

# CABINET AGENDA



**18<sup>th</sup> February 2013**

**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 4<sup>th</sup> February 2013  
(previously circulated)

**4. BUDGET AND POLICY FRAMEWORK**

No items

**5. KEY DECISIONS**

No items

**6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Growing Places Fund Update – *Director of Regeneration and  
Neighbourhoods*



- 6.2 Quarter 3 – Strategic Financial Management Report – *Corporate Management Team*
- 6.3 Renewal of the Longhill & Sandgate Business Improvement District (BID) – *Director of Regeneration and Neighbourhoods*
- 6.4 Hartlepool Participation Strategy – *Director of Child and Adult Services*

**7. ITEMS FOR DISCUSSION/INFORMATION**

No items

**8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items



# CABINET REPORT

18<sup>th</sup> February 2013



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** GROWING PLACES FUND UPDATE

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non Key.

## 2. PURPOSE OF REPORT

2.1 To update Cabinet on the progress of the Tees Valley Growing Places Fund.

## 3. BACKGROUND

3.1 Growing Places is an £8.5m loan fund, provided by Government and managed by Tees Valley Unlimited which supports projects that will create economic growth, job creation and remove barriers to development in the local economy. A previous report providing details of the scheme dated 19<sup>th</sup> March 2012 was submitted to Cabinet.

3.2 £4 million of funding is available in round 2 and applications are being invited from businesses and organisations who are seeking a loan to invest in large capital projects. Investments will be made on a repayable basis with an appropriate level of return which will be re-invested to provide significant on-going and long-term benefits to the Tees Valley economy.

## 4. CURRENT POSITION

4.1 This is the second call for projects and there is particular interest in development projects that require additional capital funding to enable them to come to fruition and quickly deliver tangible economic outcomes.

4.2 The Prospectus [**attached at appendix 1**] provides more information on the Fund and details on how to apply. The Prospectus is meant to be clear, concise and easy to read and ensures the fund is managed in an open and transparent way. It details how decisions will be made on future projects

which will be in accordance with the Tees Valley Unlimited Joint Agreement [appendix 2].

- 4.3 This joint agreement will give Chief Executives, as members of the Investment Panel, the delegated authority on behalf of the Local Authority to initially shortlist projects and make recommendations to the Leadership Board for approval. It will delegate decision making for project selection to Leaders and Mayors, as members of the TVU Leadership Board and to authorise the project to enter Due Diligence.
- 4.4 Due Diligence will be overseen by the Investment Panel. Chief Executives will be granted authority to authorise the release funding to the applicant if Due Diligence is successfully completed; if this is not the case the project may be referred back to the Leadership Board where Leaders and Mayors can deselect the project for funding.

## **5. RISK IMPLICATIONS**

- 5.1 The key risk is ensuring that projects are deliverable and financially sound and this risk is mitigated by the due diligence process. The Investment Panel has a broad range of representation and members have appropriate skills and experience to conduct due diligence processes.

## **6. FINANCIAL CONSIDERATIONS**

- 6.1 There are no financial considerations directly affecting the Council as the funding is provided directly from Government to the Local Area Partnership.

## **7. STAFF CONSIDERATIONS**

- 7.1 There are no staffing considerations.

## **8. IMPACT ON CHILD / FAMILY POVERTY**

- 8.1 The creation of new jobs both directly and in the supplier chain will increase the overall number of jobs in the local economy providing more employment opportunities for local residents to gain meaningful employment.

## **9. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 9.1 All developments will be compliant with Section 17.

**10. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 The Council and its Tees Valley partners work with all businesses on recruitment and will ensure that vacancies are promoted locally to residents and that opportunities for apprentices are negotiated for young people.

**11. RECOMMENDATIONS**

- 11.1 That the update report is noted for information.

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

- Tees Valley Unlimited Joint Agreement [appendix 2].

**13. BACKGROUND PAPERS**

There are no background papers for this report.

**14. CONTACT OFFICER**

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*Tees Valley*  
*unlimited*



# **Tees Valley Growing Places Fund**

## ***Round 2 Prospectus***



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## **What is the Tees Valley Growing Places Fund?**



Tees Valley Unlimited (TVU) has just over £8.5 million to lend to businesses and other organisations to support projects that will create growth, job creation and remove barriers to development in the local economy.

**£4 million of funding is available in round 2** and we are inviting applications from businesses and organisations who are seeking a loan to invest in capital projects.

This is our second call for projects and we are particularly interested in development projects that require additional capital funding to enable them to come to fruition and quickly deliver tangible economic outcomes.

Investments will be made on a repayable basis with an appropriate level of return which will be re-invested to provide significant on-going and long-term benefits to the Tees Valley economy.

This prospectus provides more information on the Fund and details how to apply.

## **Who can apply?**



The Fund is open to all businesses, private developers, local authorities and their partners based in or looking to invest in the Tees Valley. Applications are welcome for proposals that support TVU in achieving its ambitions including the delivery of a successful Enterprise Zone.

In order to be eligible for the fund, proposed projects must meet the basic criteria listed below. Please make it clear in the submission that these issues have been addressed. Project proposals which fail to meet these requirements will not be considered for investment:

- ☐ The investment must be capital;
- The project must deliver benefits for the Tees Valley area;
- ☐ The project will need to demonstrate that funding addresses a cashflow/funding shortfall that can't be met by other means;
- There is a way that the investment in the project can be repaid;
- Other criteria will also be considered as detailed later in the prospectus under 'steps to securing funding'



The fund is intended to be a 'recycling fund' where investment is repaid over time then allowing for further investments in the future. We will expect the full funding to be repaid from the profit generated by the development. This should be considered when developing any project proposals and the mechanism by which funds would be repaid should be made clear in the response.

## **What type of projects can be funded?**

We are seeking applications from projects that will, following the injection of capital funding, be able to start or re-start quickly and unlock economic growth. A wide range of infrastructure projects could be supported, including highway improvements, site access, utilities, flood defence, etc, commercial/ industrial space, and new homes as part of mixed use developments.

## **What funding is available?**

**£4 million of funding is available in this round.** Further bidding rounds are envisaged once the fund is replenished.

The amount and type of funding ultimately offered to any project will reflect our assessment of the minimum support needed for the project to proceed and the level of risk involved.

The project will need to demonstrate it is State Aid compliant; this will be considered as part of the due diligence process.

## **How will the loan be repaid?**

It is anticipated that repayment will be required by the sooner of when the project is fully completed or a pre-agreed longstop date.

Applicants will be expected to repay their loan over an agreed timeframe. Any early repayment of loans will not incur an early settlement charge and any agreed interest payments will be adjusted in line with the revised repayment date.

Repayment terms and periods are negotiable, but we will expect the loan to be repaid in full within agreed timescales, ideally within 3-5 years by means identified by the applicant. Loans will be repaid on a basis agreed during the due diligence stage and interest charged at a rate that is State Aid compliant.

Applicants will need to demonstrate how they intend to repay loans.

The applicant will also be expected to deliver the full project outputs and outcomes by an agreed date. We will expect regular updates and will monitor the progress of the project against agreed milestones.

## **How do I Apply for Funding?**

Applying for funding is simple. All applications will be treated as commercial in confidence and will not be shared with any third party not directly involved in the appraisal, selection and due diligence process.

If you think the Growing Places Fund can help your scheme the guidance and application form can be downloaded from our website. If you wish to discuss your project further before applying then please contact Christine Schott or Heather Heward on 01642 524424; alternatively you can contact via email at [BIPTeam@teesvalleyunlimited.gov.uk](mailto:BIPTeam@teesvalleyunlimited.gov.uk).

Potential applicants whose scheme does not meet the basic criteria will be advised to seek alternative sources of funding. Those who do meet the basic criteria will be invited to submit an application form.

Each submission will undergo a check against the eligibility criteria over page.



Criteria	Application Form
Projects are located in and significantly contribute to the economy of Tees Valley consistent with <a href="#">TVU's Statement of Ambition</a> and <a href="#">Business Plan</a>	Section 2
Projects should be predominantly employment focussed	Section 2
Projects should demonstrate clear additionality – the additional economic benefits created as a result of Growing Places Funding and the acceleration of these benefits.	Section 2
Projects must be capital schemes that are ready to go and are able to generate sustainable employment or housing quickly.	Section 3
Projects should have outline planning consent and/or a reasonable expectation that full planning consent will be granted within six months of submitting their application. This will be checked with the relevant Local Planning Authority.	Section 4
Projects need to demonstrate that loans from the Growing Places Fund are capable of being repaid through secure forms of repayment – this may be through planning agreements, tariffs, the Community Infrastructure Levy or other contractual arrangements.	Section 4

General Criteria
Projects must be capital projects and used for the acquisition or enhancement of an identifiable asset with a life of more than one year.
TVU will also consider shortlisted projects in respect of the overall funding available, the balance of risk of the portfolio, and the likely impact on the future use and sustainability of the Fund.

## What is the deadline for applications?



**All applications must be submitted no later than 30<sup>th</sup> April 2013** using the application form available on the TVU website. Applications should be submitted by email to: [BIPTeam@teesvalleyunlimited.gov.uk](mailto:BIPTeam@teesvalleyunlimited.gov.uk). Receipt of applications will be acknowledged.

## **How will projects be selected for funding?**

After the initial appraisal and eligibility check, projects will be submitted to TVU Investment Panel for short listing and approval to proceed to due diligence stage. Recommendations will then be submitted to Leadership Board for approval.

Reasonable feedback will be provided to all applicants following each stage of the application. We reserve the right to request further information or evidence from any applicant.

This is a competitive process with a finite amount of funding available. We will invest in the best possible projects and therefore we reserve the right to not allocate all of the funding available if projects do not meet the required standard.

## **What is involved in Due Diligence?**

Shortlisted projects will undergo a technical due diligence review which will need to be satisfactorily completed before funding is awarded. There are three parts to the due diligence process and we may require additional information and evidence from applicants at this stage to satisfy these requirements:

### **Part 1: Financial appraisal**

Growing Places funding must not replace other funding options and applicants must demonstrate the need they have for investment from this fund. We will provide only the minimum funding required to allow the project to progress. The financial appraisal stage, therefore, will seek to appraise the projects financial position and test underlying assumptions:

- Identify the minimum funding needed to unlock the development;
- Evaluate the potential for recovery of the initial investment;
- Understand pricing and marketing strategies for the project; and
- Understand and consider the financial, commercial and market risks associated with the project.

## Part 2: Financial standing

All loans must be State Aid compliant. Where necessary, interest rates will be charged using the EC reference rates, which currently range from 2.34% to 11.74% and will be calculated by an assessment of the creditworthiness and security offered against the loan.

An assessment of creditworthiness may include, but is not restricted to, the following:

- **Financial analysis** – profitability, net asset position and balance sheet strength, gearing, credit checks, etc;
- **Ability to service the loan** (both interest and capital) in the context of existing commitments;
- **Track record of delivery** – an assessment of the trading history, development experience of the borrower, references, benchmarking against peer companies, etc.

The level of security offered against the loan may also be considered when determining the interest rate to be applied. For example, this may be in the form of a parent company guarantee or a legal charge.

Any decision made by TVU on the interest rate applied will be final.

## Part 3: Deliverability

Each shortlisted project will be assessed on the following to ensure it is deliverable:

- The ability to (re)start on site including a review of title, planning and site constraints;
- The development programme and underlying assumptions; and
- The sales programme and underlying assumptions.

We reserve the right to request additional information and, where appropriate, enter into a three-way dialogue with the applicant and other parties appointed to undertake due diligence, in order to discuss the viability of the project.

## **Completing Due Diligence**



When a project is selected to proceed to due diligence a deadline will be agreed for this to be completed and Heads of Terms agreed. If the project fails to meet the dates set the TVU Investment Panel reserves the right to make recommendations to the Leadership Board to de-commit the funding allocated to that project.

When due diligence has been completed and Heads of Terms agreed, the project will be referred back to TVU Investment Panel for final approval.

## **Round 2 Timetable**



Call for projects	1 <sup>st</sup> March – 30 <sup>th</sup> April 2013
Deadline for receipt of applications	30 <sup>th</sup> April 2013
Initial appraisal of projects by Investment Panel	May 2013
Projects approval by TVU Leadership Board	June 2013
Due Diligence completed*	end August 2013
Legal Agreements in place*	end September 2013

**\*Please note:** We are keen for projects to progress quickly. Once projects have been selected by the Leadership Board they can progress as quickly as is practically possible through due diligence and through to signing up to a legal agreement; the dates cited above are long stop dates which all projects will be expected to comply with.

## **Loan Agreements**



Growing Places Funding will be allocated through loan agreements. Stockton on Tees Borough Council, as accountable body for TVU, will enter into formal loan agreements with successful applicants before funding is released, to ensure that funding can be repaid within the agreed timescales.



## **State Aid**



All financial arrangements under the Growing Places Fund must fully comply with State Aid requirements. This is a complex area and applicants must satisfy themselves that their project is State Aid compliant and consequently they may wish to obtain specialist advice prior to submitting an application form. We will work with applicants at the due diligence stage to ensure that State Aid is fully considered in projects.

## **Publicity Requirements**



Projects funded by Growing Places Fund will be required to acknowledge support from Tees Valley Unlimited in all written material including press releases and public presentations.

## **Project Closure & Evaluation**



Project closure and evaluation arrangements will be agreed and detailed in the legal agreement.

## **Website Links**



### **Tees Valley Unlimited**

<http://www.teesvalleyunlimited.gov.uk>

(For TVU Growing Places Fund Prospectus, Application Form, Guidance Notes and Questions and Answers Sheet)

### **Growing Places Fund Prospectus**

<http://www.communities.gov.uk/documents/regeneration/pdf/2024617.pdf>

### **State Aid**

<http://www.bis.gov.uk/policies/europe/state-aid>

### **Public Works Loan Board Rates**

[http://www.dmo.gov.uk/index.aspx?page=PWLB/PWLB\\_Interest\\_Rates](http://www.dmo.gov.uk/index.aspx?page=PWLB/PWLB_Interest_Rates)

### **EC Reference Rate**

[http://ec.europa.eu/competition/state\\_aid/legislation/reference\\_rates.html](http://ec.europa.eu/competition/state_aid/legislation/reference_rates.html)

Dated 31<sup>st</sup> March ..... 2011

- (1) DARLINGTON BOROUGH COUNCIL
- (2) HARTLEPOOL BOROUGH COUNCIL
- (3) MIDDLESBROUGH BOROUGH COUNCIL
- (4) REDCAR AND CLEVELAND BOROUGH COUNCIL

and

- (5) STOCKTON-ON-TEES BOROUGH COUNCIL

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JOINT AGREEMENT

FOR THE GOVERNANCE OF TEES VALLEY UNLIMITED

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Director of Law and Democracy  
Stockton-on-Tees Borough Council  
Municipal Buildings  
Church Road  
Stockton-on-Tees  
TS18 1LD

- i. December 2010
- ii. January 2011
- iii. February 2011
- iv. February 2011
- v. March 2011



JOINT AGREEMENT FOR THE GOVERNANCE OF TEES VALLEY UNLIMITED

THIS AGREEMENT is made the .....31<sup>st</sup> March..... 2011

BETWEEN

- (1) DARLINGTON BOROUGH COUNCIL
- (2) HARTLEPOOL BOROUGH COUNCIL
- (3) MIDDLESBROUGH BOROUGH COUNCIL
- (4) REDCAR AND CLEVELAND BOROUGH COUNCIL and
- (5) STOCKTON-ON-TEES BOROUGH COUNCIL

1. Particulars

- |      |                              |  |
|------|------------------------------|--|
| 1.1  | Agreement or Joint Agreement | This Agreement   |
| 1.2  | 1972 Act                     | The Local Government Act 1972  |
| 1.3  | 1970 Act                     | The Local Authorities (Goods and Services) Act 1970  |
| 1.4  | Board                        | One or other of the Boards described in Clause 4   |
| 1.5  | Clause                       | A clause of this Agreement   |
| 1.6  | Commencement Date            | The 1 <sup>st</sup> April, 2011  |
| 1.7  | Date                         | The date the Parties have delivered this Agreement as a deed as specified at the head of this Agreement                                      |
| 1.8  | First Agreement              | The joint agreement for the establishment and governance of Tees Valley Unlimited dated 31 March 2008 and made between the Local Authorities |
| 1.9  | FOIA                         | The Freedom of Information Act 2000  |
| 1.10 | FOIA Exemption               | Any applicable exemption to FOIA including, but not limited to, confidentiality (Section 41 FOIA), trade                                     |

secrets (Section 43 FOIA) and prejudice to commercial interests (Section 43 FOIA)

- |      |                                      |   |
|------|--------------------------------------|---|
| 1.11 | Investment Plan                      | The Tees Valley Economic and Regeneration Investment Plan, including all projects whether capital or revenue, which are required over and above mainstream activity and associated with economic, regeneration, housing and transport initiatives   |
| 1.12 | Local Authority or Local Authorities | The Councils of the Boroughs of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees, or any of them  |
| 1.13 | Local Enterprise Partnership         | Locally owned partnerships between local authorities and business, which play a key role in determining local economic priorities and undertake activities to drive economic growth   |
| 1.14 | Party or Parties                     | The parties to this Agreement or any one of them  |
| 1.15 | Regulations                          | The Environmental Information Regulations 1992  |
| 1.16 | Schedule                             | A schedule to this Agreement  |
| 1.17 | Statement of Ambition                | The Statement of Ambition sets out the vision for the Tees Valley for the next 15 years taking forward the work of the Tees Valley Vision (2002) and City Region Business Case (2006). The Statement sets out the Parties key priorities and builds on the achievements of the Tees Valley economy for the last decade, showing how the parties intend to work with government agencies, the private sector and the National Government to develop the Tees Valley's economic assets and tackle its barriers to growth. |

- |      |             |  |
|------|-------------|--|
| 1.18 | SBC         | The Council of the Borough of Stockton-on-Tees   |
| 1.19 | Tees Valley | The combined areas of the Local Authorities.   |
| 1.20 | TVU         | Tees Valley Unlimited being an unincorporated partnership of Local Authorities, business and other sectors acting in concert to support the economic development of the Tees Valley by facilitating the realisation of the Statement of Ambition and its supporting Investment Plan, which on 28 October, 2010 was confirmed by the Secretary of State for Communities and Local Government as a Local Enterprise Partnership. |
| 1.21 | TVU Costs   | The costs relating to TVU being the costs of employees, premises, transport, supplies and services and support services.   |

## 2. Background

- 2.1 The First Agreement established the TVU in order to define and regulate how the Local Authorities and their key partners would act together in a coordinated manner to improve the economic performance of the Tees Valley.
- 2.2 As part of the Statement of Ambition which establishes the agreed priorities to bring about further improvements to the economic performance of the Tees Valley, a review of the TVU, its role, purpose and structure has been carried out.
- 2.3 The principal outcome of the review is that the Parties have agreed that they will work together to develop the TVU as an organisation fit to deliver the emerging strategic aims and objectives of the Statement of Ambition.
- 2.4 To this end, the Parties submitted an application to become, and were confirmed as a Local Enterprise Partnership on 28 October 2010 by the Secretary of State for

## Communities and Local Government

### 3. Purpose of the Agreement

- 3.1 The purpose of this Joint Agreement is to define and regulate how the Parties will on and from the Commencement Date coordinate their activities and work together to assist in delivering the Statement of Ambition, under the style of a revised TVU public, private local enterprise partnership, and which on the part of the Local Authorities will be undertaken pursuant to the provisions of Section 101 of the 1972 Act and the 1970 Act and any other relevant statutory provisions.
- 3.2 TVU will discharge the roles, functions and activities specified at **Schedule 1** through a developing framework of Boards which will be constituted, operated and serviced as provided in, and pursuant to this Agreement.
- 3.3 The Parties, to this end, will be responsible for:-
- 3.3.1 ensuring the nomination and participation of their member and officer representatives as specified in Clause 4
  - 3.3.2 providing necessary funding for the administrative and technical support of the Boards as provided for in Clause 5
  - 3.3.3 receiving in accordance with **Schedule 4** minutes, reports and other communications from TVU, and taking such action thereon as is appropriate, including submitting proposals, emanating from the TVU through the administrative and democratic processes applicable to their respective organisations.
  - 3.3.4 Implementing the consequent decisions in a coordinated matter.

### 4. The Boards

- 4.1 The roles and functions of the TVU will be carried out by the following Boards:-
- 4.1.1. The Leadership Board and

#### 4.1.2. The Investment Board

### 4.2 The Leadership Board

#### 4.2.1 The membership of the Board will comprise:-

##### 4.2.1.1 Five Local Authority representatives, namely the Leader or Elected

Mayor of each Local Authority, each of whom will nominate a substitute to attend when the principal representative is unable to do so;

##### 4.2.1.2 Six representatives of non-local authority organisations, including organisations from the commerce, education and voluntary sectors who shall be appointed following such recruitment and selection processes as the Parties shall establish and for such terms of office as they shall determine, from time to time

#### 4.2.2 The Chair of the Board will be appointed by the Parties as one of the six non-local authority representatives referred to in Clause 4.2.1.2.

#### 4.2.3 The Vice-Chair of the Board will be elected by the Parties' representatives on the Board from amongst their number and shall hold office at the discretion of the Parties.

#### 4.2.4 The Board may invite such observers to attend its meetings as it may determine from time to time.

#### 4.2.5 The remit and accountability of the Board will be as set out in **Schedule 2**

### 4.3 The Investment Board

#### 4.3.1 The membership of the Board will comprise:-

##### 4.3.1.1 Five Local Authority Chief Executives, each of whom will nominate a substitute to attend when they are unable to do so;

##### 4.3.1.2 Such other representatives as the Parties shall determine, following such consultation and in accordance with such recruitment and selection processes, and for such terms of office, as they consider

appropriate

4.3.2 The Board will elect a Chair from amongst their number annually or otherwise as they may determine

4.3.3 The Board may invite such observers to attend its meetings as it may determine from time to time

4.3.4 The remit and accountability of the Board will be as specified in **Schedule 3**

## 5. Meetings of the Boards

5.1 The Boards will agree a diary for their meetings during the year as soon as practicable after the Annual Meetings of the Local Authorities

5.2 Meetings of the Boards will be arranged and serviced by the TVU, with such other administrative support as the TVU, in consultation with the Parties, may determine to be necessary.

5.3 The timetable and procedures for the calling and conduct of meetings of the Boards will be as set out in **Schedule 4**.

## 6. TVU

6.1 All TVU staff are employees of SBC.

6.2 The Managing Director will provide high level strategic direction for TVU and will report to the Leadership Board and work closely with the Local Authority Chief Executives and Senior Officers of the Local Authorities

6.3 The Parties have agreed that SBC is the accountable body regarding the operational activities of TVU.

## 7. Decision Making

7.1 SBC, as employer of all TVU employees and accountable body for the administrative affairs of TVU, has developed a scheme of delegation ("the Scheme")

regarding decisions which need to be made in relation to TVU employees, procurement and financial issues, operational activities, policy and strategy, and any other matters concerning TVU, and which has been developed in consultation with all of the other Parties.

- 7.2 The Scheme determines which such decisions are to be taken by SBC through a meeting of its full Council, a meeting of its executive, or by one or other of its Members or Officers, and which decisions are to be made by all of the Parties jointly, indicating in each case what, if any, consultation or other checks and balances are required prior to a particular decision being taken.
- 7.3 The Scheme ensures that SBC's representatives on the Leadership and Investment Boards have the necessary delegated authority required to make appropriate decisions on behalf of SBC at Board meetings.
- 7.4 The other Parties have ensured that they each have their own approved scheme of delegation relating to TVU and its activities, which enables them and their representatives to take any decisions which they are required to take pursuant to Clause 7.2, and at meetings of the Leadership and Investment Boards.
- 7.5 SBC will keep the Scheme under review and will ensure that any necessary revisions to the Scheme are developed in consultation with the other Parties prior to their application.
- 7.6 The other Parties will ensure that their own schemes of delegation are revised appropriately in order, where necessary, to accommodate any revisions to the Scheme made pursuant to Clause 7.5
- 7.7 No powers of the Parties are delegated to TVU or the Boards and the decisions of TVU and the Boards are not binding on the Parties or their representatives, save where and to the extent to which such powers are delegated in, and such decisions are binding as a result of the Scheme, and save to the extent that where the Parties representatives are empowered by their respective schemes of delegation to

exercise delegated powers, they choose to exercise those powers.

- 7.8 In relation to any recommendations or proposed decisions of the Boards the effect of which is that the Parties should or should not exercise their functions in any manner, voting by Board Members will be restricted to the representatives of the Parties.

## 8. Financial Arrangements

- 8.1 TVU Costs will be allocated to each Local Authority in the following proportions:-

-	Darlington Borough Council	15.80%
-	Hartlepool Borough Council	14.67%
-	Middlesbrough Borough Council	20.89%
-	Redcar & Cleveland Borough Council	20.98%
-	Stockton-on-Tees Borough Council	27.66%

- 8.2 The annual budget and the Local Authority contributions for TVU Costs will be formally approved by the Leadership Board prior to 28 February of each year.

- 8.3 With the exception of SBC, the contributions shall be paid by each Local Authority on 1<sup>st</sup> day of April, July, October and January each year, starting with the Commencement Date.

## 9. Confidentiality and Publicity

- 9.1 The Parties shall both during and after the term of this Agreement keep confidential all information which they may acquire in the performance of this Agreement as to the business of the other Parties (except to the extent that such information enters the public domain otherwise than through the performance of the statutory duties of a Party or through its own default)
- 9.2 Notwithstanding the general obligation of confidentiality in Clause 9.1. it is recognised that the Parties are subject to legal duties which may require the release



of information under FOIA or the Regulations or any other applicable legislation or codes governing access to information and that each of the Parties may be under an obligation to provide information on request. Such information may include matters relating to, arising out of or under this Agreement in any way.

9.3 In the event that any one or more of the Parties receives a request for information under FOIA or the Regulations or any other applicable legislation governing access to information, the Party or Parties concerned shall be entitled to disclose all information and documentation (in whatever form) as necessary to respond to that request in accordance with FOIA or the Regulations or the other applicable legislation governing access to information, but shall use reasonable endeavours to consult with each of the other Parties as soon as reasonably practicable and shall not:

- (a) confirm or deny that the information in question is held by them; or
- (b) disclose the information requested,

to the extent that in their opinion (having taken into account the views of the other Parties) a FOIA exemption is or may be applicable to some or all of the information requested in accordance with the relevant section of FOIA.

## 10. Dispute Resolution

10.1 Any dispute or question arising between the Parties in relation to the provisions of this Agreement is to be referred for determination of an independent expert in accordance with the remaining provisions of this Clause 10.

10.2 The expert is to have had at least ten years' experience appropriate to the general subject matter of the dispute and is to be appointed by the Parties jointly or if they cannot or do not agree on the appointment appointed by which of the following is agreed to be appropriate having regard to the nature of the dispute in question:-

10.2.1 the president from time to time of the Royal Institution of Chartered

Surveyors;

10.2.2 the president of the Royal Institution of British Architects;

10.2.3 the president for the time being of the Institution of Civil Engineers;

10.2.4 the chairman for the time being of the Bar Council;

or in any case the duly appointed deputy of the president or other person authorised by him to make appointments on his behalf

- 10.3 If within 15 working days after a dispute has arisen the Parties in dispute have been unable to agree which of the persons referred to in clause 10.2 is appropriate to appoint the expert then the expert shall be appointed on the application of either or one party to the President for the time being of the Law Society or his duly appointed deputy or other person authorised by him to make appointments
- 10.4 The person so appointed is to act as an expert and not as an arbitrator and is to be required to use his reasonable endeavours to deliver his determination within 21 days from his appointment.
- 10.5 The expert so appointed must afford the Parties the opportunity within such a reasonable and proper time limit as he may stipulate to make representations to him (accompanied by such professional reports or other appropriate evidence in the relevant circumstances) and permit each Party to make submissions on the representations of the other.
- 10.6 The fees and expenses of the expert including the cost of his nomination are to be borne as the expert may direct (but in the absence of such a direction by the Parties in equal shares) but (unless they otherwise agree) the Parties will bear their own costs with respect to the determination of the issue by the expert.
- 10.7 One Party may pay the costs required to be borne by another Party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other Party on demand.
- 10.8 If the expert refuses to act becomes incapable of acting or dies the Parties in

dispute may request the appointment of another expert in his stead.

- 10.9 The determination of the independent expert except in case of manifest error is to be binding on the Parties in dispute.

11. Notices

- 11.1 Any written notice required to be served under this Agreement will be served:-

- 11.1.1 as regards notice to be served on Darlington Borough Council, by personal delivery or by sending it by recorded postal delivery to Darlington Borough Council, Town Hall, Feethams, DL1 5QT (marked for the attention of Catherine Whitehead)
- 11.1.2 as regards notice to be served on Hartlepool Borough Council, by personal delivery or by sending it by recorded postal delivery to Hartlepool Borough Council, Civic Centre, Victoria Road, Hartlepool, TS24 8AY (marked for the attention of Peter Devlin)
- 11.1.3 as regards notice to be served on Middlesbrough Borough Council, by personal delivery or by sending it by recorded postal delivery to Legal and Democratic Services, PO Box 503, Town Hall, Middlesbrough, TS1 9FX (marked for the attention of Richard Long)
- 11.1.4 as regards notice to be served on Redcar and Cleveland Borough Council, by personal delivery or by sending it by recorded postal delivery to Corporate Resources, Town Hall, Fabian Road, South Bank, TS6 9AR (marked for the attention of Richard Frankland)
- 11.1.5 as regards notice to be served on SBC, by personal delivery or by sending it by recorded postal delivery to Law and Democracy, PO Box 11, Municipal Buildings, Church Road, Stockton-on-Tees, TS18 1LD (marked for the attention of David Bond)

12. Jurisdiction

- 12.1 This Agreement will be governed by and construed in accordance with the Law of England and the Parties submit to the jurisdiction of the English Courts.

13. Miscellaneous

- 13.1 If at any time any of the provisions of this Agreement become illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, the legality, validity or enforceability of the remaining provisions of the Agreement will not be in any way affected as a result.
- 13.2 Nothing contained in or done under this Agreement and no consents given by any Party pursuant to this Agreement, shall prejudice such Party's rights, powers, duties and/or obligations in the exercise of its functions or under any statutes, by-laws, instruments, orders or regulations
- 13.3 The Parties expressly agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that they do not intend any person other than a Party to this Agreement to be able to enforce any of its terms.

14. Assignment and Sub-Contracting

- 14.1 None of the Parties shall, without the prior written consent of each of the other Parties, assign or transfer, or deal in any other way with this Agreement, or its rights or obligations under it, or purport to do any of the same

15. Status, duration, variation and execution of this Agreement

- 15.1 The arrangements specified in this Agreement do not constitute a partnership for the purposes of the Partnership Act 1890 or any other legislation, and none of the parties to this Agreement is responsible or liable by way of indemnity or otherwise

for the actions, omissions, liabilities, debts or losses of any of the other Parties save for, and the extent to which this Agreement provides for the same.

15.2 Subject to Clause 15.4, this Agreement will remain in force until brought to an end by mutual agreement of the Parties.

15.3 Such mutual agreement to make appropriate provision for:-

15.3.1 the redeployment, transfer or secondment and/or the payment of the costs of redundancy, including pension liabilities, of those TVU employees who will no longer be required by SBC following termination of the Agreement.

15.3.2 the closing of any accounts and the payment of any outstanding costs relating to the TVU joint arrangement.

15.3.3 the sharing of any costs or other liabilities relating to the continued occupation and/or termination of occupation of any accommodation no longer required by SBC for the purposes of TVU employees and/or the TVU joint arrangement.

15.3.4 the sharing of any costs or liabilities regarding any funding arrangements, other agreements or contracts relating to the TVU and/or the TVU joint arrangement.

15.3.5 the disaggregation between the Parties of any TVU (non-personnel) assets (financial or otherwise), rights and liabilities at the time of termination.

15.3.6 all of the costs or liabilities to be shared in the same proportions as the Local Authority contributions referred to in Clause 8.1.

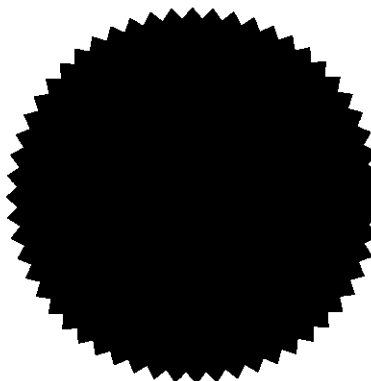
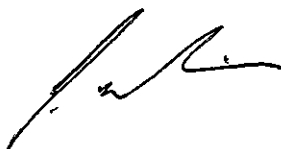
15.4 Any Party may withdraw from this Agreement by giving to each of the other Parties not less than 15 months prior notice terminating on the 31 March in any year, at the expiration of which this Agreement, should the remaining parties so determine, will terminate and be of no further effect, without prejudice however to any obligations arising under Clause 15.3 up to the date of termination, and subject to the following provisions in Clause 15.5

- 15.5 Such termination notice must make appropriate provision for:-
- 15.5.1 the redeployment, transfer or secondment and/or payment of the costs of redundancy, including pension liabilities, of those TVU employees who will no longer be required by SBC following the withdrawal of the relevant Party and for the relevant Party to be responsible for such costs.
  - 15.5.2 the payment by the relevant Party of its share of any accounts or outstanding costs relating to the TVU joint arrangement
  - 15.5.3 the sharing of any costs or other liabilities relating to the continued occupation and/or termination of occupation of any accommodation no longer required by SBC for the purposes of TVU staff and/or the TVU joint arrangement
  - 15.5.4 the sharing of any costs or liabilities regarding any funding arrangements, other agreements or contracts relating to the TVU and/or the TVU joint arrangement.
  - 15.5.5 the disaggregation between the relevant Party and the other Parties of any TVU assets (financial or otherwise), rights and liabilities at the time of the relevant Party's withdrawal, and assuming that the TVU joint arrangement is to continue in operation
  - 15.5.6 all costs or liabilities referred to in Sub-Clauses 15.5.2 to 15.5.4 inclusively to be shared in the same proportions as the Local Authority contributions specified in Clause 8.1
- 15.6 Such disaggregation of any TVU assets, rights and liabilities may, however, be deferred by the remaining Parties to a future date which they determine, where they consider that the disaggregation would prejudice the discharge of the functions of the TVU or the operation of the TVU joint arrangement
- 15.7 Where a Party has given notice of withdrawal and the remaining Parties consider that it would be more appropriate for the TVU joint arrangement as a whole to be

terminated by mutual agreement, the foregoing provisions at Clause 15.3 will apply.

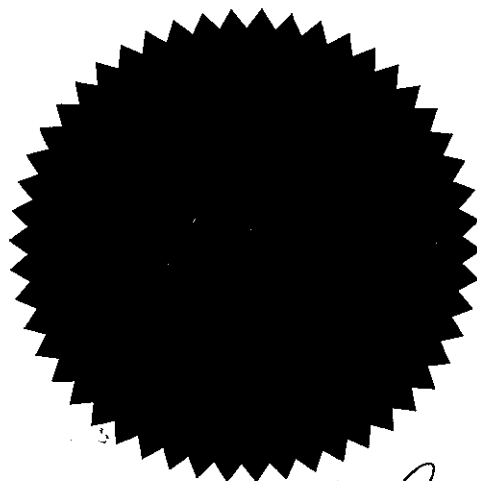
- 15.8 As a guiding principle, SBC as employing authority of TVU employees, shall not at any time be disadvantaged to a greater or lesser extent than any other Party by the transfer of employees to it for the purposes of the TVU joint arrangement.
- 15.9 To this end, on the withdrawal of a Party to the Agreement or the termination of the TVU joint arrangement and this Agreement as a whole, there will be fair sharing of the benefit and burden of employees employed in the TVU, and of all other costs and liabilities relating to the TVU and/or the TVU joint arrangement, at the time of such withdrawal or termination, in accordance with the proportions ascribed to each Local Authority in Clause 8.1.
- 15.10 The provisions of this Agreement may be varied, added to or removed by mutual written agreement of all of the Parties.
- 15.11 On the Commencement Date the First Agreement will terminate and be of no further effect, save in relation to any obligations of any of the parties to the First Agreement which have arisen and remain to be discharged, either in whole or in part, prior to the Commencement Date.
- 15.12 All Parties have executed this Agreement as a deed and it is delivered on the Date specified in the Particulars

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL OF  
THE BOROUGH OF DARLINGTON in  
the presence of: -



13113

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL OF  
THE BOROUGH OF HARTLEPOOL in  
the presence of: -



5NSA76

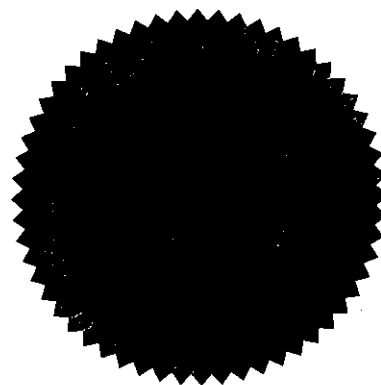
*A. Bauer*

8211823

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL OF  
THE BOROUGH OF MIDDLESBROUGH  
in the presence of: -

*Reharg*  
Director

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL OF  
THE BOROUGH OF REDCAR AND  
CLEVELAND in the presence of: -



*[Signature]*

AUTHORISED OFFICER.

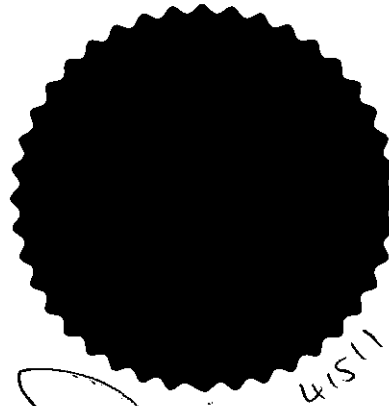
*[Signature]*

AUTHORISED OFFICER

26/5884 ddd



Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL OF  
THE BOROUGH OF STOCKTON-ON-  
TEES in the presence of: -



Authorised Officer

## **Schedule 1**

### **The Roles, Functions and Activities of TVU**

1. **Roles**

Research and intelligence

Strategy and policy development

Investment planning

Commissioning

Delivery and implementation

Evaluation

Such other roles as the Parties may determine from time to time

2. **Functions**

Planning

Housing

Transport

Economic development and regeneration projects

Business Investment and business support (including finance to business)

Employability and skills

Such other functions as the Parties may determine from time to time

3. **Activities**

The activities specified in the Statement of Ambition.

The activities, freedoms and flexibilities specified in the TVU submission to Government regarding the initial proposals for the Tees Valley Local Enterprise Partnership.

## **Schedule 2**

### **Remit and Accountability of the Leadership Board**

1. Terms of Reference:-

- To approve the Tees Valley Statement of Ambition and any revisions thereof
- To agree the Investment Plan
- To ensure the delivery of the approved Investment Plan
- To agree any revisions of the Investment Plan, including any required changes to programmes, projects and/or funding
- To ensure the Statement of Ambition and Investment Plan priorities are reflected in regional and national policies and decisions.
- To engage with local MPs and Central Government
- To consider and approve proposals for funding

2. Accountability:-

- To all of the Parties to the Agreement
- All members of the Board have a vote and the Parties representatives have the appropriate delegated decision making powers

3. Support:-

The TVU Managing Director will provide high level strategic direction and report to the Board, working closely with the Local Authority Chief Executives and senior officers from the Local Authorities

### **Schedule 3**

#### **Remit and Accountability of the Investment Board**

1. Terms of Reference:-

- To ensure the development of the Investment Plan and any required revisions thereto
- Responsibility for the management and delivery of the Investment Plan approved by the Leadership Board and for its agreed programmes and projects.
- Identifying, developing and overseeing funding opportunities and applications
- Considering performance reports on progress against milestones and targets on all the projects and funds included in the Investment Plan;
- Considering where necessary re-profiling within programmes to achieve maximum outcomes for the Tees Valley;
- Consideration and approval of projects within any funding programmes that are delegated to the Leadership Board;
- Developing with National Government an approach to Community Budgets which maximise the investment and use of different funding programmes within the Tees Valley;
- To establish Task and Finish Groups when necessary, for example, for the preparation of funding applications and proposals;
- To advise on reprofiling funding within the funding programmes to achieve the maximum outcome and spend;
- To report to the Leadership Board on performance against the delivery of the Investment Plan and the funding programmes which the Investment Board are overseeing;

- To report to the Leadership Board on any new funding opportunities that become available to support the delivery of the Investment Plan and the approach being recommended for TVU in pursuing such opportunities

## 2. Accountability

- To the Leadership Board
- To the Parties to the Agreement
- All Members of the Board have a vote and the Parties' representatives have the appropriate delegated decision making powers

## 3. Support

The Managing Director will, with support from TVU employees and others where appropriate, provide leadership and direction in support of the Board.

## **Schedule 4**

### **Timetable and Procedures for calling and conducting meetings of the Boards**

1. The Chair in consultation with any vice-chair may call a meeting at any time and shall call a meeting within 7 days of being so required by any of the Parties' representatives on the relevant Board.
- 2.1 The agenda for any meeting shall be determined in consultation with the Chair
- 2.2 Except with the approval of the Chair (to be given only in a case of clear urgency) five clear days at least before a meeting, a summons to attend the meeting specifying the business proposed to be transacted will be sent to every member of the relevant Board and a copy thereof shall be sent to the Chief Executive or other senior representative of and not more than four officers nominated by each of the Parties.
3. Meetings shall be held at such place as the Chair shall determine and on such days and at such times as the Boards may determine from time to time
4. Every matter arising at a meeting shall be determined by the majority of the votes of the members present and voting on the question and the Chair shall not be entitled to exercise a casting vote.
5. One quarter of the membership shall form a quorum provided that not less than 3 of the Local Authorities are represented at the meeting.
- 6.1 A minute book shall be provided and a record of the proceedings duly recorded therein. The minutes of any meeting shall be submitted to the next meeting of the relevant Board for approval.
- 6.2 Copies of the minutes of each meeting shall be sent to each member of the relevant Board and to the Chief Executive or other nominated officer of each of the Parties within 7 days after the date of the meeting.

7. Meetings will not be public meetings for the purposes of the Access to Information provisions of the 1972 Act, but a meeting may be open to the public if and to the extent that the relevant meeting so determines.
8. The interests provisions of the Model Code of Conduct for Local Authority Members, contained in the Local Authorities (Model Code of Conduct) Order 2007, including any statutory extension, modification, or amendment or replacement of the same, will be deemed to apply to all members of the Boards.

# CABINET REPORT

18<sup>th</sup> February 2013



**Report of:** Corporate Management Team

**Subject:** Quarter 3 - Strategic Financial Management Report

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

## 2. PURPOSE OF REPORT

2.1 The purposes of the report are:

- i) to inform Cabinet of details of progress against the Council's overall revenue budget for 2012/13 and the in year savings targets set by Cabinet;
- ii) to inform Cabinet of details of the Early Intervention Grant Outturn;
- iii) to provide details of progress in achieving the capital receipts target; and
- iv) quarter 3 Capital Programme Monitoring.

## 3. BACKGROUND

- 3.1 The Medium Term Financial Strategy (MTFS) report on 4<sup>th</sup> February highlighted the additional significant one off commitments to be funded from the 2012/13 outturn and the review of reserves. These issues are in addition to ongoing budget deficits over the next 4 years. A number of these issues will begin to impact from April 2013. Other issues have a longer lead time although these are still unavoidable commitments.
- 3.2 In order to manage these financial commitments and to avoid increasing the budget savings which will need to be made over the next 4 years a robust strategic approach has been developed and approved to manage and fund these risks. Detail of progress in achieving this strategy were reported in the MTFS report and summarised in the next section.
- 3.3 The first component of the strategy was to undertake a further review of reserves. Cabinet on 19<sup>th</sup> November 2012 supported the release of £2.280m of reserves to support this strategy.

## 4. 2012/13 Forecast Outturn

- 4.1 The MTFS report provided an update of the progress in achieving the targets set for in-year managed budget underspends. This strategy has achieved underspends 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). The 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 As reported in the MTFs it is anticipated that the level of resources will exceed the previously identified commitments by between £0.381m and £1.161m as summarised below:

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

	<b>Worst case £'000</b>	<b>Best Case £'000</b>
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
<b>Total additional one-off commitments</b>	<b>5,350</b>	<b>5,350</b>
Less Forecast 2012/13 Managed budget underspends (see note 1)	(3,570)	(4,350)
Less Reserves released from reviewing existing commitments	(2,280)	(2,280)
Funding for one off Accommodation costs (see note 2)	119	119
<b>Forecast uncommitted resources available to temporarily support 2013/14 budget if actual grant cut is higher than forecast</b>	<b>(381)</b>	<b>(1,161)</b>

**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. The detailed Departmental underspends of £1.190m are available in Appendices A to C.

**Note 2** - A comprehensive report on the Accommodation Strategy was considered by the Finance and Corporate Services Portfolio Holder on 12<sup>th</sup> 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 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.

- 4.3 As reported in the MTFS the forecast uncommitted resources detailed in the above table (£0.381m to £1.161m) were not needed to offset the higher actual grant cut in 2013/14 as the Hartlepool 2013/14 budget deficit can be funded from 2012/13 Collection Fund surplus which the Council is required by statute to take in to account when setting next years budget. Cabinet therefore agreed that the uncommitted underspend is transferred to the General Fund.
- 4.4 At the Cabinet meeting on 4<sup>th</sup> February it was also agreed to allocate part of the forecast underspend to fund specific commitments covering the following issues:
- i. The allocation of funding to support the 2013/14 budget to reflect the impact of the provisional grant cut for 2013/14 (£29k) and the higher final grant cut (£1k).
  - ii. A potential contribution of £0.200m to improve school attainment, which will be subject to the approval of a detailed business case by Members.
  - iii. A contribution of up to £0.105m to partly fund 2013/14 Ward Member budgets. It is hoped that this amount can be identified in 2013/14 from anticipated savings in Member Allowances, although this will depend on the recommendations of the Independent Remuneration Panel and the decision by Council.
- 4.5 The impact of the above factors on the forecast uncommitted underspend is summarised below:

<b>Description</b>	<b>Worst Case £'000</b>	<b>Best Case £'000</b>
Forecast uncommitted resources (Para 4.2)	(381)	(1,161)
Less Allocated to support 2013/14 budget (Para 4.4 i)	30	30
Less Allocated to improve School Attainment (Para 4.4 ii)	200	200
<b>Revised Resources uncommitted</b>	<b>(151)</b>	<b>(931)</b>

The table assumes the funding for the Ward Member budgets will be allocated in 2013/14 from savings in Members Allowances.

- 4.6 Cabinet approved the proposal for a strategy for using net uncommitted resources to be developed as part of the 2014/15 budget process. The development of this strategy will reflect our professional advice on the impact of higher grant cuts in 2014/15 and additional financial risks the Government are transferring to Councils in relation to back-dated Business Rates as detailed in the MTFS.

## 5 Creation of Departmental Reserves

- 5.1 The above outturn projection detailed in para 4.2 reflects the creation of the following reserves which need to be made to fund the phasing of income and expenditure between financial years.

Department	£'000
<b>Creation of Reserves reported at Quarter 2</b>	<b>248</b>
<b>Child &amp; Adult Services</b>	
Promotion of Breast Feeding - Funding has recently been secured through NHS Tees Public Health to support the further expansion of peer support.	15
<b>Regeneration &amp; Neighbourhoods</b>	
Consumer Services Training- A reserve is required to cover the cost of staff development to keep up with changes in legislation.	20
<b>Total Creation of Reserves to Quarter 3</b>	<b>283</b>

## 6. Projected Grant Income to be Earmarked to fund 2013/14 Expenditure

- 6.1 As previously reported Department of Health and PCT budget arrangements have less year end flexibility to carry forward resources at the end of the financial year than local authorities. At a national level this often results in additional one-off funding from the Department of Health to councils being provided towards the year end. Similarly, the Council works closely with the local PCT to ensure resources allocated to the Hartlepool area are retained in the town. To address these issues the Council carries forward this funding at the end of the financial year as an Earmarked Reserve to meet defined national and/or local spending priorities defined or agreed with the funders. This funding is for social care services that impact on health outcomes and has longer term benefits. The current estimate of the funding which will need to be carried forward as an Earmarked Reserve is £0.630m. The final amount is likely to be higher although the position will not be known until March 2013 when allocations are known.

- 6.2 Other grants may also be received in the current year to fund future year's expenditure. To date the known grants are Drug Action Team £0.100m, and Street Innovation Fund £0.070m.
- 6.3 Early Intervention Grant
- 6.4 As reported previously the Government announced national changes to the EIG, including the transfer of funding from the EIG into the Dedicated Schools Grant and the retention of EIG by Department for Education for central purposes.
- 6.5 The provisional settlement on 19<sup>th</sup> December confirmed that by 2014/15 the EIG will reduce to £4.789m, a £1.611m cut on the current year – a cut of 25%.
- 6.6 The cut will be fronted loaded and in 2013/14 the reduction will be £1.276m, compared to a forecast of £1.150m. The cut in 2013/14 can be covered from the available EIG reserve earmarked to manage this grant reduction, although this may reduce flexibility in 2014/15.
- 6.7 A favorable outturn variance this year within the Early Intervention Grant of between £0.900m and £1m is expected. The main reasons are the staged implementation of the free nursery entitlement for 2 year olds and the delay in recruiting to vacant posts. As detailed in the MTFS report this underspend will be allocated to offset the EIG Grant cuts in 2013/14 and 2014/15 which will provide a longer lead time to develop a sustainable strategy.

## **7. Statement of Accounts**

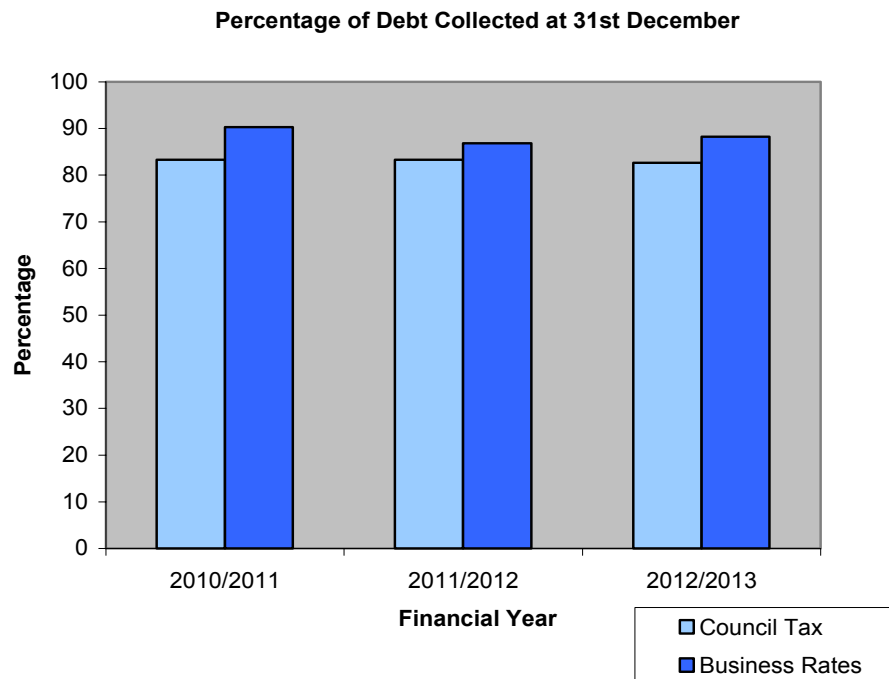
- 7.1 The Council is a complex organisation and the previous paragraphs provide an overview of the Council's financial position based on service and operational management arrangements. The management accounts provide financial accountability and transparency for different operational areas during the financial year. It also enables Members to make strategic financial decisions on individual operational areas to reflect specific funding requirements and service needs, as outlined in the previous paragraphs.
- 7.2 Where the Council is in receipt of specific grants but will not spend these in the current year the balances are transferred to earmarked reserves, current projections indicate that £1.870m will be transferred as shown in the table below.
- 7.3 At the year end the statutory Financial Accounts consolidate this information to provide a summary of the overall financial position. The presentation of the statutory Financial Accounts follows defined international accounting practices which are designed to enable comparisons to be made between different councils.
- 7.4 These arrangements present financial information in a different way, although the underlying figures are the same. A reconciliation of the projected management accounts and statutory accounts is shown below:

Description	Contribution From		Total
	General Fund In Year Budget Savings £'000	Specific Grants £'000	
Projected In Year Savings Corporate Budget	2,440	0	2,440
Projected In Year Savings Departmental Budget	1,910	0	1,910
<b>Contributions to Reserves</b>			
Education Psychology	106	0	106
Youth Offending Team	62	0	62
Major Repairs (Social Housing)	80	0	80
Promotion of Breast Feeding	15	0	15
Consumer Services	20	0	20
Early Intervention Grant (EIG)	0	1,000	1,000
Primary Care Trust (PCT)	0	600	600
Healthy Communities Project (PCT)	0	30	30
Drug & Alcohol Team	0	100	100
Housing Services	0	50	50
Economic Regeneration	0	90	90
<b>Total Projection Contribution to Reserves</b>	<b>4,633</b>	<b>1,870</b>	<b>6,503</b>

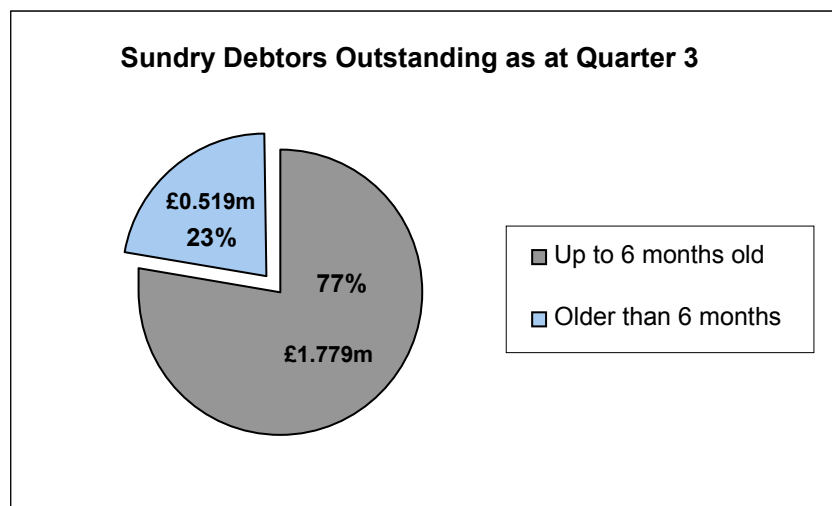
\* This is an estimated figure. Additional PCT allocations will not be known until late March 2013.

## 8. Key Balance Sheet Information

- 8.1 A Balance Sheet provides details of an organisation's assets and liabilities at a fixed point in time, for example, the end of the financial year or other fixed accounting periods. Traditionally local authorities have only produced a Balance Sheet on an annual basis. It is however appropriate to monitor the key cash balance sheet items on a more regular basis and these are summarised below:-
- 8.2 The Council's key debtors arise from the non-payment of Council Tax. Business Rates and Sundry Debtors. These areas are therefore subject to detailed monitoring throughout the year. The position on Council Tax and Business Rates are summarised below:-
- 8.3 The Council Tax collection rate is down slightly by 0.64% and the NNDR collection rate has increased by 0.16% when compared to the same period last financial year.



The position in relation to Sundry Debtors is summarised below:-



Total Debtors at 31st December totalled £2.298m of this 77% (£1.779m) relates to current debts which are less than 6 months old. The remaining debtors total £0.519m; of this amount, 91% is under recovery action and 9% (£0.045m) may need to be written off as irrecoverable against the bad debt provision.

- 8.4 The Council's borrowing requirement and investments are the most significant Balance Sheet items. Decisions in relation to the Council's borrowing requirements and investments are taken in accordance with the approved Treasury Management Strategy. No new long term borrowing has been undertaken since 31<sup>st</sup> March 2011 owing to prevailing interest rates. The

Treasury Management Strategy has continued to net down investments and borrowings as this is the most cost effective strategy and reducing investment counter-party risk

## 9 Progress Against Capital Receipts Target

9.1 A substantial amount of work has been undertaken to identify surplus land and property within the Council's portfolio. A capital receipts target of £4.5m was approved as part of the 2012/13 MTFS. As reported in February 2012 this amount is needed over the next 3 years towards funding one off strategic costs relating to :

- Redundancy and early retirement costs;
- Housing Market Renewal Costs;
- Land remediation costs; and
- Capital Investment requirements.

9.2 Members will recall the 2012/13 MTFS highlighted that achieving this level of capital receipts in the current climate will be challenging and need careful management. If capital receipts are not achieved as forecast, costs will need to be funded from Prudential Borrowing. This would result in an unbudgeted revenue cost.

9.3 The Director of Regeneration and Neighbourhoods indicated that though challenging there was demand from developers for development sites across Hartlepool. Therefore, the sites identified for disposal were considered attractive and should achieve the required capital receipts.

9.4. Land sales of £1.7m are anticipated to have been achieved by the end of 2012/13, including sales completed earlier than anticipated in 2011/12. In line with the agreed capital receipts strategy £0.8m of this funding has been used to purchase the ambulance station to facilitate the sale of a larger site and the purchase of the Focus Site in order to make possible the sale of Tanfield Road Nursery Site. This will maximise the value of the anticipated capital receipts. A further £0.2m is earmarked to fund the demolition of the Brierton School top site which is currently underway. Therefore it is anticipated that net capital receipts of £0.7m will be available by 31<sup>st</sup> March 2013 to fund previously identified commitments.

9.5 The capital receipts target for 2012/13 was previously set at £1.4m on the basis of forecast 2012/13 Housing Market Renewal (HMR) expenditure commitments. The latest assessment of the HMR Project indicates that costs will now be rephased into 2013/14 and as a result the capital receipts will not be needed until the next financial year.

9.6 The Council still needs to achieve the remaining net capital receipts target of £3.8m over the next two years to meet existing capital expenditure commitments. A number of capital receipts are currently progressing and are anticipated to be completed in the early part of 2013/14. The achievement of capital receipts will continue to be managed carefully over the next two years.

- 9.7 The capital receipts target has been increased by £2m in relation to developments at the Brierton site, including the relocation of the Education Development Centre (EDC) and Pupil Referral Unit. It is anticipated that the costs of these works can be funded from the sale of land at the Brierton (upper) site and the EDC site. However, these capital receipts need to be achieved and this increases the financial risk the Council is managing.

## 10 Capital Monitoring 2012/13

- 10.1 The 2012/13 MTFS set out planned capital expenditure for the period 2012/13 to 2014/15. This report provides details of the capital programme on a departmental basis.

- 10.2 Expenditure for all departments is summarised in the table below.

Department	2012/13 Budget	2012/13 Actual to 31/12/2012	2012/13 Remaining Expenditure	2013/14 Re-phased Expenditure	2012/13 Variance from budget Adverse/ (Favourable)
	£'000	£'000	£'000	£'000	£'000
Child & Adult Services	13,930	4,624	3,619	5,687	0
Chief Executive	686	0	0	686	0
Corporate	2,312	677	1,281	354	0
Regeneration & Neighbourhoods	28,075	6,695	10,709	10,671	0
<b>Total Capital Expenditure</b>	<b>45,003</b>	<b>11,996</b>	<b>15,609</b>	<b>17,398</b>	<b>0</b>

- 10.3 The Table above shows actual expenditure to 31 December 2012 of £11.996m compared to the budget of £45.003m leaving £15.609m to be spent in 2012/13. Expenditure and resources of £17.398m will require re-phasing into 2013/14.

- 10.4 The rephased expenditure identified above primarily relates to Child and Adult Services – Child and Regeneration & Neighbourhood Services.

- 10.5 The rephased Child and Adult Services capital expenditure mainly consists of:

- BSF ICT funding - £3.671m  
The BSF ICT expenditure is expected to be phased over the period of the ICT contract (ending December 2016) with schools incurring the majority of expenditure as and when they commence in the managed service contract. English Martyrs and High Tunstall are the two final schools to join and will commence in the managed service contract during 2013/14
- New schemes approved by Children's and Community Services Portfolio Holder on 4<sup>th</sup> December 2012 - £0.642m  
Following confirmation that Barnard Grove and Manor College would be part of the Priority Schools Building Programme, but with any new construction unlikely to occur before 2016/17, some urgent works have been approved at these schools. Although the funding has been allocated from the 2012/13 capital programme the nature of the schemes



is such that the majority of works need to be carried out during the Easter and Summer school holidays

- Unallocated funding - £0.699m  
The balance of slippage regarding Child and Adult Services – Child relates to funding currently unallocated and which will be allocated as part of the 2013/14 schools capital programme.

10.6 The Regeneration & Neighbourhood Services capital expenditure to be rephased mainly consists of:

- Housing Market Renewal – £1.086m  
Expenditure on this scheme is being incurred later than anticipated owing to timing of Land Tribunal decisions and the longer timescales to deliver this complex project.
- Vehicle Replacement – £0.665m  
Rephased expenditure is a result of extending the useful life of existing vehicles.
- Tees Valley Bus Network Infrastructure Grant – £1.907m  
This is as a result of actual grant funding being received in advance of schemes programmed to commence in 2013/14.
- Town Wall Strengthening scheme and Seaton Carew Coast Protection – £1.900m  
These Environment Agency funded schemes will be rephased as the timing of these schemes crosses financial years.

## 11. Conclusion

11.1 The Council is facing greater financial challenges over the next four years than it has faced since becoming a unitary authority in 1996, which reflects the following key issues:

- The December 2012 Settlement announcement confirmed Hartlepool's grant reductions for 2013/14 and 2014/15, with further cuts anticipated in the following two years. As a result the Council faces a budget deficit of £21m to £23m over the next four years.
- Increased redundancy and early retirement over the 4 year period up to 2016/17 arising from the above budget deficits;
- Financial risks transferring to the Council from the localisation of business rates;
- Financial risks arising from the replacement of the national Council Tax Benefit Scheme, with a local Council Tax Support scheme and a 10% headline grant cut; and
- Achieving capital receipts of £4.5m by 2014/15 to fund one-off expenditure commitments including HMR and Early Retirement/Voluntary Redundancy costs.
- Financial risks of achieving additional capital receipt of £2m for the Brierton developments.

- 11.2 The recently approved MTFs provides a sound financial basis for managing these risks by earmarking 2012/13 outturn resources to manage one-off commitments.

**12. RECOMMENDATIONS**

- 12.1 It is recommended that Cabinet:

- i) Note the report;
- ii) Refer the report to Scrutiny Co-ordinating Committee

**13. REASONS FOR RECOMMENDATIONS**

To enable Cabinet to monitor the strategy implemented to address additional financial risks over the next four years and monitor the Capital Programme.

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

Appendices A to C provide detailed financial information on the Departmental revenue budgets.

Appendices D to G provide detailed financial information on Departmental capital budgets.

**15. BACKGROUND PAPERS**

Medium Term Financial Strategy Report referred to Cabinet 4<sup>th</sup> February 2013  
Quarter 2 – Strategic Financial Management Report to Cabinet 19<sup>th</sup> November 2012.

**16. CONTACT OFFICER**

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**CHILD & ADULT SERVICES****REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2012/13 as at the 31 December 2012****Overview:****Child & Adult Services - Children's**

A favourable outturn variance is forecast for Children's Services, the main reasons for this being staff vacancies, a number of adoptions placements now made in house with no extra cost to the Authority, transfer of services to the Early Intervention Grant and a re-tendering exercise and a route review within Home to School Transport.

A range of outturn projections have been produced mainly as a result of the level of support required for homeless young people, providing financial family support to families in crisis to prevent children from coming into care.

**Child & Adult Services - Adult**

A favourable outturn variance is forecast for Adult & Community Services, the main reasons for this being staff vacancies, additional income from PCT for care packages, under spend on equipment budgets and various non-pay under spends arising from careful management of expenditure budgets. There are significant pressures which reduce this favourable position namely in Older People services where demographic pressures are on the increase particularly in supporting those individuals with dementia. Adult Social care budgets are particularly volatile when the income and expenditure is linked to individuals in residential care and living in the community. There are also emerging pressures to a lesser degree in Community Services around income collection as the recession impacts on footfall within Culture and Leisure services.

Detailed commentary is shown below:

		December		
Approved 2012/2013 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case £'000	Director's Explanation of Variance
£'000				
Children's				
1,490	Access to Education	(52)	(108)	The favourable variance is owing to re-tendering and a route review within home to school transport.
707	Central Support Services	0	0	
144	Children's Fund	(144)	(144)	The variance is owing in the forward planning of future savings by transferring services to the Early Intervention Grant.
11,493	Children & Families	(31)	(170)	The variance range reflects the highly unpredictable different care needs for Children and Families. The worst case variance reflects increased demand for a number of service provisions for disabled children with complex needs. Owing to the current economic climate there has also been an increase in the support required for homeless young people and providing financial family support to families in crisis to prevent children from coming into care. The LAC reserve is anticipated to fund the increase in number of LAC for a further year, based on current information. In the last half of the year a number of adoption placements have been made in house with no extra costs to the authority, and there has also been income from outside of the authority for using our provision.
55	Information Sharing & Assessment	(4)	(4)	
708	Other School Related Expenditure	(37)	(37)	Savings mainly due to declining numbers of people claiming pensions.
0	Play & Care of Children	26	26	The variance is owing to a shortfall in income.
688	Raising Educational Achievement	(115)	(118)	The favourable variance is due to 2 vacant posts within School Improvements, 1 post filled later than expected in the second half of the year. The worst case reflects the range of potential income shortfall at Carlton Outdoor Centre following the withdrawal of Middlesbrough's contribution in 2011/12.
305	Special Educational Needs	(63)	(77)	The variance is owing in the forward planning of future savings by transferring services to the Early Intervention Grant.

Approved 2012/2013 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case  £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case  £'000	Director's Explanation of Variance
<b>Children's</b>				
412	Strategic Management	(116)	(130)	The variance is owing to lower training costs and the forward planning of future savings of transferring employees to the Early Intervention Grant.
463	Youth Offending Team	(44)	(44)	The variance is owing to a vacant post.
412	Integrated Youth Service	36	36	The variance is due mainly to the running costs of Rossmere Skatepark.
<b>16,878</b>	<b>Total</b>	<b>(544)</b>	<b>(769)</b>	
<b>Memo:</b>				
<b>6,418</b>	Dedicated Schools Grant - LA element	<b>29</b>	<b>(42)</b>	The variance is mainly due to Independent School fees and School Improvements which may be funded from DSG reserves if required.
<b>Adults</b>				
0	Adult Education	0	0	
221	Carers & Assistive Technology	(50)	(50)	This favourable variance predominantly relates to reduced activity for Carers Emergency respite and underspends on independent sector contracts.
3,564	Commissioning-Adults	40	15	This adverse variance has decreased owing to savings for Housing Related Support being delivered from providers.
1,287	Commissioning-Mental Health	70	70	This adverse variance has arisen due to the increasing pressure on residential placements and an increasing trend for community based care.
9,778	Commissioning-Older People	640	590	This variance is owing to demographic pressures emerging for Older People both in residential care and non-residential settings. There was a sharp increase in expenditure over the summer months for residential placements particularly for those suffering with dementia. The best case projection has reduced slightly to take into account the slower period over Christmas. The worst case still reflects the potential for additional costs owing to pressures emerging from within the wider health economy which may impact upon social care.
0	Adult Social Care - Winter Pressures Funding	(50)	(169)	Winter Pressures Funding - notification received late - decisions still to be made around utilisation.
5,764	Commissioning-Working Age Adult	(46)	(46)	This variance is owing to income from the PCT obtained for joint packages for individuals with complex needs. This favourable variance has decreased owing to a growing pressure around packages of community based care.
170	Complaints & Public Information	20	20	This variance is owing to various investigations underway coming to an end and an estimation of costs.
1,056	Departmental Running Costs	5	5	
1,335	Direct Care & Support Team	(320)	(320)	This favourable variance relates to staffing underspends in this area. This area is volatile and can be impacted by external activity generated by hospital discharges.
494	LD & Transition Social Work	18	18	
2,279	Locality & Safeguarding Team	(95)	(95)	The favourable variance predominantly relates to vacancies in this area.
1,048	Mental Health Services	(83)	(83)	The favourable variance predominantly relates to vacancies in this area.
1,189	OT & Disability Equipment	(190)	(190)	The favourable variance reflects underspends on Aids & Adaptations and Disabled adaptations. The outturn reflects this position, in previous years RCCO's have been made to support the DFG budget targeting those with ongoing social care needs. Further assessment will be made throughout the year to ascertain if this is necessary.
270	Workforce Planning & Dev	0	0	
1,136	Working Age Adult Day Services	30	30	This adverse outturn projection predominantly relates to transport costs.

Approved 2012/2013 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case  £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case  £'000	Director's Explanation of Variance
<b>Adults</b>				
24	Archaeology Services	0	0	
117	Community Centres	(17)	(17)	
578	Cultural Services	68	68	This adverse outturn projection predominantly relates to shortfalls in income from bar activities and is increasing month on month.
6	Grants to Community & Voluntary Organisations	0	0	
1,245	Libraries	(33)	(33)	This favourable outturn projection predominantly relates to vacancies in this area.
898	Sports, Leisure & Rec Facilities	9	9	This adverse outturn projection predominantly relates to staffing costs linked to long term
27	Drug & Alcohol	0	0	
<b>32,486</b>	<b>Total</b>	<b>16</b>	<b>(178)</b>	
<b>49,364</b>	<b>Child &amp; Adults Total</b>	<b>(528)</b>	<b>(947)</b>	

**CHILD & ADULT SERVICES**  
**PLANNED USE OF RESERVES**

The above figures include the 2012/13 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2012/2013 Budget £'000	Description of Service Area	Planned Usage 2012/2013 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Children's</b>				
226	School Transformation Team	226	0	
172	Think Family	81	(91)	
21	Child Poverty Local Duties	8	(13)	
48	Childhood Accident Prevention	0	(48)	Balance to be carried forward and used in 2013/14, but may not spend at all this year.
1	Promotion of Breast Feeding	1	0	
85	Connexions	25	(60)	Balance to be carried forward and used in 2013/14.
474	Looked After Children	496	22	An increase in the number of Looked After Children and the nature of the packages of care could result in approximately £500k of this Reserve being required in 2012/13. This is reflected in the 'From' and 'To' range options shown above.
32	Education Psychology	32	0	
<b>1,059</b>	<b>Total</b>	<b>869</b>	<b>(190)</b>	
<b>Adult Services</b>				
115	Adult Education Service	115	0	
95	Supporting People Contracts	95	0	
106	Commissioning Adults - Social Care Reform	106	0	
13	Tobacco Control	13	0	
13	Locality & Safeguarding - Stroke Care	0	(13)	This balance was included in the reserve review reported to Cabinet 19.11.2012
21	Mental Health Capacity	0	(21)	This balance was included in the reserve review reported to Cabinet 19.11.2012
68	Disabled Adaptations	0	(68)	This balance was included in the reserve review reported to Cabinet 19.11.2012
305	Social Care Delayed Hospital Discharges	85	(220)	Specific initiatives agreed and expenditure profile finalised. Ringfenced reserve to be rephased to fund committed expenditure. The rephasing of this reserve is reflected in the outturn projections above.
27	PCT Vulnerable People Priorities	0	(27)	This balance was included in the reserve review reported to Cabinet 19.11.2012
40	PCT Carers Funding	40	0	
30	PCT Carers into Employment	0	(30)	The contract process for the utilisation of this reserve has been delayed. The reserve is committed from June 2013 and is to be rolled forward to match this commitment.
50	PCT Hearing Loss Strategy	50	0	
6	PCT Local Development Plan	6	0	
10	PCT Public Health	10	0	
0	Sports Activities	9	9	This ringfenced grant reserve has been utilised earlier than previously reported. This is reflected in the outturn position above.
45	Mill House Reserve	0	(45)	This balance was included in the reserve review reported to Cabinet 19.11.2012
25	Bowling Club Rental	25	0	
22	Archaeology Projects	5	(17)	
1	Archaeology - Monograph Series	1	0	
<b>992</b>	<b>Total</b>	<b>560</b>	<b>(432)</b>	
<b>2,051</b>	<b>Child &amp; Adults Total</b>	<b>1,429</b>	<b>(622)</b>	

**CREATION OF RESERVES**

Approved 2012/2013 Budget £'000	Reserve Name	£'000	Description
<b>Children's</b>			
	Education Psychology	106	Creation of reserve to continue to fund the service to the end of the academic year August 2013 Approved at Quarter 2
	Youth Offending Team	62	Creation of reserve from Home Office grant and Partner contributions to support future years funding of the service. Approved at Quarter 2
	Promotion of Breast Feeding	15	This funding has been secured through NHS Tees Public Health to support the further expansion of peer support. The funding has only just been received therefore there is a need to carry forward this funding into 2013/14.
<b>0 Total</b>		<b>183</b>	
<b>0 Child &amp; Adults Total</b>		<b>183</b>	

**CHIEF EXECUTIVE DEPARTMENT****REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2012/13 as at the 31st December 2012**

The projected favourable variance is mainly owing to the careful management of staffing budgets by keeping posts vacant and reducing staff hours where appropriate. In addition, a mid year estimate of the Council Tax & Housing Benefit Subsidy receivable has been carried out. This indicated that subsidy received will exceed the budget set for 2012/13.

Detailed commentary is shown below:

Approved 2012/2013 Budget  £'000	Description of Service Area	December		Director's Explanation of Variance
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case  £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case  £'000	
1,295	Corporate Finance	(130)	(130)	The favourable variance is owing to savings achieved because of maternity leave, reduced staff hours and advanced savings achieved from vacant posts.
(1,520)	Central Administration	0	0	
274	Revenues and Benefits, Fraud	82	82	The adverse variance is owing to a change in DWP administration grant subsidy received because of a change in the weighting on individual caseloads.
70	Council Tax & Housing Benefit Subsidy	(20)	(116)	Work has been completed on an estimate based on a Mid Year Subsidy Claim. The Best Case scenario is based on the findings of this work, the Worst Case is based on a reduction in total subsidy claims and allowance for prior year adjustments.
0	Finance Miscellaneous	0	0	
223	Internal Audit	(25)	(30)	The favourable variance is owing to savings in staff costs including maternity leave, reduced staff hours, overtime and car allowance.
0	HR Payroll System	0	0	
116	Performance Management Misc	(22)	(22)	This favourable variance is based on the Trade Union budget projecting a £8k adverse variance, and the Central Council Subscriptions projecting a £30k favourable variance.
643	Shared Services Unit	10	0	Owing to in year legislative changes to taxation and pension reporting changes, staff have been required to work additional hours resulting in a small adverse variance.
490	Legal Services	20	0	The Legal Services Section has budgeted to collect legal fees for house completions as part of the Housing Market Renewal project. If all houses don't complete the financial year, this will result in an adverse variance.
94	Municipal & Parliamentary Elections	10	10	This adverse variance is owing to an all out Election in May 2012 and the Seaton Bi-election.
81	Other Office Services	(5)	(5)	
87	Registration of Electors	0	0	
119	Support to Members	0	0	
556	HR & Health and Safety	0	0	
36	Training & Equality	(5)	(5)	
852	Hartlepool Connect	(80)	(80)	The favourable variance is owing to staff reducing their hours, vacant posts in advance of a full staffing review and reduced expenditure on supplies.
(48)	Registration Services	0	0	
43	Support Services	(20)	(20)	The favourable variance is owing to modern apprentice staffing vacancies, which has now contributed towards the section's salary abatement target.
100	Community Partnerships	(3)	(3)	
458	Corporate ICT	(8)	(8)	
424	Corporate Strategy	(16)	(16)	The favourable variance is owing to reduced expenditure on supplies and services.
189	Democratic	0	0	
104	Performance & Consultation	0	0	
99	Public Relations	(30)	(30)	Additional income generation and advertising in Hartbeat will produce a favourable variance at outturn.
128	Scrutiny	0	0	
<b>4,911</b>	<b>Total</b>	<b>(242)</b>	<b>(373)</b>	



**CHIEF EXECUTIVES DEPARTMENT****PLANNED USE OF RESERVES**

The above figures include the 2012/13 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2012/2013 Budget £'000	Description of Service Area	Planned Usage 2012/2013 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
42	Chief Executive's Department Ring Fenced Grants	50	8	This was grant carried forward from previous years to fund the Workplace Health Improvement Specialist. The budgeted amount will be fully utilised this financial year, with a requirement to bring a small amount, that was profile for a future year, forward into 2012/13.
8	Corporate Strategy - Corporate Consultation	8	0	To be utilised as part of corporate consultation and to enable budget reduction to be managed over more than 1 year in relation to required reduction.
12	Corporate Strategy - Enhancing Council Profile	12	0	This reserve is being used for social networking , council profile issues and a resident perception survey.
48	Corporate Strategy - ICT System Development	0	(48)	To be utilised to offset system development costs and associated costs of system upgrades and version release not encompassed elsewhere. There has been delays in expenditure whilst current and potential contractual issues in relation to procurement have been assessed.
50	Corporate Strategy - ICT Contract Review	25	(25)	To be utilised in accordance with Council's Agreed to contribute towards the cost of external advice is expected to be spent between November 2012 and September 2013.
13	Corporate Strategy - Performance Management	13	0	To be utilised to support residents survey.
13	Corporate Strategy - Working from Home	13	0	Required to managed variable costs over more than one year.
20	Finance -Corporate Finance	0	(20)	Requested to be carried forward into 2013/14 to fund ongoing maternity cover.
20	Finance - Atlas Project	9	(11)	To complete Atlas project and match grant received, anticipated to now slip across two financial years.
15	Finance - Council Tax Rebate Development	0	(15)	This balance has been included in the Reserves Review
15	Hartlepool Connect	0	(15)	Requested to be carried forward into 2013/14. The reserve was originally created to fund software integrations including Corporate Workflow and upgrade Queue Management System, but owing to some works being completed at nil cost and some being no longer required, it is requested that it be carried forward into 2013/14. It is also requested that the reserve now be used to fund additional training requirements identified after the recent Registrars staffing review.
17	HR - People Framework Development	0	(17)	Requested to be carried forward into 2013/14 to support loss of School Buy Back Income, which was anticipated in 2012/13, but is no longer required owing to other saving achieved.
10	Registrars	5	(5)	Required for redecoration costs as alternative venues identified for income generation, it is now anticipated to slip across two financial years.
0	Finance - IT Investment	30	30	This reserve was created to fund a number of IT projects integral to the Corporate IT changes across the Authority. It was original profiled in later years but the opportunity to start the implementation of the HR Insight has arose this year, with the requirement to bring some of the funding forward into 2012/13
0	Finance - Internal Bailiff Development	17	17	This reserve was created to fund costs associated with Internal Bailiff Development, the funding is now anticipated to be required in 2012/13
0	Finance - Software Projects	5	5	This reserve was created for funding towards BACS and Direct Debit software project development, it is now anticipated that some of the funding may need to move forward into 2012/13
283	<b>Total</b>	187	(96)	

**REGENERATION AND NEIGHBOURHOODS****REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2012/2013 as at the 31st December 2012****Overview:**

The current outturn variance for Regeneration and Neighbourhoods is estimated to be a favourable variance of between £320k and £590k. The range reflects the volatility of some budget areas which makes it difficult to predict the year end position, particularly where these areas involve income from fees and charges. By analysing trends and reviewing the performance to date it is possible to estimate the position at year end; however these will continue to be closely monitored on a monthly basis as we approach the end of the Financial year.

The expected variance is mainly owing to the following areas:-

**Waste Management and Disposal – Favourable Variance £490k**

This variance is owing to the reduced capital financing costs of wheelie bins and vehicles, the temporary reduced cost of recycling collection created through a 9 month tender process, an increase in income from the sale of recyclables, and a reduction in the cost of waste disposal resulting from the increase in recycling. The tender process for a seven year contract has now been undertaken and £400k of sustainable savings have been identified in this area.

**Concessionary Fares – Favourable Variance £250k**

A pressure was awarded to fund the increased cost of the new reimbursement model. Successful negotiations with the providers of concessionary travel has meant that this was not as costly as expected and a significant drop in passenger numbers has reduced the cost of concessionary travel overall. Following these developments a review of pressures has identified that the amount needed for Concessionary Fares can be reduced by £100k and this has been reflected in the Councils Medium Term Financial Strategy.

The department continues to feel the impact of the recession on income collected from fees and charges. The main areas affected are Building Control and Development Control and any variance in these areas (current forecast is £90k - £250k adverse variance) will be covered by the Income Shortfall reserve in 2012/13 and 2013/14.

Detailed commentary is shown below:

Approved 2012/2013 Budget	Description of Service Area	December		Budget Holders Comments
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	
£'000		£'000	£'000	
1,154	Strategic Management, Admin & Service Development	0	0	
(246)	R&N Central Budgets Savings	0	0	The Salary Abatement Budget is slightly down on target at Quarter 3 but is expected to be achieved by the end of the year.
630	Consumer Services	0	0	An adverse variance of £20k is forecast for Licensing Income. This estimate assumes a similar level of activity to last financial year, and reflects the impact the economic downturn is having on the level of licensing income generated. This has been offset by a favourable variance on the staffing budget owing to changes in the staff development scheme. A request has been made to create a reserve to cover staff development in the future as this budget will be offered up as part of the 2013/14 Savings exercise.
0	Consumer Services - create Reserve	20	20	Creation of Reserve to cover Staff Training costs above.
10	Environmental Protection	0	0	Expected to be on target at this stage.
(83)	Environmental Standards	60	60	This adverse variance relates to the Markets income shortfall which is expected to be slightly higher than in previous years.
(19)	Cemetery and Crematoria	40	50	This variance assumes a contribution to Capital of £90k to support the Capital Scheme at Tanfield Road as per the agreed Funding Strategy for this Scheme. This contribution based on the <u>estimated</u> additional income generated from an increase in fees approved to cover future years prudential borrowing charges. The income levels are being affected by a temporary demographic change which is resulting in an Adverse variance of £40k.
421	Parks & Countryside	0	0	Expected to be on target at this stage.

Approved 2012/2013 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	Budget Holders Comments
£'000		£'000	£'000	
32	Allotments	0	0	Capital Scheme expected to begin this year (approx £100k) - assumed that all income generated from fee increases will cover the costs of the scheme. Seeking final approval for Prudential Borrowing of £500k over years - this will be funded by the phased increase in fees.
(60)	Building Control	150	100	Projections still indicate that there is likely to be up to a £150k shortfall as the income budget is too high in this area. This budget is less affected by large scale developments and small scale or domestic work is reducing. Any variance is expected to be covered by the Income Shortfall Reserve in 2012/13 (see reserves below) and a pressure of £150k has been identified for future years.
454	Planning Services	100	(10)	This variance relates to Development Control income. This projection is based on the first nine months and also takes into consideration income which could be received from possible developments. Best case estimate is that we will achieve the budgeted level of income, however if some developments don't go ahead there could be a shortfall of up to £100k. This is a volatile area and will be monitored closely each month. Any variance is expected to be covered by the Income Shortfall reserve in 2012/13 (see reserves below).
0	Planning Services - One Stop Shop	(10)	(10)	Variance relates to additional income generated by the One Stop Shop. If the income stream is sustainable it may be used to contribute towards a restructure within the team. A request has been made to create a reserve to contribute to future staffing costs however this has not been reflected because of the need to offset the shortfall in income.
(4)	Logistics	(100)	(120)	Variance relates to additional income generated over and above the budgeted level and this has been put forward as a sustainable saving for next year. A favourable variance is also projected for the Trading elements within Logistics, and the best case estimate includes £40k for the Joiners Workshop.
99	Procurement and Reprographics	0	0	Expected to be on target at this stage.
(78)	Property Management	0	0	Reviewing use of the Corporate Pot in this area - predicted to be on target at this stage.
102	Asset Management	0	0	Assumed to be on target at this stage until the charging policy for Estates is agreed. Costs associated with Non Operational Property are not accounted for here and instead will be charged to the Corporate Property Budgets.
(51)	Building Consultancy	0	0	Fees to some Capital Schemes are still to be agreed - assumed to be on target at this stage if most fees are collected. There could be a £40k shortfall if £100k is not charged to Tanfield.
614	Housing Services	0	(50)	Spend on B&B is still low. Historically the majority of the spend is from Dec to Mar. but has remained low this year. (Mild Winter so far) Any underspend is expected to be used to reduce the impact on the Selective Licensing Reserve. However, now receiving additional £90k Public Health Grant late in 2012/13, so expecting £50k c/fwd via reserves.
0	Housing Services (Create Reserve)	0	50	Create reserve to carry forward balance of Public Health Grant above.

Approved 2012/2013 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	Budget Holders Comments
£'000		£'000	£'000	
0	Social Housing	(80)	(80)	This variance relates to a saving on borrowing costs from the Community Housing project. This permanent saving is earmarked from 2013/14 onwards to fund the borrowing costs associated with the Empty Homes project. This variance will be transferred into the Major Repairs Reserve in line with the approved Business model for this scheme.
0	Social Housing - Creation of Reserve	80	80	Contribution to the Major Repairs Reserve - as per above.
80	CADCAM	0	0	Charges are volatile in this area and it is assumed that the Reserve will be used to meet any shortfall should it arise - based on the actual charges received in 2011/12 this reserve would only be enough to cover a shortfall in 2012/13.
1,046	Economic Regeneration	10	0	Slight overspend on salaries relating to late notices in 2011/12 and this is considered as part of the Departments Salary Abatement target. Newburn Bridge Ind Estate rental income may be less than expected owing to some issues with rents owed and tenants leaving. A reserve exists to fund various Departmental risks including rent shortfalls, however this has not been reflected in the variance reported at this stage.
16	Neighbourhood Management	0	0	This area includes the Ward Member Budgets which are funded by a Corporate reserve. Spend is low so far but expecting to catch up by the end of the year.
849	Neighbourhood Forum (N&C) - incl Community Pool	0	0	Budget expected to be on Target. Any underspends relate to Reserve funding schemes which will slip.
689	Neighbourhood Forum (S&C) - incl Community Safety	0	0	Budget expected to be on Target. Any underspends relate to Reserve funding schemes which will slip.
16	Economic Regeneration - External Funding	(70)	(110)	This budget includes Grants which support projects over years. In accordance with the Accounting Code of Practice and Grant Conditions this funding must be carried forward as a Reserve. The variance reported relates to High Street Innovation Fund & Town Team (estimated carry forward £90k). H'Pool Golf week is also expecting to generate a one-off surplus of £20k and this will form part of the overall departmental outturn figure.
0	Economic Regeneration - Creation of Reserve	50	90	Creation of a Ringfenced Grant Reserves - as per above.
(697)	Car Parking	100	90	The pressure allocated to cover the income shortfall appears to be sufficient at the moment. The adverse variance relates to the costs associated with running the Car Parks and the worst case variance includes an estimated increase in the Shopping Centre Service Charge of £50k, unbudgeted IT costs for the Camera Car of £20k, and an increase in rates of £40k. The increase in rates payable follows a review of the rateable value for Car Parks and a pressure has been considered to cover this in future years.
430	Engineering Services	(30)	(30)	It is possible that this area generates additional income again this year owing to the continuation of schemes which lead to a surplus in 2011/12. However it is still considered to be a volatile area and £30k favourable variance is forecast at this stage. The estimate assumes that the approved contribution of £50k towards the cost of the A689 can be achieved from either this area or the Coastal Protection budget.

Approved 2012/2013 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	Budget Holders Comments
£'000		£'000	£'000	
24	Facilities Management - Functions Catering	70	60	The latest prediction for all of the outlets is that we will experience an adverse variance on Functions Catering of up to £70k. Single Status has impacted on the cost of running this service and this is producing a deficit in some outlets. Income is less than budgeted levels and a number of initiatives are underway to increase the volume of sales.
(11)	Facilities Management - School Catering	0	0	This account represents a volatile trading area owing to the uncertainty surrounding the take up of School Meals in each School. This volatile income stream makes it difficult to predict the outturn position, however we are currently on target to achieve a similar level of income to last year which will result in a nil variance. There are a number of initiatives underway with Schools to develop the service and ultimately increase overall take-up. If this is successful it will result in a favourable variance at year end and it is recommended that this is earmarked to fund future investment in Kitchens as there is currently little or no provision in the revenue budget to cover this cost. A condition survey is underway to allow a financial strategy to be developed over the medium term.
(36)	Facilities Management - Building Maintenance	100	50	Building Maintenance is currently reporting a small surplus of £10k on work undertaken to date. The account currently budgets to make a surplus £130k by year end which if the current trend continues will result in a shortfall. This account needs to offer competitive charges to clients in the current climate and a profit expectancy is proving difficult to achieve this year. This is a volatile trading account and the outturn position may be affected by many factors before the year end. In addition to this a number of the new larger contracts are only in the early stages and the full impact is not being felt in 2012/13. Full performance information is being prepared to analyse the variance by Contract and this account will be closely monitored each month.
535	Facilities Management - Building Cleaning	40	0	The adverse variance has arisen following the loss of cleaning contracts, including the law courts, which contributed towards some fixed overheads on this account. A full analysis of this account is being prepared contract by contract to evaluate the impact of any future losses and review the overheads on this account. The worst case estimate at the moment is a deficit of £40k.
233	Facilities Management - Other	0	0	Security, Civic Attendants and Public Conveniences - all expected to be on target at year end.
1,882	Grounds Maintenance	70	0	Income is currently down owing to the disruption of Trading Activities resulting from the move to new premises and works at Tanfield Road. The worst case projection assumes a deficit of £70k but work is ongoing to reduce this variance and generate additional income by the year end.
1,894	Highway Maintenance and Insurance	50	10	Worst case £40k included for Winter Maintenance based on a five year average. Once the Trading account is withdrawn this budget will be mainly fixed with set overheads which will reduce the volatility on the account overall. £10k relates to spend on Alley Gates which does not have an annual budget provision.

Approved 2012/2013 Budget	Description of Service Area
£'000	
(210)	Highways Trading
526	Highways Traffic & Transp Management
78	ITU Passenger Transport
308	ITU Road Safety
0	ITU Strategic Management
(180)	ITU Vehicle Fleet
(2)	NDORS (National Driver Offender Rehabilitation) Scheme
1,187	Network Infrastructure
0	Section 38's
2,409	Sustainable Transport
1,754	Street Cleansing

Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse - (Favourable) Best Case	Budget Holders Comments
£'000	£'000	
0	0	The account is showing a deficit at the moment owing to a reduction in the overheads charged to client accounts. This area is being reviewed and the Trading Accounts are in the process of being collapsed. At this stage it is predicted that once all of the amendments relating to the change in overhead rate are actioned this will bring the account back within budget by the year end.
0	0	
(30)	(40)	Relates to expanded income generation in this area.
(10)	(10)	The favourable variance relates to a reduction in the cost of casual staff required to cover for sickness.
0	0	
(20)	(40)	This account has been benefiting from the savings resulting from spreading the cost of vehicles over a longer period to reflect the actual economic life of assets. This saving will be partly offset by an increase in annualised maintenance costs. The latest estimate has been amended to reflect the replacement of a Fitter and 4 new apprenticeship posts. This variance also now assumes that the cost of the new Fleet Management System of £15k will be charged next year. This months increase reflects greater certainty on capital financing savings.
0	0	
80	80	£60K variance relates to additional energy costs on Street Lighting of approx 8%. This is from an expected increase in load owing to circuit watts and state of current equipment. This information has recently come to light following an inventory submission to Npower. £20K relates to Traffic Signal maintenance costs which have been increased by Middlesbrough Borough Council. A reduction in Insurance recharges of £30k has been used to cover part of this additional cost.
0	0	
(250)	(250)	Variance is as a result of a successful negotiation process with the providers where the new reimbursement methodology was not as costly as expected. Another factor was a drop in passenger numbers which is expected to continue. £100k has been offered up as part of review of pressures from 2013/14 onwards. This variance assumes the replacement bus pass provision is covered by the reserve created in 2011/12.
0	0	Estimated to be on target at year end.

Approved 2012/2013 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	Budget Holders Comments
£'000		£'000	£'000	
4,840	Waste & Environmental Services	(490)	(490)	<p><u>Waste Management - £240k Favourable</u> - Prudential Borrowing costs down on budget by £90k - some financing has ended (bins) and others are reducing (spend at HWRC etc.). Other variance is owing to a significant increase in the income collected from recycling and reduction in the cost of collection of this waste which is covered by a 12 month contract. The recent Tender exercise for a 7 year contract has demonstrated that some of the savings are sustainable and the proposed changes are estimated to achieve permanent savings of £400k. The new contract includes the introduction of a new bin and the one-off cost of £52k to deliver and assemble the new receptacles town wide has been included in the variance reported. In addition there have been some changes in the Recycling Market which has reduced the value of recyclable materials leading to a reduction of £80k in the income projections made earlier this year.</p> <p><u>Waste Disposal - £300k Favourable</u> - Tonnages continue to fall because of initiatives and recycling. This is likely to continue in future years and whilst it is a volatile area this could be considered for a future saving. It is still early to predict final residual waste levels and there are many changes in this area around enforcement etc. - range included and this forecast will continue to be closely monitored and refined each month.</p> <p><u>Household Waste Recycling Centre £10k Favourable</u> - Saving from bringing service in house - staff TUPE'd and there are not expected to be any costs associated with the transfer to HBC conditions, if required.</p> <p>Agreed to fund works at the HWRC from underspends above (£190k = £150k + £40k)</p>
20,636	DEPARTMENT TOTAL	(70)	(500)	

Less release of Corporate Income Shortfall Reserve as per the MTFS
Development and Building Control
Net Adverse/(Favourable) Variance

£'000	£'000
(250)	(90)
(320)	(590)

**PLANNED USE OF RESERVES**

The above figures include the 2012/13 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2012/2013 Budget £'000	Description of Service Area	Planned Usage 2012/2013 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
16	Speed Cameras	16	0	
50	Winter Maintenance	50	0	Weather dependant but assumed to be needed this year.
250	Cemetery & Crematoria/Stranton, Tanfield Rd Nursery	250	0	
25	Focus Site Fuel Tank	25	0	
71	Community Safety LPSA Reward Grant Reserve	55	(16)	Some of the projects supported are over a 3 year period and the spend profile between years has changed slightly.
22	Building Maintenance Remedial	22	0	
10	Neighbourhood Community Development Projects	10	0	
100	Selective Licensing	16	(84)	Reserve earmarked to fund the Scheme over five years. The profile of spend has changed. Licensing fees up on expected during 2012/13.
26	Local Plan and Housing Strategic Studies	26	0	Planning Inspectorate costs might not be until April 2013. May be able to accrue for work done up to 31.03.13
39	Support for CAD/CAM Liability	39	0	
9	DC Restructure	9	0	
60	Jobs & The Economy/FJF & Local Initiatives	60	0	
200	Seaside Grant	0	(200)	This funding is part of the overall Seaton Master plan and it is expected to be released now in 2013/14.
53	Connect to Work	30	(23)	All employees now on scheme, so fully committed, but some salaries straddle financial years so need to slip est. £23k into 2013/14
4	CSCS Test	0	(4)	Although £4k spent, have generated sufficient new income in 2012/13 to cover costs, so looking to slip reserve into 2013/14.
40	Baden Street	13	(27)	Revenue spend is linked to Capital and progress is very slow. Est slip £27k into 2013/14
50	Furniture Project	0	(50)	Spend profile expected to be next year.
20	Village Green Hearings etc	20	0	
20	H & S Training	20	0	
39	Troubled Families/Rural Plan & TAH	19	(20)	Rural Plan and Ward Profile spend profile changed.
23	Community Safety (LSSG)	0	(23)	Slippage required to support pressures in 2013/14.
1	Neighbourhood Mgmt Public Health Grant	1	0	
55	Public Health Grant - Housing	25	(30)	Projects supported are expected to continue into 2013/14.
40	Trading Account Reserves - Plant Replacement	20	(20)	Depends on the requirements to replace plant over years.
112	Business Grants	112	0	
75	Conservation Grants	75	0	
41	Community Pool	11	(30)	
<b>1,451</b>	<b>Regeneration &amp; Neighbourhoods Total</b>	<b>924</b>	<b>(497)</b>	

**CREATION OF RESERVES**

Approved 2012/2013 Budget £'000	Reserve Name	Description
0	Social Housing	A creation of reserve of £80k has been assumed in the above projections. This relates to a saving on borrowing costs from the Community Housing project. This permanent saving is earmarked from 2013/14 onwards to fund the borrowing costs associated with the Empty Homes project. This contribution to reserve will be transferred into the Major Repairs Reserve in line with the approved Business model for this scheme.
0	Consumer Services - Training	A request has been made to create a reserve to cover the cost of staff development to keep up with changes in legislation.
	<b>Total</b>	<b>100</b>



## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B	C	D	E	F	G	H	
		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/2014 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
7027	Harnessing Technology Grant	2	2	0	0	2	0	Grant	
7125	Owton Manor - Install Security Fencing	1	0	1	0	1	0	Mix	
7125	Stranton - Install Perimeter Security Fencing	28	28	0	0	28	0	Mix	
7125	Golden Flatts - Install Security Fencing	2	0	2	0	2	0	Grant	
7129	Rossmere Heating Distribution	6	6	0	0	6	0	Grant	
7131	Fens Primary School Ventilation	7	1	6	0	7	0	Grant	
7132	Manor College Lighting / Wiring	65	0	65	0	65	0	Grant	
7138	Barnard Grove - Structural Modifications (Blocks A & B)	31	0	31	0	31	0	Grant	
7142	Brougham -Fire Safety Modifications	6	5	1	0	6	0	Grant	
7142	Barnard Grove- Fire Modifications	8	0	8	0	8	0	Grant	
7142	Kingsley Fire Modifications	18	12	6	0	18	0	Grant	
7142	Lynnfield Fire Modifications	3	3	0	0	3	0	Grant	
7142	Seaton Carew Nursery Fire Modifications	8	8	0	0	8	0	Grant	
7142	St Helens Fire Modifications	4	0	4	0	4	0	Grant	
7142	Stranton Fire Modifications	23	25	0	0	25	2	Grant	Project over spend to be funded from the Unallocated Budget
7144	Manor - Modifications to Autistic Spectrum Disorder (ASD) Unit	45	52	0	0	52	7	Grant	Project over spend to be funded from the Unallocated Budget
7149	Create Children's Home	100	9	91	0	100	0	RCCO	
7384	Devolved Capital - Various Misc Individual School Projects	632	304	328	0	632	0	Grant	
7421	School Travel Plans - Develop Cycle Storage at Schools	29	6	23	0	29	0	Grant	
7426	Integrated Children's System Case Management Improvement	37	0	37	0	37	0	Grant	
7437	Playing for Success - Develop New Classroom	1	0	1	0	1	0	Mix	
7469	Unallocated - Children's Centre Capital Works	64	0	0	64	64	0	CAP REC	
7586	City Learning Centre Equipment Purchase	4	0	4	0	4	0	Grant	
7619	West View -Asbestos Removal & Reinstatement	11	11	0	0	11	0	Grant	
7858	Computers for Pupils	35	35	0	0	35	0	Grant	
7863	Carlton Outdoor Centre Redevelopment Works	6	0	6	0	6	0	Mix	
7888	Stranton - Purchase & Install CCTV	2	0	2	0	2	0	RCCO	
7979	Chatham Children's Centre - Internal Alterations to Reception	12	11	1	0	12	0	RCCO	
7979	Hindpool Close Children's Centre - Create Buggy Park Area	5	4	1	0	5	0	RCCO	
7979	Rossmere Children's Centre - Internal Alterations to Reception	4	4	0	0	4	0	RCCO	
8060	Rift House - Annexe 2 Heating	17	0	17	0	17	0	Grant	
8067	Ward Jackson - Creation of Quiet Room	2	0	2	0	2	0	Mix	
8082	Golden Flatts - Resource Learning Centre	1	0	1	0	1	0	Grant	
8103	Swimming (was Brinkburn Pool - Access and Hoist)	60	0	0	60	60	0	RCCO	
8138	BSF- ICT	5,802	1,732	399	3,671	5,802	0	Grant	
8139	BSF - ICT Infrastructure (General)	134	0	134	0	134	0	Grant	
8139	BSF - ICT Infrastructure (St Hilds)	33	0	33	0	33	0	Grant	
8139	BSF- Dyke House	7	0	7	0	7	0	Grant	
8168	SureStart North Hindpool Close - Create Community Garden & Play Space	6	3	3	0	6	0	Grant	
8179/8424	Catcote - Replace Boiler (11/12)	6	6	0	0	6	0	Grant	
8184	Hart - Replace Fence	11	11	0	0	11	0	Grant	
8192	St Helens - Replace Corner Posts	18	0	18	0	18	0	Mix	
8193	Throston - Window replacement	16	16	0	0	16	0	Grant	
8202	Grange -Replace Classroom Annexe	480	444	36	0	480	0	Mix	
8205	Springwell - Create Enterprise area and Cyber Café	12	10	2	0	12	0	Mix	
8208	Ward Jackson - Create Foundation Unit	1	1	0	0	1	0	Grant	
8218	Youth Service Portable MUGA	7	0	0	7	7	0	MIX	
8282	Exmoor Grove - Redevelopment/ Change of Use	14	0	14	0	14	0	RCCO	
8392	High Tunstall - Various Improvement Works to B, C & D Blocks	8	0	8	0	8	0	Grant	

## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

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		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/2014 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
8452	Carlton Outdoor Centre Disabled Toilet	17	9	8	0	17	0	Grant	
8454	Catcote - Create Individual Teaching Space	87	25	62	0	87	0	Grant	
8455	Golden Flatts - Install Fire Detection System	20	13	7	0	20	0	Grant	
8455	Greatham - Install Fire Detection Systems	13	0	13	0	13	0	Grant	
8455	Owton Manor - Install Fire Detection System	30	0	30	0	30	0	Grant	
8455	Rift House - Install Fire Detection System	22	0	22	0	22	0	Grant	
8455	Rossmere - Install Fire Detection System	30	0	30	0	30	0	Grant	
8455	West Park - Install Fire Detection System	24	0	24	0	24	0	Grant	
8456	Brougham - Roof Replacement	200	206	0	0	206	6	Grant	Project over spend to be funded from the Unallocated Budget
8457	Stranton - Boiler Replacement	35	22	13	0	35	0	Grant	
8458	High Tunstall - Develop Vocational Educational Centre	294	67	18	209	294	0	MIX	
8459	Kingsley - Replace & Upgrade Playground Surface	35	34	1	0	35	0	Grant	
8460	Rift House - Development of Science Garden	73	50	23	0	73	0	MIX	
8461	Stranton - Create 2 'Experience' Rooms	96	44	52	0	96	0	Grant	
8462	Throston - Create External Hall Corridor & Learning Space	313	146	167	0	313	0	Grant	
8463	West Park - Creation of Foundation Stage Unit	458	151	307	0	458	0	Grant	
8505	OSCAR - Sensory Equipment	2	0	2	0	2	0	Grant	
8522	Golden Flatts - Mechanical Works	110	55	55	0	110	0	Grant	
8523	High Tunstall - Heating Distribution / Boiler Replacement	115	0	115	0	115	0	Grant	
8524	High Tunstall - Lighting/Wiring	15	0	15	0	15	0	Grant	
8525	St Helen's - Electrical Works	103	83	20	0	103	0	Grant	
8526	West Park - Heating / Hot & Cold Water Distribution	75	0	75	0	75	0	Grant	
8527	West View - Window Replacement (Block A)	109	92	0	0	92	(17)	Mix	Project under spend to be transferred to the Unallocated Budget
8528	West View - Roof Replacement (Phase 1)	88	0	0	88	88	0	Grant	
8529	West View - Small Classroom Extension	144	79	65	0	144	0	Grant	
8530	St Helen's - KS1 Toilet Provision	25	20	0	0	20	(5)	Grant	Project under spend to be transferred to the Unallocated Budget
8531	Rossmere - Replace External Gas Main	14	14	0	0	14	0	Grant	
8532	Catcote - Relocate Futures to Brierton Site	150	7	143	0	150	0	RCCO	
8537	Rift House - Heating/Water Distribution System	27	0	27	0	27	0	Mix	
8558	Barnard Grove - Replace underground drainage pipes	3	0	0	3	3	0	Mix	
8559	Barnard Grove - Replace Roofing (Infant Block)	92	0	0	92	92	0	Mix	
8560	Barnard Grove - Heat Source & Ventilation (Block B)	73	0	0	73	73	0	Mix	
8561	Barnard Grove - Replace Windows/Doors & Cladding	35	0	0	35	35	0	Mix	
8562	Manor College - Renew Roof (Block A)	101	0	0	101	101	0	Mix	
8563	Manor College - Refurbish Toilets & Renew Block D Windows	28	0	0	28	28	0	Mix	
8564	Manor College - Rewire Drama & Science Block	103	0	0	103	103	0	Mix	
8565	Manor College - Replace Heating Emitters & Ventilation Fans (Block A)	85	0	0	85	85	0	Mix	
8566	Manor College - Renew Boiler & Water Storage (Block A)	89	0	0	89	89	0	Mix	
8567	Manor College - Replace Swimming Pool Heating & Water Distribution	15	0	0	15	15	0	Mix	
8568	Manor College - Replace Heating Emitters & Water Distribution (Drama Block)	18	0	0	18	18	0	Mix	
9004	Funding Currently Unallocated	692	0	0	699	699	7	Mix	This is the net underspend on the above schemes which will be transferred from this Unallocated Budget.
9005	Grant Payments to Diocese for H'pool VA Schools	160	160	0	0	160	0	Grant	
N/A	Funding - Contingency	200	0	200	0	200	0	Grant	
<b>TOTAL</b>		<b>12,252</b>	<b>4,026</b>	<b>2,786</b>	<b>5,440</b>	<b>12,252</b>	<b>0</b>		

## Key

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE R Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing

## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

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		2012/13 Budget  £'000	2012/13 Actual as at 31/12/12 £'000	2012/13 Expenditure Remaining £'000	Expenditure Rephased into 2013/14 £'000	C+D+E 2012/13 Total Expenditure £'000	F-B 2012/13 Variance from budget £'000	Type of financing	
7234	Chronically Sick & Disabled Person's Adaptations	130	30	100	0	130	0	RCCO	
7481	IIM Social Care IT Infrastructure	44	24	20	0	44	0	GRANT	
7531	Adult Education - Office Accom	20	1	19	0	20	0	MIX	
7723	Resettlement Capital Works - Campus Re-provisioning	110	0	0	110	110	0	GRANT	Funding to be rephased to meet expected commitments in 2013/14.
8075	Short Break Capital Grants Pool	84	63	0	21	84	0	MIX	Funding rephased to tie in with future partnership meetings.
8284	DAT Tier 4 Accommodation	105	99	6	0	105	0	GRANT	
8312	Social Care Transformation Capital	261	0	261	0	261	0	MIX	Proposals are being drafted for Portfolio to be held on 13th February 2013 to further allocate this funding.
8396	New Flat Purchase	130	125	5	0	130	0	MIX	
8423	Waverley Terrace Allotments - Fencing	49	48	1	0	49	0	MIX	Budget increase approved from £24k to £49k by Portfolio Holder 28th Nov 2012 in line with delegated authority outlined in the MTFS. Funded from Social Care Transformation Capital Pot.
8427	Warren Rd Kitchen Refurbishment	7	7	0	0	7	0	GRANT	Scheme complete. Balance of funding £8k transferred to scheme 8428 Havelock Upgrades as proposed in Quarter 2.
8428	Havelock Upgrades Ph2	285	95	190	0	285	0	GRANT	Budget increase approved from £204k to £285k in line with Cabinet report.
8429	Adult Education - Replace IT Equipment	11	0	11	0	11	0	MIX	
8453	Warren Road Sunflower Lounge	12	11	1	0	12	0	MIX	
8055	Warren Road Window Improvements	15	0	15	0	15	0	GRANT	New scheme agreed by Portfolio Holder date 28th November 2012. Funded from Social Care Transformation Capital Pot.
8580	Telecare Vehicles	42	0	42	0	42	0	RCCO	New scheme funded from Winter Pressures Funding.
7992	Grayfields Sports Junior Pitches	26	0	0	26	26	0	MIX	Budget increased by £20k being the balance on scheme 8104 as previously reported and the transfer of a pitch improvements reserve. To be utilised as match funding for pitch improvements.
8095	Central Library - Signage	1	1	0	0	1	0	MIX	
8104	Rossmere - MUGA & Skatepark	23	23	0	0	23	0	MIX	Scheme complete.
8216	Seaton Carew Cricket Club	30	0	0	30	30	0	MIX	Expenditure rephased into 2013/14.
8394	Conversion of Throston Community Centre to Community Centre/Library	70	0	70	0	70	0	MIX	
8408	Mill House Leisure Centre Misc Equipment	11	0	11	0	11	0	MIX	
8409	Sport and Youth Improvement Work	70	0	70	0	70	0	MIX	
8418	Summerhill Archaeology Display	1	1	0	0	1	0	MIX	
8419	BMX Track Upgrade	12	1	11	0	12	0	MIX	
8439	Brierton Sports Centre Upgrade	38	38	0	0	38	0	MIX	
8504	Summerhill Specialist Equipment	19	19	0	0	19	0	MIX	Scheme complete.
8536	Theatre Booking System	12	12	0	0	12	0	GRANT	New scheme agreed by Portfolio Holder date 28th November 2012. Funded from Social Care Transformation Capital Pot.
8103	Swimming Scheme	60	0	0	60	60	0	RCCO	Funding to be rephased to meet expected commitments in 2013/14.
	TOTAL	1,678	598	833	247	1,678	0		

<b>Key</b>			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B 2012/2013 Budget £'000	C 2012/2013 Actual as at 31/12/12 £'000	D 2012/2013 Expenditure Remaining £'000	E Expenditure Rephased into 2013/14 £'000	F C+D+E 2012/2013 Total Expenditure £'000	G F-B 2012/2013 Variance from budget £'000	H Type of financing	
	Corporate Projects	39	0	0	39	39	0	MIX	
7867	City Challenge Burbank / Murray Street	83	0	0	83	83	0	MIX	
7468	IT Strategy	500	0	0	500	500	0	MIX	
7623	Corporate IT Projects	20	0	0	20	20	0	MIX	
	Mobile Chip & Pin	20	0	0	20	20	0	MIX	
	Contact Service Upgrade	10	0	0	10	10	0	MIX	
8143	New Burdens - Council Tax Demands	10	0	0	10	10	0	MIX	
8157	Northgate - New Server	4	0	0	4	4	0	MIX	
	<b>TOTAL</b>	<b>686</b>	<b>0</b>	<b>0</b>	<b>686</b>	<b>686</b>	<b>0</b>		

<b>Key</b>			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE ®	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

**CORPORATE**

**6.2 APPENDIX F**

**CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012**

Project Code	A Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B 2012/2013 Budget £'000	C 2012/2013 Actual as at 31/12/12 £'000	D 2012/2013 Expenditure Remaining £'000	E Expenditure Rephased into 2013/14 £'000	F C+D+E 2012/2013 Total Expenditure £'000	G F-B 2012/2013 Variance from budget £'000	H Type of financing	
7036	Unallocated Council Capital Fund	470	0	470	0	470	0	UCPB	
7041	Corporate Planned Maintenance Unallocated	114	0	114	0	114	0	MIX	
7115	Civic Centre Ramp	221	199	22	0	221	0	MIX	
7117	Civic Centre Access Control System	5	0	5	0	5	0	MIX	
7150	Demolition of Eamont Garages	17	0	17	0	17	0	RCCO	
7200	Civic Centre Refurbishment	354	0	0	354	354	0	MIX	
7853	Boiler Replacement - Owton Manor CC	35	28	7	0	35	0	UCPB	
8142	H&S Replace School Kitchen Equipment	253	148	105	0	253	0	MIX	
8167	Disabled Adaptations - Automatic Entry Doors - Bevan House	1	1	0	0	1	0	UCPB	
8171	Corporate Planned Maintenance - Footpath Repair - Grayfields	16	0	16	0	16	0	MIX	
8317	Replace Mill House Boiler	116	95	21	0	116	0	MIX	Underspend to return to CCF Unallocated
8321	Boiler Replacement - Warren Road	35	30	5	0	35	0	UCPB	
8400	Invest to Save - Hanson Hse Lighting Detectors	1	1	0	0	1	0	MIX	
8402	Invest to Save - Borough Hall Lighting Upgrade	12	12	0	0	12	0	RCCO	
8405	Tarmac Replacement	11	7	4	0	11	0	MIX	
8406	Throston DDA - Toilets	37	20	17	0	37	0	UCPB	
8416	Sale of Henry Smith	12	0	12	0	12	0	CAP REC	
8422	Registrars Adaptation Works	6	3	3	0	6	0	MIX	
8436	Demolition of Brierton School	200	19	181	0	200	0	MIX	
8440	Stockton St Underpass	150	2	148	0	150	0	MIX	
8441	Energy Management Controls	10	10	0	0	10	0	MIX	
8442	DDA Works	50	0	50	0	50	0	MIX	
8449	Invest to Save - Historic Quay Lighting	22	19	3	0	22	0	RCCO	
8450	Hpool Enterprise Centre Electrical Works	45	9	36	0	45	0	RCCO	
8451	Civic Centre Heating Works	95	64	31	0	95	0	RCCO	
8506	West Hartlepool Rugby Football Club Loan	10	10	0	0	10	0	MIX	
8555	Christ Church Fire Alarm System	14	0	14	0	14	0	RCCO	To commence 28/1/13, using CPM (7041)
	<b>TOTAL</b>	<b>2,312</b>	<b>677</b>	<b>1,281</b>	<b>354</b>	<b>2,312</b>	<b>0</b>		

**Key**

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE ® Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing

## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

Project Code	A  Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B	C	D	E	F	G	H	
		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/14 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
8393/8289	Stranton Cremators and Lodge	1,686	305	1,381	0	1,686	0	MIX	
8417	Community Spaces Grant	89	59	30	0	89	0	GRANT	
7382	Greatham Play Area equipment	9	0	0	9	9	0	CORP RES	
7651	Burn Valley Park Beck	120	120	0	0	120	0	CORP RES	
7990	Ward Jackson Park Bandstand Shutters	4	0	0	4	4	0	GRANT	
8121	Rossmere Park Re-Development	1	0	0	1	1	0	GRANT	
8299	Playbuilder	167	81	0	86	167	0	GRANT	The rephased budget is the result of savings on individual Playbuilder schemes over the previous three years. The remaining balance is being rephased pending the identification of future match funding to undertake a proposed scheme on Coronation Drive.
8447	Central Area Leisure Activities	125	0	0	125	125	0	CORP RES	The scheme is hold until the capital receipt funding is achieved.
8448	Foggy Furze Replace Bowling Green	60	0	0	60	60	0	CORP RES	The scheme is hold until the capital receipt funding is achieved.
7878	Community Safety CCTV Upgrade	82	14	68	0	82	0	UCPB	
7218	Mandatory Disabled Facilities Grant	657	657	0	0	657	0	MIX	
7219	Minor Works Grants	1	0	1	0	1	0	GRANT	
7220	Discretionary Renovations Grant	102	45	57	0	102	0	GRANT	
7230	Housing Market Renewal	2,748	389	1,273	1,086	2,748	0	MIX	The results of the Land Tribunal in relation to the Perth Street/Raby Road Corridor are expected in the next financial year and will determine the remaining level of funding available for the completion of this scheme in the Carr Hopps area. A report will be taken to the Portfolio holder to obtain approval for the future use of this budget.
7530	Developers Contribution Fund	227	0	0	227	227	0	GRANT	
8106	New Social Housing - Residual Works	20	0	20	0	20	0	UDPB	
8155	Preventing Repossession Fund	58	0	30	28	58	0	GRANT	
8210	Key Vacant Buildings Grant Scheme	156	67	89	0	156	0	GRANT	
8387	Empty Property Improvement Scheme	248	0	100	148	248	0	MIX	
8326	Baden Street Empty Properties Initiative	178	0	178	0	178	0	MIX	
8425	PV Cells - Various Buildings	241	29	212	0	241	0	UDPB	
8446	Empty Property Purchasing Scheme	5,840	808	2,112	2,920	5,840	0	MIX	
7895	Industrial & Commercial Business Grants	54	13	41	0	54	0	UCPB	
7897	Regeneration Match Funding	393	0	0	393	393	0	UCPB	This scheme was put on hold by members
7084	LTP - Speed Camera Partnership	4	0	4	0	4	0	GRANT	
7148	LTP - Brenda Road Bridge - Structure	170	0	170	0	170	0	GRANT	
7207	Car Park Security/CCTV	143	143	0	0	143	0	GRANT	
7222	Minor Works - North Area	6	0	6	0	6	0	MIX	
7223	Minor Works - South Area	62	0	62	0	62	0	MIX	
7224	Minor Works - Central Area	26	0	26	0	26	0	MIX	
7236	LTP - Bus Shelter Improvements	0	(3)	3	0	0	0	GRANT	
7237	LTP - Cycle Routes (General)	2	0	2	0	2	0	GRANT	
7240	LTP - Hartlepool Transport Interchange	21	0	21	0	21	0	GRANT	
7242	LTP - Other Street Lighting Improvements	31	5	26	0	31	0	GRANT	
7244	LTP - Travel Plans	26	0	26	0	26	0	GRANT	
7245	LTP - Cycle Parking	10	0	10	0	10	0	GRANT	
7250	LTP - Sustainable Travel Awareness	10	0	10	0	10	0	GRANT	
7251	LTP - Public Transport CCTV	9	9	0	0	9	0	SPB	
7272	Wheelie Bin Purchase	49	47	2	0	49	0	UDPB	

**REGENERATION & NEIGHBOURHOODS**
**6.2 APPENDIX G**
**CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012**

Project Code	A  Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B	C	D	E	F	G	H	
		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/14 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
7398	Sandringham Road/Sheriff Street Footpath	2	2	0	0	2	0	GRANT	The replacement of certain vehicles has been deferred to obtain a longer useful life from the existing fleet in order to save costs. The situation is being monitored closely to ensure that any resulting savings are not cancelled out by higher maintenance costs.
7466	Fleet Vehicle Purchase	3,211	1,095	1,451	665	3,211	0	UDPB	
7508	Anhydrite Mine - Derelict Land	107	0	0	107	107	0	MIX	
7541	LTP - Safer Routes to Schools	57	0	57	0	57	0	GRANT	
7546	LTP - Road Safety Education & Training	26	1	25	0	26	0	GRANT	
7549	LTP - Other Bridge Schemes	119	6	113	0	119	0	GRANT	Rephased budget is carried forward each year to fund future monitoring of the mine.
7580	Highways Remedial Works - Marina	4	0	0	4	4	0	GRANT	
7581	LTP - Tees Valley Boundary Signs	3	3	0	0	3	0		
7645	LTP - General (To be Allocated)	122	0	0	122	122	0	GRANT	
7707	Other Highways Schemes (non-LTP)	6	0	6	0	6	0	UCPB	
7734	LTP - Hart Lane/Wiltshire Way Junction Improvements	52	29	23	0	52	0	SPB	This budget relates to an amount of LTP grant which has not yet been allocated to schemes. The variance shown relates to the funding of expected variances on individual schemes. A report will be taken to the Portfolio holder to obtain approval for the future use of this budget.
7821	Waste Performance Efficiency - Amenity Site	242	2	90	150	242	0	GRANT	
7852	TESCO Section 278 Funding - Highways Improvements	314	17	59	238	314	0	GRANT	
7956	LTP - Cycle Route Signage	13	0	13	0	13	0	GRANT	
7961	LTP - School 20mph Zones	17	17	0	0	17	0	GRANT	
8081	Non Adopted Highway Areas	17	5	12	0	17	0	MIX	
8123	Review Strategy Study - North Sands to Newburn Bridge	114	114	0	0	114	0	GRANT	
8154	Surface Water	7	7	0	0	7	0	GRANT	
8268	LTP - Footpath Replacement - Purvis Place - Miers Ave to Garside Drive	8	0	8	0	8	0	GRANT	
8270	LTP - Footpath - Catcote Road - Callander Road to Campbell Road	8	0	8	0	8	0	GRANT	
8274	LTP - Footpath - Burbank Street - Clark Street to Thompson Street	5	0	5	0	5	0	GRANT	
8286	Alleygates - Night Time Economy	3	2	1	0	3	0	GRANT	
8306	Kitchen Equipment	23	0	23	0	23	0	GRANT	
8311	S Carew - Northern Management Unit Ph1 Construction	53	13	40	0	53	0	GRANT	
8314	TVBNI - Tees Valley Bus Network Improvement Scheme	1,931	24	0	1,907	1,931	0	GRANT	
8315	Seaton Carew - Northern Management Unit Ph2 Construction	14	14	0	0	14	0	GRANT	Relates to grant received which is to be allocated to individual schemes
8327	Purchase of Focus/Tanfield Road	141	102	39	0	141	0	CORP RES	
8361	TVBNI - York Road - Burn Valley H1ab	654	8	646	0	654	0	GRANT	
8364	TVBNI - York Road - Victoria Road H1e	1	1	0	0	1	0	GRANT	
8365	TVBNI - Victoria Road H1f	5	0	5	0	5	0	GRANT	
8367	TVBNI - Burn Valley H9	710	203	507	0	710	0	GRANT	
8370	TVBNI - Oxford Road H12	96	96	0	0	96	0	GRANT	
8371	TVBNI - Brenda Road H14	359	99	90	170	359	0	GRANT	
8373	TVBNI - Throston Grange H19	397	397	0	0	397	0	GRANT	
8374	TVBNI - Wiltshire Way H20	10	0	10	0	10	0	GRANT	
8375	TVBNI - Winterbottom Way H21	13	13	0	0	13	0	GRANT	
8378	TVBNI - Northgate H32	101	0	0	101	101	0	GRANT	
8379	TVBNI Hart Lane Raby Road H15	3	0	0	3	3	0	GRANT	

REGENERATION & NEIGHBOURHOODS

6.2 APPENDIX G

CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

Project Code	A  Scheme Title	EXPENDITURE IN CURRENT YEAR							2012/2013 COMMENTS
		B	C	D	E	F	G	H	
		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/14 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
8380	TVBNI - Owton Manor Lane H34	60	60	0	0	60	0	GRANT	
8381	TVBNI - Catcote Road H35b	12	0	12	0	12	0	GRANT	
8385	TVBNI - Catcote Road H45	144	34	110	0	144	0	GRANT	
8397	20's Plenty LTP Allocation	36	31	5	0	36	0	GRANT	
8420	TVBNI - Bus Stop Improvements	180	28	152	0	180	0	GRANT	
8444	Town Wall Strengthening	1,360	460	0	900	1,360	0	GRANT	
8445	Seaton Carew Coast Protection	2,056	465	591	1,000	2,056	0	GRANT	
8465	LTP - Easington Road - Petrol Station South Bound - Surface Dressing	27	27	0	0	27	0	GRANT	
8466	LTP - Easington Road - Petrol Station North Bound - Surface Dressing	27	27	0	0	27	0	GRANT	
8467	LTP - Hart Road - Full Roundabout Resurfacing	34	34	0	0	34	0	GRANT	
8468	LTP - Burbank Street/Clarke Street/Stockton St to Post Office Footpath Recon	25	0	25	0	25	0	GRANT	
8469	LTP - Drayton Road Full Length Footpath Resurfacing	6	0	6	0	6	0	GRANT	
8470	LTP - Galsworthy Road - Full Length Footpath Resurfacing	5	0	5	0	5	0	GRANT	
8471	LTP - Easington Road o/s Rovers Quoit Club - Footpath Resurfacing	5	0	5	0	5	0	GRANT	
8472	LTP - Chester Road - Full Length Allotment Side - Footpath Resurfacing	24	0	24	0	24	0	GRANT	
8473	LTP - Catcote/Campbell/Callendar Road - Footpath Resurfacing	10	0	10	0	10	0	GRANT	
8474	LTP - Purvis Place Full Length - Footpath Resurfacing	8	0	8	0	8	0	GRANT	
8475	LTP - Tofts Farm East Full Length - Surface Dressing	21	21	0	0	21	0	GRANT	
8476	LTP - Hart Village Road A179 to Worset Lane - Surface Dressing	10	0	10	0	10	0	GRANT	
8477	LTP - Butts Lane - Front Street - Surface Dressing	5	0	5	0	5	0	GRANT	
8478	LTP - Chester Road - Jesmond Road to Raby Road - Surface Dressing	14	14	0	0	14	0	GRANT	
8479	LTP - Young Street Full Length Resurfacing	12	12	0	0	12	0	GRANT	
8480	LTP - Baden Street - Elwick Road to Brinkburn Road Resurfacing	11	11	0	0	11	0	GRANT	
8481	LTP - Wordsworth Avenue Full Length Resurfacing	12	12	0	0	12	0	GRANT	
8482	LTP - Motherwell Road Full Length Resurfacing	32	32	0	0	32	0	GRANT	
8483	LTP - Greenlea Elwick Full Length Resurfacing	13	13	0	0	13	0	GRANT	
8484	LTP - Thursby Grove Resurfacing	10	10	0	0	10	0	GRANT	
8485	LTP - Park Road Phase 2 - Osborne Road to Eltringham Road Resurfacing	40	40	0	0	40	0	GRANT	
8486	LTP - Clark Street - Burbank Street to Moreland Street Resurfacing	6	6	0	0	6	0	GRANT	
8487	LTP - Cundall Road - Weldeck Road to Duke Street Resurfacing	15	15	0	0	15	0	GRANT	
8488	LTP - Wooler Road - Full Roundabout Resurfacing	20	20	0	0	20	0	GRANT	
8489	LTP - Brafferton Street - Roseberry Road to Duke Street Resurfacing	7	7	0	0	7	0	GRANT	
8490	LTP - Browning Avenue - Catcote Road to Ruskin Grove Resurfacing	31	31	0	0	31	0	GRANT	
8491	LTP - Bamburgh Road - Hart Road to Junction Resurfacing	4	4	0	0	4	0	GRANT	
8492	LTP - Airdrie Grove - Full Length Resurfacing	10	10	0	0	10	0	GRANT	
8493	LTP - Grange Road - Thornville Road to Murray Street Resurfacing	49	49	0	0	49	0	GRANT	
8494	LTP - Milbank Road Full Length One Side Resurfacing	25	25	0	0	25	0	GRANT	
8495	LTP - Laird Road Full Length Resurfacing	26	26	0	0	26	0	GRANT	
8496	LTP - Alloa Grove Full Length Resurfacing	4	4	0	0	4	0	GRANT	
8497	LTP - Alva Grove Full Length Resurfacing	3	3	0	0	3	0	GRANT	
8498	LTP - Ayr Grove Full Length Resurfacing	4	4	0	0	4	0	GRANT	
8499	LTP - Atholl Grove Full Length Resurfacing	3	3	0	0	3	0	GRANT	
8500	LTP - Magdalene Drive - Butts Lane to School Entrance Resurfacing	12	12	0	0	12	0	GRANT	
8501	LTP - Howbeck Lane Full Length Resurfacing	21	21	0	0	21	0	GRANT	
8502	LTP - Beath Grove Resurfacing	3	3	0	0	3	0	GRANT	



## CAPITAL MONITORING REPORT PERIOD ENDING 31st DECEMBER 2012

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		B	C	D	E	F	G	H	
		2012/2013 Budget £'000	2012/2013 Actual as at 31/12/12 £'000	2012/2013 Expenditure Remaining £'000	Expenditure Rephased into 2013/14 £'000	C+D+E 2012/2013 Total Expenditure £'000	F-B 2012/2013 Variance from budget £'000	Type of financing	
8508	LTP - A689 Emergency Works	20	17	0	3	20	0	GRANT	
8509	LTP - Cycle Tracks and Lanes	50	1	49	0	50	0	GRANT	
8510	LTP - New Parking Facilities	5	0	5	0	5	0	GRANT	
8511	LTP - Workplace Travel Plans	8	0	8	0	8	0	GRANT	
8512	LTP - Safer Routes to School	50	0	50	0	50	0	GRANT	
8513	LTP - Safer Camera Partnership Contribution	10	0	10	0	10	0	GRANT	
8514	LTP - Local Safety Schemes	62	0	62	0	62	0	GRANT	
8515	LTP - Road Crossings	15	5	10	0	15	0	GRANT	
8516	LTP - Traffic Mgmt and Calming	20	0	20	0	20	0	GRANT	
8517	LTP - Car Park Improvements	1	0	1	0	1	0	GRANT	
8518	LTP - School Crossing Improvements	15	0	15	0	15	0	GRANT	
8519	LTP - Motor Cycle Contribution	10	0	10	0	10	0	GRANT	
8520	LTP - Smarter Travel Awareness	10	0	10	0	10	0	GRANT	
8521	LTP - Street Lighting Improvements	40	0	40	0	40	0	GRANT	
8533	TVBNI - Traffic Signal Improvements	100	13	87	0	100	0	GRANT	
8535	EA - North Gare Sands	11	11	0	0	11	0	GRANT	
8538	Resurfacing - Belasis Grove	7	0	7	0	7	0	GRANT	
8539	Resurfacing - Glaisdale Grove	50	0	50	0	50	0	GRANT	
8540	Resurfacing - Hutone Place	3	0	3	0	3	0	GRANT	
8541	Resurfacing - Martin Grove	4	0	4	0	4	0	GRANT	
8542	Resurfacing - Kyle Avenue	5	0	5	0	5	0	GRANT	
8543	Resurfacing - Hardwick Court	19	0	19	0	19	0	GRANT	
8544	Resurfacing - Comrie Road	12	0	12	0	12	0	GRANT	
8545	Resurfacing - Valley Close	7	0	7	0	7	0	GRANT	
8546	Resurfacing - Taybrooke Avenue	16	0	16	0	16	0	GRANT	
8547	Resurfacing - Swalebrooke	13	0	13	0	13	0	GRANT	
8548	Resurfacing - Waldon Street	3	0	3	0	3	0	GRANT	
8549	Resurfacing - White Lining	10	0	10	0	10	0	GRANT	
8553	TVBNI - Traffic Signal Improvements	24	0	24	0	24	0	GRANT	
8464	LTP - A689/Stockton Road Carriageway Reconstruction Phase 1	230	16	0	214	230	0	GRANT	The delayed start to the scheme is due to planning objections.
TOTAL		28,075	6,695	10,709	10,671	28,075	0		

<b>Key</b>			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

# CABINET REPORT

18<sup>th</sup> February 2013



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** RENEWAL OF THE LONGHILL & SANDGATE  
BUSINESS IMPROVEMENT DISTRICT (BID)

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key.

## 2. PURPOSE OF REPORT

- 2.1 To inform Cabinet of the outcome of the recent ballot for the renewal of the Longhill and Sandgate Business Improvement District (BID).

## 3. BACKGROUND

- 3.1 A report was presented to Cabinet on 9<sup>th</sup> July 2012 providing background information on the Longhill & Sandgate BID. Cabinet agreed to the Council continuing as a partner of the Longhill & Sandgate BID Partnership and to develop details of the BID Business Plan and BID renewal ballot.
- 3.2 A further report was presented to Cabinet on 1<sup>st</sup> October 2012 providing formal notification to undertake the ballot for the renewal of the Longhill & Sandgate Business Improvement District with the details outlined in the completed BID business plan.
- 3.3 A Business Improvement District (BID) is a partnership arrangement through which local authorities and the local business community can take forward schemes which will benefit the local community, subject to the agreement of non-domestic ratepayers within the detailed BID area, who will then finance the scheme through a levy on their rates.
- 3.4 The Longhill & Sandgate BID has been running since 1<sup>st</sup> April 2008 following a positive yes vote in a postal ballot and is due to end on 31<sup>st</sup> March 2013.
- 3.5 The formal ballot had to meet two tests in order for the BID to proceed:

1. A majority (51%) in number of those voting must be in favour of the proposal.
  2. There must be a majority in the proportion of the aggregate rateable value of those voting
- 3.6 The agreed BID levy was used to fund the revenue costs of monitoring and maintaining the 15 camera CCTV system installed throughout the Longhill & Sandgate Industrial Estates.
- 3.7 The continued priority of the Longhill & Sandgate Business Association is to improve the security of the area. There have been various consultations undertaken with the businesses on the Longhill & Sandgate Industrial Estates area to date that have highlighted that the provision for safety and security on the estates is still the top priority.
- 3.8 It was therefore proposed by the Executive of the Longhill & Sandgate Business Association to pursue a renewal of the current BID for a further 5 years to keep the existing estates wide CCTV system operational.
- 3.9 A Business Plan was put together that highlighted the details of the proposed BID. This included the area of the BID, the proposed levy of 2% on the rateable value of all properties with a minimum payment threshold of £100 and a maximum payment of £1,500, as well as details of the proposed ballot.
- 3.10 There was widespread promotion of the BID renewal process and the business plan to all 328 affected business rate payers before the ballot papers were sent out on 29/10/12 with a deadline to return completed ballot papers by post by the 26/11/12. The postal ballot was managed by Electoral Reform Services with the result declared by the returning officer on 27/11/12.

#### **4. The Outcome of the BID Ballot**

- 4.1 From the postal ballot there was a 26% turnout (85 votes) of which 52% (44 votes) voted yes and 48% (41 votes) voted no. In terms of the rateable value the yes votes amounted to a majority of £511,025 of the total £767,600 rateable value of the businesses that voted.
- 4.2 The outcome of the postal ballot was positive on both 'key tests' and therefore the continuation of the BID was agreed for a further 5 years from 01/04/13.
- 4.3 Hartlepool Borough Council will continue to be a member of the Longhill and Sandgate BID Partnership that manages the BID and will continue to be the accountable body for the BID and have the role of collecting the levy from businesses, holding the money collected, arranging payments of invoices on expenditure as approved in accordance with the overall BID purpose and agreement of the BID Partnership.

- 4.4 The BID partnership consists of the Longhill & Sandgate Business Association, the Borough Council and Hartlepool Police.

## 5. FINANCIAL CONSIDERATIONS

- 5.1 From the NNDR rates list held by the Council it is estimated that with the proposed 2% levy with the thresholds the annual amount collected will be £60,000 from about 328 businesses that are based in the BID area.
- 5.2 The income and expenditure for the proposed five year of the BID is shown in the table below with estimates based on current figures adjusted for inflation over the 5 years.

INCOME	2013/14	2014/15	2015/16	2016/17	2017/18	Total
BID levy	£60,000	£60,000	£60,000	£60,000	£60,000	£300,000

EXPENDITURE						
Monitoring	£25,000	£26,000	£27,000	£28,000	£29,000	£135,000
Maintenance	£3,000	£3,500	£4,000	£4,500	£5,000	£20,000
Transmission	£10,000	£10,000	£10,000	£10,000	£10,000	£50,000
Electricity	£750	£800	£850	£900	£950	£4,250
CCTV upgrades	£6,000	£6,000	£6,000	£6,000	£6,000	£30,000
IT, Billing and Recovery	£5,000	£5,175	£5,356	£5,543	£5,737	£26,811
TOTAL	£49,750	£51,475	£53,206	£54,943	£56,687	£266,061

- 5.3 The costs to the Council Finance Division have been identified for the specific IT system used for the BID administration, costs associated with sending out bill reminders etc as well as recovery action for non payers.
- 5.4 These costs amount to £5,000 adjusted yearly for inflation and will be covered by the income from the BID levy. All other expenditure is related directly to the running of the CCTV system.
- 5.5 Any surplus will be held for contingency purposes and to fund any additional projects within the constraints of the BID if finances allow.

## 6. LEGAL CONSIDERATIONS

- 6.1 The Council will continue to be a partner in the Longhill & Sandgate BID Partnership and also continue to act as the accountable body for the Longhill & Sandgate BID Partnership.
- 6.2 The Longhill & Sandgate BID Partnership is an unincorporated entity with no legal status. It does however have its own agreed formal constitution.

**7. SECTION 17 OF THE CRIME AND DISORDER ACT 1998  
CONSIDERATIONS**

- 7.1 The CCTV system covers the Longhill & Sandgate Industrial Estates area and has had a major impact on reducing levels of crime, vandalism and anti social behaviour. It has also assisted the Police in providing evidence for successful convictions in court cases.
- 7.2 The Longhill & Sandgate BID will continue to assist directly in reducing crime in the area.

**8. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 8.1 There are no equality or diversity implications.

**9. RECOMMENDATIONS**

- 9.1 Cabinet is asked to note the positive outcome of the Longhill & Sandgate BID ballot.

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

- 10.1 There are no appendices with this report.

**11. BACKGROUND PAPERS**

- 11.1 There are no background papers with this report.

**12. CONTACT OFFICER**

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# CABINET REPORT

18<sup>th</sup> February 2013



**Report of:** Director of Child and Adult Services

**Subject:** HARTLEPOOL PARTICIPATION STRATEGY

**1. TYPE OF DECISION/APPLICABLE CATEGORY**

Non Key

**2. PURPOSE OF REPORT**

- 2.1 The purpose of this report is to present to Cabinet the Hartlepool Participation Strategy, detailing the active involvement of children, young people and families in strategic decision-making across the town. Cabinet are asked to ratify the strategy in order for it to be publicised and promoted; ensuring the involvement of children, young people and families becomes an intrinsic part of practice across all services and organisations.

**3. BACKGROUND**

- 3.1 The Coalition Government recognises the need, importance and benefits of involving local people in decision-making opportunities, and there is increasing emphasis placed upon developing these structures in line with community-based service delivery and active citizenship. The Government is committed to the promotion and protection of children's rights, in line with the United Nations Convention on the Rights of the Child (UNCRC, article 12). It believes that children and young people should have opportunities to express their opinion in matters that affect their lives. Alongside this; under section 176 of the Education Act 2002 Local Authorities and schools are currently required to have regard to any guidance given by the Secretary of State (in relation to England) or the National Assembly for Wales (in relation to Wales) about consultation with pupils in connection with the taking of decisions which affect them. Most recently; *Positive for Youth: A new approach to cross-government policy for young people aged 13 to 19, 2011* has been developed ([www.education.gov.uk/positiveforyouth](http://www.education.gov.uk/positiveforyouth)). Through this the Government expects every local area to have groups of young people

that are able to represent their peers' views in decision making and to audit the quality of local services. The Government believes in the value of representative bodies of young people able to represent the views of their peers in influencing local decisions, and recognises that young people can add value throughout the process of commissioning services. In this way it is envisaged children, young people and families will continue to have an active role in shaping the services they want and deserve in the future.

- 3.2 Hartlepool has a strong history of involving children, young people and adults in local decision-making and the shaping of services; indeed currently there is a raft of representative groups shaping service delivery (for example Young Inspectors, Parenting forums, Youth Parliament, Children in Care Council); alongside this there is a participation network of service champions and a Rough Guide to participation for workers supporting individual decision-making with children and young people. There is clear evidence that when local people are involved in development, services are more effective, better targeted and increasingly cost effective. By utilising their ideas, creativity, views and opinions, services will better reflect their needs.

#### **4. PROPOSALS**

- 4.1 Hartlepool Participation Strategy (Appendix 1) has been developed to harness the good practice currently and to provide a collective and coordinated vision of participation for all children, young people and families in Hartlepool, plus those with additional needs so that all have a meaningful role in local decision-making and are able to actively shape service delivery.
- 4.2 The Strategy will establish an annual action plan which sets out key delivery actions to ensure that children, young people and families' decision making is at the heart of community involvement and has real power in affecting change. This strategy aims to provide a shared vision for children, young people and families' decision-making along with local delivery and quality assurance arrangements.
- 4.3 In Hartlepool, participation falls into three strands as represented in the visual local delivery model (see Appendix 2); identified as:

##### **(i) Personal / Individual**

Children, young people and families, will have the opportunity to contribute to decisions that directly affect their lives, such as developing and monitoring care and education plans and jointly identifying plans of support to minimise risk.

**(ii) Group**

Children, young people and families will not only be consulted with on issues affecting their lives, but will have opportunities to commission, develop, inspect and evaluate community- based services and organisations.

**(iii) Democratic representation**

Children, young people and families, will have the opportunity to contribute towards decisions which affect their communities through inclusion in democratic processes.

**And applies to:**

All people, including those who are care leavers, or have learning disabilities and/or learning difficulties. When planning participation activities, particularly with children and young people, it is important to ensure that a range of opportunities are provided and that particular consideration and support is given to the most vulnerable groups.

**4.4 Vision**

The vision for the participation of children, young people and families was developed in partnership with children and young people, and aims to reflect the commitment by all local services and organisations to providing meaningful opportunities for service-users to be involved at all levels:

Children, young people and families of Hartlepool will have opportunities to participate in decisions which affect their lives. They will be able to access services that meet their needs, be at the heart of their individual plans of support, and will have the opportunity to shape the delivery of those services by having a voice in how they are planned, developed and delivered.

Through the participation network working group (Champions from key organisations) and the strategy, those working with, or on behalf of, children, young people and families, will be offered a framework to follow, ensuring the participation of children, young people and families becomes an intrinsic part of practice across all organisations. In Hartlepool we will adopt the National Youth Agency's 'Hear by Right' (HbR) Shared Values and Standards for active involvement, and our activities will be delivered against elements of that framework [www.nya.org.uk/quality/hear-by-right](http://www.nya.org.uk/quality/hear-by-right) building upon the experiences of the Youth Support Service who received Gold Award status in March 2012. The annual action planning framework will support us in critically reviewing our engagement structures, their impact and help inform our future developments.



## **5. FINANCIAL CONSIDERATIONS / STAFF CONSIDERATIONS**

- 5.1 Coordination of the Participation Strategy is through the Participation Manager based within the Youth Support Service. This ensures that children, young people and families' voices on matters that concern them continues to be integral to the governance and development of provision within the local authority, partners and commissioned services so that organisations are responsive, flexible and shaped by the needs of people that utilise them. Therefore there are no specific resource implications relating to staffing, through the current development.
- 5.2 The young Inspectors continue to generate income through further expansion into training, consultation and participation work offering support to organisations which seek a 'young person's perspective' on their service delivery.

## **6. RECOMMENDATIONS**

- 6.1 Cabinet is recommended to ratify the Hartlepool Participation Strategy.

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 Ratification by Cabinet will enable the Hartlepool Participation Strategy to be promoted and publicised thereby ensuring the involvement of service users in key decision-making opportunities is both supported and embraced through local services and organisations.

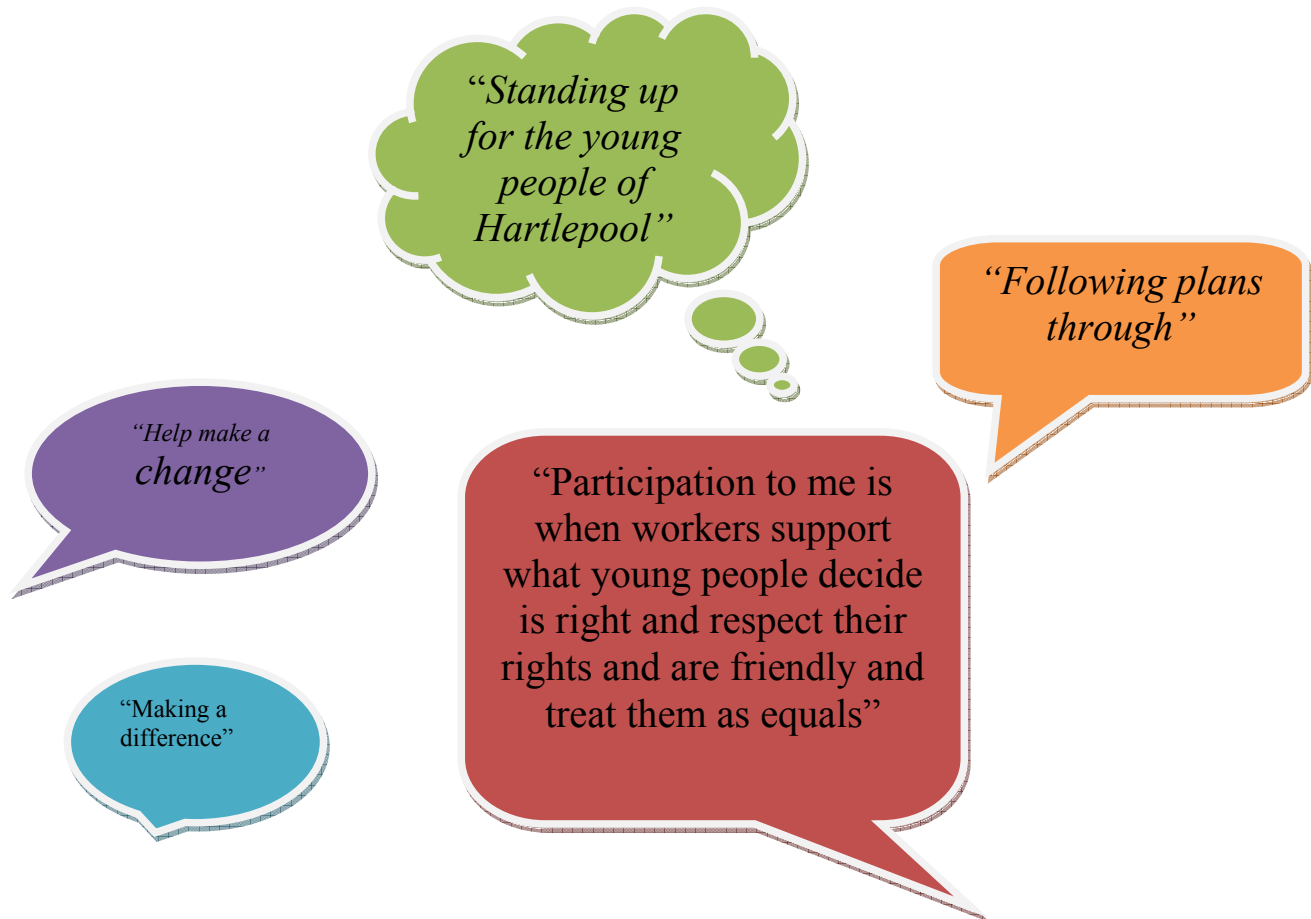
## **8. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE**

- 1) Hartlepool Participation Strategy
- 2) Hartlepool Participation Strategy – visual model

## **9. CONTACT OFFICER**

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# Hartlepool Participation Strategy 2012 – 2015



Issue date	Date of last review	Date of next review
November 2012		March 2014

**‘hear by right’**   
Participation Standards Framework

## Introduction

This strategy has been developed in order to provide a collective and coordinated vision of Participation for children, young people and families in Hartlepool, plus those between 19 and 25 with additional needs so that all have a meaningful role in local decision-making and are able to actively shape service delivery.

Hartlepool has a strong history of involving children, young people and adults in local decision-making and the shaping of services; indeed, there is clear evidence that when local people are involved, services are more effective, better targeted and increasingly cost effective. By utilising their ideas, creativity, views and opinions, services will better reflect their needs.

The appendices attached set out key delivery actions to ensure that; children, young people and families' decision-making is at the heart of community involvement and has real power in affecting change. This strategy aims to provide a shared vision for children, young people and families' decision-making along with local delivery and quality assurance arrangements.

This strategy is not a 'stand-alone' document and it links with associated strategies and toolkits developed / developing for the engagement of parents, carers, families and communities. Key supporting documentation that influences and compliments this strategy include; the Hartlepool Children and Young People's plan, Hartlepool Early Intervention Strategy and Hartlepool Child Poverty Strategy;

***“Children and young people, together with parents or carers and other members of the community, are consulted and participate in the identification of local needs and shaping of service delivery”***

Hartlepool Children and Young People's Plan 2009 - 2020

### **So what do we mean by participation?**

**‘Participation is a process where someone influences decisions about their lives and this leads to change’. Treseder (1997)**

Greater participation will help build on existing skills and develop new ones. People will begin to understand how organisations work and how decisions are made. Equally, they will benefit from the new and improved services which their views have helped to shape. This will lead to a more vibrant and empowering local democracy and an increasingly inclusive community.

However, it is important to remember that not all service users want, or have to be, involved. The level of participation should suit the circumstances of the individual and the activity involved. In theory, there are no limits to the participation of children, young people and families, therefore in practice, how individuals and groups participate will vary.

Sociologist Roger Hart's "Ladder of Children's Participation" (1997) also called the "Ladder of Youth Participation," is a significant tool in supporting participation work by encouraging people to think critically about how and why they engage people in decision-making. Treseder (1997), using Hart's ladder of participation, demonstrates how the level and nature of children and young people's participation can vary (see *appendix 1 for visual representation of model*). This moves away from the assumption that projects or organisations should always aim for the highest rung of the ladder, and recognises that different approaches may be best, depending on the circumstances and the outcomes being sought; For children and young people particularly, this can range from them giving opinions on a particular issue, (consulted and informed) to choosing their own agenda and taking their own decisions, (child initiated and directed).

In Hartlepool, participation falls into three strands and represented in the visual local delivery model (see Appendix 3); identified as:

**(i) Personal / Individual**

Children, young people and families, will have the opportunity to contribute to decisions that directly affect their lives, such as developing and monitoring care and education plans and jointly identifying plans of support to minimise risk.

**(ii) Group**

Children, young people and families will not only be consulted with on issues affecting their lives, but will have opportunities to commission, develop, inspect and evaluate community- based services and organisations.

**(iii) Democratic representation**

Children, young people and families, will have the opportunity to contribute towards decisions which affect their communities through inclusion in democratic processes.

**And applies to,**

All people, including those young people aged between 19 and 25 who are care leavers, or have learning disabilities and/or learning difficulties. When planning participation activities, particularly with children and young people, it is important to ensure that a range of opportunities are provided and that particular consideration and support is given to the most vulnerable groups

**1. Vision**

Hartlepool Borough Council and its partners are committed to the following vision for the participation of children, young people and families:

Children, young people and families of Hartlepool will have opportunities to participate in decisions which affect their lives. They will be able to access services that meet their needs, be at the heart of their individual plans of support, and will have the opportunity to shape the delivery of those services by having a voice in how they are planned, developed and delivered.

We will offer support to all those working with, or on behalf of, children, young people and families, providing those organisations with a framework to follow, ensuring the participation of children, young people and families becomes an intrinsic part of practice across all organisations. In Hartlepool we will adopt the National Youth Agency's 'Hear by Right' (HbR) Shared Values and Standards for active involvement, and our activities will be delivered against elements of that framework (<http://www.nya.org.uk/quality/hear-by-right>); building upon the experiences of the Integrated Youth Support Service who received Gold Award status in March 2012. The action planning framework will support us in critically reviewing our engagement structures, their impact and help inform our future developments.

## 2. Aims

The following aims provide an ambitious but achievable aspirational goals in our future work to engage children, young people and families, and are underpinned by;

- UN Convention on the Rights of the child
- Positive for Youth
- National Youth Agency's Hear by Right framework
- Hartlepool Participation Charter , written by and for children and young people
- A commitment by all agencies and organisations in Hartlepool to contribute to the annual action plan

The overarching **aims** are to:

- Create ways to enable service users, both on a 1:1 level and in groups, to participate in meaningful processes to shape services and to contribute
- Develop a sense of shared ownership in relation to the active involvement of children, young people and families, promoting and sharing good practice to help embed a culture of participation in Hartlepool.
- Agree the definition of, and set out an action plan for, the development of participation across the town, thereby embedding elements of Hear by Right standards
- Outline the reason for, and benefits of, effective participation – for children, young people, families, organisations, partners and the Borough Council;
- Actively seek the views of children, young people and families who face the most barriers in life and ensure they are engaged in the process.
- Offer support and guidance for each organisation/project to develop, and extend, how they involve people; providing a practical approach for practitioners in order to ensure consistent and effective participation, avoiding duplication.
- Embrace and promote the contribution of service users in development of the strategy including the Hartlepool Participation Charter and particularly the action plan.
- Encourage all providers to adopt good practice in participation through our commissioning and contracting processes.

- Monitor the outcomes of participation

### 3. Principles for participation

The following principles underpin the Participation Strategy:

1	Participation is driven by the needs of children and young people and families.
2	All people should have an equal opportunity to participate.
3	Emphasis is placed on supporting the involvement of individuals or groups of children and young people and adults who face the greatest barriers.
4	Participation is based around a properly resourced framework, which includes effective mechanisms for feedback.
5	Participation brings mutual benefits for children, young people, families and service providers.
6	Participation leads to positive outcomes, which are communicated to, and agreed with, service users.
7	All Hartlepool Borough Council Elected Members, departments and partner organisations working with children, young people and families should work together to support and promote participation.
8	Policies and standards for the participation of children, young people and families are in place, evaluated and improved

### 4. Participation of children in care

*Care Matters: Time to Deliver for Children in Care* (Department for Children, Schools and Families, March 2008) recommends that children in care should be actively involved in all decisions that impact on their lives. As the Corporate Parents of children in care, Hartlepool Borough Council is committed to ensuring that they have the same opportunities as their peers. *Care Matters* advises that every effort should be made to ensure that children and young people in care, or leaving care, are involved in developing, reviewing and monitoring their own care and pathway plans. Children and young people in care participate in decisions affecting their lives in a variety of ways; from individual care planning, monitoring the council's Pledge to young people and participation in the Children in Care Council.

### 5. Implementation of the Participation Strategy

It is recommended that relevant Borough Council departments and partner organisations sign up to the participation strategy by identifying a key person or persons to act as the lead(s) for participation.

Agreed priorities will inform the **Annual Action Plan** for Hartlepool 2012 / 15. The Action Plan sets out how we intend to achieve our aims over the year. The annual audit of participation will link into Hear by Right arrangements and children and young people's inspection processes; enabling us to celebrate change resulting from participation and identify future learning and support needs. The Participation Leads Steering Group is responsible for the Action Plan. A toolkit for organisations working with children, young people and families will be developed which will demonstrate good practice and will outline key responsibilities as well as provide practical support for implementation and monitoring of participation within individual worker's and organisation's practice;

- ensure top level commitment to the plan and its implementation;
- develop a commitment for children, young people and families;
- support departments, partner organisations, service managers and front line staff with multi-agency training;
- build on a self-assessment of current participation activities and use this to share good practice;
- ensure that participation in Hartlepool links to regional and national developments;
- develop accessible resources to support the plan;
- outline the continuation of support for existing forums and identify mechanisms for the inclusion of vulnerable and minority groups within their structures

## 6. Roles and responsibilities

The Hartlepool Participation Team are promoters, facilitators and advisers on participation and with involvement of leads, and service users will:

<b>1</b>	Support the development of participation by: <ul style="list-style-type: none"> <li>• developing high quality resources for use by practitioners, including a participation toolkit;</li> <li>• offer training, in conjunction with partners.</li> </ul>
<b>2</b>	Act as consultants, providing advice to organisations / practitioners to ensure that <b>all</b> children, young people and their families/carers are at the heart of service delivery and are regularly consulted on the planning and review of services.
<b>3</b>	Support teams to develop their own participation plans and report on progress and outcomes.
<b>5</b>	Establish and lead a multi-agency professional participation steering group.
<b>6</b>	Co-ordinate existing structures to bring together and build on the good practice of the established groups and widen the participation of under

	represented groups of children, young people and adults.
<b>8</b>	Support work with vulnerable groups and encourage their engagement
<b>9</b>	Co-ordinate town wide participation events including Take Over Day, Youth Parliament Elections and Award evenings.
<b>10</b>	Use findings to support continual improvement in participation activities and outcomes.

## 7. Review, evaluation and monitoring

The effectiveness of the Participation Strategy and opportunities delivered by the participation network / steering group will be considered annually (reviewed quarterly) and measured against the Hear by Right Standards. A review of the action plan provides opportunity to reflect upon achievements made and where the focus of participation lies as a result of year's work and any changes in local, regional and national drivers. The Participation Strategy action plan and strategy will be updated to reflect any review of the Children and Young People's Plan and partnership priorities also.

## 8. Links

<b>Care Matters: Time for Change</b>	<a href="http://www.dcsf.gov.uk/publications/timeforchange/">www.dcsf.gov.uk/publications/timeforchange/</a>
<b>Hartlepool Children and Young People's Plan</b>	<a href="http://www.hartlepool.gov.uk/cypp">http://www.hartlepool.gov.uk/cypp</a>
<b>National Youth Agency <i>Hear by Right</i> framework</b>	<a href="http://www.nya.org.uk/hearbyright">www.nya.org.uk/hearbyright</a>
<b>Participation Works</b>	<a href="http://www.participationworks.org.uk">www.participationworks.org.uk</a>
<b>British Youth Council</b>	<a href="http://www.byc.org.uk">www.byc.org.uk</a>
<b>United Kingdom Youth Parliament</b>	<a href="http://www.ukyouthparliament.org.uk">www.ukyouthparliament.org.uk</a>
<b>United Nations Convention of the Rights of the Child</b>	<a href="http://www.unicef.org.uk">www.unicef.org.uk</a>



## LOCAL DELIVERY MODEL



**Hartlepool Participation Strategy – Key to local delivery Rocket Model:****Vision:**

***“All children, young people and families of Hartlepool will have opportunities to participate in decisions which affect their lives. They will be able to access services that meet their needs, be at the heart of their individual plans of support, and will have the opportunity to shape the delivery of these services by having a voice in how they are planned, developed and delivered”***

In Hartlepool participation falls into three strands as demonstrated in the model;

**(i) Personal / Individual (Emerging)**

Children, young people and families, will have the opportunity to contribute to decisions that directly affect their lives, such as developing and monitoring care and education plans and jointly identifying plans of support to minimise risk.

**(ii) Group (Established)**

Children, young people and families will not only be consulted with on issues affecting their lives, but will have opportunity to come together to develop a stronger voice on shared issues and concerns, and to inform decision-makers on the views of local people. Groups also have opportunities to commission, develop, inspect and evaluate community- based services and organisations.

**(iii) Democratic representation (Advanced)**

Children, young people and families, will have the opportunity to contribute towards decisions which affect their communities through inclusion in democratic processes.

Children and young people can be involved **at any level** depending upon choice, need and circumstance. Each level builds upon the previous one. Organisations can measure how successful they are at engaging their service users at every level of the model. The Hartlepool Participation Steering group aims to offer support and guidance to organisations so they embed participation at the heart of their delivery.

**The stars on the model represent the mutual benefits that can be gained by active involvement in decision-making** for both local people and organisations alike; There is clear evidence that when local people are involved, services are more effective, better targeted and cost-effective. Children, young people and families gain further skills, confidence and awareness of their local services by being involved in key decision-making.