

CABINET AGENDA



Monday 19th June 2006

at 9:00 a.m.

in Committee Room B

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hargreaves, Hill, Jackson, Payne, Tumilty and R Waller

Also invited:-

Councillor Shaw, Vice-Chair Scrutiny Co-ordinating Committee

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Record of Decision in respect of the meeting held on 5th June, 2006 (previously circulated)

4. BUDGET AND POLICY FRAMEWORK

No items

5. KEY DECISIONS

- 5.1 Children's Centres and Extended Schools Strategy - *Director of Children's Services*
- 5.2 Highway Asset Management Plan - *Head of Procurement and Property Services*
- 5.3 Highway Maintenance Strategy - *Head of Procurement and Property Services and Chief Financial Officer*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Annual Review of Strategic Risk Register and Risk Management Strategy - *Assistant Chief Executive*
- 6.2 Second and Third Tier Chief Officer Salary Review - *Director of Neighbourhood Services*
- 6.3 HMS Trincomalee Trust - *The Assistant Director (Planning and Economic Development) and Assistant Director (Community Services)*
- 6.4 Local Public Service Agreement 2 – Monitoring/Allocation of Pump Priming Grant and Performance Reward Grant – *Assistant Chief Executive*

7. ITEMS FOR DISCUSSION

No items

8. ITEMS FOR INFORMATION

No items

9. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 9.1 Final Report – Second and Third Tier Officer Salary and Grading Review Scrutiny Referral - *Scrutiny Co-ordinating Committee*

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006

10. EXEMPT KEY DECISIONS

No items

11. OTHER EXEMPT ITEMS REQUIRING DECISION

- 11.1 Phoenix Centre, Central Estate - *Head of Procurement and Property Services, Chief Financial Officer and Director of Adult and Community Services*



CABINET

19th June 2006

Report of: Director of Children's Services

Subject: Children's Centres and Extended Schools Strategy

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To report on the outcomes of consultation on the first and second draft Children's Centres and Extended Schools strategy.
- 1.2 To seek approval for the final Children's Centres and Extended School strategy and to authorize officers to begin implementing the consequent staffing changes.

2. SUMMARY OF CONTENTS

- 2.1 The Government's Ten Year Childcare Strategy published in December 2004 requires local authorities to develop Children's Centres across the borough by 2010. Children's Centres need to offer early education integrated with childcare, family support and outreach to parents and child and family health services.
- 2.2 In addition the local authority is required to ensure that a core offer for extended schools is in place by 2010. The core offer for extended schools consists of study support activities, childcare available 8 am - 6pm, parenting support and swift and easy referral to a range of specialised support services for pupils.
- 2.3 The attached strategy document sets out the process of ensuring these two requirements are met and brings them together in one coherent strategy. The document includes sections on
 - Consultation responses on the draft strategy;
 - Strategy;
 - Service delivery.

3. RELEVANCE TO CABINET

- 3.1 The Children's Centres and Extended Schools strategy involves a restructure which could possibly result in redundancies. Therefore, according to the constitution the cabinet have responsibility for the approval of the strategy.

4. TYPE OF DECISION

- 4.1 Key decision, test 2 applies.

5. DECISION MAKING ROUTE

- 5.1 Cabinet 19th June 2006.

6. DECISION(S) REQUIRED

- 6.1 To approve the final Children's Centres and Extended Schools strategy and to authorize officers to begin implementing the consequent staffing changes.

Report of: Director of Children's Services

Subject: Children's Centres and Extended Schools Strategy

1. PURPOSE OF REPORT

- 1.1 To report on the outcomes of consultation on the first and second draft Children's Centres and Extended Schools strategy.
- 1.2 To seek approval on the final Children's Centres and Extended School strategy and to authorize officers to begin implementing the consequent staffing changes.

2. BACKGROUND

- 2.1 The Cabinet in September 2003, approved a 'Strategic Proposal for Children's Centres and New Childcare Place Development' to be submitted to the Sure Start Unit in the Department for Education and Skills. The report included the outcomes from a significant consultation exercise on the development of Children's Centres. The majority of responses to the consultation supported the proposal for the location of first five Children's Centres as detailed below. The development of the centres was based on old ward boundaries in accordance with Sure Start guidance.

Brus Ward	St John Vianney Early Years Centre, Sure Start North, Rainbow Day Nursery
Dyke House Ward	Chatham Road Sure Start, Dyke House School and Brougham Primary School
Jackson Ward	Lynnfield Primary School, Playmates Neighbourhood Nursery and Sure Start Central Low thian Road Centre
Rossmere Ward	Rossmere Way Sure Start Centre, Rossmere and St Teresa's Primary Schools
St Hilda Ward	Kiddikins Neighbourhood Nursery, St Bega's and St Helen's Primary Schools and Sure Start North

- 2.2 In April 2004, the Education Department published a draft Extended Schools Strategy for consultation with a wide range of partners and stakeholders. It set out a number of options for the development of Full Service Extended Schools which were: single school clusters; a neighbourhood management model with one Full Service Extended School in each neighbourhood area; one Full Service school to serve the whole town. The outcomes from the consultation were inconclusive although there was marginal preference for the cluster model. The outcomes were included in the Information Pack for the Children's Services Portfolio Meeting on 14th March 2005.

- 2.3 Following the Government's publication of its 10 Year Strategy for Childcare and Five Year Strategy for Children and Learners the development of Children's Centres and Extended Schools have become strategically interlinked. There is now a requirement for all schools to deliver a core offer of extended services by 2010, which include wraparound childcare from 8am to 6pm, whilst Children's Centres are required to deliver an integrated package of early year's education and care.
- 2.4 The council is also expected to develop a further two Children's Centres by 2008 ensuring that the 30% most disadvantaged areas are reached. By 2010 all children and young in Hartlepool will have access to Children's centre and Extended Schools services.
- 2.5 This strategy will replace all previous plans for Children's Centres and Sure Start local programmes once the strategy has been approved by the Council's democratic processes.

3.0 PROCESS FOR DEVELOPING STRATEGY

- 3.1 The draft strategy has been prepared in partnership with a small steering group with representatives from the:
- Hartlepool Primary Care Trust
 - North Tees and Hartlepool NHS Trust
 - Children's Services Department
- 3.2 Public consultation has taken place consulting on both the first and second draft strategies.

4.0 CONSULTATION ON FIRST DRAFT STRATEGY

- 4.1 The strategy was open to public consultation between the 11th November and 16th December 2005. More than 1200 copies of the draft strategy were sent to a wide range of partners including all local authority departments, schools, childcare providers, voluntary sector groups that work with children and families, health professionals and employment support agencies. In addition senior managers within Children's Services attended a range of meetings to discuss the draft strategy in more detail. These included:
- Headteacher meetings - Primary and Secondary;
 - The Health and Social Care Strategy Group;
 - The Childminder Network;
 - Members seminar;
 - Administration Group - Independent Councillors;
 - North, Central and South Neighbourhood Forums;
 - North, Central and South Sure Start local programme board meetings;
 - North, Central and South Sure Start local programme team meetings;
 - Sure Start local programme parent groups;

- The Childcare forum.

Three public consultation meetings were held in the North, Central and South of the town and were advertised in the local press to encourage attendance.

Officers visited 11 parent groups to circulate information and answer any questions or concerns. In addition parents were encouraged to reply to the consultation through their involvement in Sure Start Local Programmes.

- 4.2 The views and opinions of children and young people were encouraged. Officers worked with a group of 70 children aged between 4 and 14 years. The children were given an activity which asked them to express what services should be delivered by Children's Centres and Extended Schools and where and how they should be delivered. St Hild's Secondary School, Clavering Primary School and Kingsley Primary School also carried out individual consultations with children and young people and submitted their views for consideration.
- 4.3 All responses received from the first phase of consultation were reviewed and summarised as part of a feedback event that was held on February 16th 2006. Over 120 people (including children from one secondary and one primary school) attended the event which gave an overview of the consultation responses and an opportunity for people to work in small groups to tackle some of the issues that were raised.
- 4.4 A second draft of the strategy was written using new Government guidance on the development of Children's Centres and Extended Schools together with responses to comments or concerns raised during the first wave of consultation which included:
- Governance/Accountability;
 - Management/ Co-ordinators' role;
 - Funding;
 - Location of centres;
 - How to build on good practice e.g. Sure Start local programmes;
 - Not enough detail in the strategy;
 - Future of integrated teams;
 - Lack of consultation with parents;
 - Change management;
 - Role of volunteers.

5.0 CONSULTATION ON SECOND DRAFT STRATEGY

- 5.1 The second draft strategy was open to public consultation between 21st March and 24th April 2006. More than 1200 copies of the second draft strategy were sent to a range of partners as with the first consultation.
- 5.2 In addition to the circulation of the strategy a public drop in session was held on 3rd April 2006 to answer any questions about the second draft strategy.

- 5.3 There were only 11 responses to the second consultation with all of these responses asking for clarification on operational issues. These responses can be found in the attached document.
- 5.4 Senior officers also attended a Children's Services Scrutiny Forum to consult the Forum on the proposed strategy. Questions with responses can be found in the strategy document as **Appendix D**.
- 5.5 A revised strategy using the responses from the second consultation has been produced as the final draft strategy (see attached document).

6.0 STRATEGY

6.1 National Context

- 6.1.1 Every Child Matters: Change for Children programme is a shared national programme of system wide reform to ensure that children's services work better together and with parents and carers to help give children more opportunities and better support. It focuses on the five outcomes that children and young people identified as key to their wellbeing. This involves long term investment by central Government bringing together more opportunities and services into single settings such as Children's Centres (from birth to five) and schools (to serve the whole community, as well as pupils, parents and carers).
- 6.1.2 A change in Government policy has meant that Sure Start local programmes are expected to change to Children's Centres in partnership with other providers and organisations. Sure Start local programmes were initially set up in disadvantaged areas to develop integrated services for children aged 0-4 years old and their families. The programmes were set up as a time limited initiative and programmes were expected to mainstream activities that were shown to be effective. The introduction of Children's Centres has offered an opportunity for some of these services to be continued.

6.2 Proposed strategy

- 6.2.1 In response to Government guidelines and legislation the local authority needs to:
- Plan for and commission services that will deliver the five outcomes for children and young people. The five outcomes are:
 - Be Healthy;
 - Stay Safe;
 - Enjoy and Achieve;
 - Make a Positive Contribution;
 - Achieve Economic Well-being.
 - Continue to develop Children's Centres within Hartlepool;
 - Ensure that both Children's Centres and Extended Schools deliver the core offers set out by the Government.

6.2.2 In order to achieve this it is proposed to develop a model of service delivery for both Children's Centres and Extended Schools based upon five localities centrally managed and co-ordinated by the Children's Services department. The draft Children's Centres and Extended Schools strategy is moving towards the establishment of structures that will support the future commissioning of services. The aim of which is to facilitate the delivery of the core offer of services established by the Government for Children's Centres and Extended Schools and support the five outcomes for children and young people.

6.2.3 The proposed strategy is designed to:

- Enable easy access to services for local communities;
- Support early intervention and prevention;
- Improve outcomes for all children and young people;
- Promote collaborative working;
- Utilise the available resources effectively therefore reducing duplication of services;
- Ensure the community have a say in the shaping of locally delivered services.

6.2.4 As previously stated the proposed strategy also supports the move towards commissioning of services particularly in localities. This would enable:

- Building capacity within communities;
- Engaging hard to reach families;
- Flexibility to respond to changing local needs;
- Offers longer term sustainability to voluntary and community sector.

7.0 FINANCIAL IMPLICATIONS

7.1 Background

7.1.1 Sure Start local programmes were set up in three distinct areas of the town over the last six years, Sure Start South in 2000, Sure Start North in 2001 and Sure Start Central in 2002. The local programmes received a ringfenced grant to deliver services for children aged 0 – 4 years.

7.1.2 The funding was expected to continue for ten years with an expectation from central Government that successful services would be mainstreamed within mainstream funding.

7.1.3 The Government issued guidance on the development of Children's Centres in 2003 which outlined the need for Sure Start local programmes to work towards becoming Children's Centres with a range of other partners. Funding for the Sure Start local programmes was expected to continue until 2007 and then taper to approximately half of the current grant. This reduced grant now needs to support the delivery of Children's Centres services for the extended age range of children 0 – 5 years old and cover the whole of the town.

7.2 Funding 2007/2008

7.2.1 The total revenue funding for 2007/2008 is as follows:

Sure Start local programmes (delivering Children's Centre services)	£1,812,164 (this is a reduction of £405,698 from 2006/2007)
Children's Centres (General Sure Start Grant)	£555,122
Extended Schools (General Sure Start Grant)	£95,711
Extended Schools (Standards Fund)	£175,000

7.2.2 The LA receives the above ringfenced grants for the development of Children's Centres and Extended Schools. In addition schools also receive direct funding as part of their development grant to fund extended services.

7.2.3 Current funding (2006/2007) for the Sure Start local programmes (for Children's Centres services) is £2,217,862 with a reduction in 2007/2008 of £405,698 to 1,812,164. Due to the reduction in grant as outlined above and with 78% currently being spent on salaries this grant cannot therefore sustain the current level of salaries. The consultation process referred to the reduction of grant and the potential to lead to a reduction in the number of posts. Unions have had both consultation documents circulated to them.

7.2.4 There are 2 options available to the authority to address the above financial issues:

Option 1 – the Sure Start local programmes continue to deliver their current services and the local authority fund the shortfall of potentially £800,000 from 2007 to 2009.

It is not felt that this is a viable option because:

- the local authority would be unable within the current structures to deliver the core offer as Sure Start local programmes only cover 0 – 4year olds in three distinct areas of the town, whereas Children's Centres need to be accessible for every 0 -5 year old in the town.
- Children's Centre guidance outlines the need for Children's Centres to be reactive to the needs of the local community. The current staffing structures do not allow for this flexibility as there is only a small amount of funding left once salaries are taken into account, therefore only allowing for a small number of activities to be commissioned.

Option 2 – restructuring the Sure Start local programmes therefore making significant savings which can be spent on extending Children's Centres services across the whole town. This option would have no direct impact on the Council's budget as all services would be funded through the General Sure Start Grant. The implications of this option are highlighted below.

- 7.2.5 Option 2 is seen as the only realistic option and was discussed with stakeholders as part of the consultation process. This is therefore the option which has been built into the strategy.
- 7.2.6 In order to make these savings and deliver Children's Centres and Extended Schools services across the town the strategy outlines a restructure of the Sure Start local programmes. The Sure Start local programme staff who are employed by the Council are all on temporary contracts. The restructure outlines the need to end a number of these contracts. Many of these temporary contracts have been renewed and postholders will therefore be entitled to redundancy payments. The new structure for the delivery of Children's Centres and Extended Schools will enable some of these post holders to be redeployed. It is difficult to estimate the amount of redundancy payments that might need to be paid due to the potential for some of these posts being redeployed.
- 7.2.7 In anticipation of the reduction in grant a small reserve has been set aside to fund potential redundancies for local authority staff. This reserve was set up using General Sure Start Grant funding for childcare places. The Sure Start Memorandum of Grant allowed the authority to claim on unit cost of a childcare place whereas we did not need to fund each childcare place on the unit cost.
- 7.2.8 The reduction in funding and the need to offer services across a wider geographical area means that the services offered will be specifically core Children's Centres and Extended Schools services. This will mean that there will need to be some reduction in services in previous Sure Start local programme areas which are not fulfilling the Children's Centres and Extended Schools core offer.

7.3 Allocation of funding

- 7.3.1 Although funding comes into the authority as four strands, in accordance with Government guidance to plan the use of this funding in a holistic way. In order to achieve the holistic use of this funding the following is proposed in the strategy document:
- Centrally managed staff (see **Appendix 1**) would be funded directly from the grant and managed by the Children's Services department;
 - The remaining grant would then be spent at a local level according to local need and priorities. The strategy recommends that each locality would prepare an operational plan with funding allocated to specific services. These plans along with the funding would be approved by the Children's Services Portfolio Holder. These operational plans would allow for some joint working for specific services across different localities.
 - The Government expect a number of the services delivered to be self sustaining e.g. childcare. The sustainability of these services is paramount and the operational plans will address the business planning of all of the services.

8 RISK ASSESSMENT

- 8.1 The risks inherent in this strategy include:
- The appropriate allocation of funding;
 - Ensuring the core offer for Children's Centres and Extended Schools is delivered;
 - Ensuring services delivered are based on local need.
- 8.2 To ensure these risks are minimised the following actions will be taken:
- The operational plan will have a common format across each locality;
 - Operational plans and associated funding will be submitted to the Children's Services Portfolio Holder for approval;
 - The Children's Centres, Extended Schools and Ten Year Childcare Strategy sub group of the Children and Young People's Strategic Partnership will monitor the progress of the delivery of the core offer.

9 RECOMMENDATIONS

- 9.1 To approve the final draft strategy for Children's Centres and Extended Schools.

10 DECISION REQUIRED

- 10.1 To approve the final Children's Centres and Extended Schools strategy.
- 10.2 To authorize officers to begin implementing the consequent staffing changes.

CHILDREN'S CENTRES AND EXTENDED SCHOOLS 2006 – 2010

SECTION 1 CONSULTATION RESPONSES

SECTION 2 STRATEGY

SECTION 3 SERVICE DELIVERY

Appendices

Appendix A – Project Plan

Appendix B – Data Sources

Appendix C – Key terms and integrated core offer

Appendix D – Scrutiny Forum minutes

Appendix E – Draft staffing structure

SECTION 1 - Consultation

1.0 CONSULTATION ON THE FIRST DRAFT

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- Headteacher meetings - Primary and Secondary;
- The Health and Social Care Strategy Group;
- The Childminder Network;
- Members seminar;
- Administration group - Independent Councillors;
- North, Central and South Neighbourhood Forums;
- North, Central and South Sure Start local programme board meetings;
- North, Central and South Sure Start local programme team meetings;
- Sure Start local programme parent groups;
- The Childcare forum.

Three public consultation meetings were held in the North, Central and South of the town and were advertised in the local press to encourage attendance.

Officers visited 11 parent groups to circulate information and answer any questions or concerns. In addition parents were encouraged to reply to the consultation through their involvement in Sure Start Local Programmes.

1.2 The views and opinions of children and young people were encouraged. Officers worked with a group of 70 children aged between 4 and 14 years. The children were given an activity which asked them to express what services should be delivered by Children's Centres and Extended Schools and where and how they should be delivered. St Hild's Secondary School, Clavering Primary School and Kingsley Primary School also carried out individual consultations with children and young people and submitted their thoughts for consideration.

1.3 All responses received from the first phase of consultation were reviewed and summarised as part of a feedback event that was held on February 16th 2006. Over 120 people (including children from one secondary and one primary school) attended the event which gave an overview of the consultation responses and an opportunity for people to work in small groups to tackle some of the issues that were raised.

2.0 OUTCOMES OF FIRST CONSULTATION

2.1 The following provides a general overview of the responses received to the first draft strategy:

- 44 responses expressed a preference for option 1 (preferred delivery model);
- 0 responses indicated a preference for option 2;
- 6 responses expressed a preference for option 3;
- 27 respondents did not indicate a preference for any of the options. Instead, these respondents raised a number of operational questions that were not detailed in the strategy.

2.2 Written and oral responses include the following issues and questions which the amended strategy aims to address.

Sure Start local programmes (SSLP)

- Two cluster co-ordinators in the South of the town would cause confusion as Sure Start local programme services already cover both areas;
- Who will decide on resource allocation? Shouldn't more resources be given to those who need it most?
- Where is the recognition for the community development work that has already taken place?
- What are the timescales for these changes?
- How much funding is available to develop further Children's Centres across the town?
- Who will decide which services are viable and which will cease?
- Concerns that SSLPs have empowered the community and this will be lost?
- Why would it be difficult for one person to manage the whole of the South area?
- Why do groups need to be set up when community involvement takes place on a regular basis and could be built upon?
- Concern that we will be losing experienced staff;
- How are we to maintain the level of service we provide at the moment on a significantly tapered budget?
- Future role of volunteers;
- Why the need to restructure instead of extending the good practice?
- Concerned that the proposed model does not build on existing provision;
- Do not disagree with 3 areas but are concerned that clusters within this will fragment services;
- Some reassurances that the model of integrated teams will still have a place in future delivery of services;
- What are the roles of the existing staff?
- Alternative model of governance involving area committees that links with school governing bodies;
- Local community must be able to influence decisions;
- Clarification of funding needed;
- Allocation of services/funding needs to be distributed according to need weighted towards disadvantaged areas.

Diocese of Newcastle and Hexham

- Do not consider that one single model of governance and management is appropriate – flexibility is needed;
- Correct way to safeguard the single model is that governors and the headteacher should lead and manage the provision of all services provided;
- Multi site situation – there is a need for a strong management group comprising of leaders from each setting;
- Concerned that Brus and St Hilda are too large in terms of child population to join as one cluster.

Childcare providers

- Need to safeguard valuable work done through volunteers and community groups;
- Clusters to meet the needs of different communities managed in a wider area would work;
- The preferred delivery model is most advantageous to all those concerned in the development of services and seems to be the option that can best build on what already exists limits duplication and offers an opportunity to expand services in the community with good links to partners;

- Having different co-ordinators for the Owton/Rossmere/Fens/Greatham/Seaton areas does not seem to be a good idea;
- How will the strategy affect me as a childminder?

Primary Schools

- Firmly believe in the philosophy of the school being a multi service provider and being seen at the core of the community;
- Services need to be far more local than they are at present. Sure Start services are clearly not embedded into our school community. The school is committed to a cluster based model;
- There is a need for funding clarification;
- What will the role of the co-ordinator mean?
- At the moment progress is limited due to the lack of leadership. It is essential that one person has responsibility for co-ordinating the complete remit of the Children's Centre - this will ensure a fair and equal distribution of services and funding across the Children's Centre;
- It is essential to maintain flexibility in the way we approach this very new and different way of working;
- Schools should be able to make decisions about services they deliver;
- The preferred delivery model encompasses the whole concept of birth to grave, ensuring good health and well being, enjoyment and achievement, a positive contribution to the community, both micro and macro and economic well being for all;
- The preferred delivery model is the best option because there are rough transition processes between Sure Start local programmes and schools and a current lack of transparency resulting in duplication of services;
- Role of the co-ordinator must not be underestimated- this is a pivotal role and one which will determine the success of the strategy in each of the clusters. The role needs to be both strategic and operational and one which brings the many different partners together with a common purpose and shared vision;
- Fully support the preferred delivery model – concerns about who makes the final decision about delivery of services on school site.

Secondary Schools

- Possibility of a senior member of staff in school taking on an extended school role instead of cluster co-ordinator;
- More detailed timeline needed;
- Funding needs clarification;
- What is the role of the Governing Body particularly in relation to a voluntary aided school?
- Management role needs clarifying;
- Concern that this strategy would have significant implications for headteachers;
- Concerns that if clusters are based on geography alone will not be conducive to encouraging participation from schools own students;
- Dispute that this strategy may make effective use of existing resources;
- A need for clearer governance and management structures;
- Participation – need to build on existing structures particularly within schools where children and young people are supported;
- Partnership across the area of North Hartlepool has promoted a shared vision and collaborative model that should be used to trial extended school developments based around the cluster concept;
- A need for further detail on funding levels;
- Results of a survey of parents, pupils and staff highlighted the needs and wants of the local community which we consider is reflected in the cluster model.

Parents

- Some people are being penalised for the part of town they live, surely Sure Start services should be available to everyone;
- How will parents have a voice?
- What will happen to the Sure Start local programme boards?
- What about access to services for working parents?
- There is a need for more services e.g playgroup across the town;

Voluntary and Community Sector

- Many of the families we support struggle to cope with limited resources, whilst seeing other families often in the next street being able to access a number of diverse services and resources;
- Many of the families we work with value services they receive from us because we offer an individual approach;
- There is a need for a co-ordinated approach for services for families in Hartlepool;
- Thinking in terms of clusters allows for better planning and managing finances effectively to provide good value for money;
- Bringing together Children's Centres and Extended Schools services makes sense and ensures the needs of children are met with continuity;
- The co-ordinated cluster approach will allow service providers to reach a greater and wider diverse community;
- At the moment disadvantaged children who reside outside Sure Start programme areas are excluded from the services they need. The proposed system is much fairer.

Health

- Support single authority management across all areas. This means a single strategy which should ensure consistency and equity of provision, something that has not occurred with Sure Start local programmes;
- Need for more detail in relation to management and co-ordinators role;
- The strategy in attempting to be equitable runs risk of those needing it lead accessing it most;
- Need clarification on what is expected from health services in order to facilitate planning;
- Locality pattern emerging from strategy would mirror some of the geographical work that is going on in school nursing;
- One medical professional expressed concerns about extending the Sure Start local programme across the town.

Other responses

- The proposed clusters need to maximise the potential of recent investments on school sites and youth provision and that any duplication of services is minimised;
- Clusters are small enough to allow good community relationships yet large enough to have a consistent impact on service delivery;
- Cluster based model will provide foundation upon which future initiatives/social policy changes can be built.

Viewpoint 1000 – the public were asked if they felt it was good idea for services to be delivered on school sites. The following shows the percentages of people who agreed that it would be a good idea:

- Childcare 68.8%
- Parenting support 71%
- Family learning 73.1%

- Smoking cessation support 57.2%
 - Neighbourhood art displays and art clubs 58.5%
 - Sporting activities 83.7%
- (66.7% response rate)

Children and Young People – Children and Young People were asked what they felt was important when accessing services. The priorities for the children and young people are highlighted below with the most important first:

6 years and under

- Someone to talk to;
- Money;
- Indoor and outdoor experiences.

7 – 9 years old

- Doctors;
- Money;
- Someone to talk to.

10 years and over

- Money;
- Community buildings;
- Modern buildings.

A number of schools also asked their pupils what services they would like developed on school sites and the following ideas were highlighted:

- Nurse present on site;
- Mother and Toddler group;
- Police present on site;
- Girls/teenagers support group;
- Drugs advice and support;
- Housing support;
- Play areas;
- Fire Brigade;
- Disabled facilities;
- More police and community wardens outside or inside the school on a night when school comes out;
- Health clinics e.g an asthma clinic;
- More social events;
- More things on an evening and they need to be advertised more.

3.0 CONSULTATION ON THE SECOND DRAFT STRATEGY

3.1 The second draft strategy was open to public consultation between 21st March 2006 and 24th April 2006. More than 1200 copies of the second draft strategy were sent to a range of partners as with the first consultation.

In addition to the circulation of the strategy a public drop in session was held on the 3rd April 2006 to answer any questions and issues about the second draft strategy.

4.0 OUTCOMES OF THE SECOND CONSULTATION

4.1 The following provides a general overview of the responses received to the second draft Children's Centres and Extended Schools strategy.

There were 6 written responses and 5 responses via the drop in question and answer session. The following issues and questions were highlighted:

Secondary School

- The role of the Integration Support Manager is crucial. They need to be flexible in approach, self motivated and based in the community;
- How will we make these developments sustainable?
- What is the role of the governing body?
- Some areas of the town need purpose built facilities to ensure families can access services.

Health

- How will we ensure true integrated working between professionals?
- Primary Care Trust supported the strategy although would like to have more discussion about how the strategy will work at an operational level.

Women's Refuge

- Support strategy with locality based services because all children and families in need should be able to access services regardless of where they live;
- Robust communication system needed to ensure all families know where to access services.

Parents

- Parents will not be part of the strategic decisions therefore this will mean parents will not want to be involved.

Sure Start local programmes

- Role of the Integration Support Manager is underestimated;
- Will each locality have an Integration Support Manager?
- How many Children's Centres will there be?
- What will the role of the current Sure Start local programme co-ordinators be?
- Single discipline teams can never work truly integrated;
- Who will commission voluntary organisations?
- Who will commission health services?
- Lack of clarity about decision making in localities?
- Accountability diagram – what is the role of parents?
- Who makes final decisions?
- Role of governing bodies – can governing bodies refuse to deliver services?
- Concerns about parent support sessions including free crèche provision;
- Level of service needs to be different depending on community needs.

- 4.2 Senior Officers also attended a Children's Services Scrutiny Forum to present the second draft strategy and consult with members about proposals. Questions and responses highlighted can be found as Appendix D.

SECTION 2 - Strategy

1. National Context

- 1.1 Every Child Matters: Change for Children programme is a shared national programme of system wide reform to ensure that children's services work better together and with parents and carers to help give children more opportunities and better support. It focuses on the five outcomes that children and young people identified as key to their wellbeing. This involves long term investment by central government bringing together more opportunities and services into single settings such as Children's Centres (from birth to five) and schools (to serve the whole community, as well as pupils, parents and carers).
- 1.2 In May 2006 DfES published "Choice for parents, the best start for children: making it happen (An action plan for the ten year strategy: Sure Start Children's Centres, Extended Schools and childcare.)" This document highlights the importance of the Childcare Bill currently going through parliament which reinforces the local authority role as strategic leader of children's trusts, market manager and commissioner of services.
- 1.3 Bringing services together makes it easier for universal services like schools and Children's Centres to work with the specialist or targeted services that some children need so that problems are spotted early and handled effectively. Opening up schools to provide services also means that parents can access activities or childcare without worrying about children moving between school and other sites. This does not mean however, that teachers have to run these services or take on additional responsibilities. They can be provided by a community organisation or private sector provider.
- 1.4 A change in Government policy has meant that Sure Start local programmes are expected to change to Children's Centres in partnership with other providers and organisations. Sure Start local programmes were initially set up in disadvantaged areas to develop integrated services for children aged 0-4 years old and their families. The programmes were set up as a time limited initiative and programmes were expected to mainstream activities that were shown to be effective. The introduction of Children's Centres has offered an opportunity for some of these services to be continued. Senior managers within the Children's Services Department are working with colleagues from statutory organisations to identify services that may be mainstreamed.
- 1.5 Central Government is encouraging local authorities to become the commissioner of services - Children's Centres: Practice Guidance states:
"Local authorities should start to see themselves less as a direct provider of services and more as facilitators of the market and commissioners of services. An element of contestability can help to improve both the quality of provision and ultimately outcomes for children and families."

2.0 Hartlepool Borough Council's Proposed Strategy

- 2.1 In response to Government guidelines and legislation the local authority needs to:
- Plan for and commission services that will deliver the five outcomes for children and young people. The five outcomes are:
 - Be Healthy;
 - Stay Safe;
 - Enjoy and Achieve;
 - Make a Positive Contribution;
 - Achieve Economic Well-being.
 - Continue to develop Children's Centres within Hartlepool;
 - Ensure that both Children's Centres and Extended Schools deliver the core offers set out by the Government.

- 2.2 In order to achieve this it is proposed to develop a model of service delivery for both Children's Centres and Extended Schools based upon five localities centrally managed and co-ordinated by the Children's Services department. The draft Children's Centres and Extended Schools strategy is moving towards the establishment of structures that will support the future commissioning of services. The aim of which is to facilitate the delivery of the core offer of services established by the government for Children's Centres and Extended Schools and support the five outcomes for children and young people.
- 2.3 The proposed strategy is designed to:
- Enable easy access to services for local communities;
 - Support early intervention and prevention;
 - Improve outcomes for all children and young people;
 - Promote collaborative working;
 - Utilise the available resources effectively therefore reducing duplication of services;
 - Ensure the community has a say in the shaping of locally delivered services.
- 2.4 As previously stated the proposed strategy also supports the move towards commissioning of services particularly in localities. This would enable:
- Building capacity within communities;
 - Engaging hard to reach families;
 - Flexibility to respond to changing local needs;
 - Offers longer term sustainability to voluntary and community sector.
- 2.5 Consultation with parents shows that the voluntary, community and private sector are seen to be more approachable and less bureaucratic than statutory organisations. Evaluation of the Children's Fund programme has shown that commissioning of voluntary sector services to support children and families has proved to be particularly successful in Hartlepool.
- 2.6 This commissioning approach is also reinforced in the Ten Year Childcare Strategy action plan. It states that
- "To support continued diversity, the Childcare Bill proposes that:
- LAs should only provide new childcare places themselves where there is no other provider in their area willing and able to do so;
 - LAs must take steps to involve providers from the private and voluntary sectors in the planning and delivery of early childhood services."

Further guidance for extended schools also highlights that schools should only directly deliver extended schools services as a last resort

3.0 Changes in the strategy from the consultation responses

- 3.1 The responses received in the first consultation were mainly seeking further clarification about the actual delivery of services (see Section 1 paragraph 2.2). These issues are addressed in Section 3 – Service Delivery.
- 3.2 There were a number of responses received in the first consultation expressing concern about the clusters. These responses particularly highlighted:
- The confusion about the word "clusters" – this word is used in many different ways across the town;
 - Consultation responses showed overwhelming support for just one cluster in the South of the town and despite the large geographic area it was felt that this view should be supported in the amended strategy;
 - Responses also showed that it was not necessary to have three clusters in the central part of the town because of the relatively small size of two clusters;

- The consultation responses also indicated that the term “co-ordinator” was used differently in different settings. The proposed strategy has been amended to reflect these views.

3.3 In response to the consultation the proposed strategy has changed the “clusters” terminology to “localities” and reduced the number of localities from seven to five – the following table outlines the localities. It must be reinforced that although services will be developed and managed in the localities children and families may access services and activities where it is most appropriate to their needs.

Localities		Sites delivering services
NORTH 1	St Hilda	St Helen's Primary School
		St Bega's Primary School
		Kiddikins Neighbourhood Nursery
		Sure Start North (Hindpool Close)
	Brus	St John Vianney Primary School
		West View Primary School
		Miers Avenue
		Rainbow NHS Nursery
		St Hild's CE Secondary School
		Barnard Grove Primary School
Hart	Clavering Primary School	
	Hart Primary School	
NORTH 2	Dyke House	Brougham Primary School
		Dyke House School
		Chatham House Neighbourhood Nursery
	Throston	Jesmond Road Primary School
		Throston Primary School
		Sacred Heart Primary School
CENTRAL 1	Grange	Lynnfield Primary School and CLC
		Playmates Neighbourhood Nursery
		Lowthian Road – Sure Start Central
		Eldon Grove
	Park	High Tunstall Secondary School
		West Park
	Elwick	Elwick Hall CE Primary School
	Stranton	Stranton Primary School
		Ward Jackson Primary School
		St Joseph's Primary School
CENTRAL 2	Foggy Furze	St Cuthbert's Primary School
		St Aidan's Primary School
	Rift House	Rift House Primary School
		Kingsley Primary School
		Masefield Road Neighbourhood Nursery (NDNA)
		English Martyrs RC School
		Catcote School
		Brierton Secondary School
	A2L	
SOUTH 1	Rossmere	Rossmere Primary School
		St Teresa's Primary School
		Sure Start Rossmere Way
		Golden Flatts Primary School
	Seaton	Seaton Carew Nursery
		Holy Trinity CE Primary School

	Ow ton	Ow ton Manor Primary School
		Manor College
		Grange Primary School
	Fens	Fens Primary School
	Greatham	Greatham CE Primary School

English Martyrs, Catcote and Springwell would still contribute to and access services within the locality whilst acknowledging their town wide roles.

3.4 The localities will be supported by an Integration Support Manager whose main role will be to promote collaboration between all organisations across the locality.

3.5 Rural areas are included in the localities however it is acknowledged that these communities have specific needs that need to be addressed through Children's Centres and Extended Schools.

4.0 Changes to the second draft Children's Centres and Extended Schools strategy

4.1 The responses received in the second consultation were very positive and many organisations see the strategy as a vehicle for integrated working. Individual responses were seeking clarification on detail. These questions will be answered in individual locality operational plans that will be developed with partners and facilitated by the Integration Support Manager.

5.0 Governance

5.1 The strategy is not intending to impose a single model of governance upon the localities. It is based upon schools, Children's Centres, partners and other organisations collaborating with each other to support the local community. Further detailed information about accountability can be found in Section 3.

6.0 Managing change

6.1 Clearly this approach to the delivery of locality based services is a significant challenge for all providers. It is intended to use an existing change management model that is currently being used to develop extended services as the vehicle for delivering change. Clear communication is key to the success of this strategy as well as sensitivity to the impact of change upon individuals and their teams.

SECTION 3 – Service Delivery

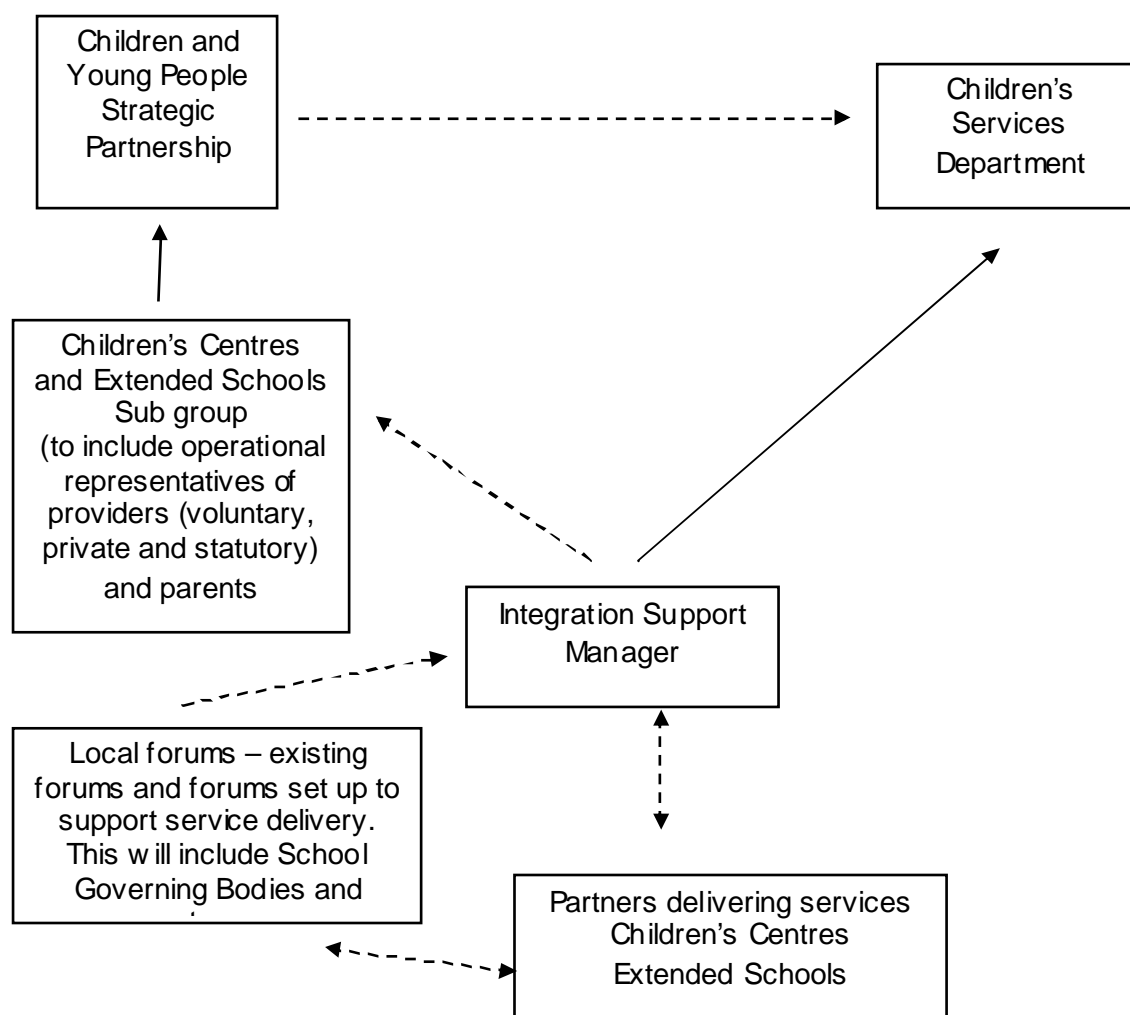
1.0 Management

- 1.1 This strategy proposes a co-ordinated approach to management. This will mean that there will be single discipline teams working together to ensure integrated services across the localities. It will be role of the Integration Support Manager to facilitate health visitors, midwives, social care staff and representatives from voluntary and community organisations working together, but will not have management responsibility for any service they may deliver.
- 1.2 The benefits of this model include:
- o Clear lines of management, monitoring and evaluation;
 - o Maintains autonomy for partner organisations whilst providing co-ordination of the services by the Children’s Services department;
 - o Supports professional accountability;
 - o Open and transparent financial control.
- 1.3 The Children’s Services Department will employ Integration Support Managers to ensure the co-ordination of effective service delivery across each locality. The Integration Support Managers will be based in the community in a range of community settings such as schools, childcare settings, community centres. These posts may be filled by the redeployment of existing staff.
- 1.4 The Integration Support Manager will work in partnership with schools to ensure the core offer is being delivered across the locality thus ensuring that teachers are able to focus upon teaching and learning, and at the same time keep the administrative burden on headteachers to a minimum. It will also enable schools to meet the requirements of the workforce reform agenda.
- 1.5 The area and locality model would also provide the infrastructure for the delivery of a wider range of integrated services for local communities, in the future. It also enables a strong emphasis on prevention through services being delivered locally. It will provide the opportunity for the expansion of local networks, which will in turn support the development of the Integrated Working and Information Sharing processes and in particular the Common Assessment Framework (CAF). The CAF provides an easy to use assessment that will be standardised across agencies. It will help embed a shared language; support better understanding and communications amongst practitioners; facilitate early intervention; speed up service delivery and reduce the number of assessments that historically some children and young people have undergone.

2.0 Governance

- 2.1 This strategy is not intending to impose a single governance system within each locality. However the overall governance and management of the areas and localities will lie with the Children’s Services Department and the Children and Young People’s Strategic Partnership (CY PSP).
- 2.2 It is the responsibility of the Local Authority to ensure all children and families in Hartlepool have access to an appropriate level of support through Children’s Centres and Extended Schools.

2.3 Diagram – Accountability



- 2.4 All core services will be commissioned by the Children's Services Department and ultimately the Children's Trust. Detailed Service Level Agreements will be put in place between the Children's Services Department and partners to ensure delivery of these core services. The commissioning of these services will follow the appropriate democratic processes of the Borough Council.
- 2.5 The Sure Start Partnership(formerly EYDCP) in response to the changing national and local agenda will be dissolved and a new body will be established as a sub group of the Children and Young People's Strategic Partnership. The main role for this group will be to monitor the delivery of Children's Centres, Extended Schools and Ten Year Childcare Strategy.
- 2.6 The Sure Start local programme boards and Children's Centre working groups will also be dissolved. This is to ensure the focus for providers and the local community is to deliver Children's Centres and Extended Schools across the locality to a wider population.
- 2.7 Each Integration Support Manager will work within their locality to support governance arrangements which vary for different partners. It will be the responsibility of the Integration Support Manager to set up local forums to give all families and members of the community an opportunity to shape services. These forums will not be legally constituted groups thus allowing flexibility and the widest membership.

- 2.8 Many other groups and forums already exist and it will be the role of the Integration Support Manager to work with these so the community's voice can be heard and acted upon. These forums will take the form of formal and informal meetings. The Integration Support Managers will hold a small budget and work with the local community to identify need and assign funding accordingly.
- 2.9 The Neighbourhood Action Plans where they currently exist, will support the detailed local planning of service delivery.
- 2.10 The Role of School Governing Bodies – Governors are critical in the development of extended services as they have ultimate responsibility for deciding whether the school should offer additional activities and services and what form these should take. Section 27 of the Education Act 2002 give governing bodies of all maintained schools the power to provide or facilitate services that
“further any charitable purpose for the benefit of pupils at the school, their families or people who live and work in the locality in which the school is situated.”
- 2.11 It is important that the governing body has a clear strategic oversight of the school's extended services offer and how it relates to the core teaching and learning function of the school. The Integration Support Manager will report to governing bodies from time to time as required.

In addition the Ten Year Childcare Strategy action plan requires schools to implement the extended schools core offer by 2010.

3.0 Funding

- 3.1 The Local Authority receives Children's Centre funding. Sure Start Local Programmes currently receive a direct grant. However, from April 2006 Sure Start Local Programme and Children's Centre funding will begin to change. Sure Start Local Programme grant will begin to taper and will be replaced by Children's Centre funding in the medium term. It is expected that this will be at a significantly reduced level.

The Local Authority receives grant funding to support the development of Extended Schools and this is anticipated to continue until March 2008. In the first instance this grant will be managed by the Children's Services Department. From April 2006 the DfES have made an allocation of funding, which can be used to support the development of extended services, within each school's development grant.

- 3.2 Subject to approval of the strategy by the Council's Cabinet the Extended Schools and Children's Centres funding will be allocated to each locality according to local need and priorities. These needs would be highlighted in operational plans for each locality and approved by the Children's Services Portfolio Holder.
- 3.3 From April 2006 all local authority funding will be directed to a single pot under a new Local Area Agreement. This means that many grants will no longer be ringfenced. However, Children's Centre and Extended School services remain a council priority.
- 3.4 Central Government Funding for 2006 – 2008 for Children's Centre and Extended Schools can be seen in the table below :

Funding Description:	Amount 2006 - 2007	Amount 2007 – 2008	Comment
General SureStart Grant (Revenue)	£1,397,050 (includes CC revenue as	£1,405,230 (includes CC revenue as	To deliver 10 year childcare strategy

	below)	below)	
General Sure Start Grant (Capital)	£801,135 (includes CC capital as below)	£752,639 (includes CC capital as below)	To support the delivery of the expanded free offer for 3 and 4 year olds
Standards Fund 15 (Revenue)	£212,098	£212,098	To support the development of Extended Schools core offer
Children's Centres – formerly Sure Start local programmes	£2,217,862	£1,812,164	To deliver Children's Centres core offer
Children's Centres (Indicative Capital)	£718,190 (OVER 2 YEARS)	£718,190 (OVER 2 YEARS)	To build 2 new Children's Centres

4.0 Equality, diversity and equity of service

- 4.1 Children's Centres and Extended Schools will provide a range of services depending on local need and choice. Services will be in line with the 'Sure Start Children's Centres: Practice Guidance' and the 'Extended Schools Prospectus'. Ultimately, the Government's aim is for a network of centres and schools across the country offering services such as information, advice and support to parents/ carers, early years provision and childcare, health services, family support, parental outreach and employment advice. Services offered will not be the same everywhere because needs and communities vary greatly but the greatest amount of resources will go to those families that need it most.
- 4.2 Furthermore, it is important to acknowledge that all children and families should be able to access services wherever they live and whatever their circumstances. Consultation on the first draft of this strategy and the Children and People's Plan has highlighted that transport is a serious concern for children and families. The proposed strategy will ensure community based services across the whole town with localities engaging a range of partners on multiple sites. This will increase opportunities for children and families to access services in their own community and help reduce their reliance on public or personal transport.
- 4.3 We must acknowledge that not all children and families will access Children's Centre and Extended School activities on identified sites. More needs to be done to reach the most vulnerable groups including teenage parents, disabled children and those from minority ethnic backgrounds. Research has shown that these groups are least likely to access mainstream services due to their social isolation or their perception of services as stigmatising. Outreach work will need to be increased and the role of the voluntary sector is seen as crucial in making contact with the hard to reach families. The voluntary sector offers an excellent opportunity to offer mainstream services in a non-stigmatised way. In addition parents who have had positive experiences of Children's Centres and Extended Schools will act as champions in delivering the message to families that have previously not accessed services.
- 4.4 Role of volunteers – Volunteers will continue to be supported within the remit of the Children's Centres Practice Guidance which states:
 "We know from UK and international evidence that well qualified and trained staff make the biggest difference to the effectiveness of services for both parents and children. In the past, services for families have relied heavily on volunteers, partly as a way of involving parents

and encouraging them to think about returning to work. Volunteers will continue to play an important role in children's centres, but this guidance is clear in its expectation that centres should be working towards all staff being trained to at least Level 2."

5.0 Disadvantage and Super Output Areas

- 5.1 There are many ways that we can define disadvantage however it is generally recognised that The Index of Multiple Deprivation (IMD) 2004 is the most accurate method for analysing specific characteristics.
- 5.2 An SOA (Super Output Area) is the measure of multiple deprivation. The IMD has been calculated using the new Lower Layer Super Output Areas (SOA) allowing more detailed information on levels of deprivation in smaller areas. SOAs are based on Census Output Areas and there are 32,842 SOAs in England. SOAs are ranked – 1 being the most deprived and 32,842 being the least.
- 5.3 The IMD uses 37 indicators which are grouped into domains which represent different areas of deprivation. The domains are: Income Deprivation Affecting Children, Income Deprivation Affecting Older People, Income Deprivation, Employment Deprivation, Health Deprivation and Disability, Education Skills and Training Deprivation, Barriers to Housing and Services, Living Environment Deprivation and Crime.
- 5.4 IMD and SOA data has been used extensively to develop the draft Children's Centre and Extended Schools Strategy. It is worth noting that Hartlepool has 58 SOAs of which 55.2% (32) of SOAs fall within the most deprived 20% in England; 30.7% (23) fall within the most deprived 10%; only 1.7% (1 SOA) is within the least deprived 20%; none fall within the least deprived 10%; Hartlepool has an average rank of 18 out of 354 districts in England.
- 5.5 It should also be noted that no matter where children and families live, they deserve appropriate services to meet their own particular needs.

6.0 Sustainability

- 6.1 It is the responsibility of the local authority to ensure that services are sustainable. The Business Support Officer within the Children's Services department will support settings and the Integration Support Managers in developing sustainable services. It is important to develop sustainable services that are based on local needs. Sustainability goes beyond funding. It includes building capacity at a local level. Sustainable services will require a business plan with a coherent funding strategy which clearly sets out individual areas of responsibility. It will be the Integration Support Managers role to develop a business plan in conjunction with all relevant organisations within the local community.
- 6.2 Some activities e.g. childcare will incur a charge. Support will be given to individual providers to put charging policies into place. A proactive approach to funding will be taken and will be a key part of the Integration Support Manager's role.

7.0 Monitoring and Evaluation

- 7.1 There is no pre-existing model for quality assuring Children's Centres and Extended Schools. There are a number of quality assurance schemes being used by individual partners therefore it is intended that a local framework based on the five outcomes will be developed to ensure consistent quality services are delivered and monitored.
- 7.2 A key part of the process of continuous quality improvement is monitoring and evaluation. The National Sure Start Unit will collect monitoring information for Children's Centres and Extended Schools from local authorities based on government targets. The Sure Start Unit

has not issued Key Performance Indicators for this area of work. Further guidance is expected at the end of 2006. In addition local authorities are expected to develop their own performance indicators to ensure services are effective and represent value for money and that the services offered reach all those who need them. In light of this a performance management task group will be set up to identify monitoring requirements for Children's Centres and Extended Schools.

- 7.3 The Integration Support Managers will ensure the monitoring and evaluation processes within Service Level Agreements are rigorous. This information will be fed to Senior Managers within Children's Services. Reports will be presented to the Children Service's Portfolio Holder, the Children and Young People's Strategic Partnership and Hartlepool Partnership as appropriate.

8.0 Way forward

- 8.1 A Project Plan is attached.

**APPENDIX A
PROJECT PLAN**

June 2006	<ul style="list-style-type: none"> • Cabinet • Finalise costs of staff structure • Draft Staffing Structure to HR • Review proposed structure and job descriptions • Draft Staff Structure to Vacancy Monitoring Panel • Cabinet report to CY PSP and terms of reference for new sub group • Sure Start partnership – Extraordinary (dissolution) • What will remodelling for extended service look like – development day for trainers • CSMT discussion remodelling
July 2006	<ul style="list-style-type: none"> • Draft staffing to Unions for consultation • Draft staffing structure to partner agencies (where appropriate) • Draft staffing structure to Staff for consultation (meet with staff 3 times minimum, with Unions present to propose proposal, review proposals & agree proposals.) • Finance and Performance Management – Business Plans for Corporate Programmes • Plan development of Performance Management System • Monitoring and evaluation of review cycle begins
August 2006	<ul style="list-style-type: none"> • Develop framework for localities forums • Dissolution of SSP local programme boards • Finalise arrangements for CYPSP sub group • Planning for remodelling roll out
September 2006	<ul style="list-style-type: none"> • Locality forum established • Remodelling (town wide roll out) • Operational Plans drafted based on SOA / Audit / Identified services / priorities • Maintain current parental involvement and engage new parents
October 2006	<ul style="list-style-type: none"> • Staffing structure agreed with unions and staff • Ringfence, recruit, appoint to new posts • End contracts and issue redundancies • Training and induction programme identified for CC, Ext Schools staff • 1st Meeting of CY PSP sub group
November /December 2006	<ul style="list-style-type: none"> • Finalise operational plans for localities • Set budgets for 07/08 based on operational plans • Establish SLA's for commissioned services
January / February 2007	<ul style="list-style-type: none"> • Establish base line P.I for localities based on government guidance and KPI's
March 2008	<ul style="list-style-type: none"> • Half of all primary school } delivering access to extended • One third of all secondary school } school services • Full core offer Children's Centre services delivery in most disadvantaged areas
March 2010	<ul style="list-style-type: none"> • All school delivering access to core offer extended services • All Children and Families in Hartlepool able to access Extended School services in their locality.

APPENDIX B
Data sources

A significant amount of data from a wide range of sources has been used to influence and shape the development of drafts one and two of the strategy. Some of this data is generic and has come from respectable sources; some of the data has been commissioned on our behalf in order to influence the strategic planning of Children's Centres and Extended Schools. The following table indicates those data sets and sources:

Data set	Data Source
Index of Multiple Deprivation 2004	Office for the Deputy Prime Minister
Super Output Areas – lower and middle layers	Tees Valley Joint Strategy Unit, Office for the Deputy Prime Minister
Area Snapshots 2005 for Hartlepool, individual wards and Sure Start local programmes	Tees Valley Joint Strategy Unit
Resident population estimates mid 2003 – breakdown by individual ages	Hartlepool Borough Council, Office for National Statistics
Population and Household Projections for Hartlepool 2000 - 2016	Hartlepool Borough Council, Tees Valley Joint Strategy Unit
Unemployment in the Tees Valley - 2005	Tees Valley Joint Strategy Unit, Department for Work and Pensions
Registered and Unregistered Childcare in Hartlepool - 2006	Hartlepool Children's Information Service, Ofsted
Adult poverty, child poverty, economic activity, crime rates – various dates	Tees Valley Joint Strategy Unit
Child Poverty Index 2004	Office for the Deputy Prime Minister
Housing developments 2005 - 2012	Hartlepool Borough Council, New Deal for Communities (Hartlepool Revival)
Housing tenure 2005	Tees Valley Joint Strategy Unit
General health	Tees Valley Joint Strategy Unit
Teenage pregnancy 2005	Hartlepool Primary Care Trust
Health visitor caseloads 2005	Hartlepool Primary Care Trust
Midwives caseloads 2005	North Tees and Hartlepool NHS Trust
Live births 2005	Tees Valley Joint Strategy Unit
SATS results – Key Stage 1-4	Hartlepool Borough Council
Cause for concern, Child protection, Child in Need referrals 2005	Hartlepool Borough Council
Young People Offending 2005	Hartlepool Borough Council
Addictive behaviour 2005	Hartlepool Borough Council
Neighbourhood Action Plans	Hartlepool Borough Council
Natural Communities	John Driver, Hartlepool Primary Care Trust
School capacity, current and projected pupil numbers 2006	Hartlepool Borough Council
National Evaluation of Sure Start (NESS)	Institute for the Study of Children, Family and Social Issues, Birkbeck College, London

APPENDIX C – KEY TERMS AND INTEGRATED CORE OFFER

Key Terms:

Children's Centres serve children aged 0 – 5 years old and their families. In the 30% most disadvantaged areas the following needs to be provided

- Early years provision (integrated education and care);
- A childminder's network;
- Parenting education and family support services;
- Education, training and employment services;
- Health services; and
- Access to wider services.

In the remaining areas Children's Centres will have a role in ensuring the co-ordination of integrated services to ensure that those families with additional needs receive the appropriate support. These services will often be provided by outreach services within the Local Authority framework for children's services. The minimum level of services provided in these centres includes:

- Information on childcare and early years provision ;
- Information and support to access wider services;
- Information and advice to parents;
- Support to childminders;
- Drop in sessions or early years provision;
- Links to Jobcentre Plus and health services.

Extended Schools provide a range of services and activities, often beyond the school day, to help meet the needs of children, their families and the wider community. The core offer set out in the Extended School Prospectus is as follows:

- High quality wraparound childcare provided on the school site or through other local providers, with supervised transfer arrangements where appropriate, available 8am – 6pm all year round.
- A varied menu of activities to be on offer, including homework clubs and study support, sport, music tuition, dance and drama, arts and crafts, special interest clubs such as chess and volunteering, business and enterprise activities.
- Parenting support including information sessions for parents at key transition points, parenting programmes run with the support of other children's services and family learning sessions to allow children to learn with their parents.
- Swift and easy referral to a wide range of specialist support services such as speech therapy, child and adolescent mental health services, family support services, intensive behaviour support, and (for young people) sexual health services. Some may be delivered on school sites.
- Providing wider community access to ICT, sports and arts facilities including adult learning.

Children and Young People's Plan (CYPP) is a single, strategic, overarching plan for all services affecting children and young people. All local authorities need to produce a plan by April 2006.

Children and Young People's Strategic Partnership (CYPSP) is a forum through which consideration is given to the way in which children and young people's services could be developed and improved, and to make recommendations to the Executive Board.



CHILDREN'S SERVICES SCRUTINY FORUM REPORT

31st March 2006

APPENDIX D – SCRUTINY FORUM MINUTES

Report of: Scrutiny Support Officer

Subject: CHILDREN'S CENTRES AND EXTENDED SCHOOLS
STRATEGY - COMMENTS

1. PURPOSE OF REPORT

- 1.1 To provide Members with a record of the comments made in relation to the Children's Centres and Extended Schools Strategy.

2. BACKGROUND

- 2.1 On 31st March 2006 Members of the Children's Services Scrutiny Forum received a presentation on the Children's Centres and Extended Schools Strategy. In the absence of a quorum it was agreed by the Members present that the Forum would listen to the presentation by the Senior Education Officer and Early Years Manager and would comment on the report so that these comments could go forward into the consultation process at this stage. In addition, it was agreed that the Scrutiny Support Officer would prepare a brief report highlighting the comments made at the meeting. The comments are included below:

- a) Generally Members felt that during the consultation period officers had been more successful in gaining qualitative feedback than quantitative. It was felt that focussing on quantitative research more in the future would be beneficial.**

In response it was argued that Hartlepool had been far more proactive in undertaking a full public consultation than most local authorities. It was generally recognised amongst those who had been consulted that Extended Schools and Children's Centres *had* to happen and there was, therefore, a degree of ambivalence in the responses. In addition, the Viewpoint Survey was used earlier in the process, which supported the qualitative findings i.e. that the public broadly supports the Council's strategy in principle. Furthermore, over 1,200 people have been consulted about the strategy.

- b) Members were generally very positive about how the strategic aims of the Strategy were attempting to integrate schools into the community and communities into schools.**

Members praised the Strategy for its plans to generate greater involvement of children and young people. Members also felt that it would meet some concerns about the lack of facilities for children (and communities) in non-deprived areas. The additional use of existing resources was also complemented by Members.

- c) Members indicated they were a little uncomfortable with the emphasis placed on the Every Child Matters outcomes. In particular, it was felt that these outcomes are sterile and focus too much on physical rather than emotional and spiritual development.**

Under the Children's Act 2004 the Children's Services Department needs to deliver on each of the Every Child Matters outcomes. The Forum discussed the implications of the Children's Act and the shift to the new Children's Services Department in August 2005, and was broadly supportive of these developments at this time.

- d) A Member felt that the 'avoidance of drug and alcohol misuse' objective in the 'Children's Centres and Extended Schools Vision' should be separated because it was felt that there should be stronger condemnation of drug misuse.**

The comments were noted, whilst it was indicated that the Vision was a national document.

- e) A Member highlighted the issue of the isolation of learning disabled young people from communities and how best to support them, in particular in relation to extended schools.**

It was highlighted that 'access to all' is a key strand of this strategy. A generic inclusive approach is being developed, which focuses on removing barriers to all groups rather than distinguishing between, and focusing on, specific groups. In addition, one of the aims of Children's Centres and Extended Schools is to offer support to all parents throughout the lives of their children.

- f) A Member indicated that they hoped the Council would not take everything from Sure Start onboard. In particular it was felt that Sure Start had been top-heavy in terms of management and that more money could be spent on service provision. Whilst it was also felt that they did not always work well with outside bodies and had alienated parts of the community.**

It was accepted that Sure Start was quite staff intensive and that it was possible that a shortfall resulting from a drop in funding could be covered through a reduction in staffing. The key here is to shift to commissioning services. The Community and Voluntary Sector (CVS) should be utilised more as part of this. In addition restructuring each of the programmes will also be key.

- g) Members questioned whether the decreasing funding for the Council, in relation to these services, and the focus on increased CVS involvement, who themselves are undergoing reductions in funding, was problematic?**

Through the introduction of Children's Trusts, Local Area Agreements, and Single Pot these schemes will be funded differently. In addition, the strategy seeks to utilise existing service provision.

- h) A Member commented that the funding allocation is not appropriate. It bears no resemblance to what the Authority is trying to achieve through the Children's Centres and Extended Schools Strategy.**

In response, it was accepted that the strategy represents a challenging agenda and that the local authority was working within the realities of available funding streams. Again it was reiterated that shifting to a commissioning/enabling role and making the most of existing resources were key here.

- i) What kind of people would be able to fulfil the role of Integrated Support Managers?**

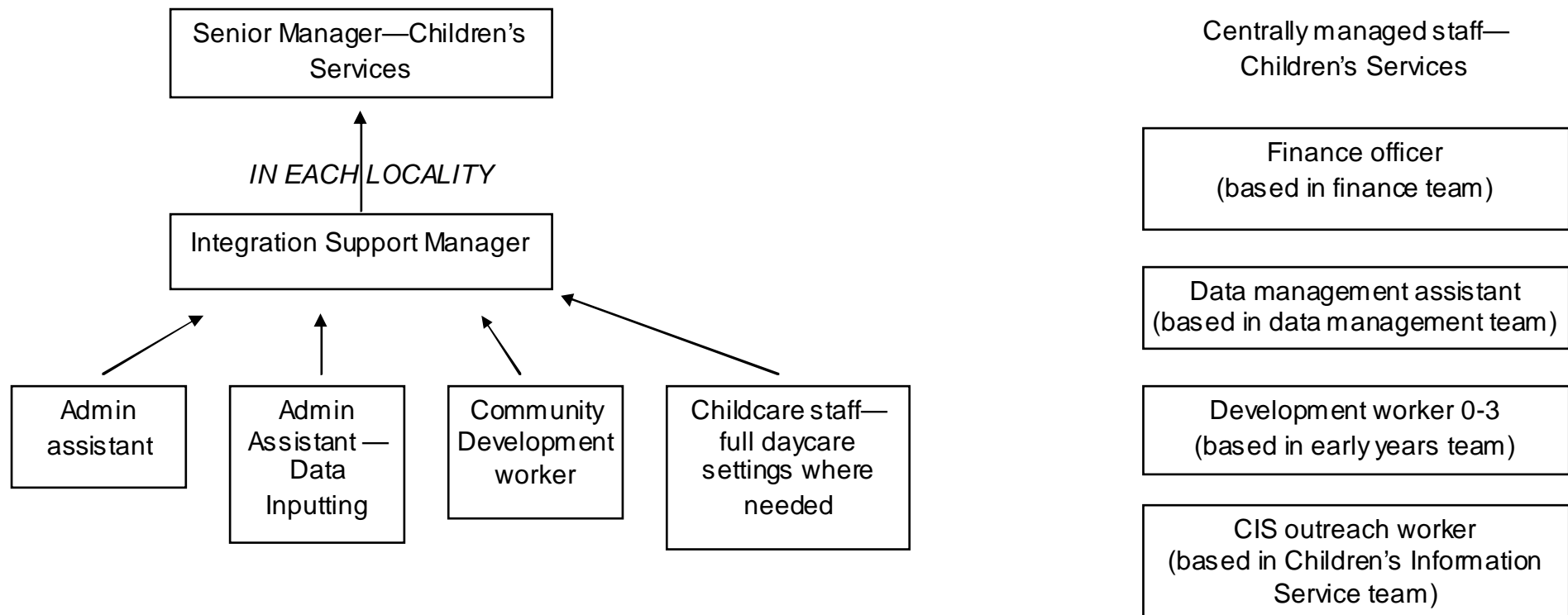
People with a background in youth work, social work or teaching who also have experience in working with and influencing community groups.

3. RECOMMENDATIONS

- 3.1 That Members note the content of the report.

APPENDIX E

DRAFT STAFFING STRUCTURE



Senior managers in the Children's Services Department are working with colleagues in social care and the PCT to plan the deployment of Family Support Workers and health staff in the Children's Centres localities.

<p style="text-align: center;">CABINET REPORT</p> <p style="text-align: center;">19th June 2006</p>
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Report of: Head of Procurement and Property Services

Subject: HIGHWAY ASSET MANAGEMENT

SUMMARY

1. PURPOSE OF REPORT

To advise on the introduction of new national codes of practice for highway management and the implications that these will have for the highway maintenance service.

2. SUMMARY OF CONTENTS

The report will provide a briefing on the implications of the new national codes of practice and details of how these are being addressed.

3. RELEVANCE TO CABINET

4. TYPE OF DECISION

Key Decision Test (ii) applies

5. DECISION MAKING ROUTE

Cabinet

6. DECISION(S) REQUIRED

That Cabinet notes the contents of the report and agree to the UK Roads Liaison Group's three codes of practice being used as the basis for the development of Hartlepool Borough Councils Highway Asset Management Plan.

Report of: Head of Procurement and Property Services

Subject: HIGHWAY ASSET MANAGEMENT

1. PURPOSE OF REPORT

- 1.1 To advise on the introduction of new national codes of practice for highway management and the implications that these will have for the highway maintenance service.

2. BACKGROUND

- 2.1 Recent Government guidance directs that all authorities should produce a Highway Asset Management Plan (HAMP), which will set out what they want to achieve with their highway network, clearly quantifying the value of the asset, identifying investment needs and priorities, based on whole life cost, and establishing co-ordinated programmes of work. Authorities will need to report progress to central government on the development and operation of the HAMP, in the wider context of effective stewardship of the whole range of transport assets in their area. In England, for example, the Department for Transport expects that as a minimum requirement, authorities should aim to ensure no overall deterioration in local road conditions from 2004/05 levels during the second Local Transport Plan period (2006 - 2011), and that most authorities should achieve significant improvements in overall condition.
- 2.2 Authorities also need to establish effective arrangements for dealing with more immediate issues, such as repairing potentially dangerous defects. They need to specify clear procedures and standards, and provide resources and training to ensure that standards are met. Failure to do so could have serious legal consequences both for the authority and the individual employees or contractors concerned. It is crucial that all council members and officers have a clear understanding of their responsibilities in this area, particularly in the light of Government proposals to strengthen legislation concerning corporate manslaughter.
- 2.3 To assist local highway authorities in addressing their responsibilities, the UK Roads Liaison Group has published three codes of practice:
- Well-lit Highways: Code of Practice for Highway Lighting Management;
 - Well-maintained Highways: Code of Practice for Highway Maintenance Management;

- Management of Highway Structures: A Code of Practice.
- 2.4 These codes provide guidance for Council Members and officers on the efficient, effective and economic delivery of highway maintenance services. The codes relating to highway lighting and to highway maintenance management replace earlier editions, and have been updated to give greater prominence to the potential for highway maintenance to contribute to wider local authority objectives. The code relating to highway structures (bridges and retaining walls, for example) is entirely new.
- 2.5 The codes include advice on all new and emerging issues and technical developments, including the new requirement for Highway Asset Management Plans, increasing emphasis on risk management and the implications of the new Traffic Management Act 2004. They are not exclusively devoted to technical issues, however, and include advice on such matters as providing for disabled people, integrated public space and townscape management, and planning for severe weather events.
- 2.6 The codes are not mandatory on authorities and recognise the need for some local flexibility to address particular circumstances and local needs. It is important to stress, however, that the advice and recommendations of the codes are often referred to as relevant considerations in legal proceedings. Authorities are therefore strongly advised that any intended variations from the codes' recommendations to suit local circumstances are approved by the Executive of the Authority, explicitly, transparently and inclusively.
- 2.7 The codes encourage harmonisation of practice and standards so far as practicable, both between strategic and local roads and between adjoining authorities. This consistency of approach across administrative boundaries will be welcomed by road users.

3. KEY ELEMENTS OF THE HIGHWAYS ASSET MANAGEMENT PLAN

- Valuing the authority's assets
- What does an authority need to do?
- Understanding legal obligations
- Publication and adoption of policy
- Highway asset management plans
- Defining priorities
- Inventory and information needs
- Inspection and survey regime
- Risk assessment
- Designing for maintenance
- Identification of maintenance implications

- Policy for sustainable development
- Planning for climate change
- Severe weather emergencies plan
- Involvement of employees, contractors and agents
- Training
- User and community contact

4. CONSIDERATION OF ISSUES

- 4.1 The purpose of the UK Roads Liaison Group's codes is to provide definitive guidance on authorities' stewardship duties and the development of recognised good management practice. The codes are aimed at highways engineering practitioners but elected council members, and officials in other disciplines, need to recognise and understand the importance and complexity of what is involved in keeping the highway network safe for use and fit for purpose. This is particularly important when funding decisions are being taken.
- 4.2 Maintenance of the highway is a continual activity. Use and the ravages of time mean that the asset never remains 'as new' for long. There are also continual developments in the policy framework within which authorities work, in the demands placed on the highway by climate change and increasing traffic, and in the materials and techniques available to engineers to keep the network in good repair. For this reason, it is intended that each of the codes will be subject to periodic review and that, in four or five years new editions will be commissioned. This will ensure that authorities have access to best practice across the range of highways maintenance activities.
- 4.3 In the mean time Government strongly urge elected council members to be pro-active in getting the current codes adopted as council policy and put into practice. This is more than simply adopting a resolution. Elected members and officers will need to work together to embed good management practice that is appropriate to the size and character of the authority and its highway network. The implementation process will include:
- identifying desired good practice: in general this will be the practices recommended by the codes, but there is room for local variation where appropriate;
 - determining current practice: authorities should review current management practices to determine where they are at present. In many cases, the suggested practices of earlier editions of the codes will already be in place;
 - performing a gap analysis: this will include an assessment of the costs and resources required to close the gap and the resources/training needed to sustain the desired position once it is in place;
 - developing an implementation plan based on the gap analysis: this will include the activities, timeframe and resources required to achieve it;

- delivering the implementation plan: where there is a wide gap between best practice and the authority's current practice, this might be implemented as a formal project;
- monitoring and benchmarking of highways maintenance effectiveness: the effectiveness of the authority's practices should be periodically reviewed.

4.4 The development of the HAMP is currently being considered for inclusion in the Neighbourhood Services Scrutiny Forum's progress for 2006/7.

5. PROGRESS TO DATE

5.1 Hartlepool is currently working in partnership with its neighbouring Unitary Authorities in the Tees Valley to ensure a consistent approach to the principles of asset management. In this respect, a consultant has been jointly appointed to provide workshops that will facilitate the production of the HAMP, which will be completed and ready for implementation by April 2007.

5.2 The scope of the project includes:

- establishing a robust inventory of the asset (noting any gaps in knowledge/information) with an action plan to develop and maintain the inventory;
- develop a system for the collection and updating of asset information;
- establish the condition of the asset (including closing any gaps in knowledge);
- establish a valuation of the asset (methodology and actual value);
- establish the desired state of the asset, including asset optimisation;
- establish the gap between the existing and desired state of the asset, together with the cost of closing the gap and priorities for improvement;
- develop an implementation plan to bridge the gap, with timescale, costs and responsibilities;
- develop information and performance management systems to support the Transport Asset Management Plan;
- determine whether or not there should be a single database/system for asset management/inventory.

5.3 It is proposed that the Highway Asset Management Plan will initially cover the following priority assets maintained by the Councils:

- Carriageways
- Footways
- Street Lighting, including signing and bollards
- Bridges and Structures
- Cycleways
- Bus Shelters & Bus Stops
- Verges
- Pedestrian Guardrails
- Traffic Data

- Traffic Signals
- Real Time Passenger Information (RTPI)
- Road Markings, Lines and Studs
- Highway drainage systems
- Any other assets

5.4 It is intended that the assets will be valued on a replacement cost basis. The use of replacement cost has several advantages:

- provides a current cost value;
- the costs of maintaining the asset can be compared with the cost of replacement in real terms;
- can be easily updated;
- calculations over whole asset life provide meaningful results.

6. FUTURE DEVELOPMENT

6.1 The initial focus of the Highway Asset Management Plan has concentrated on highways because it has been based on the framework published by the County Surveyors Society, which includes highway only. It is intended that the plan will evolve to encompass wider transportation issues, possibly with the aid of further guidance from government and examples of best practice elsewhere in the country.

7. FINANCIAL IMPLICATIONS

7.1 At this early stage in the process it is difficult to identify what the financial implications of Highway Asset Management will be. However the asset valuation process will identify gaps in current funding levels that will need to be addressed. Further reports will be submitted to future Cabinet meetings on progress.

8. HIGHWAY MAINTENANCE SHORT TERM STRATEGY

8.1 The HAMP also requires authorities to establish effective arrangements for dealing with more immediate issues, such as repairing potentially dangerous defects and this is being addressed in a separate report to Cabinet.

9. MANAGING THE COUNCIL'S ASSETS

9.1 The Council has developed a Capital Strategy and Asset Management Plan to manage the Council's asset base. The HAMP will provide a contributory link.

10. RECOMMENDATION

- 10.1 That the Cabinet notes the contents of the report and agrees to the UK Roads Liaison Group's three codes of practice being adopted as the basis for the development of Hartlepool Borough Councils Highway Asset Management Plan.

CABINET REPORT

19th June 2006



Report of: Head of Procurement and Property Services and
Chief Financial Officer

Subject: HIGHWAY MAINTENANCE STRATEGY

SUMMARY

1. PURPOSE OF REPORT

To identify highway maintenance requirements and to consider additional funding for a short term strategy for highway maintenance works

2. SUMMARY OF CONTENTS

To inform members of a deterioration in the condition of highways arising from the recent severe winter and to outline proposals for addressing these issues.

3. RELEVANCE TO CABINET

This is an Executive decision

4. TYPE OF DECISION

Key Decision Test (i) and (ii) applies

5. DECISION MAKING ROUTE

Cabinet then Council

6. DECISION(S) REQUIRED

It is recommended that Cabinet:

(i) seeks Council's approval to use £135,000 of the LPSA capital reward grant for an emergency surface dressing programme and to add this scheme to the 2006/7 capital programme.

(ii) Notes that further reports will be submitted on the development of a HAMP and the resulting financial implications.

Report of: Head of Procurement and Property Services and
Chief Financial Officer

Subject: HIGHWAY MAINTENANCE STRATEGY

1. PURPOSE OF REPORT

- 1.1 To identify highway maintenance requirements and to consider additional funding for a short term strategy for highway maintenance work

2. BACKGROUND

- 2.1 Recent Government guidance directs that all authorities should produce a Highway Asset Management Plan (HAMP), which will set out what they want to achieve with their highway network, clearly quantifying the value of the asset, identifying investment needs and priorities, based on whole life cost, and establishing co-ordinated programmes of work. Authorities also need to establish effective arrangements for dealing with more immediate issues, such as repairing potentially dangerous defects.
- 2.2 The Council is considering holistic highway management issues by the production of a Highway Asset Management Plan (HAMP). This will be completed in March 2007 and a significant part of it will inform the long term highway maintenance strategy.
- 2.3 The production of the Council's Highway Asset Management Plan is the subject of a separate report to Cabinet and this report concentrates on the short term requirements for highways maintenance and the budget shortfalls.
- 2.4 In the short to medium term a strategy needs to be in place to identify requirements for works and funding to inform the 2007/08 budget process and this will be developed in the next two months together with a calculation of the current overall maintenance backlog.
- 2.5 However we are faced with an urgent short-term problem that has not been allowed for in the 2006/07 budget and which needs addressing at the earliest opportunity.
- 2.6 The unusually long winter period this year, (road temperatures fell to freezing on 64 occasions as opposed to 53 in 04/05, 50 in 03/04) has seen, road conditions deteriorate more rapidly than would normally be expected, particularly on minor roads, resulting in numerous potholes in carriageways throughout the town. These specific problems have of course been

exacerbated by an infrastructure that has already been weakened by long term underfunding of maintenance.

- 2.7 The dangerous potholes will be repaired, on a temporary basis, through reactive maintenance budgets, but longer term actions will be required to prevent them returning.
- 2.8 An estimate of the backlog of highway maintenance repairs was carried out approximately three years ago and, at that time, was found to be in the region of £25m. Although a more recent calculation has not been undertaken it is anticipated, given the level of investment over this period, that the backlog will not have reduced significantly.
- 2.9 There are several types of treatment available for rectification of this type of defect each of which has a different cost implication and which will last for varying periods of time.
- 2.10 An option appraisal needs to be prepared for the short-term works to ensure they give best value for the future maintenance of the highway network.

3. POTENTIAL OPTIONS TO ADDRESS MAINTENANCE REQUIREMENTS

3.1 Patching

This involves cutting out an area around a pothole, cleaning out any loose material, applying a bitumen emulsion, filling the whole area with bituminous material and rolling. This type of repair is classified as temporary, having a relatively short life-span. (1-2 years)

3.2 Surface Dressing

Surface dressing is a process that can be carried out after a road has been patched.

Bitumen, usually in the form of an emulsion, is sprayed onto the road surface at an appropriate rate from the rear of a large tanker containing the bitumen emulsion. Chippings of an appropriate size are immediately applied to the bitumen. The bitumen part of the surface dressing as well as securing the chippings to the existing surface will seal the old road surface, thus preventing the ingress of water. Water if allowed to enter the road fabric, will cause severe damage to the strength/load carrying ability of the road and cause early road failure. The chippings will restore texture to road surfaces that have become smooth with traffic wear. Surface dressing will not add any strength to the road pavement, but it does keep an already strong road in a strong condition for longer by sealing water out.

This type of repair can be classified as medium term, giving an extended life-span to a carriageway of approximately five years.

3.3 Resurfacing

Resurfacing works involve the removal of the entire wearing course of a carriageway and its replacement with a new bituminous running surface. This type of treatment adds structural strength if it is done before the carriageway deteriorates too far. It can add an additional life span to a road of over twenty years.

4. OPTION APPRAISAL

- 4.1 The cost of each of the above treatments varies significantly. The indicative costs of each are: -

Patching	£50.00/m ²
Surface Dressing	£3.03/m ²
Resurfacing	£6.36/m ² (plus £54.38/tonne regulating material)

- 4.2 Resurfacing is the most expensive option but provides better long term value for money, as a surface dressed road could require re-treating four times in the same period that a completely resurfaced road would last.
- 4.3 However, much less area of carriageway can be resurfaced as can be surface dressed for the same money.
- 4.4 The Highway Asset Management Plan (HAMP), which is currently being developed, will provide a means by which priorities can be established for future years using whole life costing, but in the short term a strategy needs to be established to address the current situation and inform the 2007/8 budget process. (The HAMP is due to be completed by March 2007)
- 4.5 There are currently two sources of highway maintenance funding:
- 4.5.1 Capital funding through the Local Transport Plan (LTP) for structural maintenance for 2006/07 is £880k.
- 4.5.2 The revenue budget for scheduled maintenance for 2006/07 is approximately £690k.
- 4.6 A programme of works for this year was approved by Councillor Payne the previous Culture, Housing and Transportation Portfolio Holder at the meeting held in May 2006 fully committing the above budgets. However, since those works were identified, some of the roads that were established as being suitable for surface dressing treatment have deteriorated beyond the ability to undertake this process and are now only suitable for resurfacing.
- 4.7 In the light of the infrastructure deterioration actions to address the urgent short term needs were requested by Councillor Payne subsequent to his Portfolio meeting in May 2006 and an option appraisal based on a priority list of required highway maintenance was undertaken. The priority list, based on condition surveys inspection reports and local priorities is attached as Appendix 1.

- 4.8 The priority list in Appendix 1 identifies essential maintenance works to the value of approximately £786k and this includes a combination of £135,000 for surface dressing, £405,000 for resurfacing and £246,000 for footpath works. This represents a small proportion of the overall backlog of around £25 million.
- 4.9 Surface dressing works, due to their nature, must be undertaken during the summer months. In order to be able to confirm works with the Council's contractors confirmation of any additional works must be made as soon as possible. Additional works to the value of £135k have been identified (including preparation works in the form of patching) which can be added to this years programme.
- 4.10 The timing of patching, resurfacing and footpath works is more flexible and the balance of the identified funding requirement could be utilised before year end to make inroads into the maintenance backlog.
- 4.11 There is a critical need to target the future revenue and capital investment via the HAMP and we need to quickly stabilise highway conditions in the short / medium term. The strategy suggested in Section 4 needs to be supplemented by a sound medium term strategy over the next 2 years as short term actions such as patching have only 1-2 years of useful life. This strategy would cover further prioritised essential works beyond those identified in Appendix 1. It is estimated that an investment of £1.5million based on prioritised backlog maintenance would begin to address the deterioration and provide a sound basis for our long term strategy.
- 4.12 This medium term strategy could be funded subject to an ongoing corporate £150k per annum investment via prudential borrowing. This needs to be considered as a budget pressure by Cabinet in developing its budget strategy for 2007/8 and beyond.

5. FINANCIAL IMPLICATIONS

- 5.1 An immediate investment of £135k would enable the procurement of surface dressing works to repair approximately 37,000m² of carriageway this summer, (including 585m² of patching). It is suggested that these works be funded from the capital element of the Local Public Service Agreement (LPSA) reward grant. These monies have not previously been committed as this funding could not be guaranteed until the end of the LPSA and the Council's performance against the agreed LPSA performance targets had been assessed. This assessment has now been complete and the Government have agreed the level of reward grant. The capital element is £703,000, which will be paid in two instalments. The first instalment was received late in March 2006 and the second instalment will be received before 31st March 2007. Cabinet will need to consider proposals for using the remaining LPSA capital reward grant as part of the development of the 2007/08 budget

proposals, which will include the development of an outturn strategy for 2006/07.

- 5.2 Out of the remaining £651k of essential works a further investment this year of £250k is required to address the most urgent needs as follows:
- £100k to supplement the patching programme, to address the most dangerous potholes identified during routine inspections.
 - £100k for the resurfacing programme.
 - £50k for the footpath repair programme.
- 5.3 It is suggested Cabinet defers consideration of the above requirements until the first quarters 2006/07 budget monitoring report is submitted. This will enable Members to consider these issues in the context of the Council's overall financial position for 2006/07.
- 5.4 All schemes identified will be reported to the Culture, Leisure and Transportation Portfolio Holder for approval.
- 5.5 In the medium term (2007/08 and 2008/9) the prudential borrowing of £1.5m would enable significant inroads into the maintenance backlog to be made, which would reduce pressures identified in the HAMP for the long-term investment programme. Cabinet will need to consider this proposals as part of development of the 2007/08 budget and policy framework proposals.

6. RECOMMENDATIONS

- 6.1 It is recommended that Cabinet:
- (i) seeks Council's approval to use £135,000 of the LPSA capital reward grant for an emergency surface dressing programme and to add this scheme to the 2006/7 capital programme.
 - (ii) Notes that further reports will be submitted on the development of a HAMP and the resulting financial implications.

List of Additional Priority Highway Maintenance Schemes 2006/07

Location	From	To	Cost £
Surface Dressing Schemes			
Eldon Grove	Park Road	Elwick Road	9,500
Elwick Road	30mph Sign	Dunston Road	15,000
Dalton Village Road	A19	The Terrace	22,500
Valley Drive	Egerton Road	End of Road	14,000
Parklands	Valley drive	Coniscliffe	8,000
St Andrews Grove	Rafton Drive	End of Grove	3,000
Sandwich Grove	Rafton Drive	End of Grove	3,000
Crowlands Road	Spalding Road	Newark Road	12,000
Spalding Road	Crowlands Road	Thursby Grove	12,500
Torquay Road	Catcote Road	A689	9,000
Rossmere Way	Catcote Road	Ardrossan	19,000
Rossmere Way	Ardrossan Road	A689	7,500
			135,000

HARTLEPOOL BOROUGH COUNCIL
Highway Maintenance Programme
2006/2007

5.3

Location	From	To	Cost
Resurfacing Schemes			
Greenside, Greatham	Front Street	Woodbine Trce	14,000
Queensway, Greatham	The Drive	Full Length	8,000
The Grove, Greatham	The Drive	Full Length	12,000
Elwick Road	Eldon Grove	Catcote Road	33,000
North Close, Elwick	North Lane	Full Length	8,900
Worset/Naisberry X Roads	Junction of X Road		25,000
Greenock Road	Wynyard Road	Fordyce Road	12,500
Calder grove	Campbell Road	Full Length	2,500
Beauley Grove	Braemar Road	Full Length	
Brechin Grove	Braemar Road	Full Length	
Baniff Grove	Braemar Road	Full Length	
Buckie Grove	Braemar Road	Full Length	
Blairgowrie	Braemar Road	Full Length	17,000
Kintra Road	Owton Manor Lane	Kinbrace Road	
Kelvin Grove	Kintra Road	Full Length	
Kilsythe Grove	Kintra Road	Full Length	
Kelso grove	Kintra Road	Full Length	
Kinbrace Road	Kirriemuir Road	Kinbrace Road	
Kirriemuir Road	Owton Manor Lane	Kintra Road	
Kinross Grove	Kinbrace Road	No. 4 Kinross	40,000
Purves Place	Miers Avenue	Garside Drive	8,500
Upton Walk	Holland Road	Full Length	4,500
Burwell Walk	Holland Road	Full Length	4,500
Miers Avenue	Purves Place	Arkley Crescent	9,000
Queen Street, Seaton	Safron Walk	The Cliff	33,500
Westwood Way	Woodstock Way	Ashwood Close	12,000
Eldon Grove	Park Road	Elwick Road	17,500
Wynyard Road	Greenock Road	Farr Walk	19,000
Owton Manor Lane (1)	Lindsay Road	Layby	14,500
Owton Manor Lane (2)	Kilmarnoch Road	Holyrood Walk	30,000
Owton Manor Lane (3)	Holyrood Walk	Catcote Road	32,500
Owton Manor Lane (4)	Catcote Road	Balmoral Road	47,000
			405,400

HARTLEPOOL BOROUGH COUNCIL
 Highway Maintenance Programme
 2006/2007

Location	Cost £
Footpath Schemes	
Coniscliffe Road outside School	16,000
West View Road, Cemerery to John Howe Gardens	27,200
Clavering Road, Footpath From School to Shops	6,000
Whitby Street, Surtees St to Charles Street	7,000
West Park, West Side	25,000
Westbourne Road, North Side Footpath	40,000
Caithness Road, Torquay Avenue to No 18 Caithness	40,000
Verner Road, Hartville to Easington Road	41,000
College Close, Elwick	37,000
Rear of Southburn Terrace	7,000
	246,200

CABINET REPORT

19 June 2006



Report of: Assistant Chief Executive

Subject: ANNUAL REVIEW OF STRATEGIC RISK REGISTER AND RISK MANAGEMENT STRATEGY

SUMMARY

1. PURPOSE OF REPORT

This is a report of the annual review of the Risk Management Strategy and the Council's Strategic Risk Register. A copy of the proposed Strategic Risk Register and the review Risk Management Strategy is attached for Members consideration.

2. SUMMARY OF CONTENTS

Risk management is the process of assessing and managing risks which could prevent the Council from achieving its objectives.

Risk management is not a new concept to the Council. The Authority's culture incorporates a strong element of risk management in its day to day operation, reflecting the potentially high-risk environment of a small unitary authority under financial pressure.

In 2004 the Council commissioned an external partner - Gallagher Bassett International Limited (GBI) - to undertake a fundamental review of the Council's Risk Management arrangements. An updated Risk Management Strategy and Strategic Risk Register was subsequently approved by Cabinet. Within the Strategy it was agreed that it would be reviewed annually along an extensive review of the Strategic Risk Register. This report details the review of both the Strategy and the Register.

The Risk Management Strategy also allows for a regular review by officers, of the Strategic Risk Register on a quarterly basis with Members being made aware of those significant risks (red/red risks) which may threaten the Council's overall aims and objectives.

Departmental risk coordinators have also been requested to ensure that any planned control measures identified as part of the register are included within their relevant 2006/7 service plans. Departmental Risk Registers are also reviewed on a quarterly basis by departments and reported to the Corporate Risk Management Group.

3. RELEVANCE TO CABINET

The Strategic Risk Register and the Risk Strategy is a key policy document relating to the corporate governance of the Council. Executive members have a key role to play in the risk management process, and will be required to periodically review those risks identified within the Strategic Risk Register. Risk management is also an important element in the CPA 2006 assessment.

4. TYPE OF DECISION

Non-key

5. DECISION MAKING ROUTE

Cabinet on 19th June 2006.

6. DECISION(S) REQUIRED

Subject to any amendments they wish to propose, Cabinet is requested to approve the draft Strategic Risk Register and the Risk Strategy.

Report of: Assistant Chief Executive

Subject: ANNUAL REVIEW OF STRATEGIC RISK REGISTER AND RISK MANAGEMENT STRATEGY

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Members' approval of the Council's updated Strategic Risk Register and Risk Strategy after completion of the annual review. A copy of the proposed Strategic Risk Register and Risk Strategy are appended to the report.

2. CURRENT POSITION

- 2.1 The Council's current Risk Management Strategy was agreed by Cabinet late in 2004 setting out the arrangements for managing risk across the Authority. In line with the Strategy, at its meeting on 21 February 2005, Cabinet agreed the Authority's current Strategic Risk Register.
- 2.2 The Risk Management Strategy identifies specific accountabilities and responsibilities for the management of risk at Hartlepool Borough Council. With regards to members "CMT will also be responsible for ensuring that elected Members are made aware and advised of significant risks (red/red) which may threaten the Council's overall aims and objectives."
- 2.3 This report is designed to inform members of how the annual review of both the Risk Strategy and Strategic Risk Register was conducted and the outcome of this review.

3 REVIEW OF CHANGES TO THE RISK MANAGEMENT STRATEGY

- 3.1 There were a few minor changes to the strategy this year. For example changing CMG to CMT to reflect the new name of this group. There was only one major change to the strategy, it now says that risk within committee reports will not be a separate section but should be identified clearly within the main body of the report. A guidance note on 'Report writing for officers' is due soon and will be available to officer via the intranet. Risk will also be one of the topics listed on the Report Writing Checklist.
- 3.2 Other than these changes the Risk Management Strategy remains the same. The proposed Strategy is attached as Appendix 1

4. STRATEGIC RISK REGISTER REVIEW

- 4.1 Within the Risk Strategy it is stated that the Council will, annually, complete a full review of the Strategic Risk Register. It was decided that this review would be done in conjunction with Gallagher Bassett International, our insurance consultants. Each Director and Chief Officer from the Chief Executive's Management Team attended an interview with a GBI representative in order to review current risks on the Strategic Risk Register as well as probe for new and emerging risks. This has resulted in an updated register being produced. This is attached at Appendix 2
- 4.2 It will be noted that this register has increased in size since the last review as Risk Management has become more embedded in the way that the Council runs its services. Any new risks, once approved, will be entered into the Risk Management Database and be allocated a unique reference number. All risks will be monitored regularly throughout the year by the Corporate Risk Management Group and various reports will be presented to members.

5. STRATEGIC RISK REGISTER JUNE 2006

- 5.1 The updated Strategic Risk Register (Appendix 2) details some 36 strategic risks identified across the authority. The following table indicates the status of the risks based on zero controlled ratings and then the amended risks with control measures implemented:

Strategic Risk without control measure implementation / Amended Rating with control measures implemented	Number
Red / Red	6
Red / Amber	14
Amber / Amber	9
Red/Green	3
Amber/Green	4

- 5.2 The following 6 risks continue to be identified as category red after control measures have been put in place. These are known as red/red risks, and are of particular importance for the Council given that their impact/likelihood has not been sufficiently mitigated by the control measures in place to date:

<u>Risk Description</u>	<u>Responsible Officer</u>	<u>Risk Ref</u>
1. Increased demand for adult services	Director of Adult and Community Services	FIN5-1.2
2. Future Equal payclaims which could put an increased but unplanned financial burden on the Council	Chief Personnel Services Officer	FIN5-1.1
3. Failure to carry out testing and ongoing monitoring of Anhydrite Mine	Director of Neighbourhood Services	ENV5-1.3
4. Lack of projects for Building Consultancy Services	Director of Neighbourhood Services	FIN5-1.8
5. Insufficient resources to maintain critical services during a flu pandemic	Director of Neighbourhood Services	PER5-1.3
6. Current pay claims including settlement of or adverse findings in ET of existing equal pay claims	Chief Personnel Services Officer	New

- 5.3 Risks 1 and 2 are red/red risks from last years risk register although both have been amended within the register to reflect the changes over the last 12 months. Risks relating to the Building Consultancy Service, the Flu Pandemic and the Anhydrite Mine have all increased in risk and now stand as Red/Red risks. Finally one new risk was added to the register regarding current Equal Pay Claims and adverse findings in Employment Tribunals of existing Equal Pay Claims. This has been deemed a Red/Red risk and will be closely monitored both by CMT and members, along with all other red/red risks over the coming year.
- 5.4 Not all risks are negative and the Council's does consider positive risks and the opportunities that this brings. Within the Strategic Risk Register positive control measures are considered and implemented when dealing with risks e.g. Strategic Partnerships being investigated to help secure Building Consultancy Services within the Council. Another example of a positive risk includes the management of the Victoria Harbour Regeneration scheme to ensure that it is a success.

6. RECOMMENDATIONS

- 6.1 Cabinet is asked to approve the Strategic Risk Register and the Risk Management Strategy subject to any amendments they may wish to make.

HARTLEPOOL BOROUGH COUNCIL

RISK MANAGEMENT STRATEGY

The Council in conjunction with several Strategic Partners is responsible for the delivery of a wide range of services to the local community, all of which give rise to some level of risk. It is the policy of Hartlepool Council to take an active and pragmatic approach to the management of risk. This approach acknowledges that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'rewards' are maximised. The overall objectives of the risk management strategy are to:

Strategy Objectives:

- Ensure compliance with statutory obligations
- Protect and enhance service delivery
- Safeguard the Council's employees, service users and others to whom the Council owes a duty of care.
- Protect the property of the council including its buildings, and all other mobile and fixed assets.
- Maintain effective control of public funds
- Enhance and maintain the reputation of the Council
- Support the quality of the environment
- Integrate risk management within the culture of the Authority

Objectives will be achieved by:

Establishing clear roles, responsibilities and reporting lines for risk management.

Implementing and maintaining a robust framework for the systematic identification, analysis and control of significant risks arising out of the Council's activities (including development of strategic and service area risk registers).

Raising the awareness of the need for risk management amongst Council employees, responsible for delivery of service and also elected Members. This will be achieved through the provision of training designed to explain the drivers and benefits of good risk management, exploring the various 'risk triggers' to be used in the identification of risk and also developing skills in risk assessment, risk control and in the risk management process.

Ensuring that a risk assessment is applied to all key decisions of the Council and that risk management implications are clearly identified within committee reports on key decisions. A guidance note on report writing for Officers is being produced to ensure that this occurs. (due on intranet in Feb 06).

Embedding risk management within the performance management and service planning processes of the Council, thus ensuring that risk control measures are mapped to budgets and resource allocations, were applicable.

Developing arrangements to assess the performance and delivery of risk management and specifically monitoring risk management arrangements on an ongoing basis through the Corporate Risk Management Group and Internal Audit.

ACCOUNTABILITY AND RESPONSIBILITIES FOR RISK MANAGEMENT

The Chief Financial Officer, in consultation with the **Assistant Chief Executive**, is responsible for advising the Council on risk management and will make the necessary arrangements to facilitate, implement, monitor and audit the Council's risk management strategy.

The **Chief Executive** has overall responsibility for ensuring that the Council manages risks effectively and together with **the Mayor** will be required to sign the Statement on Internal Control, published with the financial statements. (Ref, Account & Audit Regulations 2003).

Elected Members should hold the Chief Executive and CMG accountable for the effective management of risks. At the present time the overall responsibility for the Risk Management Strategy framework is designated to the Finance and Performance Management Portfolio Holder. To assist with this, when preparing all reports, Officers should evaluate risks and assess the implications as part of the considerations within the report.

The **Corporate Management Team (CMT)** is responsible for the identification, assessment and control of strategic risks. The CMT on an annual basis will review the risks identified and included within the strategic risk register and will consider the adequacy of control measures and responses in place (updating the register as necessary). The CMT will receive regular reports from the Corporate Risk Management Group (CRMG) on significant risks (Red/Red) identified within the service area risk registers, emerging risks and trends, and progress in implementation of the risk management strategy. The CMT will also be responsible for ensuring that elected Members are made aware and advised of significant risks (Red/Red) which may threaten the Council's overall aims and objectives.

The **Corporate Risk Management Group (CRMG)** is chaired by the **Asst. Chief Executive** and attended by **Risk Co-ordinators** appointed from each Department. The CRMG will support the development and implementation of corporate risk management within the Council. In particular the CRMG is responsible for:

- Driving the implementation of the risk management strategy within the Council.

- Reviewing the strategic and departmental risk registers with a view to the identification of emerging issues and trends. Also reviewing cross-service issues and risks that need to be reported to CMT / elected Members.
- Provide regular reports to CMT on the implementation of the strategy and emerging trends / risk issues / adequacy of control measures.
- Promote a risk management culture and implementation of best practice throughout the authority.
- Approve and monitoring funding from the Risk Management Fund.

The Chief Executive and Directors are responsible for supporting and ensuring the continued implementation of the risk management strategy within their services. This includes the identification and assessment of risks to their service plans and the development and maintenance of a departmental risk register in line with corporate policy. To assist, each Department will be required to nominate a Risk Co-ordinator to act as the focal point for communication and to be responsible for driving the risk management strategy within the Department. The Risk Co-ordinator will represent the Department on the CRMG.

Management Teams within each Department will, on a quarterly basis, review the risks identified and included within the departmental risk register and will consider the adequacy of control measures and responses in place (updating the register as necessary). The Management Team will produce a brief report to be presented to CRMG via the Risk Co-ordinator on any significant risks that may impact on the Council's overall objectives or that may impact across other Departments.

Service Managers will manage risk within their own service area and report to their Management Team on how risks have been managed and whether any emerging or significant risks that needs to be considered.

All employees will be responsible for considering risk within their jobs and identifying new or poorly managed risks to their service managers.

THE RISK MANAGEMENT PROCESS

Hartlepool has adopted the following process to ensure the systematic identification, analysis and control of significant risks arising out of Council activities. The main output of this process is the development of both a Corporate Strategic Risk Register and Departmental Risk Registers, facilitating the implementation of control measures across the Council.

Corporate / Strategic Risk Register

The strategic risks to the Council have been identified, initially, through a process of structured interviews with members of the CMG.

Risks are assessed using the matrix and value guides attached as **Appendix A**. Significant risks are entered into a strategic risk register and the contents of the register will be presented and discussed at Cabinet.

The CMT and elected Members will review the Strategic Risk Register on an Annual basis and are responsible for reviewing the adequacy of control measures, updating the register and keeping elected Members informed on key strategic risks (Red/Red).

The CRMG will be responsible for reviewing the strategic and departmental risk registers with a view to the identification of emerging issues and trends. Also, considering cross-service issues and risks that need to be reported to CMT/ elected Members

Departmental Risk Registers

Directors are responsible for ensuring that significant risks to their service and their service plans are identified and assessed using the process set out on the following page ('Step-by-Step' Risk Assessment Process).

Risks identified are assessed using the matrix and value guides set out in Appendix A. A record of the risk assessment is made using the form attached as Appendix C. Training will be provided to each service area to assist in this task.

Directors together with Service Management Teams are responsible for regularly reviewing and updating their risk registers. Also for reporting to CRMG significant risks that may impact on the Council's overall objectives or other service areas.

Risk Management Database

All risks from both the Strategic Risk Register and the Departmental Risk Registers are entered on the Risk Management Database. This enables each risk to be systematically reviewed throughout the year and produce reports for CMT and elected Members.

**STEP-BY-STEP RISK ASSESSMENT PROCESS
USE FORM ATTACHED AT APPENDIX C TO RECORD THE ASSESSMENT**

Step 1 – IDENTIFY SUBJECT OF THE ASSESSMENT

- Can be a service area, function, project or initiative
- Identify Principle service objectives.

Step 2 – IDENTIFY THE RISKS

- Risks that threaten the ability to achieve objectives
- Use risk categories listed in **APPENDIX B**

Step 3 – ASSESS RISKS – NO CONTROLS IN PLACE

- Assess the risk based on Impact and Likelihood assuming no control measures are in place.
- Use risk matrix and value guides attached as **APPENDIX A**

Step 4 – IDENTIFY RISK CONTROLS & RESPON. OFFICERS

- Identify control measures that are in place - designed to reduce the likelihood and impact of the risk.
- Identify officer responsible for monitoring and implementing control measures.
- Identify separately additional or improved risk control measures to be implemented in the future. Identify officer responsible for tracking implementation.

Step 5 – RE ASSESS RISKS – WITH CONTROLS IN PLACE

- Repeat Step 3 BUT with control measures in place.
- Use risk matrix and value guides attached as **APPENDIX A**

Step 6 and Step 7 – ONGOING

- Review risk register at Management Team meetings updating as required.
- Monitor implementation of new / improved controls
- Report to CRMG significant risks that may impact on the Council's overall objectives or other service areas.

APPENDIX A

**HARTLEPOOL BC
RISK ASSESSMENT MATRIX AND VALUE GUIDES**

LIKELIHOOD		IMPACT			
		4 Extreme	3 High	2 Medium	1 Low
Almost certain	4	RED 16	RED 12	RED 8	AMBER 4
Likely	3	RED 12	RED 9	AMBER 6	GREEN 3
Possible	2	RED 8	AMBER 6	AMBER 4	GREEN 2
Unlikely	1	AMBER 4	GREEN 3	GREEN 2	GREEN 1

Use the following suggested value guides to help rate the level of the **controlled risk**.

IMPACT**Extreme**

Total service disruption / very significant financial impact / Government intervention / sustained adverse national media coverage / multiple fatalities.

High

Significant service disruption/ significant financial impact / significant adverse Government, Audit Commission etc report/ adverse national media coverage / fatalities or serious disabling injuries.

Medium

Service disruption / noticeable financial impact / service user complaints or adverse local media coverage / major injuries

Low

Minor service disruption / low level financial loss / isolated complaints / minor injuries

LIKELIHOOD

Expectation of occurrence ***within the next 12 months*** -

- **Almost certain**
- **Likely**
- **Possible**
- **Unlikely**

APPENDIX B

RISK CATEGORIES

Identification of risks can be assisted by the use of various headings or risk categories to help to stimulate ideas and ensure a systematic and comprehensive approach.

The following risk categories should be used to identify risks affecting Hartlepool Council. [Some risks can be described under several of the category headings. Where this is the case, a judgement should be made by the assessor of the most applicable heading and the risk placed in this category].

Political / Legislative (PL)

E.g. risks associated with - the policies and plans of either central or local government; the local political environment; current or proposed changes in legislation; potential breaches of statutory requirements.

Financial (F)

E.g. Threats to sources of funding or revenue streams; risk of fraud; fines and compensation payments.

Social (S)

E.g. risks associated with socio-economic changes such as changes in demographics, ethnic mix, social attitudes and expectations.

Environmental (E)

E.g. risks associated with environmental changes such as rising sea water and extremes of weather. Also those associated with environmental issues such as waste, energy, recycling and contamination.

Personnel (P)

E.g. risks associated with the availability, and skills of personnel.

Physical Assets (PA)

E.g. risks to the physical assets of the Council including premises, plant and equipment.

Information & Technology (IT)

E.g. threats to data and information such as computer failure, corruption of data. Also, quality of information and risk of data leakage (breach of confidentiality).

Contractors, Partners, Suppliers (CPS)

E.g. risks associated with key contractual arrangements, stability and performance of partnerships agreements. Level of dependency on partners and key suppliers.

Reputation (R)

E.g. risks to customer support and confidence in the service or personnel of the Council. Threats to the Council's reputation with external bodies and agencies.

APPENDIX C

HARTLEPOOL BOROUGH COUNCIL - RISK ASSESSMENT FORM											
Department / Service/ Function: 1						Ref:					
Name:						Date:					
Objective:											
Description of Risk: 2											
Category : [PL] [F] [S] [E] [P] [PA] [IT] [CPS] [R] (Circle most applicable)											
Assessment of Risk (No Controls in place) 3			Impact				Likelihood				Risk Rating
			E	H	M	L	AC	L	P	UL	R A G
Existing Controls Implemented: 4											
Assessment of Risk (Control measures in place) 5			Impact				Likelihood				Risk Rating
			E	H	M	L	AC	L	P	UL	R A G
Additional/Planned Controls: 6										Target Date	
Review Frequency:7			Date of Next Review:				Owner / Rasp. Officer				

Appendix 2

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.2
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Increased demand for adult services**

Responsible Officer **NICOLA BAILEY, Director of Adult and Community Services**

Rating Without Control Measure Implementation (Impact High; L'hood Almost Certain)	RED
Amended Rating with Control Measures Implemented (Impact High; L'hood Likely)	RED

Existing Risk Control

- Inclusion of providers in planning process to ensure knowledge of prospective market demands
- Negotiating a cost formula for residential and nursing provision
- Estimate cost impact and agree transition arrangements to "fair cost" price
- Review of provider contract arrangements
- Use intensive home care and intermediate care to prevent avoidable admissions

Planned Risk Control Measures

- Provision in medium term financial plans
- Develop Extra Care Housing etc as an alternative to residential care
- Develop Community Support alternatives e.g. Direct Payments, individual budgets, support care for young adult's independent living fund.
- Development of In-house Residential Intermediate Care
- Review Eligibility Thresholds under fair access to care guidance

Comments

There are increasing numbers of elderly people and an increasing number of younger disabled people with complex needs who are living longer which means that the financial cost of supporting them is increasing. There is a lack of in-house intermediate care provision. Government funding and financial support is based on the numbers of people and does not take into account their needs.

The "Wanless" report reviews social care funding/demand showing the number of older people increasing and those resources should be used to provide a preventative rather than crisis response service in the future.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.7
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Impact of contradictory stance between NHS and HBC responsibilities**

Responsible Officer **NICOLA BAILEY, Director of Adult and Community Services**

Rating Without Control Measure Implementation (Impact High; Likelihood Likely) **RED**

Amended Rating with Control Measures Implemented (Impact High; Likely Possible)

AMBER

Existing Risk Control

- Vigorous representation within steering group led by Strategic Health Authority
- Requests for clarity and national protocol from the department of Health (CSSI)
- Contingency level of budget impact identified
- Local discussion and negotiation in Panels, with appeals mechanism
- Local Authorities and Health Care providers to review certain cases that have been refused NHS Continuing Care in line with recent NHS Ombudsman judgement

Planned Risk Control Measures

- Apply national continuing health care criteria when DH publish them

Comments

Primary responsibility for clients with social care needs rest with the Council, and for medical/health care needs with the NHS. However clients often have complex problems and it is sometimes difficult to distinguish whether the predominating need is for health or social care which ever is dominant pays. Increased demand for social care funding as a result of changing and implementation of NHS Continuing Care Guidance.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	CONTRACTORS/PARTNERS/SUPPLIERS	

Risk **Failure to work in partnership with Health Services**

Responsible Officer **NICOLA BAILEY, Director of Adult and Community Services**

Rating without Control Measure Implementation (Impact High x L'hood Almost Certain) **RED**
 Amended Rating with Control Measures Implemented (Impact High x L'hood Possible) **AMBER**

Existing Risk Control

- Individual Partnership Agreements covering responsibilities, accountabilities and liabilities.
- Local Strategic Partnership each Partnership has a method to manage the partnership e.g. Board responsible for monitoring performance of the partnership.

Planned Risk Control Measures

Comments

White paper has set timescales for the Council and Health Services to work in an organisational partnership. Not meeting the timescales could result in a poor CPA rating and Social Care Performance rating. Lack of governance and agreements with partners could result in liabilities and loss of control.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	POL5-1.1
Section	STRATEGIC	Review	
Category	POLITICAL/LEGISLATIVE		

Risk **Failure to appropriately safeguard children**

Responsible Officer ADRIENNE SIMCOCK, Director of Children Services

Rating Without Control Measure Implementation (Impact High; Likelihood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible)

AMBER

Existing Risk Control

- Some Data Protection procedures and protocols are in place
- Information sharing protocols in place
- Trailblazers tasked with developing a system and process that will comply with DPA and meet ISA requirement
- Appointed Caldicott Guardian
- Information Governance Audit underway
- Local Children Safeguard Board, procedures, processes and guidance

Planned Risk Control Measures

- Information protocols need to be fully implemented into operations
- Mapping of information flows
- CAF to be implemented
- Professionals to be identified and establish integrated children's system

Comments

Many Council departments, including Children Services store and handle sensitive and private information, much of this used in multi agency settings and on electronic media. Data protection procedures are in place. A number of partners have a duty to collaborate to ensure the welfare of children e.g. health, police. If information is not shared (i.e. the failure to implement the Information Sharing Agenda) correctly could result in the death of a child.

Hartlepool Borough Council

Detailed Risk Report

Department STRATEGIC
Section STRATEGIC
Category PHYSICAL ASSETS

Risk **NEW**
Review

Risk

Responsible Officer ADRIENNE SIMCOCK, Director of Children Services

Rating Without Control Measure Implementation (Impact High; L'hood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)

AMBER

Existing Risk Control

- Monitor population trends
- Manage School Autonomy Agenda
- Three year planning process
- School Organisation plan in place
- Develop strategy for B.S.F.
- Audit surplus places.

Planned Risk Control Measures

Comments

Failure to plan school provision appropriately with declining school numbers could result in being unable to replace and refurbish school buildings. Unable to access programme for funding to maintain inefficient and costly premises. School premises do not meet new curriculum i.e. not fit for purpose.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	ASS5-1.1
Section	STRATEGIC	Review	
Category	PHYSICAL ASSETS		

Risk **Lack of resources to maintain building stock**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact High; Likelihood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible)

AMBER

Existing Risk Control

- Prudential borrowing arrangements to provide £3M towards replacing the Mill House
- Prudential borrowing arrangements to provide £3M towards the Civic Centre
- Refurbishment/Repairs funded by external partners (e.g. Borough hall) or within confines of small maintenance budget
- Strategic Asset Management group established

Planned Risk Control Measures

-

Comments

Much of the Council's building stock is in poor condition. This includes the Civic Centre, Mill House and a number of Community service building e.g. Libraries. Not all buildings meet the requirements of the Disabilities and Discrimination Act which could lead to prosecution and impact on the reputation of the Council. The needs of the building stock has changed and therefore they are not necessarily fit for purpose or located in the correct area which could also impact on the reputation of the Council. The Civic Centre is full to capacity (to the extent that it has proven difficult to recruit new posts).

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	ENV5-1.3
Section	STRATEGIC	Review	
Category	ENVIRONMENTAL		

Risk Failure to carry out testing and ongoing monitoring of the Anhydrite Mine.

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact Extreme; Lhood Possible) **RED**
 Amended Rating with Control Measures Implemented (Impact Extreme; Lhood Possible) **RED**

Existing Risk Control

- Study carried out in 2001 which identified the need for further monitoring
- Cabinet agreed first stage of investigation

Planned Risk Control Measures

- Seeking funding from Council to monitor the condition
-
-

Comments

The Council purchased land above an Anhydrite Mine in 1980. Planning permission has been granted to build on the zone of influence. There is a land stabilisation programme which was originally grant funded by the Environment Protection Agency that recommends testing and ongoing monitoring to identify the speed of erosion. If a large planning application was received by the council which overlapped the anhydrite mine the council would not be able to determine the planning applications if the land stabilisation programme is not continued by the Council this could result in legal costs and negative publicity. However from the data and information the Council currently has there is no short term risk of collapse...

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.8
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Lack of projects for Building Consultancy services**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation	(Impact High; L'hood Almost Certain)	RED
Amended Rating with Control Measures Implemented	(Impact High; L'hood Likely)	RED

Existing Risk Control

- Reduction on staffing levels to match work programme

- Increase in TOS budget support

Planned Risk Control Measures

- Strategic partnership options being investigated to address situation long term Joint Venture Company

Comments

Risk to the financial viability of building consultancy. Initial risk measures inadequate to solve long term problem. Political uncertainty about how to progress. Building Consultancy Service work/projects are reducing (The Govt approach to schools exacerbates the issue) which could result in the loss of architects and other skills the services still maintains central overhead costs which may not be met by income generation and the service may be unable to deliver the current level of services.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.9
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk Failure to identify a polluter of Contaminated Land where remedial work is required.

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact Extreme; L'hood Possible)

RED

Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)

AMBER

Existing Risk Control

- An approved inspection strategy monitored by cabinet
- Framework Consultant Technical Assessments to transfer risks to external companies

Planned Risk Control Measures

- |
-
-

Comments

The contaminated land process is resource intensive and very sensitive in the community. Pressure to take action on other potential sites could affect the Council's finances, staff and reputation. The Council has a responsibility to identify and ensure remediation of contaminated land. (Sites based on a desk study). It is a long and difficult process. Legally the polluter should pay for any remedial work. However it can be difficult to identify the polluter or they may no longer exist. If the polluter can not be found then the person who inherited the land should pay i.e. residents. There is currently one housing estate (100 houses) on contaminated land where remedial work is required £3-£4m. The desk study may identify further sites throughout the town. If further sites are found and the polluter can not be found or they are technical problems on deciding who the polluter is the legal costs could fall to the Council. If a decision is taken that residents should not pay the Council could face high financial costs and negative publicity through the process.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	PER5-1.2
Section	STRATEGIC	Review	
Category	PERSONNEL		

Risk **Failure to provide council services during emergency conditions**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact Extreme; Lhood Possible)	RED
Amended Rating with Control Measures Implemented (Impact Extreme; Lhood Unlikely)	AMBER

Existing Risk Control

- Some ad hoc continuity plans in some services

- High level of planning for an emergency affeding the local community or environment

- Main business continuity plans will be in place by end December 2005

- Address requirements of Civil Contingencies Bill

-

-

Planned Risk Control Measures

- Coordinated, corporate and service area continuity plans

- Document Management development

Comments

Further consideration should be paid to planning to continue the council's own services should it be affected by any event which denies access or availability of key resources. The Council is the lead authority in the Tees valley area for emergency planning and detailed emergency plans for a major disaster affecting the local population or environment, and ensuring that these are in place and have been tested.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	PER5-1.3
Section	STRATEGIC	Review	
Category	PERSONNEL		

Risk Insufficient resources to maintain critical services during a Flu pandemic

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact Extreme; L'hood Likely) **RED**
 Amended Rating with Control Measures Implemented (Impact High; L'hood Likely) **RED**

Existing Risk Control

- Main Flu pandemic contingency plan in draft and operable
- Business Continuity Plan with Departmental overarching framework
- Critical Services Identified at a strategic level
- Strategic Incident Response Team
- Disaster Plan with Northgate and remote access plan.

Planned Risk Control Measures

- Flu pandemic plan will be developed over next months
- Detailed Business Continuity Plans at Service Level.

Comments

It is estimated that 25% of the population could be affected at any point resulting in 40% of staff being absent from work both due to illness and carers responsibilities. This could result in the Council being unable to deliver their critical services and impact on the community.

Hartlepool Borough Council Detailed Risk Report

Department STRATEGIC

Risk **New Split from ENV5**

Section STRATEGIC
Category ENVIRONMENTAL

Review

Risk **Reduction of CO2 emissions / energy consumption and costs not being met**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact High; Likelihood possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible)

AMBER

Existing Risk Control

- Environmental partnership is established as a theme partnership in the LSP along with sub groups
- Neighbourhood Services are leading on environmental and energy saving agenda within the Council

Planned Risk Control Measures

- Continue to argue for the allocation of necessary resources

Comments

Not meeting energy consumption savings and reduction in CO2 emission targets could result in negative reporting from the Audit Commission and impact on the Council's reputation.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	FINANCIAL	

Risk **Failure to maintain trading activity.**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating without Control Measure Implementation (Impact High; L'hood Likely)

Amended Rating with Control Measures Implemented (Impact High; L'hood Unlikely)

RED
GREEN

Existing Risk Control

- Four weekly monitoring of trading position.
- Business/Service Plans including monitoring of performance of trading activities.

Planned Risk Control Measures

Comments

There is a potential over the next 2/3 years for a reduction in trading activity due to increased central overhead costs and charges to services remaining the same therefore operating at a loss. If the cost of cleaning and catering services are increased there is a possibility that department's e.g. Schools would stop using the service which would also result in reductions in the trading activity of the Council.

Hartlepool Borough Council Detailed Risk Report

Department STRATEGIC
Section STRATEGIC
Category POLITICAL/LEGISLATIVE

Risk **NEW**
Review

Risk **Failure to operate vehicles safely**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating without Control Measure Implementation (Impact High; L'hood Likely)

Amended Rating with Control Measures Implemented (Impact High; L'hood Unlikely)

RED
GREEN

Existing Risk Control

- Four weekly monitoring of trading position.
- Business/Service Plans.
- Vehicle overloading monitoring regime in place
- Onboard weighing systems fitted to refuse vehicles
- Selected driver training completed
- Driving Policy in draft
- Associated risk assessment in place

Planned Risk Control Measures

- Formulation and adoption of driving policy
- Establishment of driver training initiative
- Driving licence database upgrade
- Consideration to retro fit vehicle monitoring system

Comments

Hartlepool Borough Council

Detailed Risk Report

Department STRATEGIC
Section STRATEGIC
Category REPUTATION

Risk **NEW**
Review

Risk **Loss of O License.**

Responsible Officer DIRECTOR OF NEIGHBOURHOOD SERVICES

Rating Without Control Measure Implementation (Impact Extreme; Likelihood Possible)
 Amended Rating with Control Measures Implemented (Impact Extreme; Likelihood Unlikely)

RED
AMBER

Existing Risk Control

- Review as part of quarterly performance Management.
- Loading measurement equipment and monitoring process implemented
- Weight readings fed directly to operational manager via e-mail from incinerator.
- Awareness presentation given to Env. Div. by transport services.
- Trends notified to environment management if increase detected.
- 2 professional staff capable of holding 'O' licence.

Planned Risk Control Measures

- Report mechanism from operational manager to transport services to show action taken.
- Vehicle specification to complement strategy at time of order. Review arrangements for control of vehicles and drivers

Comments

If the Council fails to operate the vehicle fleet in line with the conditions of their operating licence the licence could be removed e.g. drivers hold the correct licences, vehicles are loaded correctly and meet safety standards. This would mean that the Council would be unable to run their vehicle fleet, services such as refuse those transporting vulnerable people would be unable to use their vehicles. This could result in government intervention, high financial cost and loss of reputation.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	ENV5-1.1
Section	STRATEGIC	Review	
Category	ENVIRONMENTAL		

Risk Controversy relating to contentious decisions affecting to the Environment

Responsible Officer PETER SCOTT, Director of Regeneration and Planning

Rating Without Control Measure Implementation (Impact High; Likelihood Possible) **AMBER**
 Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible) **AMBER**

Existing Risk Control

- Work closely with other agencies e.g. Environment Agency, HSE and GONE
- Professionally qualified staff and the obtaining of professional advice from external specialists
- Early alert to Executive Members and Public Relations office of potential media interest stories
- Ensure requests for specialist information from developers

Planned Risk Control Measures

- Members and officer training

Comments

In certain exceptional cases development proposals come forward with potentially wide ranging environmental implications and which are contentious and require a range of decisions from a number of agencies including the Council as Planning Authority. The Council may not be able to influence decisions which could have a negative impact on the Council's reputation and the image of the area which could in turn for example harm the local economy. Hartlepool has a number of environmentally important and sensitive sites close to major industrial sites and infrastructure.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	ENV5-1.2
Section	STRATEGIC	Review	
Category	ENVIRONMENTAL		

Risk **Lack of resources for sustainability development**

Responsible Officer PETER SCOTT, Director of Regeneration and Planning

Rating Without Control Measure Implementation (Impact High; Likelihood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible)

AMBER

Existing Risk Control

- Environmental partnership is established as a theme partnership in the LSP along with sub groups
- Lack of resources for sustainable development was raised in recent budget reviews and discussed within CMT
- Local Development Framework has sustainability has been agreed
- The Local Plan has recently been adopted

Planned Risk Control Measures

- Continue to argue for the allocation of necessary resources
- New national arrangements for sustainability to be incorporated into Community Strategy. HBC Community Strategy review is to be completed by March 2007.

Comments

The risk of sustainability not being strategically driven is that important targets may not be met and financial penalties and adverse inspection outcomes could be received by the authority. A sustainable Development Strategy was produced in 2001 but not progressed owing to lack of resources and the inability to recruit a suitable specialist. Action plans are therefore not developed.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.5
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk **Failure to realise plans for Victoria Harbour regeneration scheme**

Responsible Officer PETER SCOTT, Director of Regeneration and Planning

Rating Without Control Measure Implementation (Impact High; L'hood Possible) **AMBER**

Amended Rating with Control Measures Implemented (Impact High; L'hood Possible) **AMBER**

Existing Risk Control

- Partnership Boards at Tees Valley Regeneration (TVR) for Victoria Harbour Project and Project Teams have Hartlepool Council senior representation.
- Close partnership working with site owners and TVR to produce master plan and other documents such as section 106 agreement.
- Close liaison with regional and sub-regional bodies.
- Extensive studies undertaken by TVR and site owners
- Representation made on key strategic planning documents to identify Hartlepool Quays (including Victoria Harbour) as a regeneration priority.
- Victoria Harbour is reflected in adopted local plan and is included in the Corporate Plan

Planned Risk Control Measures

Comments

The Victoria Harbour scheme is the major regeneration project for the Council. Undue delays or reduced quality of the scheme would impact on the ability of the Council to achieve a step change in the regeneration of the town. The Council needs to be able to influence the quality of the scheme provision for funding or secure contributions to contribute to the scheme, to realise the opportunities it presents e.g. site reservation for a new primary school and H2O centre and to secure funding for some highways infrastructure.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	POLITICAL/LEGISLATIVE	

Risk Effective delivery of housing market renewal affected by external decisions

Responsible Officer PETER SCOTT, Director of Regeneration and Planning

Rating Without Control Measure Implementation (Impact High; L'hood Likely)

Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)

RED
AMBER

Existing Risk Control

- Recognised experts appointed to co-ordinate all necessary process
- Working with Legal consultants to ensure all statutory requirements are met
- Hartlepool is a partner with the Tees Valley Living HMR initiative and has member representation on the board and senior officer representation on other related bodies. This organisation secures, allocates and approves funding for HMR activity.
- Effective Consultation with communities to secure support and manage expectations.
- Partnership with delivering bodies, Hartlepool Revival and Housing Hartlepool.
- HMR co-ordinator located within regeneration and forward planning team establishing good strategy and proposals
- Partner arrangements established with two experienced private sector partners.
- Regular review of financial profile and corporate management.

Planned Risk Control Measures

- Proportionate development of programme and phased implementation'.

Comments

Housing Market Renewal is long, complex and sensitive process which depends on securing funding from the Regional Housing Board and Central Government through Tees Valley Living. Funding and the outcome of legal processes are sometimes uncertain. This could affect community confidence and the ability to achieve the full benefit of the programme.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	ICT5-1.1
Section	STRATEGIC	Review	
Category	INFORMATION & TECHNOLOGY		

Risk **Experiencing failure or lack of access to Critical ICT systems**

Responsible Officer ANDREW ATKIN, Assistant Chief Executive

Rating Without Control Measure Implementation (Impact Extreme; L'hood Possible)
Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)

RED
AMBER

Existing Risk Control

- Data back up and recovery plans operated by Northgate
- Information security action plan is in place to address the requirements of the Audit Commission audit
- Independent Professional ICT advice now in place
- Core system service standards availability added into the SLA - new.
- SLA service. Standards revised upwards in terms of availability.
- Client Service Officer now in post to monitor Northgate quality/service standards

Planned Risk Control Measures

- Disaster recovery plans/priorities being established. CMT have recently reviewed Power Spike incident and alternative arrangements are being identified

Comments

The council operates a number of critical computer based systems. Major failure of the system or denial of access could cause serious disruption/total loss of service delivery. E.g. a Power Spike resulting in loss of ICT and back up systems.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.7
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk **Loss of Council reputation due to both internal and external factors**

Responsible Officer ANDREW ATKIN, Assistant Chief Executive

Rating Without Control Measure Implementation (Impact High; L'hood Possible)	RED
Amended Rating with Control Measures Implemented (Impact Medium; L'hood Possible)	AMBER

Existing Risk Control

- Strong relationships with all departments/councillors to plan how the Council deals with major/key issues
- Strong relationships with outside bodies to plan how the Council deals with major/key issues
- Emergency Plan in place to deal with major incidents
- Members development programme to ensure members are able to deal with situations that involve external agencies such as the media
- Officers development programme to ensure officers have the skills to deal with all situations professionally

Planned Risk Control Measures

- Development of Business Continuity Plans continue to take place

Further Comments

External factors include agencies such as the media, other local authorities and business. Internal factors include situations where incorrect/inaccurate information is released by officers or members

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.3
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk Failure to implement National Procurement Strategy leading to government intervention or reduced funding

Responsible Officer GRAHAM FRANKLAND, Head of Procurement and Property Services

Rating Without Control Measure Implementation (Impact High; L'hood Possible) **AMBER**
 Amended Rating with Control Measures Implemented (Impact Medium; L'hood Unlikely) **GREEN**

Existing Risk Control

- Corporate procurement group established to drive implementation of national and local strategy requirements
- Draft procurement strategy developed and baseline developed with progress and performance being monitored
- Collaborative link with NE Centre of Excellence and Tees Valley Authorities
- E procurement needs identified as part of IEG 4
- Five Year Procurement Plan in place with linked projects
- Contract Procedure Rules updated

Planned Risk Control Measures

- Agreement to draft procurement strategy and formal adoption of action plan to deliver this
- Enhancement of baseline data to measure progress and impact
- Develop capacity and skills in procurement across the Council
- Put in place a procurement solution

Comments

The Implementation of the National Procurement strategy is of increasing importance nationally given the requirements of the efficiency. A good deal of work is required for Hartlepool to be able to implement this strategy. Failure to implement National Procurement Strategy could result in government intervention /reduced funding.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.2
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk Reduction of CPA rating will lead to adverse publicity and damage to the Council's reputation

Responsible Officer PAUL WALKER, Chief Executive

Rating Without Control Measure Implementation (Impact High; Likelihood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact High; Likelihood Possible)

AMBER

Existing Risk Control

- Performance targets regularly reviewed by management teams/Cabinet
- Further improved performance management arrangements for 2006/07
- Implementation of organisational development priorities included in Corporate Plan 2006/07
- CPA project plan regularly discussed with CE and resources have been identified to support CPA process
- Lead Officers identified with regular monitoring and review by CMT to be developed

Planned Risk Control Measures

- Briefing programme for Elected Members, staff, Partners and other agencies Through out 2006

Comments

A reduction in the CPA rating could create an adverse effect on staff morale / recruitment and retention.

Creating the Tees Valley City Region with five authorities with excellence ratings would give more flexibility if ratings reduced then there would be imposed audit/inspections which the Council would have to comply with and this would have a negative impact on financial resources.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.3
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk Lack of people in Senior Posts could lead to a fall in Council performance
 Responsible Officer PAUL WALKER, Chief Executive

Rating Without Control Measure Implementation (Impact High; L'hood Likely) **RED**
 Amended Rating with Control Measures Implemented (Impact High; L'hood Possible) **AMBER**

Existing Risk Control

- Project management and risk assessment assigned to change programme teams
- Communication with staff e.g. briefings, newsletters, mgt team meeting, CMT monthly meeting, councillor briefings
- Continue regular monitoring of performance through CMT, departmental management teams, cabinet and scrutiny
- Way Forward Board, Steering Group, Quarterly monitoring by CMT
- Temporary staffing arrangements in place to cover vacant posts

Planned Risk Control Measures

Comments

The lack of people in post and/or acting up through the Change Programme / Restructuring of the Authority could result in a loss of focus and fall in performance during major changes.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.4
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk direction) **Loss of focus on strategic direction and key priorities (political**

Responsible Officer PAUL WALKER, Chief Executive

Rating Without Control Measure Implementation (Impact High; Likelihood Possible) **AMBER**
 Amended Rating with Control Measures Implemented Impact High; Likelihood Possible) **AMBER**

Existing Risk Control

- Members development programme has been developed and will be further enhanced
- Provision of information to inform the budgetary process for 2005/6 (consultation, SIMALTO etc)
- Members seminar programme in operation throughout the year
- Members regular monitoring of performance against priorities

Planned Risk Control Measures

- New schedule of group meetings to be established
- Increased Portfolio Holders focus on performance
- Review of performance information by CMT
- Member's development programme.

Comments

The previous 12 months have been a period of on-going change at Hartlepool. There have been a number of changes to senior officer posts and also local elections which have resulted in a change in the make up of the council and a number of new and returning members. The change is ongoing with a potential referendum in October 2006 to remove the post of elected mayor which would have an impact on strategic direction.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	POLITICAL/LEGISLATIVE	
Risk	Potential negative effect of changes in local authority structures on Hartlepool	
Responsible Officer	PAUL WALKER, Chief Executive	

Rating Without Control Measure Implementation (Impact Extreme; L'hood Possible)	RED
Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)	AMBER

Existing Risk Control

- Promote Hartlepool's success at National, Regional and Sub Regional.
- Keep abreast of changing/emerging policies and ensuring that the success of Hartlepool is recognised
- Responding to national consultation on the role and function of local authorities
- Ensuring continued focus on achievement of local priorities

Planned Risk Control Measures

Comments

The White Paper Future Funding Local Government – Structures Two Tier Areas to Unitary Authority with between 250,000 and 1.5 million population. Hartlepool has 90,000 population which could be below the minimum required and therefore Hartlepool could disappear or merge with other local smaller Councils e.g. Easington to form a Greater Authority.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	POLITICAL/LEGISLATIVE	

Risk National and regional needs imposed which may not reflect Hartlepool needs including the creation of City Regions.

Responsible Officer PAUL WALKER, Chief Executive

Rating without Control Measure Implementation (Impact High x L'hood Almost Certain) **RED**

Amended Rating with Control Measures Implemented (Impact Medium x L'hood Possible) **AMBER**

Existing Risk Control

- Ongoing responses to Government consultation on changes or potential changes at a national and regional level e.g. Lyons Enquiry
- Promoting Hartlepool both within the Region and to a wider audience
- Working with organisations directly and regional Tees Valley Authorities
- Maintain Operation/Management Communications with local and regional agencies

Planned Risk Control Measures

Comments

The Council has good relationships with local organisations which enables the Council to be effective in developing local initiatives e.g. Neighbourhood Policy. The introduction of regional organisations (Police, Primary Care Trusts, Fire, and Learning Skills Council) could result in the Council having less influence making it difficult to meet local needs. National and regional needs may be imposed which may not reflect the needs of Hartlepool.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.4
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Sustainability of grant funded services / projects**

Responsible Officer MIKE WARD, Chief Financial Officer

Rating Without Control Measure Implementation (Impact High; Likelihood Likely)

RED

Amended Rating with Control Measures Implemented (Impact Low; Likelihood Unlikely)

GREEN

Existing Risk Control

- Exit strategies for key time limited programmes

- Flexibility and financial freedoms granted to CPA "excellent" rated authority

- Application made for special resources to meet housing improvement requirements

- Review of affected programmes once ODPM allocations announced

Planned Risk Control Measures

- Plan to meet with Directors to identify any major schemes
- Resources will be built into next years budgets.

Comments

Financial position of the Council is relatively strong however many services (including mainstream services) are funded through specific time-limited ring fenced funding streams. Sustainability of a service once a funding stream comes to an end is a risk in many areas

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.5
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk Failure to achieve (or significant delay in meeting) capital receipt targets

Responsible Officer MIKE WARD, Chief Financial Officer

Rating Without Control Measure Implementation (Impact Medium; L'hood Possible)
Amended Rating with Control Measures Implemented (Impact Low; L'hood Unlikely)

AMBER
GREEN

Existing Risk Control

- Disposals managed to prudential guidelines
- Healthy level of Council reserves
- 3-5 Year property disposals strategy
- At the end of the 5 year disposal strategy the Lift site is the only large scale site left

Planned Risk Control Measures

Comments

The capital receipts target is based on a small number of large scale planned disposals. Failure to complete these disposals (or a significant delay) could have serious financial implications. This risk has now reduced due to the disposal of sites.

Hartlepool Borough Council Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.6
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Impact upon the Council from outsourcing of significant service areas**

Responsible Officer MIKE WARD, Chief Financial Officer

Rating Without Control Measure Implementation (Impact Medium; L'hood Likely)	AMBER
Amended Rating with Control Measures Implemented (Impact Medium; L'hood Likely)	AMBER

Existing Risk Control

- Experience of TUPE transfers

- Arrangements for service delivery to others in place (i.e. PCT)

- Arrangements in place to monitor stability of organisations. These will help to anticipate future changes

Planned Risk Control Measures

- Looking at Public Partnership Agreements

Comments

Hartlepool BC is a relatively small Unitary Authority. Outsourcing of significant service areas (such as Hartlepool Housing) can have a significant impact on the organisation in terms of remaining capacity spread of overhead costs and ability to be efficient e.g. PFI findings for extended schools.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	REP5-1.1
Section	STRATEGIC	Review	
Category	REPUTATION		

Risk **Discretionary services cut or reduced**

Responsible Officer MIKE WARD, Chief Financial Officer

Rating Without Control Measure Implementation (Impact Medium; L'hood Possible)	AMBER
Amended Rating with Control Measures Implemented (Impact Medium; L'hood Unlikely)	GREEN

Existing Risk Control

- Risk and consequences of proposed cuts are highlighted at appropriate points in the decision making process
- Budget strategy includes consultation processes to inform decision making process with stake holder views
- There isn't a planned significant reduction in discretionary services in 2006/07

Planned Risk Control Measures

- In 2007/08 some discretionary services will be under threat
- There is a planned review of the budget, strategic functions, prioritisation of service areas and efficiency strategy

Comments

Many of the services provided by the Council are non-statutory and are frequently targeted for budget reductions. There is also unknown budget pressure with regards to the cost of job evaluation not being known until 2006. The Council is aware that the risk of discretionary services being out/reduced will increase next year.

Hartlepool Borough Council

Detailed Risk Report

Department STRATEGIC
Section STRATEGIC
Category CONTRACTORS/PARTNERS/SUPPLIERS

Risk **NEW**
Review

Risk Failure to have adequate governance procedures in partnerships/partnership protocol..

Responsible Officer MIKE WARD, Chief Financial Officer

Rating Without Control Measure Implementation (Impact Medium; L'hood Possible)

AMBER

Amended Rating with Control Measures Implemented (Impact Low; L'hood Possible)

GREEN

Existing Risk Control

- The Council currently has a number of ad hoc arrangements covering various partnership activities. These are dependant upon the size complexity and importance of the partnership. These cover set up and subsequent monitoring arrangements.

Planned Risk Control Measures

- During 2005/6 the Council has undertaken a substantial scrutiny exercise into partnerships, it is planned that during 2006/7 this will be extended and developed into a comprehensive strategic framework for all partnerships

Comments

In some partnerships the council takes funding as the accountable body. The council does not always have control over the decisions that are made by an organisation in the partnership and therefore incorrect decisions could be made resulting in claw back of funding. In some partnership working the Council may pay money up front and claim the money back from funding streams through appraisals on an annual basis. If there is a poor relationship between parties claims may not be made in sufficient time and the council could be left with significant costs.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	FIN5-1.1
Section	STRATEGIC	Review	
Category	FINANCIAL		

Risk **Future Equal pay claims which could put an increased but unplanned financial burden on the Council**

Responsible Officer JOANNE MACHERS, Chief Personnel Services Officer

Rating Without Control Measure Implementation (Impact High; L'hood Likely)	RED
Amended Rating with Control Measures Implemented (Impact High; L'hood Likely)	RED

Existing Risk Control

- Resources have been factored into the budget strategy for future pay claims
- Consultation & negotiation with staff and unions
- Job Evaluation scheme has commenced
- Bridging the gap arrangements from 1st April 2004 to 31 March 2007
- Manual Workers Job Evaluation scheme and Communication Strategy Complete
- Settlement agreed (via COT3) of almost 100% of high risk group employees until March 2007

Planned Risk Control Measures

- Equality proofed pay and grading structure
- Addressing High Risk grading issues e.g. Cooks
- Flags in Communication Strategy to start/complete various projects throughout the year.

Comments

Increased financial burden from successful claims will reduce funds available for service delivery and may threaten jobs.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	PER5-1.1
Section	STRATEGIC	Review	
Category	PERSONNEL		

Risk Loss of key staff / Insufficient numbers of staff to match service delivery demands

Responsible Officer JOANNE MACHERS, Chief Personnel Services Officer

Rating Without Control Measure Implementation (Impact High; L'hood Likely)

RED

Amended Rating with Control Measures Implemented (Impact High; L'hood Possible)

AMBER

Existing Risk Control

- Development of career grade structures in Regeneration and Planning
- Use of outside support - Agency & consultants
- Mainstreaming of exit strategies for some posts
- Recruitment & Retention team in place within Human Resources with Recruitment and Retention Strategy agreed
- Corporate Restructure complete and new directors grading structure agreed
- Workforce Development Plan in place

Planned Risk Control Measures

- 2nd and 3rd tier officer salary grading review to be finalised

Comments

Further losses of key posts could significantly impact on the ability of the Council to maintain current excellent performance ratings and also meet the overall aims and objectives set by the Council. Over past 12 months a number of senior staff have left the authority to take up posts elsewhere.

Recruitment and retention of staff has proven to be difficult in some areas of the Council's work and some significant vacancies remain. A Director is due to leave in May 2006 with the possibility that other staff could follow.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk NEW
Section	STRATEGIC	Review
Category	FINACIAL	

Risk **Current Equal Pay Claims including settlement of, or adverse findings in ET of existing equal pay claims**

Responsible Officer JOANNE MACHERS, Chief Personnel Services Officer

Rating Without Control Measure Implementation (Impact High; L'hood Almost Certain)	RED
Amended Rating with Control Measures Implemented (Impact High; L'hood Almost Certain)	RED

Existing Risk Control

- Potential costs factored into financial planning arrangements
- Counsel's advice received in respect of possible settlement terms
- Ongoing discussions with claimants solicitors regarding possible settlement terms
- Preliminary legal points resolved
- Favourable ET decisions regarding Aided School employees (subject to appeal)

Planned Risk Control Measures

- This is a reactive situation so there are no extra planned measures

Comments

Current equal pay claims could result in significant additional costs to the Council and a significant impact on the Council's finances and financial planning arrangements.

Hartlepool Borough Council

Detailed Risk Report

Department	STRATEGIC	Risk	POL5-1.2
Section	STRATEGIC	Review	
Category	POLITICAL/LEGISLATIVE		

Risk **Failure to carry out a statutory process**

Resp Officer TONY BROWN, Chief Solicitor

Rating Without Control Measure Implementation (Impact Extreme; Lhood Possible)	RED
Amended Rating with Control Measures Implemented (Impact Extreme; Lhood Unlikely)	AMBER

Existing Risk Control

- Management processes for the performance of statutory responsibilities
- Lexcel accreditation of the above processes
- Policy Statement awareness of new legislation guidance to departments.

Planned Risk Control Measures

- Audit of Statutory duties

Comments

There is a multitude of statutory processes with which the Council must comply and for which failure could be damaging in terms of significant financial loss, damage to reputation (e.g. the forthcoming election process; failure to document correctly).

CABINET REPORT

19 June 2006



Report of: Director of Neighbourhood Services

Subject: 2ND AND 3RD TIER CHIEF OFFICER SALARY REVIEW

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to recommend new salary levels for 2nd and 3rd tier chief officers working for the Council.

2. SUMMARY OF CONTENTS

The report contains the details of a review of 2nd and 3rd Tier Chief officers and recommends changes to the salary levels to take effect from 1st April 2006.

3. RELEVANCE TO CABINET

The Portfolio Holder for Performance Management and Finance has approved the process and timetable for the review but considered that the final decision regarding salary levels should be made by Cabinet.

4. TYPE OF DECISION

This is a non-key decision.

5. DECISION MAKING ROUTE

This is an Executive function and Cabinet will make the decision.

6. DECISION(S) REQUIRED

The Cabinet is recommended to approve:

1. That the new salaries as recommended by the Employers Organisation be approved.
2. That any significant changes to the role of a 2nd or 3rd tier officers be referred to the Employers Organisation for evaluation using the same methodology as has been used for this review.
3. That, in accordance with the approved remuneration strategy, these salaries be reviewed in full in three years time. If an earlier review is thought to be advisable then approval of Cabinet should be sought.
4. That, for 2006/07, £40,000 is set aside from central estimate underspends to assist areas where the additional costs associated with this review cannot be accommodated within existing budgets.
5. That future year costs be treated in the same manner as those for the job evaluation process for the rest of the organisation, due to be completed this financial year, to be funded from the same Provision.

Report of: Director of Neighbourhood Services

Subject: 2ND AND 3RD TIER CHIEF OFFICER SALARY REVIEW

1. PURPOSE OF REPORT

1.1 The purpose of this report is to recommend new salary levels for 2nd and 3rd tier Chief Officers working for the Council.

2. BACKGROUND

2.1 The Portfolio Holder for Performance Management considered a report on 11th November 2005 recommending that 2nd and 3rd tier Chief Officers salaries be reviewed. A copy of the report is attached as **Appendix 1** of this report.

2.2 The Portfolio Holder:

- (a) Noted the arrangements made to date and approved the timescale and process for the review.
- (b) Approved the third option, i.e. the salary levels, when agreed upon, should apply from 1st April 2006, as this would be the month following the anticipated completion of the review.
- (c) Requested that the Scrutiny Co-ordinating Committee be asked to examine the recommendations of the Employers Organisation.
- (d) That Scrutiny Co-ordinating Committee be asked to complete their examination by 10th February 2006.
- (e) That, on completion of the examination, the Scrutiny Co-ordinating Committee be requested to report their recommendations to Cabinet.

2.3 Since then, due to the timing of the various meetings, he has further agreed that the deadline for Scrutiny to complete their review should be extended to 24th February 2006.

2.4 As the Chief Personnel Officer is one of the posts whose salary was to be reviewed it was not appropriate for her to lead or participate in the review. The Director of Neighbourhood Services has therefore been the lead officer managing the process.

- 2.5 A copy of the management structure for each department is included in **Appendix 2**. This includes a summary statement of the scope of each post. Two posts within the structures (NS7 and RP4) have not been covered by this salary review as although technically at second tier level they are not on Chief Officer salary scales.
- 2.6 The posts reviewed are those approved in the new corporate structure on 7 March 2004. A schedule of those posts is included in **Appendix 4** of this report. Three of the posts (those at 3rd tier level within the Chief Executives Department – refs CEX 6, 7 and 8) are not included in this schedule as the review of structure only contained details of the top two tiers of the Council.

Appendix 4 – Schedule of Posts Approved in New Corporate Structure – This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to a particular employee, former employee or applicant to become an employee of the Council (para 1)

- 2.7 The post of Chief Procurement Officer (Ref 45 in Appendix 4) was approved within the structure but was subsequently combined with the Head of Property Services post in Neighbourhood Services (NS4) resulting in the saving of a post.
- 2.8 As the titles of some posts have changed I have added a new reference to each post within the table and structures shown in Appendices 2 and 4 and I have also added this new reference to the list of posts in the summary table of posts evaluated, which is contained in paragraph 3.3 of this report.

3. FINDINGS OF THE REVIEW

- 3.1 The Employers Organisation (EO) have completed their analysis by following the Hay methodology. The process involves:
1. Considering the job descriptions and person specifications for all of the posts.
 2. Considering an evaluation questionnaire completed by each of the Chief officers (or their appropriate director in the case of vacant posts). Each questionnaire is approved and signed off by the appropriate director.
 3. All of the information is then considered simultaneously by a panel who agree an evaluation score for each post.
 4. A salary range relating to the range of point scores is then recommended by benchmarking against other similar posts that the EO have evaluated recently. Specific attention is placed upon regional salary levels in this benchmarking exercise.

- 3.2 It must be emphasised that it is the content of the duties and responsibilities attached to each post that is evaluated, not the way the individual post holder discharges those duties.
- 3.3 The EO have submitted their report (see **Appendix 5i**) with recommendations, and have proposed the following (see **Appendix 5ii**).
- 3.4 The salary bandings recommended by the Employers Organisation are attached at **Appendix 5iii**).

Appendix 5i, 5ii and 5iii – Recommendations of the Employers Organisation – **This item contains exempt information under Schedule 12A Local Government Act 1972, information relating to consultations or negotiations, or contemplated consultations or negotiations in connection with a labour relations matter arising between the Council, or a Minister of the Crown and employees of, or office holders under, the Council (para 11)**

- 3.5 The cost of the Employers Organisation input to this review is approximately £23,000, including the attendance at the scrutiny meetings. They were engaged as there is no specific experience within the Council in undertaking reviews of Chief Officer salaries and no detailed benchmarking information. This was endorsed by the Portfolio Holder for Performance Management at his meeting on 11th November 2005.

4. IMPLICATIONS

4.1 Financial

The financial implications of this review are summarised in the following table:

Department	Total salary budget	Current Year Impact	Impact at top of scale
Adult and Community Services	9300000	7222	17517
Chief Executives	6533000	9420	55748
Children's Services	7354000	17845	59025
Neighbourhood Services	14116000	21103	67430
Planning and Regeneration	2612000	26490	77965
TOTALS	39915000	82080	277685

The current salaries of all of these posts are currently covered within departmental salary budgets. If the recommendations are approved, the overall financial impact will be £82,000 initially and potentially £278,000 when comparing salaries at the top of the current grade and the proposed grade. Whilst all salary budgets have to have scope to accommodate incremental uplifts, there is no financial provision for salary increases.

Not having appointed a separate Chief Procurement Officer will have produced a saving of around £87,500 at the top of Band B. However, the need for this post must be revisited in future as part of a review of the implementation of our Procurement Strategy. The saving has already been taken into account in the 2006/07 Budget.

Members will be aware that we only budget for approximately 97.5% of our salaries bill and therefore savings are automatically required each year. Given the level of vacancies being carried across a large part of the authority, I expect that for the most part the 2006/07 increase will also be met from existing budgets. However, the most significant impact falls upon the Regeneration and Planning Department, and they have by far the smallest overall salary budget.

Regeneration and Planning cannot make their required annual saving of around 2.5%, and absorb the increases proposed in this Review, and some other areas may also struggle. I will therefore recommend to Cabinet that, for 2006/07, they set aside £40,000 from central estimate underspends to assist areas where the additional costs associated with this review can not be met.

In addition, for future year costs, I will recommend they be treated in the same manner as those for the job evaluation process for the rest of the organisation, due to be completed this financial year, to be funded from the same Provision.

4.2 **Risks**

(i) Key Risks Associated with Implementing the Review

- **Pressure on departmental salary budgets:** The review will place and upward pressure on salary budgets in each department which will have to be met by efficiencies or other savings. The Directors are aware of this risk.
- **Public dissatisfaction:** It is likely that proposals to increase the salary levels of senior managers will attract some criticism from residents of the town particularly against the backdrop of an increase in Council Tax.

(ii) Risks Associated with not implementing the Review

- **Risk of losing Chief Officers currently in post:** Not implementing the review will increase the likelihood that Chief Officers currently in post will leave for jobs with other Councils who may offer higher salaries. This would reduce the capacity of the Council to deliver services and carry a cost of recruitment into vacant posts.
- **Risk of not recruiting to posts currently vacant:** There are a number of Assistant Director posts still out to advertisement and there is a risk that the Council will not be able to appoint to at least some of the posts. The cost of an interim manager through a consultancy to cover posts at this level is typically around £500 - £600 per day, the cost of advertising to recruit to a post is between £5,000 and £10,000 and a recruitment process using specialist recruitment consultants is typically of the order of £20,000.
- **Failure or reduction in service delivery:** If it is not possible to recruit to some of the vacant posts then service delivery will be affected. Back-filling arrangements, which can prove expensive, can reduce this impact but frequent changing of Chief Officers is likely to adversely affect service delivery, particularly over the medium to long term.

5. CONSULTATION

- 5.1 The Scrutiny Co-ordinating Committee have been asked to comment on the review and will present their findings to the Cabinet at its meeting. A summary of the process they have followed has been included in **Appendix 3** to the report.

- 5.2 The Chief Officers affected by the review have been given a draft of this report and Appendices 1-5 on 29th March 2006 and asked for any comments by 7th April 2006. I have attached the comments received in **Appendix 6** (attached).

Appendix 6 – Comments of Chief Officers Affected by the Review – **This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to a particular employee, former employee or applicant to become an employee of the Council (para 1)**

- 5.3 The Chief Executive and four Directors have considered the proposals and support the implementation of the review.

6. RECOMMENDATIONS

The Cabinet is recommended to approve:

1. That the new salaries, as recommended by the Employers Organisation, be approved.
2. That any future significant changes to the role of a 2nd or 3rd tier Chief Officers be referred to the Employers Organisation for evaluation using the same methodology as has been used for this review.
3. That, in accordance with the approved remuneration strategy, these salaries be reviewed in full in three years time. If an earlier review is thought to be advisable then approval of Cabinet should be sought.
4. That, for 2006/07, £40,000 is set aside from central estimate underspends to assist areas where the additional costs associated with this review cannot be accommodated within existing budgets.
5. That future year costs be treated in the same manner as those for the job evaluation process for the rest of the organisation, due to be completed this financial year, to be funded from the same Provision.

**PERFORMANCE MANAGEMENT AND FINANCE
PORTFOLIO**

Report To Portfolio Holder
11 November 2005



Report of: Director of Neighbourhood Services

Subject: 2ND AND 3RD TIER OFFICER SALARY AND
GRADING REVIEW

SUMMARY

1. PURPOSE OF REPORT

This report is to set out the process for reviewing the salaries of the 2nd and 3rd Tier Officers who are employed by the Council.

2. SUMMARY OF CONTENTS

The report sets out the suggested process and timescale for the review.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for human resources issues.

4. TYPE OF DECISION

This is a non-key decision.

5. DECISION MAKING ROUTE

The Portfolio Holder will make the decision.

6. DECISION(S) REQUIRED

The Portfolio Holder is requested to approve the process and timescale for the review and to request the Scrutiny Co-ordinating Committee to contribute to the review.

Report of: Director of Neighbourhood Services

Subject: 2ND AND 3RD TIER OFFICER SALARY AND GRADING REVIEW

1. PURPOSE OF REPORT

1.1 This report is to set out the process for reviewing the salaries of the 2nd and 3rd Tier Officers who are employed by the Council.

2. BACKGROUND

2.1 The Council last reviewed the salary of the 2nd and 3rd Tier Chief Officers during late 1998/early 1999.

2.2 The Council's remuneration strategy states that 2nd and 3rd Tier salaries should be reviewed every three years.

2.3 Salaries have not been reviewed since 1999 due primarily to the changes that have taken place in the Council and its senior managementsince then.

2.4 Now that the Corporate Restructure has been agreed and is being implemented and the Council now has its Corporate Directors in place, it is necessary to undertake and complete the review of 2nd and 3rd Tier Chief Officer's salaries.

3. PROPOSED PROCESS AND ISSUES

3.1 As the Chief Personnel Services Officer is a 2nd Tier Chief Officer, it is not appropriate for her to advise the Council in respect of this process. The Director of Neighbourhood Services has been identified as the Corporate Director who will lead the process.

3.2 The Employers Organisation has been appointed to undertake the technical evaluation of the salaries and recommend an appropriate salary and grading structure. This was the process that was followed in 1999 and the Employers Organisation also advised the Council recently when salary levels for Directors were reviewed.

3.3 The Employers Organisation is expected to provide evaluation results and recommend a salary and grading structure by mid-January.

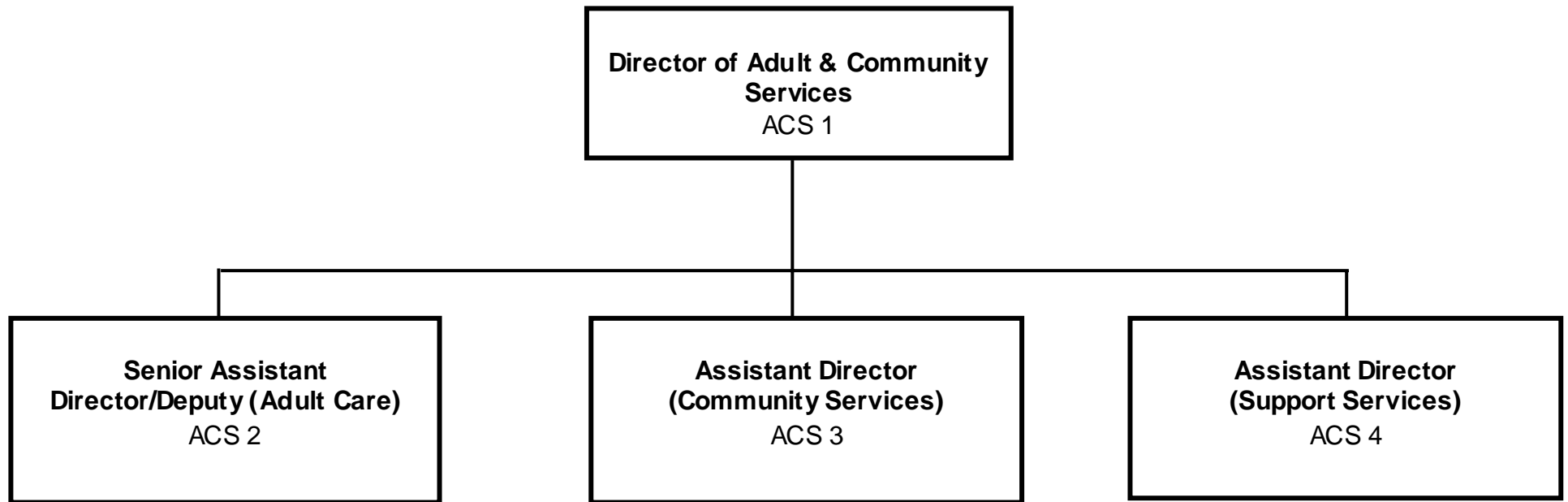
- 3.4 The Portfolio Holder needs to decide when the salary levels should apply from. The three main options are:
- 1 July 2005 (backdated) as this was the date the corporate restructure was implemented.
 - 1 December 2005 as this is the month following the commencement of the review.
 - 1 April 2006 as this is the month following the anticipated completion of the review.
- 3.5 The Portfolio Holder needs to consider the potential role for Scrutiny in this evaluation. By agreement of the Scrutiny Co-ordinating Committee it may be possible to request them to examine the recommendations of the Employers Organisation prior to you making a decision. In order to fit in with this timetable a strict completion date should be set for the scrutiny process and it is suggested that this is 10 February 2006.
- 3.6 The Portfolio Holder could then make a final decision at the meeting in March although it may be considered appropriate to refer the final recommendations and the findings of Scrutiny to Cabinet for a final decision.

4. RECOMMENDATIONS

The Portfolio Holder is recommended to:

- 4.1 Note the arrangements made to date for this review and approve the timescale and process for the review.
- 4.2 Decide on the date from which the new salary levels will apply.
- 4.3 Request the Scrutiny Co-ordinating Committee to examine the recommendations of the Employers Organisation prior to considering the recommendations.
- 4.4 That Scrutiny Co-ordinating Committee be asked to complete their examination by 10 February 2006.
- 4.5 Give consideration as to whether it is appropriate to make the decision himself or refer it to Cabinet.

Appendix 2



JOB TITLE: Assistant Director - Adult Care ACS 2

REPORTS TO: Director of Adult and Community Services

DATE: 9th November 2005

1 PURPOSE OF JOB

- To be responsible for the delivery of effective social care to people in Hartlepool, within legislative requirements and council policies and priorities; partnership working with the NHS and other agencies; lead on strategic planning for agreed user groups(s); work-force development; Department quality strategy; public information. To deputise for the Director.

JOB TITLE: Assistant Director (Community Services) ACS 3

REPORTS TO: Director of Adult & Community Services

DATE: 17/11/05

1 PURPOSE OF JOB

- To ensure management and delivery of effective Community Services to people in Hartlepool. Ensuring the delivery meets statutory obligations, legislative requirements and policy objectives, optimising service performance, use of available resources and commitment to continuously improve.
- The Assistant Director (Community Services) is responsible for – Culture, Heritage & Grants, Sports & Recreation, Parks & Countryside, Library Services, Tees Archaeology and Adult Education.

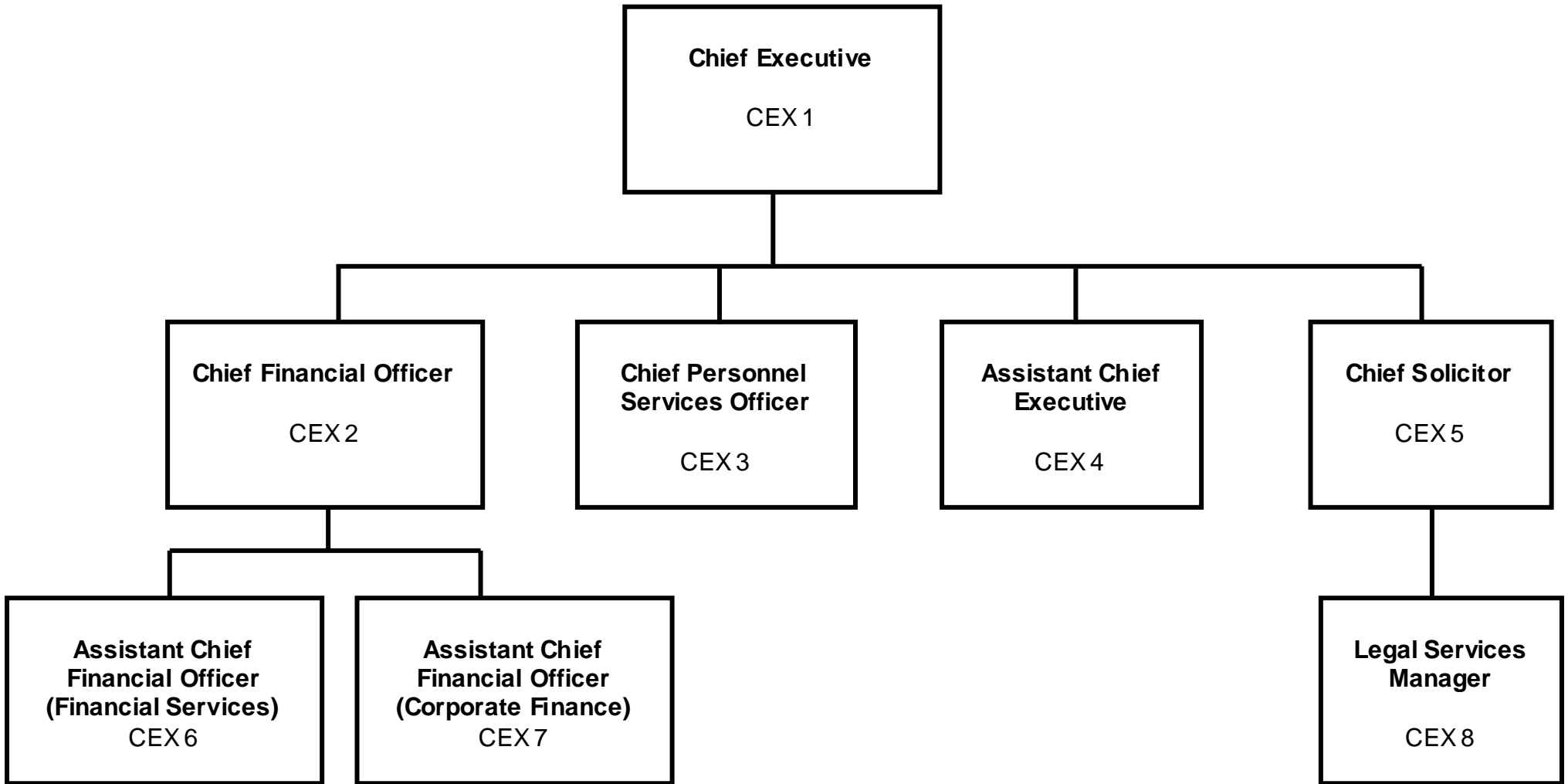
JOB TITLE: Assistant Director Support Services ACS 4

REPORTS TO: Director of Adult and Community Services

DATE: 18th November 2005

1 PURPOSE OF JOB

- To be responsible for support services; strategic resource management and planning; and commissioning and review capacity for the Department



JOB TITLE: Chief Financial Officer CEX 2

REPORTS TO: Chief Executive

DATE: 14 November 2005

1 PURPOSE OF JOB

- To participate in the corporate management and leadership of the council through the provision of financial advice and information to council, cabinet, members, Directors and senior officers.
- To ensure the financial management and standing of the council are to the highest standards and consistent with the statutory duties under Section 151 (et al) and the CIPFA code of practice for Chief Financial Officers

JOB TITLE: Chief Personnel Services Officer CEX 3

REPORTS TO: Chief Executive

DATE: 14 November 2005

1 PURPOSE OF JOB

- Participate in the corporate management of the authority by providing advice and information to Members and senior officers.
- Develop a HR framework that complements the authority's corporate plans and the change and improvement agenda in the public sector.
- Manage HR and central service and lead on corporate initiatives

JOB TITLE: Assistant Chief Executive CEX 4

REPORTS TO: Chief Executive

DATE: 17th November 2005

1 PURPOSE OF JOB

- To provide direct support to the Chief Executive in the strategic management and development of the authority through the identification, corporate and political negotiation and agreement, and implementation of programmes of improvement and change. To advise members, senior officers and the Chief Executive on corporate and strategic issues, to co-ordinate implementation of those strategies and the monitoring and review thereof, and to manage and develop a range of corporate services (strategic planning and performance, scrutiny, consultation and complaints, public relations, democratic services, e-government), external partnerships / contracts (ICT provider) and services to the public (registrars).

JOB TITLE: Chief Solicitor CEX 5

REPORTS TO: Chief Executive

DATE: November 2005

1 PURPOSE OF JOB

- To provide, through the Council's Legal Division, a full legal service to the Council, the executive, their committees, sub-committees and officers;
- To act as the Council's Monitoring Officer (s.5 Local Government & Housing Act 1989);
- To be responsible for the conduct of Parliamentary, European and Local elections, and referendums and to act as the Electoral Registration Officer.
- To contribute to the development of Council policy and strategy as a member of the Council's Corporate Management Team.

JOB TITLE: Assistant Chief Financial Officer (Financial Services) CEX 6

REPORTS TO: Chief Financial Officer

DATE: 14th November 2005

1 PURPOSE OF JOB

- Assist the Chief Financial Officer in corporate activities and developments and as Deputy Proper Officer, undertake those duties as set out in Section 151 of the Local Government Finance Act 1972 et al and set down in the Council's Standing Orders and Financial Procedure Rules.
- Lead and manage the Revenues, Benefits, Payments and Insurance services provided by the Finance Division, co-ordinating, and developing high quality customer centred services, innovatively in line with the Council's corporate Best Value Performance Plan, ICT Strategy and, E govt agenda.

JOB TITLE: Assistant Chief Financial Officer (Corporate Finance) CEX 7

REPORTS TO: Chief Financial Officer

DATE: 11th November 2005

1 PURPOSE OF JOB

- To develop and co-ordinate the establishment and implementation of appropriate policies and practices in relation to medium term financial planning, corporate governance and safeguarding public assets. Assist the Chief Financial Officer in the delivery of his responsibilities in relation to the provision of corporate financial services to the Council and its departments. Manage and develop the Accountancy and Internal Audit sections of the division.

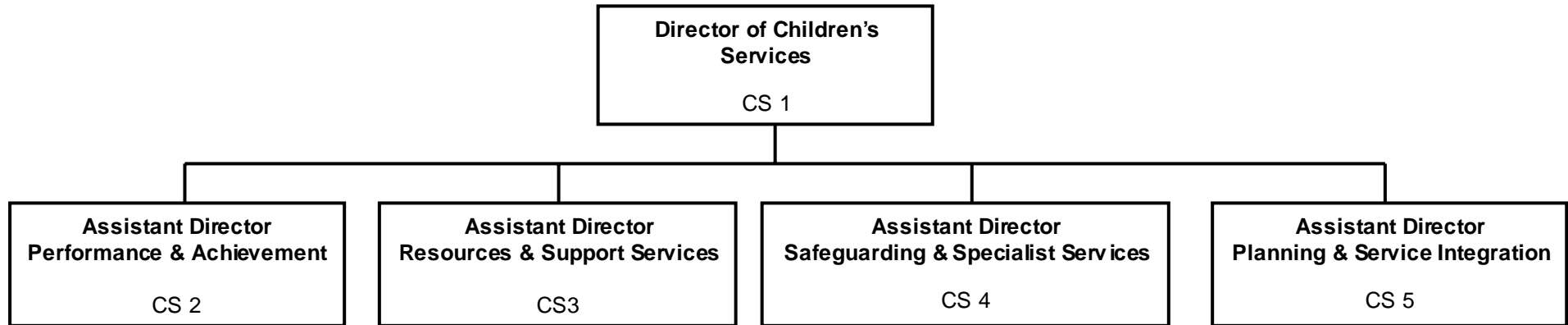
JOB TITLE: Legal Services Manager CEX8

REPORTS TO: Chief Solicitor

DATE: 18 November 2005

1 PURPOSE OF JOB

- To manage the Legal Services Division within the Chief Executive's Department of the Borough Council, including the coordination and control of day to day work and the supervision of staff in respect of discipline, recruitment and control.
- In conjunction with the Chief Solicitor, to manage the legal affairs of the Council, through advice to the Council (through its Executive, Regulatory/Advisory Committees, Sub-Committees, Working Groups, Representative Bodies etc) as to the legal implications of its policies and strategies. Responsible for undertaking legal work associated with the functionality of a Unitary Authority.



JOB TITLE: Assistant Director – Performance and Achievement CS 2

REPORTS TO: Director of Children's Services

DATE: November 2005

1 PURPOSE OF JOB

- Implement the vision and core values of the Council and provide a clear sense of direction, optimism and purpose across the Performance and Achievement Division of Children's Services.
- Work with colleagues across the Council and the town to develop a Community Strategy which improves the quality of life for Hartlepool people. Identify and lead those elements of the strategy which the Children's Services Department of the Council have responsibility for. Identify and support other elements to which the Department will contribute and participate.
- Deliver on the five outcomes for children and young people and promote integrated and efficient models of service delivery.
- Ensure delivery of effective services (within allocated budgets and meeting statutory obligations and policy objectives) for:
 - School improvement
 - All pupils, but specifically those who are vulnerable
 - Lifelong learning
 - Performance and review (self-evaluation/APA/JAR)
 - Governor support
 - Partnerships and regeneration
 - Workforce development
 - Deputise for the Director

JOB TITLE: Assistant Director – Resources and Support Services CS 3

REPORTS TO: Director of Children’s Services

DATE: November 2005

1 PURPOSE OF JOB

- Support the Director and the Executive in implementing the vision and core values of the Council and provide a clear sense of direction, optimism and purpose across the Resources and Support Services Division;
- take responsibility across the Children’s Services Department for financial and resource management and general support services, including performance and management data;
- provide strategic leadership in relation to asset management, school place planning (including Building Schools for the Future), Health and Safety, risk management and ICT;
- ensure statutory duties within the remit of the post are met.

**JOB TITLE: Assistant Director – Safeguarding and Specialist Services
CS 4**

REPORTS TO: Director of Children’s Services

DATE: November 2005

1 PURPOSE OF JOB

- Support the Director and the Executive in implementing the vision and core values of the Council and provide a clear sense of direction, optimism and purpose across the Safeguarding and Specialist Services Division;
- develop procedures to safeguard children and protect their welfare;
- promote the health, care and education of Looked After Children and children in need;
- provide strategic leadership in relation to fostering, adoption and corporate parenting;
- develop new models of governance, commissioning and delivery of specialist services;
- ensure statutory duties within the remit of the post are met.

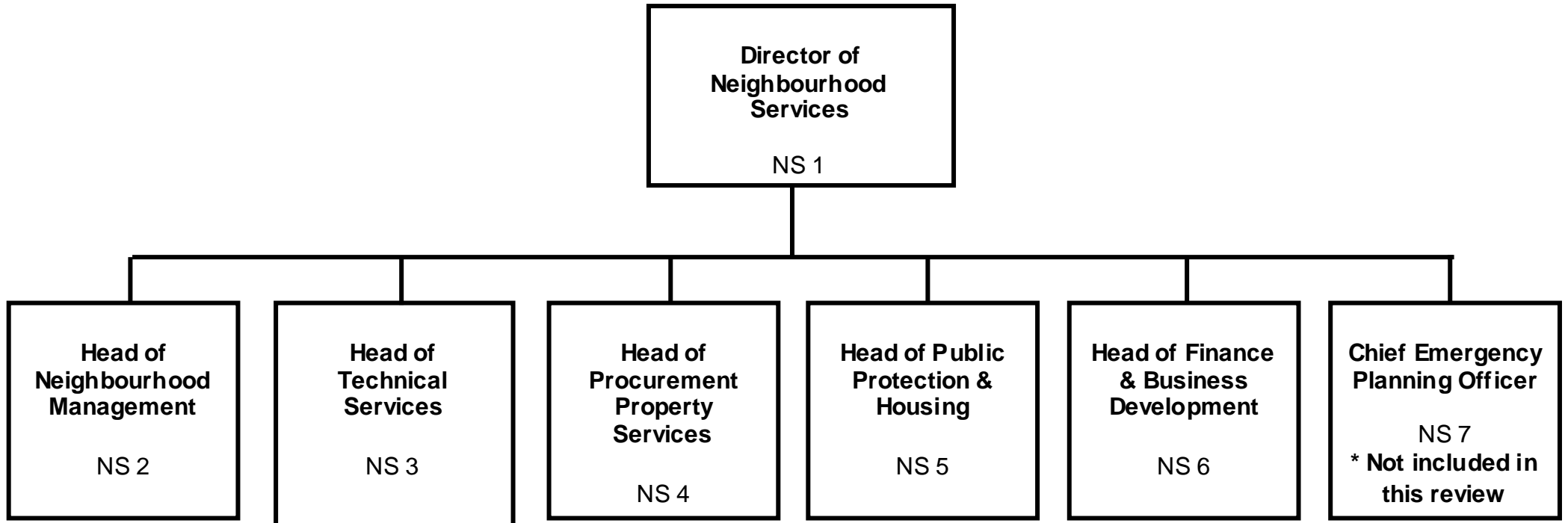
JOB TITLE: Assistant Director – Planning and Service Integration CS 5

REPORTS TO: Director of Children’s Services

DATE: November 2005

1 PURPOSE OF JOB

- Support the Director and the Executive in implementing the vision and core values of the Council and provide a clear sense of direction, optimism and purpose across the Planning and Service Integration Division;
- take the lead on developing the planning framework for Children’s Services and service integration including Children’s Centres and Extended Schools. The planning framework includes the town-wide Children and Young People’s Plan, the departmental strategic and operational plan and plans relating to the individual service areas within the remit of the post;
- provide leadership for the Children’s Fund, the Youth Service, the Sure Start Team, Childcare, Play, Access to Learning, the Acorn Team, the SEN team and the Education Psychology Team;
- ensure statutory duties within the remit of the post are met.



JOB TITLE: Head of Neighbourhood Management NS 2

REPORTS TO: Director of Neighbourhood Services

DATE: 23.11.2005

1 PURPOSE OF JOB

- To manage all Direct Service provision within the Neighbourhood Services department.
- To manage the Council's environmental enforcement and warden service provision.
- To develop and manage Neighbourhood Management throughout the borough.
- To control the Council's waste management function.
- In the absence of the Director of Neighbourhood Services to act for him across the department.
- To make a major contribution to the strategic planning process of the Council and Neighbourhood Services through membership of the Neighbourhood Services management team.

JOB TITLE: Head of Technical Services NS 3
REPORTS TO: Director of Neighbourhood Services
DATE: 6/12/2005

1 PURPOSE OF JOB

- Ensure the delivery of Technical Services within allocated budgets in the following areas. Ensure delivery meets any statutory obligations and policy objectives, optimising service performance, and the use of available resources (Technical Services has responsibility for highway management and maintenance, traffic and transportation, road safety, car parking, civil engineering services and management of the Councils vehicle fleet).
 - Contribute to the development of locally co-ordinated town care services
 - Provide engineering and other technical advice to the Council
 - Develop and implement strategies which will meet the highway, traffic and transport needs of the Borough, specifically:-
 - the Hartlepool Local Transport Plan.
 - a Transport Asset Management Plan
 - a highway asset management Plan
 - Act as lead officer for the Council on the Tees Valley Chief Engineers group and any other relevant networks.
 - Represent the Council in discussions, negotiations with Government Office North East and other regional agencies where necessary.

JOB TITLE: Head of Procurement and Property Services NS 4
REPORTS TO: Chief Executive and Director of Neighbourhood Services
(Double Role)
DATE: 17th November 2005

1 PURPOSE OF JOB

- To develop the role of Corporate Property Officer, and establish and manage a strategic framework and property management service for the Council's corporate land and property assets.
- To ensure that the Council's statutory obligations including Health and Safety requirements in relation to land and property are fully discharged.
- To develop and manage the Council's Corporate Procurement function establishing best practice procurement strategies, policies, procedures and standards to ensure that the Council delivers Best Value and achieves efficiency savings.
- To manage the Building Maintenance, Stores and Building Consultancy Direct Service provision within the Neighbourhood Services department.
- In the absence of the Director of Neighbourhood Services to act for him as required.
- To make a major contribution to the strategic planning processes of both the Council, Neighbourhood Services and the Chief Executives Department via membership of their respective management teams.

JOB TITLE: Head of Public Protection & Housing NS 5

REPORTS TO: Director of Neighbourhood Services

DATE: 15.11.2005

1 PURPOSE OF JOB

- To manage and develop the functions of the Public Protection & Housing Division thereby safeguarding the quality of life of Hartlepool people through effective application of legislation, persuasion and education.
- To ensure the housing needs of the town are met.

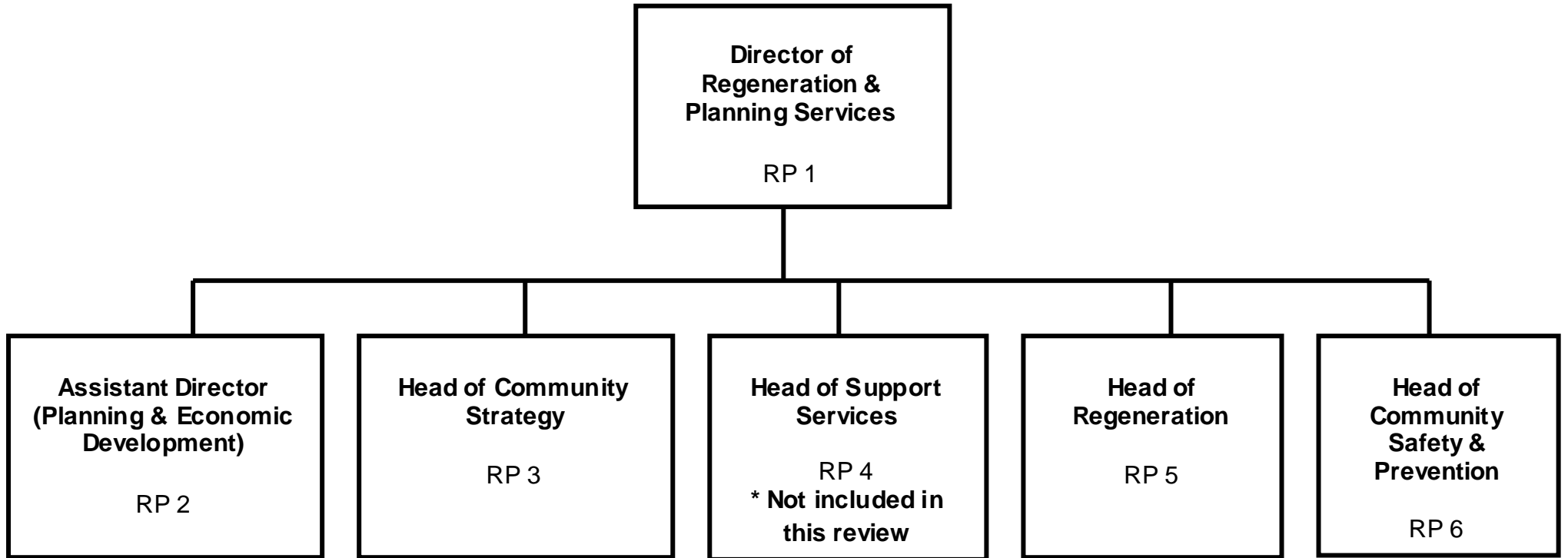
JOB TITLE: Head of Finance and Business Development NS 6

REPORTS TO: Director of Neighbourhood Services

DATE: 14/11/2005

1 PURPOSE OF YOUR JOB

- To co-ordinate and direct the efficient and effective provision of all financial, administrative and IT based services within the Neighbourhood Services Department. To monitor and advise on all financial and budget issues within the department. To advise on all new and potential legislative and operational changes that could impact on the financial position of the department.
- To lead on the development of business (trading) initiatives designed to increase the profitability of the trading accounts of the department. To actively seek new areas of trading activity and increase the customer base from its current level.
- To act, on behalf of the CFO, on all financial matters appertaining to the operation and financial viability of the departments trading activities.



JOB TITLE: Assistant Director (Planning and Economic Development)
RP 2
REPORTS TO: Director of Regeneration and Planning Services
DATE: 15 November 2005

1 PURPOSE OF JOB

- To lead and manage the Planning and Economic Development Division of the Department.
- To assist and act as the primary deputy for the Director in the leadership and management of the Department.

JOB TITLE: Head of Community Strategy RP 3
REPORTS TO: Director of Regeneration and Planning Services and
Chair of Hartlepool Partnership Board
DATE: November 2005

1 PURPOSE OF JOB

- To lead the preparation and implementation of the Community Strategy, Neighbourhood Renewal Strategy and the Local Area Agreement.
- Direct the work of the Hartlepool Partnership and enable Hartlepool Borough Council to fulfil its role as Community Leader.

JOB TITLE: Head of Regeneration RP 5

REPORTS TO: Director of Regeneration & Planning Services

DATE: November 2005

1 PURPOSE OF JOB

To manage the following sections of the department :

- (a) the Planning Policy & Information Team, leading on local plan preparation including the preparation, development and monitoring of statutory and other planning policy documents within the new Local Development Framework. (Also the carrying out of Planning Searches).
- (b) the Housing Market Renewal Team, leading on the strategic development and implementation of housing market renewal and restructuring in the town and securing resources (Single Housing Investment Pot and Housing Market Renewal & private funding) in support of the programme.
- (c) the Regeneration Team, leading on the development of bids for resources under a wide range of external funding programmes (SRB, ERDF, NDC, Coastal Arc and Single Programme) and providing management support to a wide range of regeneration project and area-based initiatives. Also providing essential input into the Community Strategy and work of the LSP in key areas, particularly in relation to regeneration policy, neighbourhood renewal strategy and preparation of Neighbourhood Action Plans.

JOB TITLE: Head of Community Safety & Prevention RP 6

REPORTS TO: Director of Regeneration & Planning Services

DATE: Revised 25th November 2005

1 PURPOSE OF JOB

- To provide the Council's policy lead role for community safety (i.e. to reduce and prevent crime, disorder/anti-social behaviour, drug use, youth offending and fear of crime.)
- The Safer Hartlepool Partnership encompasses the statutory Crime and Disorder Reduction Partnership, Drugs Action Team and Youth Offending Steering Group. As lead officer for this Partnership, I am responsible for determining and delivering the strategic direction and development of all Partnership activities on behalf of the Responsible Authorities (Council, Police, Primary Care Trust, Fire Authority and Police Authority).

To implement legal requirements in Crime and Disorder Act 1998 (as amended), Anti-social Behaviour Act 2003 and other relevant legislation in relation to crime prevention, partnership working, anti-social behaviour and youth offending.

Appendix 3

REVISED TIMETABLE OF THE SCRUTINY REFERRAL

Detailed below is the agreed timetable for the 'referral' to be undertaken, in light of the completion date prescribed by the Cabinet Member Portfolio Holder for Finance and Performance Management:

20 December 2005 – 'Scoping of the Scrutiny Referral/Enquiry' - Formal Meeting of the Committee to agree the proposed Terms of Reference/timetable for the referral.

(9 January 2006 – Report of the Scrutiny Manager to the Finance and Management Portfolio to request extension to timescale for completion of referral from 10 February 2006 to 24 February 2006 in light of availability of information etc).

13 January 2006 – Representative from the Employers Organisation to provide evidence in relation to the review's process being undertaken.

24 February 2006 – Consideration of the Employers Organisation Report with particular focus on the recommended salary and grading structure.

13 March 2006 – Report of the Director of Neighbourhood Services to Finance & Performance Management Portfolio to request extension to timescale for completion to be referred to that of 12 April 2006, in light of the anomalies within the Employers Organisation Report (approved).

7 April 2006 - Revisions to the Employers' Organisation report to be considered by Scrutiny Co-ordinating Committee. SCC to formulate its formal response verbally during this meeting to form the content of the written response to be approved under delegated authority of the Chair of Scrutiny Co-ordinating Committee.

12 April 2006 – Consideration of Committee's final report into the Second and Third Tier Officer Salary and Grading Review by the Cabinet.

CABINET REPORT

19th June 2006



Report of: The Assistant Director (Planning and Economic Development) and Assistant Director (Community Services)

Subject: HMS TRINCOMALEE TRUST

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval of a proposed Service Level Agreement (SLA) between the Council and HMS Trincomalee Trust, as a pre-requisite for the establishment of new financial arrangements between the Council and the Trust; also to seek approval of proposals for a Joint Development Group of Trust and Council members.

2. SUMMARY OF CONTENTS

- 2.1 The report includes a draft Service Level Agreement (SLA) between the Trust and the Council relating to the management, operation and development of Hartlepool's Maritime Experience. The SLA was identified within the recommendations of the Scrutiny Coordinating Committee adopted by Council on 13th April, as a pre-requisite to the establishment of revised financial arrangements between the Trust and the Council. The draft SLA sets out the respective responsibilities of the Trust and the Council and issues for joint action. Finalisation of the SLA would allow the move to a 50/50 split of admissions income and the ending of the revenue grant allocation from the Council to the Trust as has applied in recent years.

The report also includes proposals for a Joint Development Group of Council and Trust representatives to review future development proposals and revenue opportunities for the attractions, again as recommended by the Scrutiny Coordinating Committee and adopted by Council.

3. RELEVANCE TO CABINET

- 3.1 The management and development of Hartlepool's Maritime Experience and the associated financial implications relate to various executive portfolios.

4. TYPE OF DECISION

- 4.1 Non-key decision.

5. DECISION MAKING ROUTE

- 5.1 Cabinet, 19th June 2006.

6. DECISION REQUIRED

Cabinet is recommended to;

- 6.1 approve the proposed Service Level Agreement between the Council and the HMS Trincomalee Trust.
- 6.2 authorise officers to make the necessary revisions to the financial arrangements as referred to in recommendation (c) of the Scrutiny Coordinating Committee.
- 6.3 approve the proposed arrangements for the Joint Development Group.

Report of: The Assistant Director (Planning and Economic Development) and Assistant Director (Community Services)

Subject: HMS TRINCOMALEE TRUST

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval of a proposed Service Level Agreement (SLA) between the Council and HMS Trincomalee, as a pre-requisite for the establishment of new financial arrangements between the Council and the Trust; also to seek approval of proposals for a Joint Development Group of Trust and Council members.

2. BACKGROUND

- 2.1 Council at its meeting on 13 April, 2006 approved and adopted recommendations from the Scrutiny Coordinating Committee following its enquiry into the HMS Trincomalee Trust as follows:

That to assist the Council in determining the approval of the grant allocation to the HMS Trincomalee Trust for 2006/07, the Scrutiny Coordinating Committee recommends to Council and the Executive that the Authority exercise its power to achieve the following:-

- (a) That the Authority assists the HMS Trincomalee Trust in the identification of nominations for the two additional Trustees' vacancies to the Board, which are reflective of the town's make-up within a prescribed timescale (taking into account the recent appointments of two local business women, hence the efforts of the Authority should concentrate on securing Trustees from the remaining under-represented diversity groups);
- (b) That the relationship between the Trust and the Authority, branded as the Hartlepool's Maritime Experience, be formally recognised by a Service Level Agreement, that clarifies the relationship and sets out clearly the rights and responsibilities of both parties including the public accident liability;
- (c) That the Authority discontinues the unrestricted grant funding with immediate effect, subject to:-
- (i) The current ratio (70/30) of the admissions income at the Hartlepool Maritime Experience being revised to a 50/50 split (via the single ticketing arrangement) thus providing additional

benefit to the Trust, as the Trust as a registered charity is able to further its income by Gift Aid via the Inland Revenue;

(ii) The revised admissions income split of the single ticketing arrangements being reviewed on an annual basis and additionally six months after the proposed sale of the Trincomalee Wharf;

(iii) If the Authority agrees to the 50/50 ratio on the admissions income (recommendation 10.1 (c) (i) refers above) the corresponding decrease in income generated by the Historic Quay is estimated to be £49,000+ and will require the re-direction of the proposed annual £50,000 grant allocation to the Trust to the Authority's relevant service area budget; and

(iv) Any surplus monies from the ring fenced grant allocation for 2006/07, once re-allocated to the Authority's service area budget for the 2006/07 financial year, be awarded to the Community Pool.

(d) That a Working Group (including Elected Members within its membership) be established to discuss in partnership with the Trust any future planned developments on the site including their potential impact and opportunities for maximising revenue generation;

(e) That work be undertaken by the authority to explore the possibility of establishing a reduced ticket pricing arrangement for the Hartlepool Maritime Experience solely for the residents of Hartlepool; and

(f) That whilst Council has been asked to approve in principle the recommendations as shown above, they are subject to the satisfactory outcome of the service level agreement negotiations being finalised as soon as possible through the Executive in light of the Trust's current financial situation.

2.2 Members will note the priority attached within the recommendations to the establishment of a SLA as a pre-requisite to moving to new financial arrangements (recommendations b,c and f refer), with an indication that a satisfactory outcome of the SLA negotiations should be finalised as soon as possible. Council officers and Trust representatives have accordingly discussed the form and content of the proposed SLA. The remainder of this report focuses on the SLA and also a proposal for a Joint Development Group (as referred to in recommendation (d) above). Progress in relation to the Trust Board's composition (recommendation (a)) and ticket pricing (e) will be the subject of a future report(s).

3. PROPOSED SERVICE LEVEL AGREEMENT

- 3.1 A final draft version of the proposed SLA is at **Appendix 1**. The draft is still under discussion by relevant Council officers and the Trust and any further amendments will be referred to at the Cabinet meeting. In essence, the SLA comprises the following main paras:
1. Introduction referring to the close working arrangement between the parties in the management, operation and development of Hartlepool's Maritime Experience.
 2. A brief statement on governance making clear that both the Council and the Trust retain their autonomy.
 3. A section setting out the primary responsibilities of the Council and the Trust and those to be pursued jointly.
 4. References to safety, insurance and the Trincomalee Wharf site.
 5. Proposals for establishing a Joint Development Group, as recommended by the Scrutiny Coordinating Committee (see para 4.1 below), to discuss planned developments, their potential impact and revenue generation, together with the continued operation of the Joint Working Group concerned with the detailed delivery of the operation of the Maritime Experience.
 6. Sections relating to the need to continue to secure economy and efficiency in operation of the attractions and to performance targets.
 7. An indication of the SLA subsisting for a minimum term, but with an annual review of its detailed content, and a requirement for one year's notice to be given re intended significant amendments or withdrawal.

4. JOINT DEVELOPMENT GROUP PROPOSAL

- 4.1 In line with the recommendation from the Scrutiny Coordinating Committee, officers and Trust representatives have also discussed potential arrangements for a Joint Development Group, to discuss in partnership all future planned developments on the site to maximise their potential impact and opportunities for revenue generation. A note on the proposed JDG is at **Appendix 2**; key points are
1. Membership to comprise the Regeneration, Liveability and Housing and the Culture Leisure and Transportation Portfolio Holders and the Scrutiny Coordinating Committee Chair, two senior Council officers, three Trustees and the Trust's General Manager/Company Secretary and the on-site catering/functions contractor.
 2. Invitees to provide specific or specialist support/information.
 3. Meetings to initially be held bi-annually.

5. SUMMARY

- 5.1 The SLA and JDG note appended to this report reflect detailed discussions with the Trust in the light of the Council's adoption of the Scrutiny Coordinating Committee's recommendations. They provide a clear basis for moving forward with the closer management, operation and development of the facilities, and for the adoption of the new financial arrangements as set out in the scrutiny recommendations.

6. OFFICER ADVICE

That Cabinet:

- 6.1 approves the proposed Service Level Agreement between the Council and the HMS Trincomalee Trust.
- 6.2 authorises officers to make the necessary revisions to the financial arrangements as referred to in recommendation (c) of the Scrutiny Coordinating Committee.
- 6.3 approves the proposed arrangements for the Joint Development Group.

Date:

A SERVICE LEVEL AGREEMENT jointly between Hartlepool Borough Council [the Council] and The HMS Trincomalee Trust [the Trust] as partners in Hartlepool's Maritime Experience [HME] and the adjoining land and water at Jackson Dock known as Trincomalee Wharf.

Reference in this SERVICE LEVEL AGREEMENT to:

- i) "Hartlepool's Maritime Experience" includes the combined facilities of the Hartlepool Historic Quay, the Museum of Hartlepool and PSS Wingfield Castle, and the HMS Trincomalee
- ii) "The Trust" includes the property and services within the control and management of HMS Trincomalee Enterprises Ltd., as and when constituted, and which is a Company wholly owned by the HMS Trincomalee Trust.

1. Introduction

This SERVICE LEVEL AGREEMENT is established from a specific decision by the Council on 13 April 2006 that followed a policy decision by the Council on 1 November 2004 and of the Trust on 15 September 2004, which approved the principle of a closer working arrangement between the parties in the future.

It is intended that this co-operation will manifest itself as follows:

- a) the management, operation and development of Hartlepool's Maritime Experience [HME] as a high quality visitor attraction that contributes to the cultural regeneration of Hartlepool and its tourism development
- b) the naming, branding and marketing of the combined facilities as a single entity with an admission ticket that covers all facilities
- c) the retention of HMS Trincomalee [the Ship] as an integral part of HME
- d) an agreed programme of on-going capital works to maintain and upgrade the facilities at HME that aims to increase income by attracting additional visitors to the facilities
- e) the regeneration and development by the private sector of shoreside land known as Trincomalee Wharf at Jackson Dock, the Freehold of which is held by the Council with a 999 year lease to the Trust dated xxxx, or such other date to be agreed.

2. Governance

The autonomy of the Council as a public authority and of the Trust as a Company Limited by Guarantee and a Registered Charity will be retained within this SERVICE LEVEL AGREEMENT, and the reporting requirements of both parties will be complied with, whether statutory or voluntary. It will be incumbent upon both parties to provide information to assist the reporting requirements.

3. Primary responsibilities of the parties

In order to facilitate the arrangements set out in Clause 1 above:

The Council will:

- a) maintain and operate at its own expense the buildings and quayside in its ownership including the buildings that form the Historic Quay and Museum of Hartlepool, PSS Wingfield Castle, the Graving Dock and Damboard, general facilities, exhibitions and displays, as shown and defined on PLAN A attached
- b) employ its own staff and service contractors
- c) provide the Trust, for a Peppercorn under a Lease or Licence arrangement [to be confirmed] as appropriate:
 - i) the use of the Graving Dock, or other suitable temporary berth for HMS Trincomalee when the Council has need for the use of the Graving Dock
 - ii) office accommodation
 - iii) a Trincomalee exhibition area
 - iv) a joint maintenance workshopThese facilities are shown and defined on PLAN A attached.
- d) provide the Trust with the following as assistance-in-kind:
 - i) introductory Reception and ticketing facilities and services for visitors to HME
 - ii) off-site officer marketing and management time
 - iii) a monthly accountancy review and budgetary monitoring
- e) have the right to bring onto the site and use cranes and other equipment when required and necessary for repair or maintenance purposes to any of its property or facilities

The Trust will:

- a) maintain and operate at its own expense:
 - i) the historic frigate HMS Trincomalee, including the Ship's conservation and provision of public access and interpretation
 - ii) a Ship Reception building adjacent to the Ship
- b) retain the Ship within the Graving Dock at Hartlepool's

Maritime Experience [see PLAN A attached] except for temporary movement for reasons of conservation, maintenance, display or promotion, or for other ships to use the Dock, or any other mutually agreed reason or purpose. The Trust reserves the right to berth the Ship in its own water area at Trincomalee Wharf [see PLAN B]. The costs associated with undocking and re-docking the Ship will be borne by the organisation/project instigating the move, or by mutual agreement.

- c) employ its own staff and service contractors.
- d) have the right to bring onto the site and use cranes and other equipment when required and necessary for repair or maintenance purposes to any of its property or facilities

The Council and the Trust will jointly:

- a) agree the admissions structure and tariff on an annual basis
- b) fund the marketing of the HME attraction as a single entity and will agree an annual joint marketing budget.
- c) provide access to all site facilities for all visitors and tours resulting from the joint marketing and as an integral part of the joint ticketing arrangements.

4. Safety

The safety of staff, visitors and other users is paramount, and the Council and the Trust will each be responsible for all aspects of health and safety, and the consequences, within their own defined areas [see PLAN A attached].

Up to date documentation is to be retained relating to all equipment that requires periodic testing, such as portable electrical equipment, lifting gear, alarm systems, fire extinguishers and lift installations.

The Council commits to all aspects of health and safety procedures in accordance with the relevant Council policies. The Council considers health and safety matters and risk assessments on a quarterly basis.

The Trust's Health and Safety Policy Statement is a legal requirement and is the Board's responsibility. The Statement is reviewed annually. The Board considers health and safety matters and risk assessments at each of its Quarterly Board Meetings, and the Trust retains an independent Health and Safety Adviser.

5. **Insurance**

Each party will maintain adequate insurance arrangements for their own property [see PLAN A attached] and individual equipment. Public and Employers' Liability insurance by each party, and/or in a defined combined form, will be retained at a minimum of £10m and be subject to joint review.

6. **The shoreside land and water at Jackson Dock known as Trincomalee Wharf**

The parties will work together to develop Trincomalee Wharf that has been assembled and leased through a separate legal agreement with the Trust for 999 years, initially from English Partnerships, and subsequently Hartlepool Borough Council.

The Freehold of the land and water is held by the Council with a Headlease to the Trust. The development of the land and water will be achieved through a Sublease from the Trust to the developer for a period to be agreed. Trincomalee Wharf is defined and shown on PLAN B attached.

The land and water is for the financial benefit of the Trust, and its development will accord with guidance set out by the Charity Commission, subject to appropriate statutory approvals.

The financial receipt generated from the land and water, whether capital and/or revenue, will accrue to the Trust, minus the total of any outstanding loans from the Council. The proportionate value of the parcel of land to the west of the Slipway [coloured xxxx on the PLAN] will be retained by the Council and used for the benefit of the management, operation and development of HME.

7. **Management**

A Joint Development Group [JDG] will be formed as detailed in an agreed document, comprising representation from both parties, together with other relevant individuals as may be required from time to time to provide specific or specialist support and/or information.

The JDG will meet to discuss in partnership future planned developments on the site to maximise their potential impact and opportunities for revenue generation.

The JDG will work at all times within the adopted policies and practices of the Council and the Trust, and initially the JDG will meet on a bi-annual basis.

The established Joint Working Group [JWG] of relevant Council Officers and Trust representatives will continue to meet to take forward and monitor the detailed delivery of the management, operation and development of HME.

8. Economy and Efficiency

In order to develop and operate HME as economically and efficiently as possible, in accordance with Clause 3 above, the parties will co-operate as follows:

- a) To use their best endeavours to seek and implement ways to contain expenditure through joint initiatives with the aim of reducing the call on public subsidy/grant to agreed levels, subject to the need to retain the agreed service levels, autonomy of the parties, conservation and maintenance, and health and safety and insurance considerations.
- b) To use their best endeavours to maximise income opportunities through marketing and promotional activities, souvenir sales, property interests, the pursuit of grants and sponsorship, and through the effective use of the Trust's charitable status.
- c) Admissions income will be shared equitably between the parties by mutual agreement, and the apportionments to each party will be subject to review. Initially, the apportionment will be based on a 50/50 basis between the parties.
- d) These matters will be discussed and monitored, and recommendations by the JWG will be submitted for consideration by the Council and the Trust as appropriate.

9. Targets and Performance

The primary purpose of the partnership is to maintain HME as a high quality visitor attraction in a competitive environment that contributes significantly to the cultural regeneration of Hartlepool and its tourism development [Clause 1a) above].

The performance will be monitored, evaluated and reviewed regularly and a series of output Targets and Reviews will be established on an annual basis, which will typically include the following:

Targets:

- a) Total paid-for admissions and revenue
- b) The results of commercial trading activities

Reviews:

- a) A breakdown of home locations of visitors
- b) The results of customer satisfaction surveys
- c) Quantifying the value of external funding and help-in-kind
- d) The level of volunteer input and support
- e) The programme of conservation and maintenance of facilities and artefacts
- f) The extent of media, marketing and other public exposure
- g) The programme of training and professional development activities
- h) The attainment of awards and/or other recognition

10. Timescale and future amendment to the Service Level Agreement

It is the agreed intention of the parties that this SERVICE LEVEL AGREEMENT will subsist for a minimum of 25 years. There will be an annual review of the detail contained within the document and its subsidiary agreements as required and as set out herein.

If either party resolves to significantly amend or dissolve the SERVICE LEVEL AGREEMENT it will be required to give the other partner a minimum of one year's notice in writing of an intention to significantly amend the SERVICE LEVEL AGREEMENT or to withdraw. A withdrawal will be without financial or contractual penalty.

The SERVICE LEVEL AGREEMENT contained herein is agreed and signed on behalf of the parties as follows:

[Page for signatures to follow]

JOINT DEVELOPMENT GROUP – HARTLEPOOL’S MARITIME EXPERIENCE

1.0 The role of the Joint Development Group [JDG]

- 1.1 The JDG is formed as a structure to be representative of the partnership between Hartlepool Borough Council and the HMS Trincomalee Trust in the management and strategic development of the public facilities known as Hartlepool’s Maritime Experience.
- 1.2 The facilities comprise the Museum of Hartlepool, including PSS Wingfield Castle, and the Historic Quay in the ownership of Hartlepool Borough Council, and HMS Trincomalee in the ownership of the HMS Trincomalee Trust. The Museum of Hartlepool provides free entry to the public whilst the Historic Quay and the HMS Trincomalee combine as a single paid-for attraction.
- 1.3 The JDG will meet to discuss in partnership future planned developments on the site to maximise their potential impact and opportunities for revenue generation.
- 1.4 A Joint Working Group [JWG] of relevant Trust representatives and Council Officers will continue to meet to take forward the detailed delivery of the developments.

2.0 Limitations

- 2.1 The JDG and JWG will work at all times within the adopted policies and practices of Hartlepool Borough Council and the HMS Trincomalee Trust. Any proposals for revising those policies or practices emerging from the JDG or the JWG shall require formal approval by the Council and/or the Trust as appropriate.

3.0 Membership of the JDG

- 3.1 The proposed membership will be as follows:
 - i) Hartlepool Borough Council Member [Culture portfolio or nominee]
 - ii) Chairman of the HMS Trincomalee Trust
 - iii) Hartlepool Borough Council Member [Regeneration and Liveability portfolio or nominee]
 - iv) Vice Chairman or Deputy Chairman of the HMS Trincomalee Trust

- v) Hartlepool Borough Council Member [Chair of Scrutiny Co-ordinating Committee or nominee]
- vi) Chairman of HMS Trincomalee Enterprises or nominee [when formed and to be defined – a Trustee until that time]
- vii) Hartlepool Borough Council's Director of Adult and Community Services or nominee
- viii) General Manager/Company Secretary of the HMS Trincomalee Trust
- ix) Hartlepool Borough Council's Director of Regeneration and Planning Services or nominee
- x) Representative of the on-site Catering/Function contractor

3.2 The JDG may invite individuals to attend in an *ex-officio* capacity to provide specific or specialist support and/or information.

4.0 Meetings

4.1 Meetings will initially be held bi-annually. The Chair will be taken on an alternate basis between the Trust and the Council; the first Chair will be decided between the parties.

CABINET REPORT

19th June 2006



Report of: Assistant Chief Executive

Subject: LOCAL PUBLIC SERVICE AGREEMENT 2 –
MONITORING/ALLOCATION OF PUMP
PRIMING GRANT AND PERFORMANCE
REWARD GRANT

SUMMARY

1. PURPOSE OF REPORT

To enable Cabinet to discuss the principles for monitoring the spending of the Pump Priming Grant (PPG) and proposed allocation of any Performance Reward Grant (PRG) that may be achieved by the Council, and it's partners, as part of the second round of the Local Public Service Agreement (LPSA) scheme.

2. SUMMARY OF CONTENTS

This report proposes a system for the monitoring of the Pump Priming Grant that the Council will receive to assist in the achievement of the targets agreed in the second round of the LPSA scheme. The report also proposes principles for the allocation of any Performance Reward Grant that is achieved by the Council, and it's partners.

3. RELEVANCE TO CABINET

This is a national initiative with relevance to major executive functions and financial arrangements

TYPE OF DECISION

Non-key decision.

4. DECISION MAKING ROUTE

The LPSA has been included as the reward element of the Local Area Agreement which was agreed by Cabinet on 10 February.

6. DECISION(S) REQUIRED

Cabinet is asked to: -

- Agree that Corporate Strategy monitor the Pump Priming Expenditure and if necessary highlight any areas of concern to future Cabinet meetings.
- Agree the principles behind the allocation of the potential PRG

Report of: Assistant Chief Executive

Subject: LOCAL PUBLIC SERVICE AGREEMENT 2 –
MONITORING/ALLOCATION OF PUMP PRIMING
GRANT AND PERFORMANCE REWARD GRANT

1 PURPOSE OF REPORT

- 1.1 To enable Cabinet to discuss the principles for monitoring the spending of the Pump Priming Grant (PPG) and proposed allocation of any Performance Reward Grant (PRG) that may be achieved by the Council, and it's partners, as part of the second round of the Local Public Service Agreement (LPSA) scheme.

2 BACKGROUND

- 2.1 The Council commenced negotiating the 2nd round of Local Public Service Agreement (LPSA2) with the Office of the Deputy Prime Minister (ODPM) in 2004. With the decision being made to produce a Local Area Agreement (LAA) the LPSA2 negotiation transferred to Government Office North East (GONE), and now forms the Reward Element of the LAA
- 2.2 To assist in achieving the targets set out in this Agreement, the Government will make a pump priming grant of £841,000 to the Council as a contribution towards expenditure of an "invest to save" or "invest to improve" nature.
- 2.3 In addition, the Government will pay a performance reward grant to Hartlepool Council totalling up to £3,065,775. The total amount actually payable is dependent on how well the Council, and partners, perform toward the agreed stretch targets. The grant will be split 50/50 between Capital Grant and Revenue Grant, and will be payable in two instalments following completion of the LPSA period in 2008/09

3 ISSUES

- 3.1 Whilst the Council has been the lead agency in the negotiation process, a number of the targets will be delivered in partnership with a number of other organisations across Hartlepool. It is important to agree at this stage the principles that the Council will adopt when spending the Pump Priming Grant and how the Performance Reward Grant will be split.

4 PUMP PRIMING GRANT (PPG)

- 4.1 Appendix 1 to this report details how the PPG will be split between the ten targets agreed with GONE. A monitoring system has been created that will enable spending on the projects to be monitored and, if required by the Government, audited upon completion of the project.

5 PERFORMANCE REWARD GRANT

- 5.1 The total amount of PRG available for each target is £306,577.50. It is proposed that: -
- 100% of the achieved Capital grant is earmarked for corporate priorities – the detail of which is to be identified and approved by Cabinet.
 - 100% of the achieved Revenue Grant is allocated to the lead department achieving the service improvement. The lead department will agree, where applicable, with partners how this Revenue Grant will be split between all appropriate partners.

6 PERFORMANCE MONITORING

- 6.1 All of the LPSA targets have been integrated into the Council's Corporate Plan 2006/07 and progress towards the targets will be reported to Cabinet on a quarterly basis through the standard quarterly Performance and Financial monitoring reports.

7 RECOMMENDATION

- 7.1 Cabinet are asked to: -
- Agree that Corporate Strategy monitor the Pump Priming Expenditure and if necessary highlight any areas of concern to future Cabinet meetings.
 - Agree the principles behind the allocation of the potential PRG

Hartlepool Borough Council

APPENDIX 1

Pump Priming Grant – Expenditure Profile

	Target	Year 1 2006/07	Year 2 2007/08	Year 3 2008/09	Total
1	Reducing burglary and car crime across Hartlepool	£28,033	£28,033	£28,034	£84,100
2	Providing training and improved employment prospects	£28,033	£28,033	£28,034	£84,100
3	Reduce the number of young people, who as a result of under-age drinking, commit Anti-social behaviour in Hartlepool	£28,033	£28,033	£28,034	£84,100
4	Reduce the incidents of local violence (common assault and wounding) in Hartlepool.	£28,033	£28,033	£28,034	£84,100
5	Reduce the incidents of domestic violence in Hartlepool	£27,954	£27,954	£27,954	£83,862
6	Increasing financial resources within family environments to provide improved lifestyle opportunities	£31,700	£33,600	£18,800	£84,100
7	Improving training and employment prospects for carers	£22,573	£22,573	£22,573	£67,719
8	Improving the Quality of Life of homeless people through secure tenancies and sustainable employment	£0	£25,000	£75,000	£100,000
9	To improve the health and well-being of patients referred by health practitioners via a GP referral scheme by increasing patients levels of participation in both physical and cultural related activities	£30,000	£30,000	£24,100	£84,100
10	Promoting healthy life chances through the achievement of the Healthy Schools Status across Hartlepool	£20,196	£30,323	£34,300	£84,819
	Total	£244,555	£281,582	£314,863	£841,000

Hartlepool Borough Council

APPENDIX 2

“LPSA2” – Performance Reward Grant Allocation.

The total amount of Performance Reward Grant available to the authority, and its partners, has been reduced from £3,066,250 to £3,065,775. Therefore the total amount for each target has been reduced to £306,577.50. This will be split equally between Revenue and Capital (£153,288.75).

The table below shows how the Revenue aspect of the potential PRG will be split between the indicators within each target.

Tgt	Outcome	Indicator	%age	Amount
1	Reducing burglary and car crime across Hartlepool	The number of domestic burglaries	100	£76,644
		Vehicle crime (theft of and theft from a motor vehicle)	100	£76,644
2	Providing training and improved employment prospects	Numbers of drug users given structured work experience/employment opportunities of at least 13 weeks	33	£51,096
		Number of offenders from Hartlepool being helped into employment with the assistance of HBC and being sustained in the job for a minimum of 4 weeks for a minimum of 16 hours per week.	33	£51,096
		Number of offenders that have gained basic skills at entry level 3, 2 and 1 and level 1 or level 2	33	£51,096
3	Reduce the number of young people, who as a result of under-age drinking, commit Anti-social behaviour in Hartlepool	Residents stating that “Teenagers hanging around on the streets” is a problem	100	£76,644
		Residents stating that “People being drunk or rowdy in public places” is a problem	100	£76,644
4	Reduce the incidents of local violence (common assault and wounding) in Hartlepool.	Number of incidents of Local Violence in Hartlepool as recorded by the Police.	100	£153,288
5	Reduce the incidents of domestic violence in Hartlepool	Number of repeat referrals to the police for incidences of domestic violence.	50	£57,483
				£19,161
		Number of perpetrators attending a perpetrator programme not re-offending within 6 months of completing the programme.	50	£49,818
				£26,825

Tgt	Outcome	Indicator	%age	Amount
6	Increasing financial resources within family environments to provide improved lifestyle opportunities	Number of Council Tax Disabled Reliefs	20	£30,657
		Number of Council Tax Carer Reductions	60	£91,973
		Number of Severely Mentally Impaired (SMI) Reductions	20	£30,657
7	Improving training and employment prospects for carers	Number of Carers completing education or training and achieving NVQ Level 2 or equivalent qualification, or higher. (and proportion of all carers)	50	£38,322
			50	£38,322
		Number of Carers remaining in employment for a minimum of 16 hours per week, and for at least 32 weeks in the year (and proportion of all carers)	50	£38,322
			50	£38,322
8	Improving the Quality of Life of homeless people through secure tenancies and sustainable employment	Employment Rate* (16-24)	100	£76,644
		Number of Failed Tenancies** (as a percentage of all Tenancies)	100	£76,644
9	To improve the health and well-being of patients referred by health practitioners via a GP referral scheme by increasing patients levels of participation in physical activities.	Number of patients completing a 10 week programme of referred activity* as a result of health practitioner recommendation	40	£61,315
		Of those completing 10 week programme, the percentage going onto mainstream activity**	60	£91,972
10	Promoting healthy life chances through the achievement of the Healthy Schools Status across Hartlepool	Number of schools achieving the new Healthy Schools Status	100	£153,288

CABINET

19 June 2006



Report of: Scrutiny Co-ordinating Committee

Subject: FINAL REPORT – ‘SECOND AND THIRD TIER OFFICER SALARY AND GRADING REVIEW’
SCRUTINY REFERRAL

SUMMARY

1. PURPOSE OF REPORT

1.1 To present the findings of the Scrutiny Co-ordinating Committee following its consideration of the Second and Third Tier Officer Salary and Grading Review, referred by the Finance and Performance Management Portfolio Holder on 11 November 2006 to the Scrutiny Co-ordinating Committee.

2. SUMMARY OF CONTENTS

2.1 The Final Report outlines the overall aim of the scrutiny enquiry, terms of reference, methods of investigation, findings, conclusions, and subsequent recommendations.

3. RELEVANCE TO CABINET

3.1 To provide the formal response of the Scrutiny Co-ordinating Committee, to assist the Cabinet in reaching the final decision regarding salary levels for the Authority's Second and Third Tier Officers.

4. TYPE OF DECISION

4.1 This is a non-key decision.

5. DECISION MAKING ROUTE

5.1 This is an Executive function and Cabinet will make the decision.

6. DECISION(S) REQUIRED

- 6.1 The Cabinet is recommended to consider the content of the Scrutiny Co-ordinating Committee's Final Report, in advance of reaching their final decision regarding salary levels for the Authority's Second and Third Tier Officers.



Report of: Scrutiny Co-ordinating Committee

Subject: FINAL REPORT – ‘SECOND AND THIRD TIER OFFICER SALARY AND GRADING REVIEW’
SCRUTINY REFERRAL

1. PURPOSE OF REPORT

1.1 To present the findings of the Scrutiny Co-ordinating Committee following its consideration of the Second and Third Tier Officer Salary and Grading Review, referred by the Finance and Performance Management Portfolio Holder on 11 November 2005.

2. BACKGROUND INFORMATION

2.1 At a meeting of the Finance and Performance Management Portfolio held on 11 November 2005, it was agreed to refer the Second and Third Tier Officer Salary and Grading Review to the Scrutiny Co-ordinating Committee for consideration of the Employers Organisation’s findings, to be completed within the prescribed timescale of 10 February 2006 (Minute 1 refers). Subsequently, the prescribed timescale was extended to 30 June 2006 to allow consideration of additional information as part of the Scrutiny Referral.

2.2 At a meeting of Scrutiny Co-ordinating Committee held on 20 December 2005, the proposed Terms of Reference and Timetable for the undertaking of the Scrutiny Referral were agreed, as outlined in paragraphs 4 and 5 of this report.

3. SETTING THE SCENE

3.1 Following the recent implementation of Council’s Corporate Restructure together with all of the Corporate Directors new being a post, a review into Second and Third Tier Chief Officers’ Salaries was recently commenced, as part of the Council’s Way Forward Agenda.

3.2 The Employers’ Organisation (EO) had been appointed to undertake the technical evaluation of the salaries and to recommend an appropriate salary and grading structure to the Authority’s Cabinet during June 2006.

- 3.3 Members of the Scrutiny Co-ordinating Committee were informed, as part of the Scrutiny Referral process that the Authority last reviewed the Second and Third Tier Officer Salary and Grading Structure back in 1999, and that as per the Council's procedures a review should be undertaken every three years.
- 3.4 It was also brought to the attention of the Committee that the former Director of Neighbourhood Services was leading the review, as it would have been inappropriate for the Chief Personnel Services Officer to do so, since this post was one of the Second Tier Chief Officer posts under review. Following the departure of the former Director of Neighbourhood Services in May 2006, the Chief Executive resumed such responsibility towards the concluding stages of the Scrutiny Referral.

4. OVERALL AIM OF THE SCRUTINY ENQUIRY

- 4.1 The overall aim of the Scrutiny Referral was to examine the recommendations of the Employers' Organisation, as part of the Second and Third Tier Officer Salary and Grading Review, within the prescribed timescale of the Cabinet Member referral (extended to 30 June 2006).

5. TERMS OF REFERENCE FOR THE SCRUTINY ENQUIRY

- 5.1 The Terms of Reference for the Scrutiny Referral were as outlined below:-
- (a) To gain an understanding of why the timing of the review is appropriate;
 - (b) To gain an understanding of the process being undertaken for the review together with its implementation;
 - (c) To consider the recommendations of the Employers' Organisation, in particular the proposed salary and grading structure; and
 - (d) To formulate the written response of this Committee to the Authority's Cabinet in relation to the Employers' Organisation's recommendations in line with the prescribed 'referral' timescale.

6. MEMBERSHIP OF THE SCRUTINY CO-ORDINATING COMMITTEE

- 6.1 The membership of the Committee during the Municipal Year 2005/06 and 2006/07 were as detailed overleaf:-

Municipal Year 2005/06 - Councillors Cambridge, Clouth, Cook, Cranney, Flintoff, Hall, Hargreaves, James, Kaiser, Lilley, A Marshall, J Marshall, Preece, Richardson, Shaw and Wright.

Resident Representatives: Evelyn Leck, Linda Shields and Joan Smith.

Municipal Year 2006/07 – Councillors S Allison, Barker, Clouth, R Cook, Coward, Fleet, Gibbon, Hall, James, A Marshall, J Marshall, Preece, Shaw, Wallace, Wistow and Wright.

Resident Representatives: Evelyn Leck, Linda Shields and Joan Smith.

7. METHODS OF INVESTIGATION

- 7.1 Members of the Committee met formally between 20 December 2005 and 2 June 2006 to discuss and receive evidence relating to this Scrutiny Referral and a detailed record of the issues raised during these meetings are available from the Council's Democratic Services.
- 7.2 A brief summary of the methods of investigation are outlined below:-
- (a) Verbal and written evidence from the Authority's Chief Executive and former Director of Neighbourhood Services (Lead Officer for the Review);
 - (b) Verbal and written evidence from the Employers' Organisation (whom had been commissioned to undertake the independent review); and
 - (c) Briefing reports of the Scrutiny Manager which provided the relevant background information and key documentation.

8. FINDINGS

8.1 TIMING OF THE REVIEW

- 8.2 Based on the evidence presented to this Committee, Members understood that it was appropriate for an independent review of the Authority's Second and Third Tier Officers to be undertaken for the following reasons:-
- (a) As part of the Council's Way Forward Agenda following the recent implementation of the Authority's Corporate Restructure together with all of the Corporate Directors now being a post;
 - (b) That as per the Authority's procedures, an independent review of the Second and Third Tier Officers Salary and Grading Pay Structure should be undertaken every three years and that this had elapsed with the last review being held late 1998/early 1999, nearly some eight years ago; and
 - (c) That the reasons for the Authority's Second and Third Tier Officers Salary and Grading Structure not being reviewed since late 1998/early was due primarily to the changes that have taken place in the Council and its senior management since then.

8.3 PROCESS OF THE REVIEW

- 8.4 Members of this Committee were informed at their meeting on 13 January 2006, that the Employers' Organisation had been appointed to undertake the technical evaluation of the salaries of the Authority's Second and Third Tier Officers and to recommend an appropriate salary and grading structure to the Authority's Cabinet.
- 8.5 It was found that this same process had been followed in 1999 and more so recently when the Employers' Organisation advised the Authority when the salary levels for the Corporate Directors were reviewed as part of the Corporate Restructure exercise.
- 8.6 As part of this Scrutiny Referral, evidence was sought from the Senior Consultant of the Employers' Organisation, in relation to the methodology and process of the review.
- 8.7 Members were informed that the 'Hay Methodology' was being used to evaluate the Authority's Second and Third Tier Officers roles and responsibilities, a tool widely used in Local Government, using a point scoring criteria under three main elements common to all jobs, those being Know How, Problem Solving and Accountability.
- 8.8 In summary it was found the process involved:-
- (a) Consideration of the job descriptions and person specifications for all of the posts;
 - (b) Consideration of an evaluation questionnaire completed by each of the Chief Officers (or their appropriate Corporate Director in the case of vacant posts) with each questionnaire being approved and signed off by the appropriate Corporate Director;
 - (c) Consideration of all the information (as referred to in points (a) and (b) above) by a Panel who agreed an evaluation score for each post; and that
 - (d) A salary range relating to the range of the point scores would then be recommended by benchmarking against other similar posts that the Employers' Organisation had recently evaluated, with specific attention being placed upon regional salary levels in this particular exercise.

8.9 EMPLOYERS' ORGANISATION PROPOSED SALARY AND GRADING STRUCTURE FOR THE AUTHORITY

- 8.10 The Scrutiny Co-ordinating Committee initially considered the Employers' Organisation's proposed salary and grading structure on 24 February 2006. As a result of a handful of anomalies reported verbally at that meeting in

relation to the proposals, it was agreed that Members would re-considered the recommendations of the Employers' Organisation on 7 April 2006.

- 8.11 At the meeting of the Scrutiny Co-ordinating Committee on 7 April 2006, Members revisited the revised salary and grading structure proposals with additional information being sought on the financial implications of recommendations at their meeting of 2 June 2006.
- 8.12 Following consideration of the financial implications of the proposed salary and grading structure on 2 June 2006, discussion ensued with the Chief Executive with regard to the initial impact/pressure to departmental staffing budgets verse future years costs, public dissatisfaction and the risks associated with not implementing the review.

9. CONCLUSIONS

9.1 The Scrutiny Co-ordinating Committee concluded:-

- (a) That the timing of the review was appropriate, given the Authority last reviewed the Second and Third Tier Officer Salary and Grading Structure back in 1999, and that as per the Council's procedures a review should be undertaken every three years;
- (b) That it was necessary to secure the services of the Employers' Organisation in the undertaking of this review as firstly they undertook the last review back in 1999 and that secondly they were able to access up-to-date comparative data (in excess of 400 organisations nationally) that subsequently informed their recommendations for the Authority's consideration;
- (c) That in accordance with the Authority's approved Remuneration Strategy, the Second and Third Tier Officer Salary and Grading Structure should be reviewed in three years time, or sooner if felt appropriate by the Cabinet;
- (d) That any future significant changes to the role and responsibilities of a Second and Third Tier Officer within the Authority, would need to be referred back to the Employers' Organisation for re-evaluation using the same methodology used for this review;
- (e) That the proposed salary and grading structure recommended by the Employers' Organisation would impact upon departmental staffing budgets for the 2006/07 financial year. Therefore it is appropriate that the Authority sets aside £40,000 from the Authority's estimated underspends to assist areas where the additional costs associated with this review could not be accommodated within existing budgets; and
- (f) That future years costs should be treated in the same manner as those for the job evaluation process, currently being undertaken for the rest of

the organisation (due to be completed this financial year) and funded from the same provision.

10. RECOMMENDATION

- 10.1 That the Cabinet be asked to note the Scrutiny Co-ordinating Committee's endorsement of the proposed Salary and Grading Structure for the Authority, as recommended by the Employers' Organisation.

11. ACKNOWLEDGEMENTS

- 11.1 The Committee is grateful to all those who have presented evidence during the course of this Scrutiny Referral. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

Chief Executive;

Former Director of Neighbourhood Services; and

Senior Consultant of the Employers' Organisation for Local Government.

**COUNCILLOR MARJORIE JAMES
CHAIR OF SCRUTINY CO-ORDINATING COMMITTEE**

June 2006

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BACKGROUND PAPERS

The following background papers were consulted or referred to in the preparation of this report:-

- (i) Report of the Director of Neighbourhood Services entitled 'Second and Third Tier Officer Salary and Grading Review' presented to the Finance and Performance Management Portfolio Meeting held on 11 November 2006.
- (ii) Report of the Scrutiny Manager entitled 'Scrutiny Topic Referral from Cabinet Member Portfolio Holder – Second and Third Tier Officer Salary and Grading Review' presented to the Scrutiny Co-ordinating Committee on 20 December 2005.
- (iii) Decision Record of the Finance and Performance Management Portfolio Meeting held on 11 November 2005 and 20 December 2005.
- (iv) Report of the Scrutiny Manager entitled 'Second and Third Tier Officers Salary and Grading Review Scrutiny Referral – Process of the Review: Presentation by the Employers' Organisation' presented to the Scrutiny Co-ordinating Committee held on 13 January 2006.
- (v) Presentation of the Senior Consultant from the Employers' Organisation entitled 'Hartlepool Second and Third Tier Senior Management Salary Review' delivered to the Scrutiny Co-ordinating Committee held on 13 January 2006.
- (vi) Report of the Scrutiny Manager entitled 'Second and Third Tier Salary and Grading Scrutiny Referral – Employers' Organisation Salary and Grading Structure Recommendations: Covering Report' presented to the Scrutiny Co-ordinating Committee held on 24 February 2006.
- (vii) Report of the Scrutiny Manager entitled 'Second and Third Tier Salary and Grading Scrutiny Referral – Employers' Organisation Salary and Grading Structure Revised Recommendations: Covering Report' presented to the Scrutiny Co-ordinating Committee held on 7 April 2006.
- (viii) Report of the Scrutiny Manager entitled 'Second and Third Tier Salary and Grading Scrutiny Referral – Financial Implications of the Employers' Organisation Salary and Grading Structure Recommendations: Covering Report' presented to the Scrutiny Co-ordinating Committee held on 2 June 2006
- (ix) Minutes of the meetings of the Scrutiny Co-ordinating Committee held on 20 December 2005, 13 January 2006 and 24 February 2006, 7 April 2006 and 2 June 2006.