy rules as set out in section.
- 8.5 The Council will also issue a LCTS impact letter to those households affected by the local scheme in 2 tranches each comprising 4,300 letters in the weeks commencing 4th and 11th February 2013. The resource implications of dealing with the enquiries associated with these new communications as well as those enquiries in response to the issue in March 2013 of Council Tax Bills (especially to those who have not paid Council Tax in the past), 2013/14 Council Tax Support entitlement letters and 2013/14 annual Housing benefit entitlement letters will all be factored into the overarching Response Plan.

9. EQUALITY IMPACT ASSESSMENTS

- 9.1 In accordance with statutory responsibilities an Equality Impact Assessment of the proposals outlined in the report has been completed and is included as an appendix.

10. CONCLUSION

- 10.1 The Government's decision to replace the current national Council Tax Benefit scheme with a local Council Tax Support scheme from April 2013 will transfer a significant additional financial risk to councils. This would be an extremely challenging change in normal circumstances for councils to manage. However, managing this change with a headline national funding reduction of 10% and against a background of continued economic uncertainty will be extremely challenging.
- 10.2 The Government's financial model assumes that demand for Council Tax support will reduce over the next two years. This is unlikely in the short-term owing to current economic conditions. The Governor of the Bank of England recently indicated the UK economy will have zero growth in 2012 and then lower growth than previously anticipated in the following few years. The Chancellor's Autumn statement and information from the Office of Budget Responsibility also confirmed the poor economic outlook.
- 10.3 For Hartlepool the initial grant cut is 12.2%, which reflects higher anticipated Council Tax Benefit costs in 2013/14 based on existing claimant levels and forecast increases in council tax in 2013/14, which are not reflected in the Government's forecasts and provisional grant allocations. Many other councils particularly those serving deprived communities are forecasting similar initial grant cuts. This funding shortfall will increase in future years as the grant councils receive from

the Government towards the cost of Local Council Tax Support schemes will be frozen in cash terms.

- 10.4 When account is taken of the statutory requirement to protect low income pensioners, a principle Cabinet has previously indicated they support, the Council faces an unavoidable and extremely difficult decision about how the Government grant cut is managed.
- 10.5 Cabinet has previously indicated that owing to the existing General Fund budget deficits that the CTB grant cut will need to be funded by implementing a Local Council Tax Scheme within the reduced funding allocation. The scale of this cut has been partly mitigated by the proposed changes to existing Council Tax exemptions and the pressure included in the Medium Term Financial Strategy for 2013/14 and 2014/15. Without these measures a cut of 30% would have been required.
- 10.6 The changes to CTB will be challenging for councils serving communities with relatively high levels of deprivation, including Hartlepool where 1 in every 3 households is currently 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.
- 10.7 The main risks from these changes to the Council's financial position will be:
- the impact of increased in-year demand which will need to be funded from the risk reserve of £1.197m (established from the 2011/12 outturn strategy) or the General Fund budget, as once a local Council Tax Scheme is set it cannot be changed until the following year; and
 - the impact on Council Tax collection rates and the costs of collection from a significant increase in the number of households Council Tax payments need to be collected from. Many of these households will be receiving a Council Tax bill for the first time as a local Council Tax Scheme will not cover the full cost of Council Tax.
- 10.8 This report outlines 3 options for managing this change and recommends that the Council can either implement
- Option 2 - a 15% reduction in existing support for households currently receiving Council Tax Benefit for 2013/14 to 2015/16 and increasing to 20% in 2016/17, OR
 - Option 3 - an initial 8.5% reduction in existing support for households currently receiving Council Tax Benefit for 2013/14, increasing to 15% for 2014/15 and 2015/16 and increasing to 20% in 2016/17

- 10.9 If Members determine to implement option 3 one-off costs in 2013/14 of £0.16m will need to be funded from the Supporting Family Poverty Reserve.
- 10.10 These proposals do not impact on low income pensioners which councils are required to protect.
- 10.11 The proposed schemes assume Members approve the other principles detailed in section 6.
- 10.12 This recommended course of action will enable the Council to implement a sustainable scheme for the period of the current MTFS 2013/14 to 2016/17. The scheme will need to be reviewed on an annual basis to reflect changing economic conditions and Government funding allocation for 2015/16 and future years which are currently unknown. This will include close monitoring to ensure actual claimant numbers and collection rates are in line with planning forecasts as any variances will either require the Council to revise the local scheme for future years, or result in an additional General Fund budget pressure.
- 10.13 Both option 2 and 3 will require the use of £0.67m of the LCTS transition reserve and it is recommended that the remaining balance of £0.527m is maintained to manage financial risk in 2013/14. This position can then be reviewed during 2013/14.
- 10.14 In terms of the impact of reducing the cut in support from 20% to 15% (with a one year reduction in 2013/14 to 8.5%) this will enable the Council to provide some protection for households affected by the Government change. Many of these households will also be affected by other welfare reform changes. The announcement by the Chancellor in the Autumn Statement on 5th December 2012 that most working-age benefits will rise by 1% for each of the next 3 years, will also impact on households.
- 10.15 If full Council does not approve a LCTS scheme by the 31st January 2013 this will require the Council to adopt the default scheme for 2013/14 and this will result in an unbudgeted gross pressure of £1.38m and a net deficit of £0.68m. This situation needs to be avoided as the net deficit would commit a significant element of the available one off funding and the Council would then need to implement a 20% cut in 2014/15 and would have no funding for discretionary support as uncommitted one off funding would need to be allocated to manage risks.

11. RECOMMENDATIONS

- 11.1 It is recommended that Cabinet approves one of the following options to be referred to full Council for approval:

- Option 2 - a 15% reduction in existing support for households currently receiving Council Tax Benefit for 2013/14 to 2015/16 and increasing to 20% in 2016/17, OR
- Option 3 - an initial 8.5% reduction in existing support for households currently receiving Council Tax Benefit for 2013/14, increasing to 15% for 2014/15 and 2015/16 and increasing to 20% in 2016/17

11.2 If Option 2 is approved by Cabinet the following supporting recommendations will need to be referred to full Council:

- i) Approve the implementation of the reduced Council Tax exemptions detailed in paragraph 4.5 (and summarised below) and the allocation of the resulting additional income to partly mitigate the impact of the Government Council Tax Benefit grant cut in 2013/14 and future years;
 - Implement Principle 2 – Increase Non Dependant Deductions in line with Government increases;
 - Implement a lower capital/savings threshold -Principle 3;
 - Implement measures to encourage work Principle 4;
 - Implement changes to streamline / simplify the administration of a local CTS scheme -Principle 5;
 - Maintain the existing local war widow / war pension disregards -Principle 6;
- ii) Approve the application of £0.67m of the one-off Council Tax Scheme Transitional Support Reserves of £1.197m to partly mitigate the impact of the Government Council Tax Benefit grant cut over the period 2013/14 to 2016/17;
- iii) Approve that the balance on Transitional Support Reserve of £0.527m be earmarked to manage risks associated with the LCTS in 2013/14 and future years;
- iv) To note that the approved Local Council Tax Support Scheme will be subject to annual review and approval by full Council;
- v) To note that in accordance with National regulations approximately £1,200 of the Council Tax Support Grant will be passported to Parish Councils.

11.3 If Option 3 is approved by Cabinet the following supporting recommendations will need to be referred to full Council:

- i) Approve the implementation of the reduced Council Tax exemptions detailed in paragraph 4.5 (and summarised below) and the allocation of the resulting additional income to partly

mitigate the impact of the Government Council Tax Benefit grant cut in 2013/14 and future years;

- Implement Principle 2 – Increase Non Dependant Deductions in line with Government increases;
- Implement a lower capital/savings threshold -Principle 3;
- Implement measures to encourage work Principle 4;
- Implement changes to streamline / simplify the administration of a local CTS scheme -Principle 5;
- Maintain the existing local war widow / war pension disregards -Principle 6;

- ii) Approve the application of £0.67m of the one-off Council Tax Scheme Transitional Support Reserves of £1.197m to partly mitigate the impact of the Government Council Tax Benefit grant cut over the period 2014/15 to 2016/17;
- iii) Approve that the balance on Transitional Support Reserve of £0.527m be earmarked to manage risks associated with the LCTS in 2013/14 and future years;
- iv) Approve the use of £0.160m from the Supporting Family Poverty Reserve and to note this will leave an uncommitted balance of £0.149m;
- v) To note that the approved Local Council Tax Support Scheme will be subject to annual review and approval by full Council;
- v) To note that in accordance with National regulations approximately £1,200 of the Council Tax Support Grant will be passported to Parish Councils.

12. REASON FOR RECOMMENDATIONS

- 12.1 To enable Cabinet to approve a proposed Local Council Tax Support scheme for 2013/14 to be referred to full Council for approval.

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

- 13.1 Equality Impact Assessment.

14. BACKGROUND PAPERS

- 14.1 Cabinet report 11 June 2012 – Localisation of Council Tax Benefit and 3rd September 2012 Localisation of Council Tax Support.

15. CONTACT OFFICER

John Morton
Assistant Chief Finance Officer
01429 523093
John.morton@hartlepool.gov.uk

Department	Division	Section	Owner/Officer
Chief Executives	Finance	Revenues & Benefits	John Morton
Function/ Service	Introduction of Local Council Tax Support Scheme		
Information Available	HBC data on caseload / awards, financial modelling of local scheme options savings, CLG full EIA, Family Resources 2009/10 Survey data, ONS, DWP		
Relevance <i>Identify which strands are relevant to the area you are reviewing or changing</i>	Age		
	<p>The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot reasonably be expected to seek paid employment to increase their income. The Government therefore proposes that as a specific vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform.</p> <p>It is estimated that approximately 43% of Hartlepool's current council tax benefit claimants are of pension age and the Council will be required by government to protect this group from the changes.</p>		
	Disability		
	<p>It is difficult to quantify accurately the number of disabled people living in Hartlepool. However, national data can provide some context. There are 220,000 disabled people, who are not on a 'passported' DWP benefit (income support, income based job seekers allowance or income related employment and support allowance), that claim Council Tax Benefit (CTB) in the UK. This accounts nationally for roughly 8% of CTB claimants under 65.</p> <p>However, there will also be some passported claimants who would be classified as meeting a disability criteria albeit this group cannot be quantified. As an overall approximation there are an estimated 10 million disabled people living in the UK, which accounts for about 17% of the population.</p> <p>The proposed Hartlepool CTS scheme does not provide for protection / detriment for any specific working age group.</p>		
	Race / Gender / Gender Re-assignment		
	<p>On localisation of Council Tax Support, the Government does not believe 'that this policy will disproportionately affect any particular gender or ethnicity'. However both nationally and locally, there are almost twice as many female as male council tax benefit claimants, reflecting the number of single female claimants with child dependants.</p> <p>Only approximately 1% of Hartlepool's population are non-</p>		

	white. It is not known how many claim Council Tax Benefit as this data is not held as a requirement of the current CTB application / assessment process.		
	The proposed Hartlepool CTS scheme does not provide for protection / detriment for any specific working age group		
	Religion		
	No effect		
	Sexual Orientation		
	No effect		
	Marriage & Civil Partnership		
	No effect		
	Pregnancy & Maternity		
No effect			
Information Gaps	Nil.		
What is the Impact	<ul style="list-style-type: none">• Every working age household will pay some Council Tax• Other non dependant adults in the household will be expected to contribute to council tax• The scheme will encourage work• The CTS scheme will be based on the key features of the present CTB scheme		
Addressing the impact	1. No Major Change - The proposal is robust there is no potential for discrimination across working age claimants. (The council has no choice on the protection of low income pensioners).		
Actions			
The new council tax support scheme has been developed with the aim of removing any potential for discrimination.			
Action identified	Responsible Officer	By When	How will this be evaluated?
Undertake an INRA review in the first year of operating the new LCTS scheme	Julie Pullman	Dec 13	Peer review by Chief Executive's Department Diversity Lead officer.
Date sent to Equality Rep for publishing		December 2012	
Date Published		00/00/00	
Date Assessment Carried out		November 2012	

CABINET REPORT

17 December 2012



Report of: Director of Child and Adult Services

Subject: CHILDREN'S SAFEGUARDING PEER REVIEW

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-Key

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to provide Cabinet with information relating to the findings of the Safeguarding Peer Review which took place in September 2012.

3. BACKGROUND

- 3.1 The Children's Improvement Board, the national body responsible for driving 'Towards Excellence for Children', sector led improvement and support in children's services', aims to work towards excellence in Children's Services through the development of a self improving system, underpinned by the following objectives:
- Securing improvement work that is focused on galvanizing Children's Services to achieve the best possible outcomes for children and young people; working in particular on the need to avoid service failures, improve performance in relation to the more intractable challenges and sustaining progress during a period of significant economic restraint.
 - Building on existing capability in Children's Services, corporately and with partners to diagnose improvement challenges, identifying risks to performance and commissioning effective evidence based and value for money solutions.
 - Being systematic about sharing knowledge about what works across the sector and ensuring that there is effective brokerage of best practice solutions.

- Contributing to the development and implementation of policies designed to improve the lives of children.
- 3.2 The Peer Review programme is delivered by the Local Government Association (LGA), in partnership with:
- Association of Directors of Children's Services (ADCS)
 - Centre for Excellence and Outcomes (C4EO);
 - Social Care Centre for Excellence (SCIE).
- 3.3 As a part of sector led improvement programme in the North East of England, Hartlepool Borough Council requested a peer review to examine how, with its partners; it is fulfilling its safeguarding children responsibilities in order to enhance its improvement plans. The Review took place over five days during September 2012.
- 3.4 The Peer Review team was made up of six sector professionals including health, early intervention and social work and was led by the Director of Children's Services from Rotherham Metropolitan Borough Council. During the review evidence to inform their findings was gathered from a number of sources including:
- Performance data;
 - A variety of documentation;
 - An on-line questionnaire undertaken by front line staff;
 - A case mapping exercise undertaken by the council and partners;
 - A wide range of interviews conducted with Elected Members and staff from the council, partners and commissioned services to explore standard themes.
- 3.5 The review was structured around the key safeguarding themes of:
- Effective Practice, Service Delivery and the Voice of the Child;
 - Outcomes, Impact and Performance Management;
 - Working Together (including the Health and Wellbeing Board);
 - Capacity and Managing Resources;
 - Vision Strategy and Leadership.
- 3.6 In addition to these standard items, the following local Key Areas of Focus areas were identified:
- Review of progress since the 2010 Inspection of Safeguarding and Looked After Services;
 - Quality of practice and care planning;
 - Impact of early intervention and service re-modelling;
 - Effectiveness of commissioning and contract monitoring arrangements;
 - Contribution of the LSCB;
 - Impact of NHS changes on partnerships.

4. FINDINGS

- 4.1 The full report of the Safeguarding Peer Review is attached at **Appendix 1**. The report reflects upon local delivery and performance for safeguarding children and identifies key strengths and areas for further consideration as follows:

Key Strengths

- Strong commitment at every level to improve outcomes for children;
- Highly motivated and passionate workforce;
- Safeguarding is understood and prioritised by all partners;
- The Early Intervention Model, particularly the Family Information and Support Hub.

Areas for further consideration

- The voice of the child needs to be embedded in all aspects of front line practice;
 - Practice in relation to neglect needs to be reviewed to ensure it does not mask other issues such as emotional and sexual abuse;
 - Welfare reform needs to be communicated to the workforce so everyone is aware of the impact the changes will have in their work with children;
 - Capacity and resilience relies on a few key individuals which presents a major risk in terms of resilience of the organisation and the partnership.
- 4.2 The findings of the Safeguarding Peer Review have been reported to the Local Safeguarding Children Board and the Children's Strategic Partnership. An action plan has been developed to address the identified areas for further consideration to ensure continuous improvement in the arrangements for safeguarding children in Hartlepool. The action plan is attached at **Appendix 2** to this report. Some identified areas for consideration have already been achieved, for example the delivery of a staff briefing across the Prevention Safeguarding and Specialist Services division on welfare reform and changes to the child protection conference arrangements to ensure that the child's voice is central to this meeting.

5. RISK IMPLICATIONS

- 5.1 There is a risk that unless addressed, the areas highlighted for further consideration could adversely affect the quality of safeguarding services provided to children and young people in Hartlepool. The Action Plan seeks to address these areas for development and ameliorate the risks associated with a potential decline in performance and quality of services which can adversely affects children's lives.

6. FINANCIAL CONSIDERATIONS

- 6.1 All of the actions identified can be taken forward within the existing financial arrangements. It is anticipated that all of the actions identified can be absorbed into existing day to day responsibilities in line with the service culture of continuous improvement.

7. RECOMMENDATIONS

- 7.1 Cabinet is requested to note the findings of the Safeguarding Peer Review and approve the Action Plan to enable services to bring about further improvements in service delivery, quality and performance.
- 7.2 Agree for a further report be presented to Cabinet in March 2013 detailing progress against the action plan.

8. REASONS FOR RECOMMENDATIONS

- 8.1 Safeguarding children is a statutory responsibility of the Council and it is essential that children in Hartlepool are effectively safeguarded and have their needs met. Delivering on the Action Plan will secure improvements across the services leading to improved outcomes for local children, young people and their families.

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

- 9.1 Appendix 1: Local Government Association Safeguarding Peer Review Letter for Findings
- 9.2 Appendix 2: Action Plan

10. CONTACT OFFICER

Sally Robinson
Assistant Director, Prevention, Safeguarding and Specialist Services
Tel: (01429) 523732
Email: sally.robinson@hartlepool.gov.uk

Sally Robinson
Assistant Director Prevention, Safeguarding and Specialist Services
Child & Adult Services
Hartlepool Borough Council,
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

19 October 2012

Dear Sally,

Thank you for taking part in the Children's Services Safeguarding Peer Review. The team received a really good welcome and the co-operation and support throughout the process was greatly appreciated. It was evident to us that all those we met were interested in learning and continued improvement.

We agreed to send you a letter confirming our findings. As you know the safeguarding review focused on five key themes along with the Key Areas of Focus you provided for the peer team. As you did not take up the optional elements of audit validation and case records review our direct evidence of practice was limited. This letter sets out our findings on these areas. It includes the good practice we noted and areas that you should consider further.

It is important to stress again that this was not an inspection. A team of peers used their experience to reflect on the evidence you presented to us on safeguarding vulnerable children and young people. The focus of our feedback was on assisting you to both sustain and improve your current levels of performance.

We highlight areas which were noted by the Peer Review team in terms of:

- Key overall messages
- Key strengths
- Areas for consideration

Key overall messages

Strengths

- **Strong commitment at every level to improve outcomes for children**

We found that the commitment to improve outcomes for the children of Hartlepool was apparent at every level of the organisation and across the partnership; members of all political parties, officers and partners demonstrated that the needs of the children were at the forefront of their work. We heard from one representative that 'some children have been rejected so many times in life; we're not going to do it at this school'.

- **Highly motivated and passionate workforce**

The Peer Review Team spent time meeting a variety of different staff both individually and in groups, and also spoke to a number of partners. We were impressed by how passionate everyone was about their work.

- **Safeguarding is understood and prioritised by all partners**

There was a clear understanding across the partnership and in the emerging Health bodies that safeguarding is prioritised.

- **Early intervention model, particularly Family Information Support Hub (FISH)**

Although this is a new concept the team heard from both staff and partners that it is highly regarded. Schools in particular found this new way of working very positive with one teacher commenting: "Hub is the best thing that has happened in my teaching career".

Areas for further consideration

- **Voice of the child**

The review team felt that although there is participation by young people in developing services, we found little evidence that the 'voice of the child' was embedded in front line practice.

- **Neglect and Practice**

The term 'neglect' was heard by the team from all partners and we recognise that it is a major issue for Hartlepool. Our concern related to cases

categorised as neglect which may mask other issues such as emotional and sexual abuse.

The effectiveness of the IRO service was a concern due to the inconsistency of dealing with cases. In addition, ICT systems make it difficult to capture information from children and the number of systems in Children's Services is also problematic. The lack of understanding of CAF/CIN thresholds was also raised by some key partners and practitioners.

- **Welfare reform**

The changes to the welfare system will undoubtedly put extreme pressure on services across the council but particularly those relating to children. There is a need for the council to communicate the impact of these changes across the council so everyone is aware of the impact the changes will have in their work with children.

- **Capacity and resilience**

The review team was concerned that Hartlepool is a small borough and staff and partners carry out a range of roles as individuals. This reliance on individuals is good in terms of relationships but is a major risk in terms of resilience of the organisation and the partnership.

Hartlepool is a dynamic and forward thinking borough. An area of high deprivation, with over 30% of children living in poverty, which has enormous challenges, particularly in times of deepening austerity. Despite the economic circumstances, we saw strong evidence of a well thought through Early Intervention Strategy, an effective and valued Family Information Support Hub (FISH) and Social Workers with manageable caseloads. Partners need to understand the impact of FISH to inform practice as to whether referrals or re-referrals are increasing or not and why.

The Child Protection Referral tool, SAFER, was well understood and adhered to by partners. Partners are less clear on thresholds between Early Help and children in need and this confusion needs addressing to improve outcomes for children. The use of CAF, or its successor, needs to be embedded effectively across partners as currently it is misunderstood and is confused with various other terminology such as Team Around the Child/School/Home.

The borough is well placed to respond to the challenges of the SEN Green Paper with its forward thinking 0-25 Disability Team.

There are strategic opportunities for young people's voices to be heard and listened to. However, this good practice is not consistently embedded for individual, vulnerable children at Case Conference level.

HSCB is effective in using Section 11 audits to inform its practice and to hold partners to account. Key partners are very clear of the Safeguarding expectations on them, such as the CCG, the Police and schools. There had been effective learning opportunities from a recent 'Learning the Lessons' review and this was reflective of the positively evaluated Multi-Agency Safeguarding training.

Schools are a strength in the borough with high aspirations for their children supported by a comprehensive universal offer of support and well being. More needs to be done to maximise the opportunities of the Early Years offer and its role in Early Help and increasing the numbers of children who are school ready. A significant and increasing resource for vulnerable children is the Pupil Premium. The Council and schools need a strategic overview of its use to ensure the needs of the most vulnerable children are targeted effectively to augment the Early Intervention Strategy.

A particular strength is the stable and experienced workforce in the Council and other partners who are passionate about working in Hartlepool. An innovative idea is the publication of 'Rough Guides' which enable partners to easily understand the outcomes expected. However, not all staff understand the difference between need and outcomes.

Neglect is the significant category used in Social Care, but its use could be masking emotional and sexual abuse, particularly where domestic abuse is a feature. The rationale of high levels of poverty should not be mistaken for neglect as many families who live in poverty do not neglect their children. Understanding the root causes of neglect will help partners assess whether the trends in categorising neglect are a true reflection. Partners need to consider ways of working with resistant families, particularly where there are concerns about neglect. This is vital to improve outcomes for children and to sustain changed behaviours. The Troubled Families initiative, as currently conceived, is a missed opportunity in that it could provide a vital resource to build in a strengths-based, holistic intervention rather than a deficit-based sanctions model.

CAMHS came under universal criticism from partners for not being as responsive and co-operative as it could be although we accept new management has a clear vision to improve its effectiveness. The IRO Service is not consistently delivered and, therefore, is not as effective as it could be.

Risk and resilience is a concern. There has been, and continues to be, much national change and consideration should be given to meeting the organisational needs of Children's Services and its partners to improve resilience and capacity. There is an understandable, but potentially risky over reliance on highly motivated officers who undertake several roles, but how sustainable is that? The Authority also needs to assure itself that the functions required of the DCS are achievable in its new arrangements. Of equal concern is the capacity of the Lead Member to focus on the Children's agenda given the breadth of her current portfolio. All political parties have Children's Services as their number one priority, this is commendable.

The JSNA is used well to inform scrutiny and commissioning across partners. The VCS are clearly a valued partner in the borough, however, thought needs to be given to infrastructure support, particularly to enable the smaller projects to be able to compete in a commissioning framework. HSCB should also ensure the VCS are represented on the Board at the appropriate level, as, in our view, they have much to offer.

The Council has done much on welfare reforms and the likely impact on the borough. This intelligence needs communicating urgently to staff to enable them to build in strategies to mitigate the impact on their work with vulnerable families.

This table highlights the strengths of your safeguarding work:

<p>Effective practice, service delivery and the voice of the child</p>	<ul style="list-style-type: none"> • The Early Intervention Strategy and initial roll-out has been well received by staff and partners. • The Family Information Support Hub (FISH) and duty service provides an impressive ‘front door’ service. FISH was particularly valued by schools. • Front line social workers have manageable case loads and there is good supervision in social care. The introduction of case consultations and practice clinics will help practitioners. There is a good mix of experienced skilled staff and newly qualified social workers which benefits practice development. • Partners, particularly schools thought the SAFER referral tool was good, as it provided a very clear process for identifying concerns and then referring them in appropriately. • The recent move to a 0-25 service for children with disabilities ensures a joined up approach and smoother transition. • There was evidence across the partnership that all partners were aware of the learning from the ‘T’ case. Partners felt very involved and appreciated the learning opportunity. Complex case discussions were starting to take place in identified cases. • Partners gave examples of some highly valued services which support the safeguarding agenda. e.g. School Nurses, Harbour • There were mechanisms in place across the council for hearing the voices of children and young people e.g. Young Inspector’s report at HSCB, Children in Care council.
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<p>Outcomes, impact and performance management</p>	<ul style="list-style-type: none"> • Evidence showed that the language of outcomes is shared across the partnership and an area of recent good practice was the publication of 'Rough Guides'. • The partnership organisations have a strong data set which is capable of informing priorities which are based on local needs. • There is a good use of the JSNA to inform the scrutiny work programme There is evidence of scrutiny changing policy and practice e.g. Looked After Children and Children Homes. • Effective use of Section 11 with agencies, including schools, being clear they were being held to account. The HSCB have recognised the limitations of the self assessment Section 11 process and introduced a Peer Review process to challenge partners to verify their arrangements for safeguarding children which is scheduled for the Autumn. • There was strong evidence that partners were making good use of learning reviews and case consultations to inform practice.
<p>Working Together (including Health and Wellbeing Board)</p>	<ul style="list-style-type: none"> • There is a strong commitment by all partners; Police, Health, Schools and Voluntary sector to work together and improve the lives of the children of Hartlepool. • The Chair of HSCB is well respected and rigorously holds partners to account. E.g. schools through Section 11 audits. • The Clinical Commissioning Group has made a strong commitment to safeguarding and is clear about its function as commissioners and their performance role in monitoring service delivery. • The council has been instrumental in supporting the development of consortia in the voluntary sector and assisting local groups in becoming established providers of services. • MARAC arrangements are now well managed, have a clear focus and show significant improvement. Repeat referral rates have reduced from 50% to 27% as a result of improved working between partners. There is a 90% compliance rate with action plans and an agreed escalation process with partners. It is a good business

	<p>model.</p> <ul style="list-style-type: none"> • There is a wide range of multi-agency training opportunities and these are valued by all partners.
Capacity and managing resources	<ul style="list-style-type: none"> • Schools are providing a robust, universal offer to support the safeguarding and well-being of children in the borough. Representatives demonstrated a commitment to inclusion but not at the expense of high aspirations for the children. • The council provides a wide range of learning and development opportunities for practitioners and the workforce development plan reflects this. Staff have access to a wide range of blended learning. Learning is shared by practitioners ensuring good practice is disseminated. • There is a robust commissioning framework which has supported local providers to become tender ready and encouraged the establishment of a VCS consortia to provide a range of services which have been commissioned against established need. The result is a positive mix of local and national VCS providers. • The council has an experienced and stable workforce with high morale and who are passionate about their work. Turnover is low with many long-serving officers. • Co-location of staff in locality teams and Children's Centres means there is the start of a more joined up approach to working with families across the early intervention offer.
Vision, strategy and leadership	<ul style="list-style-type: none"> • All partners are child focussed and have high aspirations for the children of the Borough. This was evident with everyone the review team spoke to. Children's Services is a key budgetary priority. • There is a strong commitment to raising aspirations and inclusion from schools. Schools are concerned about the welfare of children and will support children in a range of ways. E.g. uniform swap, topping up lunch cards for children on free school meals. • A strong political commitment across all parties to improve the outcomes for children was

	<p>evident.</p> <ul style="list-style-type: none"> • The council is beginning to consider some of the implications of Munro and recognise that the culture of the organisation will need to change in terms of practice.
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The table below highlights areas the Peer Review Team felt would benefit from further consideration.

<p>Effective practice, service delivery and the voice of the child</p>	<ul style="list-style-type: none"> • The team raised concerns that the use of neglect as a category may be masking other categories such as emotional and sexual abuse. It appears that this category is being used as a default across the partnership. • The voice of the child is still to be embedded in front line practice. This was particularly an issue in case conferences. The ICT system is also an obstacle for capturing information from children. There is not yet enough evidence of emphasis on the child's journey. • There is a reliance on a number of key individuals in the council which causes concern about organisational resilience. • We found that Step up/Step down is not yet embedded and Early Intervention and Children In Need thresholds were not clear which resulted in a confusion around the threshold between CaF interventions and when something became children in need. The lack of clarity was expressed by some key partners and practitioners. • There is a major concern from partners that CAMHS is not meeting the needs of children and young people and it is poor on partnership work. We were told that there were long waiting lists, sharing of information was problematic and there was a lack of communication. • The way in which Independent Reviewing Officers were dealing with cases was inconsistent and the involvement of children and parents was not always handled sensitively and in a timely manner. IRO's are leading on the categorisation of child protection plans and use neglect as a 'catch all'. The effectiveness of the IRO service is therefore an issue.
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	<ul style="list-style-type: none"> • A lack of coherence around the early years offer meant that some partners were not clear about what services are available in their area, which led to some confusion about which services families could access and how to refer them for support. • There is confusion over the use of CAF/TAC/TAS/TAP/TAH and partners were not always clear about the most recent terminology. There are concerns that the CAF is becoming a referral form (and some people referred to it in this way), is not embedded and some professionals are reluctant to take on the role of lead professional. • Diminished resources are impacting on school nursing capacity resulting in reduced drop-in sessions in schools. This is a vital service in relation to the sexual health of young people. There is also a lack of capacity to attend all TAC meetings. • There are no developed models of practice for working with resistant families resulting in practitioners frequently starting interventions again and being unsure about how to address the issue of long standing entrenched neglect.
Outcomes, impact and performance management	<ul style="list-style-type: none"> • It is important to ensure that a focus on attainment does not lead to a dilution of the holistic support for children. Although attainment is important, it is vital not to neglect the basic needs of the child and how this can impact on attainment. • An understanding of outcomes and how they are measured is limited in practice. In Child Protection plans there is not enough clarity about the difference between a need and an outcome. • There is a need to analyse referral and re-referral rates to establish whether strategies such as early intervention are having an impact and the reasons for any increases. • Further work is needed to implement the Early Intervention performance framework in order to measure the impact of early intervention work on outcomes for families.

Working Together (including Health and Wellbeing Board)	<ul style="list-style-type: none">• The work of the Hartlepool Safeguarding Children's Board (HSCB) is skewed towards social care and the Board is too dependent on social care for the delivery of the business plan.• There is no Risk Management framework for HSCB With the number of changes facing the council and partner organisations including welfare reform, the mayoral referendum, Police and Crime Commissioner elections and Health reforms this is causing a great deal of anxiety across the partnership.• Hartlepool is small and although this can be positive it means there is too much reliance on individual relationships. This was an issue across the partnership.• Information sharing is not consistent across partners and often communication blockages are due to inconsistent practice. Protocols are in place but it is apparent they are not always adhered to.• GP's need to be more aware of their responsibilities in terms of safeguarding in their commissioning role.• There is limited representation from the VCS at the HSCB and as key providers of services this needs to be addressed in order to ensure that the views of both commissioned and non-commissioned VCS providers are taken into account.
Capacity and managing resources	<ul style="list-style-type: none">• With reducing resources and a reliance on individuals carrying out a range of roles the question of organisational resilience needs to be addressed.• The dietary needs of adolescents are not being met by the Free School Meals provision and schools are bridging this gap by topping up dinner cards.• A lack of clarity about the role and impact of the Children's Centres means that it is difficult to ascertain if they are providing the services needed to address the issues in Hartlepool. It is not clear what the role of Children's Centres and other Early Years settings are in the emerging

	<p>early intervention strategy.</p> <ul style="list-style-type: none"> • There is no strategic overview of the use of pupil premium resulting in missed opportunities in maximising its impact. • By categorising the majority of cases as neglect in Child Protection there is a danger that this could influence commissioning decisions resulting in significant gaps or the wrong services being commissioned. • Although support has been given to providers there is a risk of creating a two tier system of voluntary and community groups with many non – commissioned organisations struggling to meet their core costs and survive. We believe that these smaller, grassroots providers have much to contribute in supporting and safeguarding children. • The welfare reforms will impact on young people's services and there needs to be a review of their capacity to deliver in light of this. • There are a range of ICT systems operating in children's services and there is a need to consider whether there are opportunities for aligning ICT systems. We heard that up to seven systems need to be checked when a new enquiry is received.
Vision, strategy and leadership	<ul style="list-style-type: none"> • The council needs to assure itself that the Lead Member has sufficient capacity to deliver improved outcomes for children. • As the organisation explores future management options it needs to assure itself that there is sufficient strategic capacity to carry out the statutory functions of the DCS. • Consider organisational development needs so that partners are well placed to manage the demands placed upon them. • The strategies to respond to welfare reform will need to be clearly communicated across all partner agencies to ensure an understanding of the pertinent issues and what the implications are for partners. • The Troubled Families initiative needs to be integral to the Early Intervention offer. The initiative presents a real opportunity to create a balance between early and intensive intervention

	<p>and to provide a continuum of services across the thresholds of need . It could also be used to test out different models of engaging with families e.g. the Family Recovery model in order that it is a strengths-based model and not a deficit approach.</p> <ul style="list-style-type: none">• Confronting the root causes of neglect and developing alternative responses will help in delivering better outcomes for children and families in Hartlepool.
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At the action planning workshop on Friday 14 September 2012 you discussed the feedback presented by the Peer Review Team. You have captured the feedback from the group sessions and this will form a starting point for future action planning. The Local Government Association would be happy to discuss how we could help you further.

You and your colleagues will want to consider how you incorporate the team's findings into your improvement plans, including taking the opportunity for sector support through the Children's Improvement Board. Howard Cooper, your regional broker, has been sent a copy of this letter and will be in touch with you to discuss the options for support and how best to share notable practice identified. He can be contacted by email: howard@howardcooper.co.uk or by phone on 07508 430056

The Local Government Association is offering a follow up visit nine months to a year after the Peer Review. This would give us both an opportunity to evaluate the process and assess impact.

Thank-you again for agreeing to receive a review and to everyone involved for their participation. In particular, please pass on thanks from the peer review team to Ian Merritt, Sue Humpish and others in the team for their support during the preparation stages and organising the on-site requirements.

Paul Curran



Children's Improvement Adviser (Peer Review)

6.1 Appendix 2

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
HSCB to improve its understanding of neglect as it presents for children subject to protection plans in Hartlepool ensuring that the risks factors for the child are clear and the protection plan and services provided appropriately reflect need.	<ul style="list-style-type: none"> • Research best practice in responding to neglect; • Complete deep dive analysis of children subject to child protection plan under category of neglect; • Identify root cause of neglect, local prevalence and characteristics; • Introduce management information in relation to sub categories; • Develop service plan to strengthen local arrangements for responding to neglect and improving outcomes for children • Explore different models for practice in relation categorisation of children subject to a protection plan. 	Ian Merritt/ Maureen McEnaney	March 2013
Embed the voice of the child and the child's journey in front line practice in particular in child protection conferences and ensure these are clearly evidenced in the Protocol system.	<ul style="list-style-type: none"> • Re-model child protection conference arrangements in accordance with Statement of Purpose; • Implement feedback questionnaires from children subject to a plan; • Case audit tool to be amended to incorporate child's voice and journey; • Evaluate pilot of joint reports to conference; • Explore and implement introduction of critical timelines for children in reports; • Work with system provider to improve recording of child's voice. 	Maureen McEnaney /Wendy Rudd	March 2013
Hartlepool Borough Council to ensure there is sufficient capacity and resilience in the senior management team of children's services.	<ul style="list-style-type: none"> • Proposal to recruit to Director of Child and Adults Services will be considered early in 2013, if recruited to, this will ensure capacity and resilience within the Council 	Chief Executive	January 2013
The council needs to assure itself that the Lead Member has sufficient capacity to deliver improved outcomes for children.	<ul style="list-style-type: none"> • HBC to move to a Committee structure from May 2013 where it is proposed there will be a dedicated Children's Services Committee 	Chief Executive	May 2013

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
<p>There should be clear thresholds as children move across the continuum of need that is communicated to partners and understood by all.</p> <p>Embed the use of the common assessment for responding to children's needs through the early intervention strategy and ensure that all partners are clear on the new delivery model, what services are available and how to access them for families.</p> <p>Analyse the impact of the early intervention strategy on outcomes for families.</p>	<ul style="list-style-type: none"> Finalise revised Access to Services document underpinned by agreed Continuum of Need signed up to by all agencies; Implement E CAF and programme of workforce training and support to embed common assessment as the cornerstone of all early intervention services; Deliver further round of awareness raising sessions with partners on delivery model of early intervention strategy and how to access services; Review role, function and offer of children's centres to embed them at the centre of locality services and meet local need; Work with health to implement the Early Years Pathway as universal offer in targeted areas delivered through children's centres; Analyse referrals and pathways between locality teams and social care and re-referrals to social care to understand impact of early intervention strategy; Complete year one evaluation of the early intervention strategy to inform future service development and delivery. 	Danielle Swainston /John Robinson	June 2013
<p>Tees, Esk & Wear Valleys to consider the below finding from the Peer Review and provide assurance to Hartlepool LSCB regarding:</p> <p>i) CAMHS ability to provide for the needs of children and young people</p> <p>ii) CAMHS commitment to partnership working</p>	<ul style="list-style-type: none"> Report to be presented to Hartlepool Safeguarding Children Board 		March 2013

6.1 Appendix 2

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
Improve the work of the Independent Reviewing Officers ensuring it consistently champions the voice of the child and work is carried out sensitively and in a timely way	<ul style="list-style-type: none"> • Re-model child protection conference arrangements in accordance with Statement of Purpose; • Implement workforce development with IRO team to strengthen their knowledge and skills of role; • Receive peer challenge on IRO team to identify areas for further improvement and how arrangements can be strengthened. 	Maureen McEnaney	January 2013
Further develop understanding of need and outcomes and how they are measured	<ul style="list-style-type: none"> • Embed 'Rough Guides' in practice to support good planning for outcomes; • Deliver practice clinics to social work staff to strengthen care planning skills; • Multi agency 'conference improvement' events to be delivered across children's workforce; • Undertake peer audits of protection plans via IRO group supervision sessions; • Quality assurance training to be delivered to managers and IRO's. 	Maureen McEnaney	May 2013
Develop models of practice for working with resistant families to tackle the issue of long standing entrenched neglect and avoid start again syndrome.	<ul style="list-style-type: none"> • Research and identify evidence based models for intervention and develop toolkit for staff • Underpin annual workforce development plan with identified models and deliver training to all staff • Deliver specific training for managers to offer reflective supervision to quality assure that interventions are used effectively; • Consider membership of Research in Practice 	Sally Robinson	March 2013
NTH NHS FT to review the capacity of its school nursing service regarding school drop in sessions and Team Around the Child Meetings.	<ul style="list-style-type: none"> • NTH NHS FT implement and report to HSCB 	NTH NHS FT	May 2013

6.1 Appendix 2

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
Ensure that a focus on attainment does not lead to a dilution of the holistic support for children.	<ul style="list-style-type: none"> • Increase the size of the Educational Psychology Team • Begin discussions with Diocesan representatives around development of pupils' spirituality • Establish closer links between the Early Intervention Strategy and Pupil Premium • Develop a more appropriate Home-Hospital Service to better meet the needs of pupils 	Dean Jackson	March 2013
Hartlepool Safeguarding Children's Board (HSCB) to review how all partners contribute to the delivery of the Board business plan.	<ul style="list-style-type: none"> • HSCB annual development day to develop 2013/14 work plan and agree how partners will fulfill their responsibilities and provide capacity to deliver the work of the Board 	Jim Murdoch	February 2013
Develop a Risk Management Framework for HSCB.	<ul style="list-style-type: none"> • Risk management framework to be produced for HSCB and regular review and reporting arrangements to be put in place 	Jim Murdoch	January 2013
Improve information sharing across partners to ensure this is consistent and protocols are adhered to.	<ul style="list-style-type: none"> • Review information sharing protocols and identify barriers to effective practice • Training to be delivered on information sharing as part of the HSCB annual training plan 	Ian Merritt/Jim Murdoch	February 2013
Clinical Commissioning Group to have robust contracts and sound performance management systems in place with its providers so that it can be assured its providers are complying with the commissioner's specific standards relating to the safeguarding and promoting of children's welfare	<ul style="list-style-type: none"> • For action by CCG and reporting to HSCB 	CCG	March 2013

6.1 Appendix 2

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
Strengthen the representation at and engagement from the Voluntary and Community Sector in the work of HSCB and ensure non commissioned providers are effectively engaged and supported in their work to support and safeguard children.	<ul style="list-style-type: none"> Work with HVDA and VCS to identify ways to strengthen representation and engagement of commissioned and non commissioned VCS providers on HSCB Engage with non commissioned services to support their work with children and ensure they are appropriately engaged in team around the child arrangements 	Ian Merritt	March 2013
Ensure the dietary needs of adolescents are being met by the Free School Meals provision and they receive sufficient food.	<ul style="list-style-type: none"> Review free school meal provision for adolescents ensuring the allocation they receive is sufficient to meet their dietary needs and provide them with a satisfying meal. 	Karen Oliver	March 2013
Work with schools to develop a strategic overview of the use of pupil premium to maximise its impact.	<ul style="list-style-type: none"> Half day workshop with all Headteachers to establish Pupil Premium Strategic Overview; Circulate proforma to schools to inform LA of ongoing use of Pupil Premium; All schools to highlight strategy on their website and use of Pupil Premium; Revisit with schools the early intervention delivery model to maximise take up for vulnerable pupils and establish links between pupil premium and strategy. 	Dean Jackson/ Mark Patton/ Danielle Swainston	June 2013
<p>Ensure the children's workforce is fully prepared and has the capacity to respond to the impending welfare reforms and its impact on services for children and families.</p> <p>Ensure the strategies for respond to welfare reform are clearly communicated across all partner agencies to ensure an understanding of the pertinent issues and what the implications are for partners</p>	<ul style="list-style-type: none"> Deliver awareness raising training to children's workforce on welfare reform and what this means for families in Hartlepool; Provide a support and advice service for workers providing information and guidance to enable them to assist families; Complete Council strategy for responding to welfare reforms and share this with partner organisations 	Danielle Swainston / John Morton	April 2013

6.1 Appendix 2

SAFEGUARDING PEER REVIEW ACTION PLAN			
Objective (Objectives have been devised from Areas for Further consideration detailed in peer review letter)	Action to be taken	Lead officer	Timescale
Maximise opportunities for aligning children's ICT systems.	<ul style="list-style-type: none"> • Work with system providers to ensure that wherever possible systems are aligned and explore opportunities for improvement when tendering for new services • Develop protocol for access to secure systems 	Ian Merritt	June 2013
Ensure the Troubled Families initiative is integrated with the Early Intervention offer and maximise opportunities to test out different models of engaging with families e.g. the Family Recovery model.	<ul style="list-style-type: none"> • Work in partnership with R&N to deliver Troubled Families initiative and align with early intervention provision to avoid confusion and different service delivery models; • Explore different models for working with families and pilot these through Troubled Families initiative. 	Danielle Swainston /Clare Clark	March 2013

Cabinet 17th December 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: LOCALISM ACT 2011 – COMMUNITY RIGHT TO BID

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-Key.

2. PURPOSE OF REPORT

2.1 To advise Cabinet of the requirements and guidance in connection with the “Community Right to Bid” subsequent to the Assistant Chief Executive’s Cabinet report of 6th August 2012.

3. BACKGROUND

3.1 The Localism Act (“the Act”) was enacted on 15 November 2011, and the Assets of Community Value provisions in Part 5 Chapter 3 were commenced for England at the same time as the Regulations made under those provisions came into force, both on 21 September 2012.

3.2 The provisions

- Give communities the right to identify buildings or other land that they believe to be of importance to community’s social well-being (assets of community value)
- Ensure that if a (listed) asset comes up for sale, they will be given a fair chance to make a bid to buy it on the open market

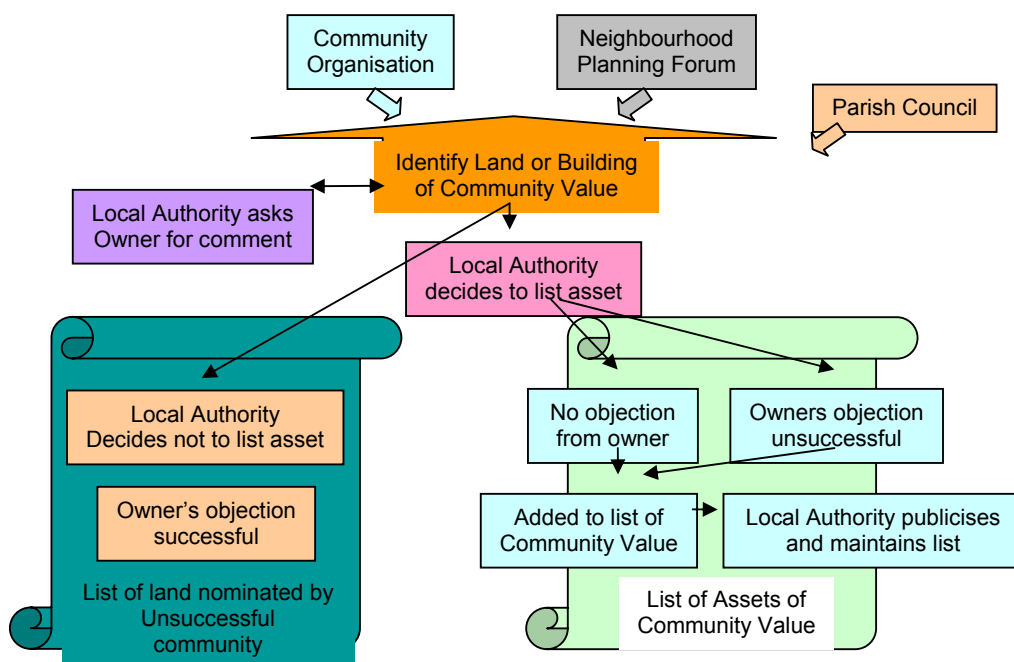
Nothing further will happen unless and until owner decides to dispose of asset.

3.3 The provisions **do not**

- Place any restriction on what an owner can do with their property
- Restrict who an owner of a listed asset can sell his property to, or at what price
- Confer a right of first refusal to community interest groups

3.4 The Act places a legal duty on all local authorities to maintain a publicly available list of assets of community value. A building or land in a local authority's area is an asset of community value **if in the opinion of the authority**:

- current primary use of the building/land or use of the building/land in the recent past furthers the social well-being or social interests (cultural, recreational, or sporting interests) of the local community;
- it is realistic to think that now or in the next five years there could continue to be primary use of the building/land which will further the social well-being or social interests of the local community.



3.5 Local authorities will have some say over the form of the list. Listed assets will be removed from the list after five years. Land and buildings can **only** be listed as community assets if this is permitted by regulations made by the Secretary of State and a parish council or 'voluntary or community body' with a 'local connection' has submitted a 'community nomination.' Listed assets will also need to be entered on the local land charges register.

3.6 Owners of listed assets cannot dispose of them without:

- letting the local authority know that they intend to sell the asset or grant a lease of more than 25 years;
- waiting until the end of a six week 'interim moratorium' period if the local authority does **not** receive a request from a community interest group to be treated as a potential bidder;
- waiting until the end of a six month 'full moratorium' period if the local authority **does** receive a request from a community interest group to be treated as a potential bidder.

3.7 The owner does **not** have to sell the asset to the community group.

- 3.8 There is also a 'protected period' (18 months from the time that the owner notified the local authority of their intention to dispose of the asset) – during this time there can be no further moratoriums.
- 3.9 Local authorities have a legal duty to:
- consider community nominations and list buildings/ land as community assets if they meet the criteria;
 - write to unsuccessful community nominators and explain why they have decided not to list the building/land as a community asset;
 - give written notice of the inclusion or removal of buildings/land from the list of community assets to the owner of the building/land, the occupier of the building/land, the community nominator and anyone else specified in regulations made by the Secretary of State;
 - draw the owner's attention to the consequences of their building/ land being listed as a community asset and the right to ask for the decision to be reviewed by the local authority;
 - maintain a publicly available list of unsuccessful community nominations, which explains why these nominations were unsuccessful;
 - make the community nominator and local residents aware when the owner of a listed asset gives notice of their intention to sell – the local authority is also responsible for updating the entry for the listed asset to include the owners intention to sell and dates for the end of the 'interim' and 'full' moratorium periods and 'protected period';
 - notify the owner of a listed asset of a written request from a community interest group to be treated as a potential bidder.
- 3.10 The Secretary of State has powers to introduce regulations that set out:
- the types of buildings/land that are **not** of community value – regulations may be based on the owner of the building/land, the occupier of the building/land, the nature of the building/land, the use to which the building/land has been, is being or could be put and the price or value of the building/land
 - the contents of the 'community nomination' and the exact meaning of 'voluntary or community body with a local connection' and 'community interest group'
 - the procedures local authorities must follow when deciding whether to list buildings or land as community assets
 - the procedures local authorities must follow when reviewing decisions to list buildings or land as community assets
 - who will be eligible for compensation, how compensation will be calculated and who will be required to pay compensation (depending on the regulations this may apply to local authorities)
 - how enforcement action will be carried out

4. COMMUNITY RIGHT TO BID: NON STATUTORY ADVICE NOTE FOR LOCAL AUTHORITIES

- 4.1 The provisions give local groups a right to nominate a building or other land for listing by the local authority as an asset of community value. It can be

listed if a principal (“non-ancillary”) use of the asset furthers (or has recently furthered) their community’s social well-being or social interests (which include cultural, sporting or recreational interests) and is likely to do so in the future. When a listed asset is to be sold, local community groups will in many cases have a fairer chance to make a bid to buy it on the open market.

4.2 The Assets of Community Value legislation places requirements on the following local authorities in England:

- (a) a district council,
- (b) a county council for an area for which there are no district councils,
- (c) a London borough council,
- (d) the Common Council of the City of London, or
- (e) the Council of the Isles of Scilly.

4.3 The scheme has two main parts: nominating and listing assets and the moratorium.

Nominating an asset – Implications for the Council

4.4 It is open to parishes and community organisations, including neighbourhood forums (as constituted under section 61F of the Town and Country Planning Act 1990, added to that Act by the Localism Act) to nominate local assets to their local authority, to be included on the list of assets of community value. Nominated assets may be owned by anybody, including the local authority and the Crown.

4.5 A neighbouring parish council can nominate an asset. Where the land is in a parish area, this means a parish which shares a border with it; or if an asset is in an unparished local authority area, so that there is no immediately adjoining parish council within the same local authority area, a parish council that borders the local authority could nominate an asset.

4.6 The local authority will then have 8 weeks to make a judgement about whether the asset meets the definition set out in section 88 of the Act or whether it falls into one of the excluded categories, including residential property, set out in Schedule 1 to the Regulations.

4.7 If the nominated asset is properly nominated, is in the local authority’s area, meets the definition, and is not excluded, the local authority must list it and inform all specified parties (including the parish council). They must also place the asset on the local land charges register and, if the land is registered, apply for a restriction on the Land Register.

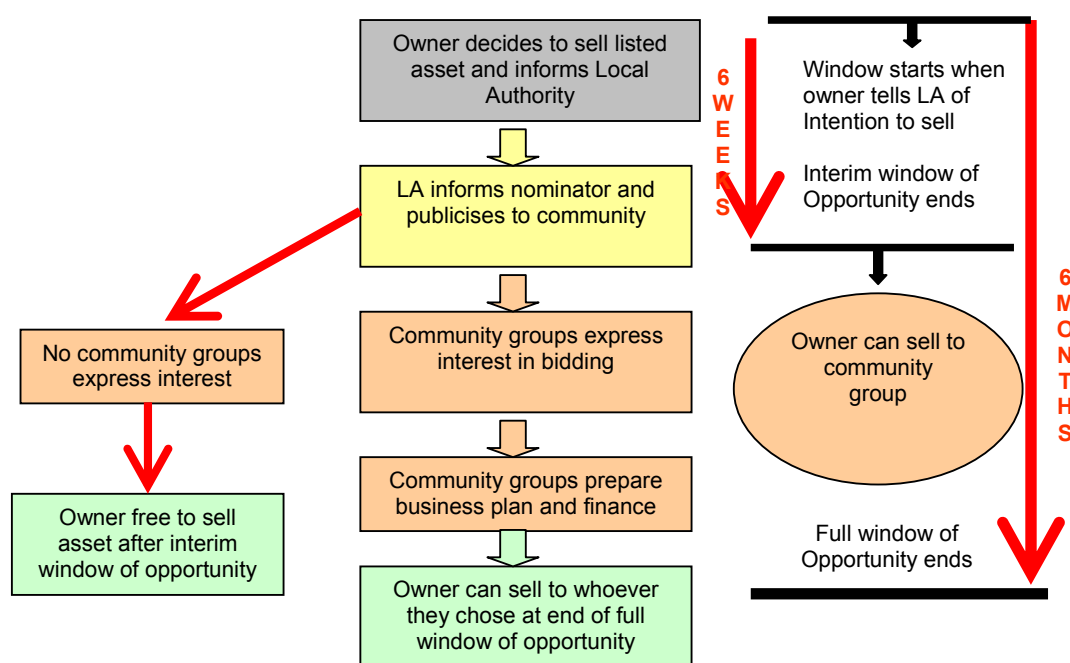
4.8 If the owner objects to their property being placed on the List, they will have a right to an internal review by the council of the decision to list. The details of this process are set out below. If the owner remains in disagreement with the listing after the internal review they have a right of appeal to an independent Tribunal.

4.9 If the local authority do not agree that the asset nominated meets the section 88 definition, or it is in one of the excluded categories, they must place it on

a list of assets nominated but not listed. If an owner is successful in their appeal against listing at internal review or Tribunal stage then the asset must also be moved to the list of unsuccessful nominations. It is for the local authority to decide how long they hold unsuccessful nominations on this list. The intention of this is to ensure transparency and to avoid multiple nomination of an asset that does not meet the definition.

Moratorium

- 4.10 Once an asset has been listed nothing further will happen unless and until the owner decides to dispose of it, either through a freehold sale, or the grant or assignment of a qualifying lease (i.e. originally granted for at least twenty-five years). The figure below illustrates the procedures to be followed:-



- 4.11 Unless an exemption applies, the owner will only be able to dispose of the asset after a specified window has expired.
- 4.12 The first part of this window is a 6 week interim period, which will apply in all cases, from the point the owner notifies the local authority. This will allow community interest groups to make a written request to be treated as a potential bidder. If none do so in this period, the owner is free to sell their asset at the end of the 6 weeks.
- 4.13 If a community interest group as defined in regulation 12 of the Regulations (referring to the bodies in paragraph (1) (d) to (g) of regulation 5) does make a request during this interim period, then the full 6 month moratorium (again from the point the owner notifies the local authority) will operate. During this period the owner may continue to market and negotiate sales, but may not

exchange contracts (or enter into a binding contract to do so later). There is one exception. The owner may sell to a community interest group during the moratorium period.

- 4.14 After the moratorium period – either the 6 weeks if there has been no community interest, or the full 6 months – the owner is free to sell to **whomever they choose and at whatever price**, and no further moratorium will apply for the remainder of a protected period lasting 18 months (running from the same start date of when the owner notified the local authority of wishing to sell). The process and lengths of the moratorium periods are contained in section 95 of the Act².
- 4.15 Not all proposed sales have to be notified to the local authority however. A range of disposals will be exempted from the provisions. A number are set out in section 95(5) of the Act, and others are in the Regulations.

Compensation

- 4.16 The scheme recognises that these provisions may have some financial impact on owners and provides a compensation scheme for private property owners. This will not be available to public bodies. The local authority will be responsible for administering the compensation scheme, including assessing and determining compensation awards. Owners and former owners will have rights of review and appeal regarding the authority's compensation decisions.

Enforcement

- 4.17 The scheme provides for various mechanisms to encourage compliance by requiring local authorities to:
- Inform owners and other interested parties that an asset has been listed
 - enter on the local land charges register the fact that an asset has been listed; and
 - in the case of registered land, apply for a restriction on the Land register.
- 4.18 Additionally, to give a strong incentive to owners to comply with the scheme, non-compliant sales will be void (ineffective), meaning that the change of ownership has not taken place (regardless of whether it has erroneously been registered on the Land Register - which would have to be rectified once the fact that the sale was void was discovered). However this penalty will not apply if the owner was unaware through no fault of their own that the land was listed when it was sold.

What the provisions do not do

- 4.19 These provisions do **not** restrict in any way who the owner of a listed asset can sell their property to, or at what price. They also do **not** confer a right of first refusal to community interest groups (unlike the Scottish scheme).³

- 4.20 The provisions do not place any restriction on what an owner can do with their property, once listed, so long as it remains in their ownership. This is because it is planning policy that determines permitted uses for particular sites. However the fact that the site is listed may affect planning decisions - it is open to the Local Planning Authority to decide whether listing as an asset of community value is a material consideration if an application for change of use is submitted, considering all the circumstances of the case.

5. PROPOSALS

- 5.1 The Council has previously compiled a list of locally significant buildings approved the Community Safety and Housing Portfolio Holder on 18th November 2011. Such a list has been encouraged by Central Government to identify buildings which are architecturally or historically significant. Locally Listed Buildings are not of national significance and do not have the same statutory protection, however they may merit local protection because, for example, they are the work of a local architect or have a link to a locally significant historical figure which, although not nationally noteworthy, nevertheless make a contribution to the local sense of place.
- 5.2 This list does not constitute the “list” in relation to the “Right to Bid” legislation. The “Nomination” procedures under the legislation will govern this.
- 5.3 Cabinet are asked to make any comments on how the Council might deal with the Right to Bid and agree for the Director of Regeneration and Neighbourhoods and the Chief Solicitor to put procedures in place to deal with nominations, compensation and enforcement and to maintain the list thereafter.
- 5.4 It is suggested that Cabinet agree for the Finance and Corporate Services Portfolio Holder to deal with procedures under the legislation.

6. RISK IMPLICATIONS

- 6.1 There will be risks linked with
- Challenges on nominations / exemptions
 - Compensation arrangement
 - Enforcement
 - Effects on the Council's Asset Management Strategy, particularly the disposal of assets – time delays / impact on receipts programme.
 - Potential administrative burden
- 6.2 Impact on the Council may be summarised as follows:-
- There will be a burden on the Council in administering the scheme with implications for legal and estates management teams in terms of both private

land and land owned by the Council which may be on the list of assets of community value.

- There is a possibility that the nomination of land or property owned by the Council could be used to thwart otherwise agreed arrangements for disposal of land or asset.
- The new right could be used in conjunction with the Community Right to Challenge whereby an expression of interest in running a service runs in tandem to a request to list an asset as being of community value, from which a service could be delivered.
- The Council will need to pay any compensation payments below £20,000. The Government has committed to meet compensation payments over £20,000 in a financial year. This could occur through a Local Authority paying out over £20,000 in one financial year either on one large claim or as a combined total on a number of smaller claims. However a number of small claims below the £20,000 threshold will fall directly onto local Councils and could create a significant new financial burden just as budgets are being squeezed.
- There is also the prospect of the Council becoming embroiled in disputes between community groups and land owners whilst following a new procedural approach that rigidly defines what a Local Authority must do. It is also a concern that the procedure may be open to abuse in order to gain compensation payments. The Council will need to be mindful of having effective processes in place to safeguard against such actions, which may, in any event, be difficult to prove.
- The process driven approach may also hinder democratic decision making whereby elected members, acting in the interest of a much wider electorate, that their decisions on local services fettered by a much smaller representation of local interests. It is also possible that landowners may feel disadvantaged by having their property placed on a list, and possibly subject to a moratorium on sale.

7. FINANCIAL CONSIDERATIONS

- 7.1 In considering the risks above there may be additional costs to the Council of administering the legislation, although this is difficult to ascertain at this stage. In addition there may be effects on the capital receipts received and the timing in relation to Council assets.

8. LEGAL CONSIDERATIONS

- 8.1 Robust procedures will need to be put in place to deal with the requirements of the legislation.

9. STAFF CONSIDERATIONS

- 9.1 There are no issues in respect to staff.

10. ASSET MANAGEMENT CONSIDERATIONS

- 10.1 The attention of the portfolio Holder is drawn to the Asset Management element of the Business Transformation Programme. The decision by Cabinet in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.
- 10.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.
- 10.3 The legislation may have an effect on our disposal strategy as mentioned in 6.1 above.

11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 11.1 When any asset is under consideration Community Safety issues will be addressed.

12. EQUALITY AND DIVERSITY CONSIDERATIONS

- 12.1 Nominations and the procedures to handle them will need to be open and transparent.

13. RECOMMENDATIONS

- 13.1 That Cabinet note the report and comment as necessary.
- 13.2 That Cabinet give approval for the Director of Regeneration and Neighborhoods and the Chief Solicitor to put procedures in place to receive and deal with nominations, compensation and enforcement and to maintain the list thereafter.
- 13.3 That Cabinet agree for the Finance and Corporate Services Portfolio Holder to deal with procedures under the legislation.

14. REASONS FOR RECOMMENDATIONS

- 14.1 To enable the legislation to be addressed.

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

15.1 There are no appendices.

16. BACKGROUND PAPERS

16.1 Cabinet Report of 6th August 2012 on Localism Act 2011 - Latest Position

17 CONTACT OFFICER

Denise Ogden
Director of Regeneration and Neighbourhoods
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Tel: (01429) 523301
Email: denise.ogden@hartlepool.gov.uk

CABINET REPORT

17th December 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: HOUSING MARKET RENEWAL TRANSITION FUND
– CARR/HOPPS STREET AREA UPDATE

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 None Key Decision.

2. PURPOSE OF REPORT

2.1 To provide Cabinet with a progress update on the implementation of the Carr/Hopps Street Regeneration project plan including progress of acquisition by agreement of privately owned properties and resident relocation on the site.

3. BACKGROUND

3.1 The Carr/Hopps Street housing regeneration area includes 188 residential properties (including 2 properties with a commercial element) in the streets of Rodney Street (numbers 17-73 odds and 24-80 evens) Richardson Street, Blake Street (numbers 2-18 evens) Carr Street, Jobson Street, Hopps Street and Hart Lane (numbers 31-57 odds). The site is 2.06 hectares in size.

3.2 Cabinet have considered a series of reports outlining the implementation of the Carr/Hopps Street regeneration area most recent of which was on the 19th March 2012 where Cabinet endorsed the proposal to begin acquisition by agreement of properties within the Carr/Hopps Street regeneration area over a three year period.

3.3 The Council successfully secured £2 million from the Government's Housing Regeneration Transition Fund in February 2012. The purpose of the transition fund is to assist trapped households living in sites subject to housing regeneration, stalled by the cancellation of the HMR programme. The fund is designed to unlock the potential to re-house residents and to deliver a structured exit from the HMR programme. The bid put forward and approved was to utilise the funding to acquire properties by agreement and relocate residents without legal enforcement on the Carr/Hopps Street site. The match

funding requirement was approved in the Medium Term Financial Strategy in February 2012.

4. CURRENT POSITION

- 4.1 Resident and owner consultation took place in April and May 2012. All residents on the site were visited individually and drop in sessions held on a number of occasions. Non-resident owners were consulted on a phased approach in line with the phasing plan.
- 4.2 Since May 2012, 15 properties have been acquired from owners by agreement on the Carr/Hopps Street site. Of these 5 were tenanted and 10 were void properties. Tenants were assisted in their relocation, found suitable alternative accommodation and received home-loss payments (if they had been in occupation for a minimum of 12 months). A further 6 owners have agreed sale, 2 of which are owner occupiers and 4 of which are private rented tenanted. Where there is an agreed sale in place the occupants have been provided with regeneration priority (Band 1A) on the waiting list and are awaiting suitable accommodation.
- 4.3 The Council has received a further 35 valuation requests and of these 16 have been valued with offers issued to owners. The valuation process is ongoing with a number of valuations being conducted each week.
- 4.4 Of the 188 properties on the Carr/Hopps Site 49% have been acquired by the Council. Including the properties owned by Housing Associations a further 12% of properties have a agreed sale in place and legal instructions issued. There is therefore 39% of the site yet to acquire. Contact is yet to be made with 38 owners. In order to make contact with owners the Council has written to the known owner (according to Land Registry) on three separate occasions to advise of the Council's decision and to offer a valuation.
- 4.5 The on-the-ground management is being taken forward by Housing Hartlepool (HH). Fortnightly drop in sessions are taking place held at the Nursery Pub and individual visits of residents are conducted when required. Site inspections are conducted twice weekly with a Council Housing Standards Officer to maintain the condition of the area for remaining residents. Any privately owned insecure properties are addressed through the Housing Standards team. All properties acquired by the Council have been decommissioned (electricity and gas capped and precious metal removed) and secured.

5. RISK & FINANCIAL CONSIDERATIONS

- 5.1 Even in areas of high dwelling vacancy, taking forward acquisition proposals requires a sensitive and proactive management of the relocation process of local people living in these areas where acquisition is being progressed. Whilst this has been very successfully managed by Housing Hartlepool and

the Council in the past, detailed consideration needs to be given to the availability of suitable alternative accommodation options for residents and the scheme implemented in a phased basis over a appropriate period of time. Consideration also needs to be given to re housing taking place on other regeneration sites such as Raby Estate and potential competition between residents with regeneration priority on the waiting list. To date there is no evidence of competition for properties between residents of both regeneration sites given the differing family size and accommodation needs. Given the nature of the area there is a risk of more tenants taking up tenancies within the area in order to secure a home loss payment, tenants will need to meet the criteria of occupation to be entitled. To date there is no evidence of residents moving into the area to secure a home-loss payment although some owners of empty properties have advised the Council that they will be re-letting the properties in the short term. The Council will ensure they have a license and properties are in suitable condition.

- 5.2 Perhaps, most critically the fundamental risk to the project is the increase in property prices and the unwillingness of owners to sell. If owners do not wish to sell their property they must abide by licensing conditions and ensure their property is of a habitable standard if occupied. Selective Licensing inspections will be conducted as programmed to ensure compliance, there is currently one outstanding disrepair case. Some legal avenues will not be open to the Council as there is no end use identified for the land. The aim of the scheme is to purchase properties by agreement only. The Council are currently successfully acquiring properties by agreement from owners and have a number of outstanding valuation requests to progress.
- 5.3 The scheme is currently being delivered in line with budget parameters set out within the project plan and Medium Term Financial Strategy. The overall budget for Housing Market Renewal also includes costs in relation to the Perth Street/Raby Road Corridor, which could reduce the available funding for this scheme, depending on the outcome of the Lands Tribunal expected in April 2013. Work is currently being undertaken to assess whether the overall budget is sufficient and a report will be taken to members in due course outlining the current position, risks and range of variances.

6. RECOMMENDATIONS

- 6.1 Members are recommended to note the contents of the report and that further updates on the acquisition of properties on the Carr/Hopps Street Area be provided in the Housing Services Quarterly Report.

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

- 7.1 There are no appendices associated with this report.

8. BACKGROUND PAPERS

8.1 Cabinet Report of the 19th March 2012 available at www.hartlepool.gov.uk.

9. CONTACT OFFICER

Dave Stubbs, Director of Regeneration and Neighbourhoods.
Dave.stubbs@hartlepool.gov.uk. 01429 523301.

CABINET REPORT

17 December 2012



Report of: Scrutiny Co-ordinating Committee

Subject: HOLDING REPORT - FORMAL RESPONSE TO THE EXECUTIVE'S MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2013/14 TO 2016/17 – INITIAL BUDGET CONSULTATIONS

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 This is a non-key decision.

2. PURPOSE OF REPORT

2.1 To inform Members that a report will be circulated in advance of, and for consideration during, this meeting detailing the Scrutiny Co-ordinating Committee's formal response to the Executive's Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017 consultation proposals.

3. BACKGROUND INFORMATION

3.1 At a meeting of the Scrutiny Co-ordinating Committee held on 19 October 2012, consideration was given to the Executive's initial proposals for the Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017.

3.2 At this meeting it was agreed that, as in previous years, each of the Standing Scrutiny Forums would consider the budget proposals covering the service areas within their remit. Comments / observations were subsequently fed back to the meeting of the Scrutiny Co-ordinating Committee held on 7 December 2012 to assist in the formulation of this Committee's formal response, to be considered during this meeting of the Cabinet.

3.3 The timescale between completion of Scrutiny consideration of the Executive's Initial consultation proposals and the date of today's Cabinet meeting, however, meant that it was not possible to include the Scrutiny Co-ordinating Committee's report within the statutory requirements for the despatch of the agenda and papers for today's meeting. In light of this, and in order to progress the matter without delay, arrangements have been made for the Scrutiny Co-ordinating Committee's report to be circulated under separate cover in advance of this meeting.

4. PROPOSALS

- 4.1 No options submitted for consideration other than the recommendation(s).

5. IMPLICATIONS OF RECOMMENDATIONS

- 5.1 As detailed in report that will be circulated.

6. RECOMMENDATIONS

- 6.1 Cabinet is requested to consider the Scrutiny Co-ordinating Committee's formal response, as outlined in the report to be circulated in advance of this meeting.

7. REASONS FOR RECOMMENDATIONS

- 7.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's initial proposals for the Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017.

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

- 8.1 No appendices are attached to this report

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

BACKGROUND PAPERS

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

- (i) Medium Term Financial Strategy (MTFS) 2013/2014 To 2016/2017 – Initial Consultation Proposals presented to the Scrutiny Co-ordinating Committee held on 19 October 2012.
- (ii) Report Of The Chairs Of The Overview And Scrutiny Committees Entitled 'Medium Term Financial Strategy (MTFS) 2013/14 To 2016/17 – Initial Budget Consultations: Feedback From The Overview And Scrutiny Committees' Presented To The Scrutiny Co-ordinating Committee held on 7 December 2012.

CABINET REPORT

17 December 2012



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO THE EXECUTIVE'S
MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2013/14 TO 2016/17 – INITIAL BUDGET
CONSULTATIONS

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 This is a non-key decision.

2. PURPOSE OF REPORT

2.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's initial proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017.

3. BACKGROUND INFORMATION

3.1 At a meeting of the Scrutiny Co-ordinating Committee held on 19 October 2012, consideration was given to the Executive's initial proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017.

3.2 At this meeting it was agreed that, as in previous years, each of the Standing Scrutiny Forums would consider the budget proposals covering the service areas within their remit. Comments / observations were subsequently fed back to the meeting of the Scrutiny Co-ordinating Committee held on 7 December 2012 to assist in the formulation of this Committee's formal response (as outlined further on within this report), to be considered during this meeting of the Cabinet.

3.3 In addition to the comments/views expressed in Section 4 of this report, as part of the budget consultation process, a number of savings proposals were identified by Scrutiny for consideration on an individual basis throughout the course of the year. The views and suggestions expressed by Scrutiny in relation to these savings proposals, details of which are outlined below, have been submitted and considered by Cabinet on an individual basis:

- Home to School Transport – Scrutiny Co-ordinating Committee comments in relation to this are included in the MTFS report included on the agenda for the Cabinet meeting on the 17 December 2012 (Item 4.2 - Appendix 4 - Paragraph 9.0).
- Reduced Subsidy to Carlton Outdoor Centre, Cease Biennial Maritime Festival - Adult and Community Services Scrutiny Forum comments in relation to this are included in the MTFS report included on the agenda for the Cabinet meeting on the 17 December 2012 (Item 4.2 - Appendix 3 - Paragraph 9.0).
- Reduction in Front Line Service Provision Including Direct Care & Support, Employment Support, Occupational Therapy and Social Work Teams - Adult and Community Services Scrutiny Forum comments in relation to this are included in the MTFS report included on the agenda for the Cabinet meeting on the 17 December 2012 (Item 4.2 - Appendix 2 - Paragraph 9.0).

3.4 Following the consideration of the Scrutiny Co-ordinating Committee's formal response during this meeting (7 December 2012) along with the finalisation of the Executive's proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017, further consideration will be given to the finalised proposals by the Scrutiny Co-ordinating Committee at its meetings on the 24 January 2013, with the intention of presenting a formal response to the meeting of Cabinet on 4 February 2013.

3.5 During the consideration of the Executive's finalised proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017, Cabinet Members are invited to attend the Scrutiny Co-ordinating Committee to be held on the 24 January 2013.

4. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVE'S INITIAL PROPOSALS FOR THE MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2013/2014 to 2016/2017

4.1 Members of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums (with Members of the Health Scrutiny Forum invited to participate in discussions at the Adult and Community Services/Children's Services Scrutiny Forum meetings) considered in detail the proposed budgetary savings proposals and pressures as part of the Executive's initial proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017.

4.2 During the determination of a formal response, Members emphasised the unprecedented financial challenges facing the Council and the potential need, as a result of higher than forecast funding cuts, for a strategic, planned, multi-year approach to the management finances. In addition to this, a number of specific concerns/comments were made by the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums, as outlined below:-

Scrutiny Co-ordinating Committee (19 October 2012)

4.3 No pressures identified.

4.4 Savings Proposals:-

The Committee recognised that the Council faces unprecedented financial challenges, with the potential for higher funding cuts than forecast in the MTFS and the need for a strategic planned multi-year approach to managing finances. In considering key issues affecting the Council, the Committee:-

- i) Reiterated its concerns regarding the Government's recent Council Tax freeze announcement for 2013/14 and the potential budgetary implications of implementing the required Council Tax Support Scheme. In relation to the council tax support scheme, Members were concerned regarding:
 - The knock on financial implications for families, and those on the lowest incomes, of the grant cut and the Government's requirement for the provision of financial protection to low paid pensioners.
 - The potential for the localisation of council tax support proposals to impact on those already affected by wider welfare reform changes and the potential knock on effect on the collection level of council tax. Members were, however, reassured that robustly systems would be in place to ensure that residents accessed housing and council tax benefit entitlements.
- ii) Concerns were raised regarding the content of the appendices, in that it appeared to be outdated in relation to areas of potential cuts to services. It was confirmed that the current financial situation was continuously being examined and that discussions / consultations may result in the identification of alternative savings.
- iii) Emphasised the importance of providing realistic and timely information in relation to potential implications of budgetary cuts.
- iv) Questioned the level of resources that would be transferred to the Police and Crime Commissioner as part of the Police Reform and Social Responsibility Act. It was confirmed that a report will be submitted to Council outlining the potential risk implications to the Council of the transfer of resources to the Police and Crime Commissioner.
- v) Concern was expressed regarding the potential implications of transferring discretionary housing payment queries and other issues around welfare reform to the Contact Centre. The importance of having a hub of information and guidance, including support from FISH (Families and Information Services HUB) within the Contact Centre was emphasised and it was noted that this issue would be considered within

the departmental restructures to be undertaken by the new Chief Executive.

- vi) Concerns were reiterated regarding the level of previous underspends within the Council's overall budget and the public perception of this in light of service cuts. In response to this, it was noted that:
 - Previously managed underspends had been achieved by carefully managing budgets and achieving planned future savings earlier. This long term robust financial planning had enabled the Council to mitigate and manage the significant risks and challenges to be faced in the future.
 - The budget would continue to be managed carefully in the current year and underspends targets had been set to manage additional financial risks facing the Council over the next few years.
 - In relation to public perception, the importance of informing the public that the Council was fundamentally changing the way it operated to protect services was reiterated.
- vii) Assurances were given that the procurement of the ICT Contract was being undertaken through a competitive dialogue process and that this was an equitable process, in the best interests of the Council and the achievement of planned savings.
- viii) In relation to Child and Adult Services:
 - Concern was expressed regarding the level of caseloads dealt with by employees. It was confirmed that the level of caseloads for individual employees was monitored closely and regularly, particularly in children's services.
 - Concerns were expressed in relation to potential cuts and whether this was likely to impact on the provision of the statutory responsibilities. It was confirmed that under the Fair Access to Care Services criteria, the Council currently operated to meet the needs of residents with substantial or critical needs as was the position of the vast majority of local authorities. In relation to reablement services, early intervention and prevention work supported people with lower levels of need which avoided the service user reaching the level where substantial or critical care was required.
- ix) Clarification was sought as to whether the residual outstanding income from the Tall Ships event had been received. The Chief Finance Officer confirmed he would check that information and inform Members.

Adult and Community Services Scrutiny Forum (5 November 2012)

4.5 Pressures:-

i) Brierton Community Sports

The Forum acknowledged the inclusion of the management of Brierton Community Sports Centre in the Council budget as a result of the relocation of Dyke House School from the Brierton site. As a result Members supported the pressure.

4.6 Savings Proposals:-

Members of the Adult and Community Services Scrutiny Forum were mindful of the very difficult financial position and the required savings required in Adult and Community Services. Although Members reluctantly recognised the need to support a number of the saving proposals they wished to draw Cabinet's attention towards the desire to protect vulnerable people wherever possible from cuts, particularly when related to mental health needs.

Regeneration and Planning Services Scrutiny Forum (8 November 2012)

Members of the Regeneration and Planning Services Scrutiny Forum supported the pressures and savings proposed by the Department, but wished Cabinet to note their following comments:-

4.7 Pressures:-

i) Loss of LPSA Funding

Following the Forum's investigation into Services Available to Male Victims of Domestic Abuse in 2011, Members recognised the vital importance of continuing to support domestic violence and perpetrator programmes and as such supported the requirement for this budgetary pressure. Members were also keen for emphasis to be placed on the importance of domestic violence and victim support to the new Police and Crime Commissioner once they have been elected.

4.8 Savings Proposals:-

i) Restructuring operational changes and income generation in Regeneration and Planning

Members of the Regeneration and Planning Services Scrutiny Forum were very clear that they agreed with a statement made by the Town's MP, at their meeting of 11 October 2012 that economic development should be protected from any cuts. The Forum felt that this was a vital element of Council activity, which in the current economic climate was increasingly important to help the Town recover from the economic downturn.

Public Protection was also highlighted as an area where there needed to be a confident message that the Council could meet its regulatory requirements, even when faced with proposals to find savings within the service.

Concerns were also raised that as services lost staff, there became an increased pressure and a danger that services would fail to achieve and although the Forum welcomed the possibility that compulsory redundancies may not be required, care was needed when considering voluntary redundancy requests and redeployment of staff.

However, Forum Members were fully aware of the difficult decisions that the whole Council faced in reducing its spending and as such reluctantly agreed to support the proposed savings proposals.

Children's Services Scrutiny Forum (13 November 2012)

4.9 No pressures identified

4.10 Savings Proposals:-

Members supported all the savings proposals presented to the Children's Services Scrutiny Forum and recognised that the areas identified would have the least impact on front line services and staffing. However, Members did note that the proposals stripped out any flexibility of service provision in a number of the areas identified.

i) Prevention, Safeguarding and Specialist Services

Members supported the savings proposals, but raised concerns regarding the sustainability of funding in a number of areas, particularly where services were now fully or partially dependant on external/partner funding, which cannot be guaranteed to continue in the future.

ii) Staff Reductions and Increased Income

Members supported the savings proposals but queried the allocation of the budget to cover certain Space to Learn costs, to both the Schools Improvement and Advice Budget and the City Learning Budget. Members referred this to the Section 151 officer for investigation and requested that the outcome be fed back to the Forum at a later date.

Members supported income generation activities but were of the view that care must be taken not to divert officers from their primary role. Members were concerned the increase in School improvement Service charges may make the service less competitive and requested that officers were mindful of this when determining the increase in these charges.

Neighbourhood Services Scrutiny Forum (14 November 2012)

4.11 Savings Proposals:-

i) Collaboration

Members suggested that there may be the potential to achieve savings through a withdrawal from NEPO, officers advised that a review of the services provided by NEPO was currently underway.

Members queried whether internal re-charges were reducing competitiveness and were advised that budget and trading accounts had been brought together in an attempt to address any issues in this area.

ii) Waste Management Reconfiguration

Members were supportive of the proposal and welcomed the potential increase in recycling this may bring, especially given the budget pressure identified in relation to landfill tax. Members did request that it was a condition of any new contract that litter resulting from recycling collections should be addressed during the collection, it was confirmed that this would be the case.

iii) Transport and Engineering

Members were supportive of the savings proposals and income generation activities, particularly the potential to provide direct services for health partnerships.

4.12 Following consideration of the views expressed by Scrutiny, Members were keen to receive, and examine in greater detail, Cabinet's final budget proposals, once approved on the 17 December 2013.

5. PROPOSALS

5.1 No options submitted for consideration other than the recommendation(s).

6. IMPLICATIONS OF RECOMMENDATIONS

6.1 As detailed in report.

7. RECOMMENDATIONS

7.1 It is recommended that the Cabinet:-

- (a) Considers the formal response of the Scrutiny Co-ordinating Committee, as outlined in Section 4 of this report; and

- (b) Provides feedback to the Scrutiny Co-ordinating Committee in relation to the formal response, as outlined in Section 4, during the consideration of the Executive's finalised Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017.

8. REASONS FOR RECOMMENDATIONS

- 8.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's initial proposals for the Medium Term Financial Strategy (MtfS) 2013/2014 to 2016/2017.

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

- 9.1 No appendices are attached to this report

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

BACKGROUND PAPERS

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

- (i) Medium Term Financial Strategy (MTFS) 2013/2014 To 2016/2017 – Initial Consultation Proposals presented to the Scrutiny Co-ordinating Committee held on 19 October 2012.
- (ii) Report Of The Chairs Of The Overview And Scrutiny Committees Entitled 'Medium Term Financial Strategy (MtfS) 2013/14 To 2016/17 – Initial Budget Consultations: Feedback From The Overview And Scrutiny Committees' Presented To The Scrutiny Co-ordinating Committee held on 7 December 2012.