

NORTH AND COASTAL NEIGHBOURHOOD FORUM AGENDA



10th July 2013

at 10.00am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: NORTH AND COASTAL NEIGHBOURHOOD FORUM:

Councillors Ainslie, Atkinson, Beck, Cook, Dawkins, Fisher, Fleet, Griffin, Hill, Jackson, Payne, Robinson, Shields, Tempest and Thompson

- 1. WELCOME AND INTRODUCTIONS**
- 2. APOLOGIES FOR ABSENCE**
- 3. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 4. MINUTES**
 - 4.1 To confirm the minutes of the meeting held on 10th April 2013
 - 4.2 Matters arising.
- 5. POLICY COMMITTEE CHAIRS ISSUES**
 - 5.1 Budget 2014/15 to 2016/17 – *Chair of Finance and Policy Committee :-*
 - i) Covering Report
 - ii) Presentation
 - 5.2 Public Questions to Policy Committee Chairs

6. **PUBLIC QUESTION TIME and WARD ISSUES (maximum of 30 minutes)**

7. **ITEMS FOR CONSULTATION**

None

8. **ITEMS FOR DISCUSSION AND/OR INFORMATION**

8.1 Environmental Enforcement Initiative – Verbal Update – *Director of Regeneration and Neighbourhoods*

9. **WARD MEMBER BUDGETS**

9.1 Ward Member Budgets – *Director of Regeneration and Neighbourhoods*

10. **ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

11. **DATE, TIME AND VENUE OF NEXT MEETING**

2nd October 2013, 2.00pm in Committee Room B, Civic Centre, Hartlepool

WARDS

De Bruce
Hart
Headland and
Harbour
Jesmond
Seaton

***NORTH AND COASTAL
NEIGHBOURHOOD FORUM***

10 April 2013

MINUTES OF THE MEETING



The meeting commenced at 2.00 pm. in the Civic Centre, Hartlepool

PRESENT:

Chair:	Councillor Mary Fleet	- Jesmond
Vice-Chair	Councillor Rob Cook	- De Bruce
	Councillor Jim Ainslie	- Headland and Harbour
	Councillor Kelly Atkinson	- Seaton
	Councillor Paul Beck	- Hart
	Councillor Keith Fisher	- Hart
	Councillor Sheila Griffin	- De Bruce
	Councillor Ged Hall	- Burn Valley
	Councillor Robbie Payne	- Headland and Harbour
	Councillor Jean Robinson	- Hart
	Councillor Linda Shields	- Jesmond
	Councillor Sylvia Tempest	- De Bruce
	Councillor Paul Thompson	- Seaton

Also in attendance: Barry Coppinger, Police and Crime Commissioner for Cleveland
Inspector Paul Haytack, Cleveland Police
Ian McHugh, Cleveland Fire Brigade

Public: Reuben Atkinson, Brian Boyes, Malcolm Husband, Ian Stewart,
Cath Torley, Alan Vale and Dennis Wilson

Officers: David Frame, Neighbourhood Manager
Peter Frost, Traffic Team Leader
Adele Wilson, Community Regeneration and Development Coordinator
Andy Golightly, Principal Regeneration Officer
Kate Ainger, Pride in Hartlepool Officer
Julie Hetherington, Neighbourhood Support Officer
Garry Jones, Neighbourhood Services Officer
Sue McBride, Neighbourhood Development Officer
Rachael Parker, Community Safety Research Officer
Jo Stubbs, Democratic Services Officer

46. WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

47. APOLOGIES FOR ABSENCE

No apologies were submitted

48. DECLARATION OF INTEREST

None.

49. MINUTES OF THE NORTH AND COASTAL NEIGHBOURHOOD FORUM HELD ON 3rd OCTOBER 2012.

Approved

50. MATTERS ARISING

No items

51 PUBLIC QUESTION TIME AND WARD ISSUES**De Bruce**

A resident referred to proposals to build housing on the former Henry Smiths school site and raised concerns regarding emergency vehicle access and the proximity of development works to his property. The Vice-Chair, in his role as Chair of Planning Committee, advised that a planning application had been submitted for 113 dwellings, however this had not yet been considered by Planning Committee. The resident recommended that the committee members visit the area where he would be happy to give some input. The Vice-chair indicated that committee members would decide whether a site visit was needed and if so members would be unable to speak to the public during said visit in order that there be no suggested of pre-determination before the meeting.

A resident referred to horses which had been tethered and left in King Oswy Drive. The Vice-Chair reported that this was a problem across town. The police and the Council's Public Protection department were working together to find a solution as there was no information regarding ownership of the horses.

A resident referred to the teen health van situated on King Oswy Drive on selected evenings, querying how much use there had been. A Councillor requested that officers provide this information, commenting that she had been very impressed with the facilities.

52. SEATON CAREW MASTERPLAN - PRESENTATION

The Principal Regeneration Officer gave a brief presentation on the Seaton Carew masterplan, giving details on the strengths and weaknesses of Seaton Carew and future regeneration opportunities. A report would be considered by Cabinet this month prior to consultation with residents and business owners regarding a future approach.

A resident requested an update on the Longscar building. The Principal Regeneration Officer confirmed that discussions were ongoing with the owner with a view to the Council purchasing the building and clearing it as part of the development of Seaton front.

A resident queried whether there were any plans to hold events for children at Seaton during the Summer months – citing the success of the firework display. The Principal Regeneration Officer confirmed that local businesses had made similar suggestions and these were being looked at for the future.

The Chair thanked the Principal Regeneration Officer for attending the meeting and answering questions.

53. POLICE AND CRIME COMMISSIONER - INTRODUCTION

The Chair introduced Barry Coppinger, the newly elected Police and Crime Commissioner for Cleveland. Mr Coppinger gave brief details of his role and responsibilities, saying he was keen to work with local councillors and residents groups as much as possible. He also referred to the Cleveland Community Safety Awards Scheme, details of which were available at www.cleveland.pcc.police.uk.

A Councillor asked for Mr Coppinger's views on the recent appointment and subsequent resignation of the Youth Police and Crime Commissioner for Surrey. Mr Coppinger felt that this appointment had not been well thought out and there had been insufficient investigation prior to the appointment being made. However he also felt that the press had been unduly harsh to the appointee. His approach was to carry out his role as efficiently as possible and for that reason he had not appointed a deputy. So far he had managed to cut the budget by 22% but this was by doing the work of 17 people. Mr Coppinger was keen to work with any young people initiatives or strategic groups. He also felt it was important to be a good employer.

A Councillor congratulated Mr Coppinger on his 22% budget cut and the effort being made to live within his means.

A Councillor referred to future cuts and requested a reassurance that the PCSOs would be left in place. Mr Coppinger confirmed his commitment to Neighbourhood Policing and said that any restructure would be specifically focused on supporting that. He clarified however

that if officers left the force they might not be replaced immediately as it was felt more efficient to recruit a cohort of new recruits rather than individuals.

The Chair thanked Mr Coppinger for attending the meeting and answering questions.

54. CLEVELAND POLICE - PRESENTATION

Inspector Paul Haytack gave a brief presentation on Neighbourhood Policing in the North and Coastal area. Details were given of future changes to the structure following the election of the Police and Crime Commissioner for Cleveland. Neighbourhood Policing Command would be led by a Chief Superintendent and supported by a Superintendent and 4 Chief Inspectors. Resources would be aligned into a single Integrated Neighbourhood Team which would include Youth Offending, CCTV Liaison, Volume Crime Investigators and PCSOs among others. Community engagement was key to any future success specifically ward priorities. Among the changes due to be implemented would be the concept of restorative intervention whereby officers would be given discretion to deal with low level offences as they saw fit rather than being obliged to take every case through more official procedures.

Inspector Haytack queried whether members wished to see statistical information brought to future forum meetings or would prefer him to concentrate more on ward priorities. Members indicated they would prefer not to be bombarded with figures at the expense of ward updates and officer opinions.

A Councillor praised the PCSOs for their enthusiasm and commitment. He highlighted in particular the work of one of

the Headland PCSOs who had been involved in the formulation of a neighbourhood plan and had also attended in his own time. Inspector Haytack thanked the Councillor for his comments.

A Councillor queried when anti-social behaviour was classed as a crime. Inspector Haytack indicated this occurred when it crossed a line into harassment. A resident asked what the lowest level of anti-social behaviour was. Inspector Haytack was unable to clarify this other than to say it was misbehaviour that had a negative impact on people in general.

A Councillor referred to Licensing Act sub-Committee hearings, querying how Licensing Officers could be contacted to attend where residents had legitimate opposition to a licensing application. Inspector Haytack advised that officers would be happy to make representations on behalf of the public in these matters. He would speak to the Councillor regarding the specifics of the case after the meeting.

A Councillor made a plea for tolerance saying children playing football in the street was not anti-social behaviour, provided damage was not being done to windows or cars. Inspector Haytack confirmed that officers were encouraged not to make assumptions and act in an appropriate and proportionate way. Efforts were being made to engage with young people in order to find alternative areas such as school premises.

A resident thanked the Neighbourhoodies team for their efforts in planting 100 trees the previous week.

The Chair thanked Inspector Haytack for attending the meeting and answering questions.

55. CLEVELAND FIRE BRIGADE - PRESENTATION

Ian McHugh of Cleveland Fire Brigade gave a detailed presentation on activity in the North and Coastal area in 2012/13. Statistics showed a general drop in fires and fire calls between 2011/12 and 2012/13. This was partly attributed to the inclement weather during the period. Where there were increases these tended to be in single figures. Accidental dwelling fires continued to be a big concern however progress was being made in terms of highlighting the dangers to householders.

A Councillor queried what was being done to combat deliberate fires on the Seaton sand dunes. Mr McHugh confirmed that this had been identified as a hot spot and regularly patrolled.

A Councillor asked whether comparative statistics could be provided for the rescue service provided by the fire brigade. Mr McHugh confirmed that information on road accidents could be provided but casualty details would be unavailable. In terms of more recent developments there had been a general decrease in accidents in the last 5 years however there had been some serious accidents in the previous 6 months which may have pushed the figures up.

A Councillor queried why budget costs increased depending on the number of fires. He felt that once the premises and equipment had been purchased that the cost should remain static. Mr McHugh advised that cost increases had an impact upon the local economy rather than Cleveland Fire Brigade itself. Local Housing Associations and local regeneration were all affected by an increase in fires.

A Councillor requested an update on future improvements to the Headland Fire

Station. Mr McHugh advised that officers would move to temporary accommodation in April/May 2013 with demolition of the existing station scheduled for 29th August 2013. The new station was expected to be in place by May 2014 at the latest. The Councillor expressed a wish that the new station have a community feel similar to the Redcar station. Mr McHugh indicated that consultation was currently ongoing regarding extra funding to support this.

A resident referred to a forthcoming development on the former Henry Smith's School site, requesting assurance that the emergency services would be able to gain access to his property. Mr McHugh confirmed that any planning application would be considered by the fire brigade and any concerns raised prior to implementation.

The Chair thanked Mr McHugh for attending the meeting and answering questions.

56. WARD MEMBERS BUDGETS (2012/13)

All Ward Members had been allocated £5,500 to use for the wider and discernable community benefits of their ward. Breakdowns were given of the current spend to date in relation to each of the Ward Members' budgets along with a schedule setting out the current running total for each Ward Member and their remaining budgets. So far £45,207.52 had been spent on 30 projects benefitting the North and Coastal area with approximately £37,000 remaining. A number of schemes were under development but were not included in the report. Council had approved a total town-wide allocation of £165,000 for 2013/14, equating to £5,000 per Councillor. Any under spend from 2012/13 would automatically be carried forward by each individual Councillor.

The Neighbourhood Manager highlighted a typographical error within the report relating to the amount of funding approved by Councillor Griffin toward speed activation signs in Davison Drive.

A resident queried how community groups could access these budgets. The Neighbourhood Manager suggested they approach their ward councillor. Every group of ward councillors had their own way of selecting appropriate schemes.

The Vice-Chair indicated that he had been initially resistant to the idea of ward member budgets as there was less funding than the previous minor works budget. However in hindsight he felt the ward member budget system had worked very well and encouraged close working among ward councillors. Councillors thanked officers for their hard work on this.

Members noted the final outturn report in relation to Ward Member Budgets in the North and Coastal Neighbourhood Forum area.

57. FINAL MEETING

The Vice-Chair highlighted that this was the Chair's final meeting. Members thanked her for all her hard work during the previous year; she in turn thanked officers for their help specifically the Neighbourhood Manager.

58. DATE, TIME AND VENUE OF THE NEXT MEETING

This would be confirmed in due course.

The meeting concluded at 3:40pm.

NORTH AND COASTAL NEIGHBOURHOOD FORUM

10 July 2013



Report of: Chair of the Finance and Policy Committee

Subject: BUDGET 2014/15 TO 2016/17 - PRESENTATION
BY THE CHAIR OF THE FINANCE AND POLICY
COMMITTEE

1. PURPOSE OF REPORT

- 1.1 To update residents on the key issues affecting the Council's financial position over the period 2014/15 to 2016/17 and the implications this has for setting the 2013/2014 budget.

2. BACKGROUND

- 2.1 The Councils Policy Committees will during the course of the financial year receive a series of detailed budget reports. These reports will assist in the development and approval of the final 2014/15 budget proposal, for consideration by full Council in February 2014.
- 2.2 The first of these reports was considered by the Finance and Policy Committee on the 31 May 2013 and copy of this report is attached at **Appendix 1**.
- 2.3 As a first step in the process to raise awareness of the Councils budget position, and involve residents in the development of the Councils budget proposals, the Chair of the Finance and Policy Committee will at today's meeting give a detailed presentation, drawing out key issues from the report considered by the Finance and Policy Committee on the 31 May 2013.
- 2.4 Views and comments are welcomed from all those present, with further reports to be presented to the Neighbourhood Forums over the course of the financial year.

3. RECOMMENDATIONS

- 3.1 That the Forum notes the Council's financial position over the period 2014/15 to 2016/17, and the implications this has for setting the 2013/2014 budget, and seeks clarification where required.

4. REASONS FOR RECOMMENDATIONS

- 4.1 To update the Forum and residents on key issues affecting the Council's financial position over the period 2014/15 to 2016/17 and the implications this has for setting the 2013/2014 budget.

5. BACKGROUND PAPERS

Background paper(s) used in the preparation of this report:-

- i) Medium Term Financial Strategy 2014-15 to 2015-16 report of the Chief Finance Officer (Finance and Policy Committee – 31 May 2013)

6. CONTACT OFFICER

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Chief Executive's Department – Corporate Strategy
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FINANCE AND POLICY COMMITTEE

31st May 2013



Report of: Chief Finance Officer

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2014/15 to 2016/17

1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and policy framework decision.

2. PURPOSE OF REPORT

2.1 The purposes of the report are to:-

- i) Update Members on the Council's financial position and the budget deficits forecast for 2014/15 to 2016/17; and
- ii) To enable Members to approve the recommended approach to be adopted for managing the budget deficits over the period 2014/15 to 2016/17.

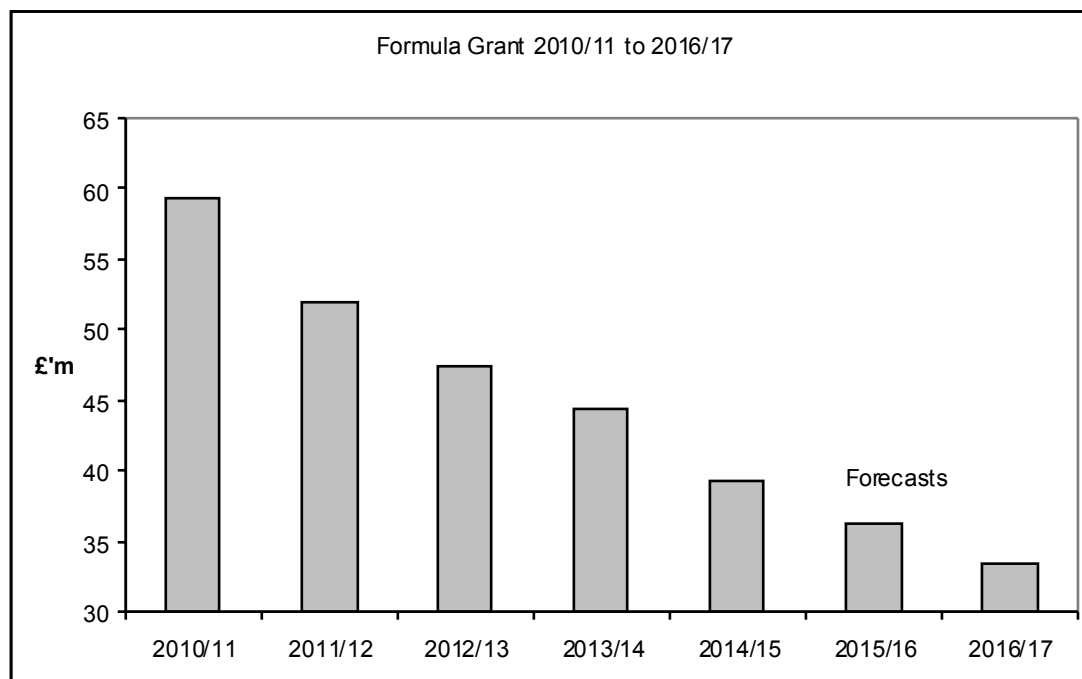
3. BACKGROUND AND GOVERNMENT SPENDING PLANS 2014/15 ONWARDS

3.1 This is the first of a series of detailed budget reports which will be submitted to this Committee during the current financial year to enable Members to develop and approve the final 2014/15 budget proposals to be referred to full Council in February 2014. This report is being referred to Members earlier than in previous years owing to the scale of the budget deficits facing the Council and also to reflect the requirements of operating the new Committee system. It needs to be recognised that considering budget issues at this earlier stage means that final decision cannot be made until later in the year when all information is available. However, Members need to make some initial decisions to underpin the development of the Council's financial plans and to recognise that these may need to be revised if circumstances change.

3.2 The previous MTFS report was submitted to full Council in February 2013 and provided a comprehensive assessment of the financial challenges and

risks facing the Council over the 4 years commencing 2013/14. In summary the report advised Members that the Council is facing the most challenging financial position since becoming a unitary authority in 1996, which reflects:

- The scale of Government cuts in core General Fund grants confirmed for 2013/14 and 2014/15, and anticipated to continue in 2015/16 and 2016/17 as summarised below;



- The abolition of the national Council Tax Benefit system and the transfer of financial responsibility for Council Tax Support to individual Councils, with a 10% national funding cut. The cut for Hartlepool was effectively around 13% when account is taken of actual support already provided. There is a risk further grant cuts are made in this area in future years if the Government determines to implement further cuts in the Welfare Budget. In addition, the Government's decision to mainstream this grant and include within the core revenue grant from 2014/15 increases financial risk for areas serving more deprived communities, including Hartlepool, as reductions in core revenue grant have historically had a disproportionate impact on these areas.
- The implementation of the Business Rates Retention system, which will transfer significant financial risks to individual Councils. Under the new system a 'safety net' system will operate which will require individual Councils to fund the first 7.5% of in-year reductions in business rates from their own resources. Additional Government support will only be paid for shortfalls above this threshold. For Hartlepool this equates to an annual risk of around **£1.9 million** in 2014/15 and future year. This is a significant risk for Hartlepool owing to the potential impact of in-year reductions in the business rates paid by the Power Station, which contributes **17%** of the total Business Rates collected by the Council;

- Individual Councils face potential costs relating to 50% of back-dated Business Rates appeals. The Government has set aside some funding for this issue nationally, although it is not yet clear if this will be sufficient at an individual authority level. This is also a significant risk for the Council as the Power Station has a number of outstanding appeals and further information is provided later in the report.
 - The impact of cuts in specific grants, including a cut in the Early Intervention Grant from £6.440m in 2012/13 to £4.789m in 2014/15, a cut of £1.651m – a 25% cut.
- 3.3 The February 2013 MTFS provided the strategy for managing the 2013/14 budget, which recognised that budgets and financial risks need to be managed over a number of years. The report outlined that further cuts in core budgets of between **£17.426m and £19.426m** will have be made before the start of 2016/17. These forecasts include the impact of the 2013/14 Council Tax Freeze grant being removed in 2015/16. The Council will also need to manage cuts in specific grants.
- 3.4 In developing a strategy to address the core budget deficit there are a range of inter-linked and inter-dependant issues to consider in rolling forward the Council's financial plans, covering
- Government Spending Plans 2014/15 onwards
 - One-off resources available to manage risks and / or support Council priorities, including the 2014/15 General Fund budget;
 - Business Rates Risks;
 - Local Council Tax Support Scheme 2014/15 to 2016/17;
 - General Fund Revenue Budget 2014/15 to 2016/17;
 - Strategy for managing EIG and LACSEG grant cuts.
- 3.5 The following paragraphs provide more information on each of these issues to the extent this is currently possible. Further updates will be provided to future meetings when more information becomes available.
- 3.6 Government Spending Plans 2014/15 onwards**
- 3.7 The Chancellor's March 2013 budget provided an update on the Public Sector finances and confirmed that Public Sector debt will be higher than previously forecast and the budget deficit will take longer to reduce than previously forecast as summarised below:

	Public sector debt as a percentage of GDP	Annual budget deficit (£billion)
2013/14	75.9%	108
2014/15	79.2%	97
2015/16	82.6%	87
2016/17	85.6%	61
2017/18	84.8%	42

To put the annual budget deficits into context annual spending on Health is £137 billion, Education £97 billion and Personal Social Services £31 billion.

- 3.8 Against this background the Chancellor indicated a continued period of public sector austerity, although some areas of spending, including Health and Education, will be protected. For Council's this means a period of continued grant cuts. The key issue for Hartlepool will be the level of the actual grant cuts for 2014/15 and future years and how these compare to the forecasts included in the MTFS. This position will need to be assessed after the June 2013 Spending Review, although this may only cover spending for 2014/15 owing to the timing of the next General Election.
- 3.9 The Chancellor also announced an extension of the public sector pay cap of 1% until 2016. As Members will be aware Local Government pay has already been frozen since April 2009, so this will have a significant impact on employees, particularly the lower paid. In budgeting terms there will be a financial benefit from the public sector pay cap. However, any budget saving is expected to be offset by higher grant cuts as the Government reduce grants further to reflect the pay cap. This is a significant risk as the Government has no way of determining the impact on individual councils and as a result councils suffering disproportionate grant cuts may lose more grant than they save from the pay cap.
- 3.10 In addition, any savings from the continued public sector pay cap will need to be allocated to offset higher employers National Insurance costs. In the March 2013 Budget the Chancellor announced that from April 2016 (a year earlier than previously indicated) that employers and employees will face increased National Insurance contributions as a result of changes to the Second State Pension. This is a significant issue and it is estimated that Public Sector employees will pay increased National Insurance contributions of £3.3 billion a year. Overall the effect on the Government finances will be neutral, although this will pass an additional significant cost on to Councils.
- 3.11 For Hartlepool the increased National Insurance cost equates to 3% of the pay bill from April 2016. This additional cost was not included in the previously reported MTFS forecasts as this change was not expected to be implemented until April 2017, which is outside the current planning period covered by the MTFS. In budgeting terms this additional cost may be offset from the annual savings which will accrue from reducing the April 2015 and April 2016 pay award planning assumptions from 2.5% to 1% per year.
- 3.12 In summary the Chancellor's March 2013 budget confirmed a period of continued public sector austerity and more information will become available in the Government's June 2013 Spending Review. In the meantime the planning assumptions reported in February continue to provide an appropriate planning basis for the 2014/15 to 2016/17 MTFS. However, there is a risk that the net impact of actual grant cuts (when these are known), the continuing public sector pay cap and higher employers National Insurance contributions **may increase the currently forecast budget deficits.**

4. One-off resources available to manage risks and / or support Council priorities

- 4.1 The February 2013 MTFS report identified a potential one-off resource from the action taken to manage the 2012/13 General Fund budget and the review of reserves. At that time the net forecast under spend, after commitments approved by Council to support educational attainment and the costs of the public enquiry, was forecast to be in the range of £0.16m to £0.94m. The range reflected seasonal and demand lead expenditure. Work to finalise the 2012/13 outturn is nearing completion and the final under spend is expected to be £0.68m, net of provision made for potential litigation costs arising from Planning Committee decisions which was not previously anticipated when the forecast outturns were prepared. The net underspend of £0.68m can now be taken into account in developing the MTFS for 2014/15 and beyond.
- 4.2 Work completed on assessing historic Equal Pay risks has identified that the provision previously set aside should not be needed and can now be taken into account. Releasing this money is not completely without risk, although this is currently assessed as extremely low. Therefore, given the other pressures facing the Council it is recommended this funding is released, which provides a one-off benefit of £0.9m.
- 4.3 An initial assessment of the forecast 2013/14 budget outturn has also been undertaken and this has identified a range of forecast budget savings of £1.060m, as detailed in Appendix A. Taking account of these issues at this very early stage of the financial year is not without risk as the Council needs to manage a wide range of demand lead and seasonal budgets. Part of these savings may need to be allocated to offset any shortfall in the residual People Collaboration savings target of £0.25m included in the 2013/14 MTFS. An update on progress in achieving these savings will be provided later in the year. In addition, as reported previously the Council faces significant new financial risks in 2013/14 arising from the re-localisation of Business Rates and the implementation of the Local Council Tax Support Scheme. As part of the approved 2013/14 MTFS strategies for managing these risks have been developed and this included earmarking a specific reserve to manage potential Business Rates income shortfalls. There are further proposals detailed later in this report to build on these strategies with the objective of hopefully avoiding the need for additional in-year budget cuts if these risks occur in 2013/14, or future years.
- 4.4 In line with the recent Council resolution the forecast 2013/14 underspend excludes the Members Allowances savings which will be set aside in a ring fenced Living Wage reserve until such a time as the Council has consulted on the merits of introducing a 'Living Wage' in Hartlepool.
- 4.5 In summary these measures should provide uncommitted one-off funding of £2.64m as summarised overleaf.

	£'000
2012/13 Uncommitted outturn	680
Uncommitted in Equal Pay Provision	900
2013/14 Outturn	1,060
	2,640

- 4.6 In view of the significant financial challenges in 2014/15 it is recommended that a strategy for using these resources is developed.
- 4.7 The issues which this strategy needs to address cover the ongoing Business Rates risks, the sustainability of the Local Council Tax Support scheme and the 2014/15 budget position. As an initial strategy it is recommended that the forecast one-off resources of £2.64m are allocated as follows and sections 5 to 8 provide the rational for this recommendation:

	£'000
Business Rates risks (detailed section 5)	900
Support of Local Council Tax Support scheme (details section 6)	860
Support of 2014/15 Revenue budget (details section 7)	680
Support for Highways Maintenance Programme (details section 8)	200
	2,640

5. Business Rates risks

- 5.1 The key risk relates to the level of the 'safety net' trigger point which will increase to £1.9m in 2014/15 (£1.7m in 2013/14) and the impact of unplanned closures at the Power Station. In 5 of the last 7 years there have been unplanned shutdowns and over time this risk will increase. It is therefore not a case of 'if, but when' this risk will arise. A reserve of £1m has previously been set aside to manage this risk, but this will only provide funding for an unplanned closure of around 5 months. Given the history of closures over the last seven years it is recommended that a higher risk reserve is needed.
- 5.2 In addition to this ongoing risk there is also a risk in relation to the potential cost of successful back-dated rateable value appeals by the Power Station. Given the increase in the rateable value in 2010 it is expected there is a high probability this appeal will be successful. At this stage it is not possible to quantify this risk or the level of Government funding which will be provided towards funding this one-off cost.
- 5.3 A recent meeting with the Council's allocated Valuation Office liaison officer confirms the outcome of this appeal will not be known in the near future and a decision may not be made for a number of years, owing to the number of

outstanding appeals at a national level and the particular complexity of this appeal. This position increases uncertainty and potentially increases financial risk to the Council that Government funding does not cover the full cost of the back dated element of a successful appeal. Of more financial significance to the Council the delay in this appeal means there is uncertainty over the level of Business Rates retained by the Council, as a successful appeal will result in a reduction in Business Rates paid by the Power Station. At this stage this potential income loss cannot be quantified. However, the longer this appeal remains outstanding the greater the financial risk to the Council if the appeal is successful. The Valuation Office has provided the following information which puts the Rateable Value of the Power Station and the financial risk to the Council into context:

- Hartlepool Power station has the 3rd highest gross rateable value of all Power Stations in England;
- Hartlepool Power station has the 7th highest gross rateable value in England.

5.4 As reported previously the factors in relation to the Power Station put the **Council in a unique position** in terms of managing the ongoing risk of unplanned shutdowns and the outstanding appeal. This means the Council is managing significant financial risks in relation to a single business rate payer, which accounts for **17%** (£2.45m) of the retained annual Business Rates, as highlighted in the following table.

Summary of Business Rate income retained by the Council

Type of Business	Number of Business Rate payers	Percentage of total annual Business Rates Collection	Estimated 50% share of business rates retained by the Council
Nuclear Power Station	1	17%	£2.45m
Large Industrial Businesses	7	12%	£1.73m
Supermarkets	3	11%	£1.58m
Large Retail Stores	6	4%	£0.58m
Public Sector	3	3%	£0.43m
Sub Total – top twenty	20	47%	£6.77m
Small and Medium Enterprises	2,480	53%	£7.63m
Total	2,500	100%	£14.40m

5.5 The meeting with the Valuation Office also highlighted an additional risk in relation to national appeals lodged by the major super markets against increased Rateable Values. Locally this may be a significant issue as 3

supermarkets account for 11% of the total Business Rates income retained by the Council. This position further underlines the financial risk which has transferred to individual Councils as a result of the re-localisation of Business Rates.

- 5.6 In view of these significant financial risks it is recommended that the uncommitted Equal Pay Provision of £0.9m is reallocated to manage these risks over the period of the MTFS. This will increase the value of the Business Rate risk reserve to £1.9m. In relation to the impact of unplanned Power Station closures it is hoped that this reserve will be sufficient to cover any income shortfall below the 'safety net limit' for the period of the current MTFS, which will hopefully avoid the need to make additional in-year budget cuts over the next few years, although this cannot be guaranteed. In the unlikely event that the whole of the reserve is not committed over the period of the MTFS any unused resources will need to be carried forward to manage this ongoing risk, which will increase as the Power Station ages. It needs to be recognised that it will become increasingly difficult to set aside resources in future years to manage this increasing risk owing to the impact of ongoing significant grant cuts.

6 Local Council Tax Support (LCTS) Scheme 2014/15 to 2016/17

- 6.1 In January 2013 the Council approved a Local Council Tax Support scheme which limited the cut in support for working age households to 8.5%. This decision enabled the Council to secure a one-off Government grant for limiting the cut in support to 8.5% of £0.26m. The position on the schemes approved by the 12 North East Councils is summarised below:

Cut in existing Council Tax support for working age adults	No. Councils
0%	2
7%	1
8.5%	4
20%	4
30% (scheme protects families with children under 5 and also groups with disabilities).	1

Analysis of LCTS schemes approved for 2013/14 shows that around 120 councils implemented schemes with cuts greater than 10%, 40 councils implemented cuts of 20% or greater and around 190 councils implemented cuts of 8.5% or less.

- 6.2 In limiting the cut in support to 8.5% for 2013/14 the Council still had to bridge a net funding shortfall of £0.5m from its own resources, after implementing changes to Council Tax exemptions, as summarised below:

	£'m
One-off Resources	
- Use of Supporting Family Poverty Reserve *	0.160
- Use 2012/13 Collection Fund Surplus	0.140
- Use Council Tax Support Reserve	0.010
Total One-off Resources	0.310
Permanent Pressures included in MTFS	0.190
Total Resources used to limit LCTS scheme cut to 8.5%	0.500

* After reflecting this contribution from the Supporting Family Poverty Reserve there is an uncommitted balance of £0.149m available to support 2014/15 expenditure, assuming no further commitments in 2013/14.

6.3 The report to Council in January 2013 indicated that owing to the impact of the Government grant cut a local scheme limited to an 8.5% cut would not be sustainable. This position is exacerbated by the requirement to protect low income Pensioners as expenditure on this group will increase over the period of the MTFS owing to demographic pressures and the impact of planned Council Tax increases. Therefore, there is an in-built cost pressure on Councils from the localisation of support for Council Tax. Over time the system will become unsustainable and the funding shortfall will either need to be addressed by implementing higher cuts in support for low income working age households, or the Government will need to provide additional funding.

6.4 In view of the above position full Council in January 2013 noted that in 2014/15 the cut in Council Tax Support would need to increase to 15% in 2014/15 and 2015/16 and to 20% in 2016/17. This position was based on the following planning assumptions:

Planning Assumptions	2014/15	2015/16	2016/17
<u>Government LCTS Grant</u>	£9.6m	£9.6m	£9.6m
The February MTFS report was based on a planning assumption that in the period 2014/15 to 2016/17 the Government funding for the LCTS will be frozen at the reduced 2013/14 level.			
<u>Pressure included in the MTFS</u>	£0.59m	£0.59m	£0.59m
This pressure recognised that to limit the cut in Council Tax support to 20% by 2016/17 that ongoing funding would need to be provided			

from the core revenue budget.			
Planning Assumptions	2014/15	2015/16	2016/17
<u>Use of Council Tax Support Reserve</u> The planned use of this reserve enables the Council to phase the reduction in Council Tax Support over the period of the MTFS. This proposal, including the planned use of £10k in 2013/14, commits £0.67m of the available reserve, which leaves £0.527m to manage LCTS risks, arising from increased demand and/or further cuts in the LCTS grant.	£0.02m	£0.290m	£0.35m
<u>Indicative Council Tax increase</u> The cost of the LCTS scheme needs to reflect indicative Council Tax increases approved in the MTFS. It should be noted that after reflecting this additional cost there is still a net benefit to the General Fund budget of £0.3m for each 1% increase in Council Tax.	1.99%	2.5%	2.5%
<u>Indicative Council Tax Support Reductions</u> These indicative reductions reflect the above detailed planning assumption and were approved in January 2013 by full Council; subject to annual review to reflect changing circumstances.	15%	15%	20%

- 6.5 The availability of the uncommitted resources detailed in paragraph 4.7 of £0.86m, plus the uncommitted Supporting Family Poverty Reserve of £0.149m provide one off funding of £1.009m to potentially support a slower phased reduction in the level of Council Tax support over the next 3 years. This funding is in addition to the uncommitted Council Tax Support Reserve of £0.527m and as previously recommended this amount should be retained to manage risks relating to the LCTS scheme, including demand risks and future funding risks.
- 6.6 The availability of the additional one-off funding provides the opportunity to review the LCTS to be applied in 2014/15 and the following two years. As previously reported it needs to be recognised that there is a significant risk

regarding the future level of the LCTS grant as this funding has been rolled into the main revenue grant from 2013/14 and not shown as a separate figure in the 2014/15 grant allocation. There is therefore a high risk that future cuts in Government grants reduce the funding available to support the LCTS. If this situation occurs the Council will either need to implement significantly higher cuts in Council Tax Support (above the 20% forecast by 2016/17) and implement these cuts earlier, or make additional General Fund Budget cuts if it wishes to limit the level of LCTS cuts.

- 6.7 For 2014/15 the current planning assumptions remain appropriate at this stage. The position in 2015/16 and future years is more uncertain and will need reviewing after the June 2013 Spending Review announcement. A recent announcement by the Treasury of grant cuts of 10% in 2015/16 if applied to the LCTS funding could reduce Hartlepool's grant by a further £0.96m. This would be in addition to the initial national 10% grant cut (13% for Hartlepool) implemented in 2013/14 and would effectively mean that Council Tax Support to working age adult households would need to be cut by 28% in 2015/16. If the Council were to decide not to maintain the LCTS budget pressures included in the MTFS and the use of the Council Tax Support Reserves (as set out in paragraph 6.4) the level of cut in LCTS for working age households would be around 40% in 2015/16.
- 6.8 In terms of the potential options for phasing the unavoidable cuts in Council Tax Support arising from the Government's permanent funding cut implemented in 2013/14 three potential options have been identified for consideration. **It needs to be recognised that the use of this funding does not address the fundamental funding shortfall and therefore sustainability arising from the permanent cut in Government funding for LCTS schemes.** In considering the options for using the available one-off funding Members need to consider whether they wish to continue to partly mitigate the impact on low income Working Age households, or whether they wish to use this funding for other purposes, such as supporting the General Fund budget on a temporary basis.
- 6.9 The three options are summarised below and highlight five key factors:
- i) The phased cut in Council Tax Support over the period of the current MTFS. **Under all options it will still be necessary to cut Council Tax Support for Working Age households by 20% in 2017/18** – a year later than previously anticipated. This assumes no further cuts in Government funding. This may be an optimistic planning assumption and the position will need to be updated when more information is provided by the Government;
 - ii) The MTFS LCTS pressure of £0.59m for 2014/15 to 2016/17 continues to be supported;
 - iii) The level of one-off support for the LCTS scheme previously approved from the use of the Council Tax Support Reserve, which amounts to £0.66m for all options;

- iv) The level of additional one-off support required to support each of the options, which ranges from £0.86m to £1.140m. As detailed in paragraph 6.5 additional one off resources of £1.009m (including £0.149m from the Supporting Family Poverty Reserve) are potentially available to support the LCTS over the period 2014/15 to 2016/17;
- v) The total level of one off support identified under (iii) and (iv) above for the LCTS scheme.

Summary of alternative LCTS options 2014/15 to 2016/17

	2014/15	2015/16	2016/17	Total
Option 1				
Cut in Council Tax Support	8.5%	12.0%	15.0%	
	£'000	£'000	£'000	£'000
One of funding required to implement this option				
- Use of Council Tax Support Reserve approved as part 2013/14 MTFS	20	290	350	660
- Additional one off funding required	580	300	260	1140
	600	590	610	1800
Option 2				
Cut in Council Tax Support	10.0%	12.0%	15.0%	
	£'000	£'000	£'000	£'000
One of funding required to implement this option				
- Use of Council Tax Support Reserve approved as part 2013/14 MTFS	20	290	350	660
- Additional one off funding required	450	300	260	1010
	470	590	610	1670
Option 3				
Cut in Council Tax Support	12.0%	12.0%	15.0%	
	£'000	£'000	£'000	£'000
One of funding required to implement this option				
- Use of Council Tax Support Reserve approved as part 2013/14 MTFS	20	290	350	660
- Additional one off funding required	300	300	260	860
	320	590	610	1520

6.10 In view of the risks around future Government funding for the LCTS scheme referred to in previous paragraphs **Option 3** is recommended by the Corporate Management Team for the following reasons:

- This option has the lowest commitment of the additional one-off resources in 2014/15, which minimises the financial risks to the Council as it enables a greater element of these resources to be carried forward to 2015/16 to help manage higher cuts in LCTS funding if these are implemented by the Government. This option would therefore not commit the available Supporting Family Poverty Reserve of £0.149m, whereas Options 1 and 2 would fully commit this amount.
- This option commences a gradual withdrawal in support from Working Age households, which should enable households to begin managing this additional financial commitment. Under this option the level of support

provided in Hartlepool in 2014/15 is still expected to be higher than many other councils;

- The Council will be able to assess the implications of collecting increased Council Tax from low income Working Age households and ensure that appropriate collection arrangements are in place, which balance the financial position of individual households and the Council's need to collect Council Tax to fund services.

6.11 To enable Members to assess the implications of adopting Option 3 in terms of the scale of the Government funding cuts for LCTS schemes and the Council's strategy of mitigating the impact on low income working age households through a combination of the permanent pressure included in the MTFS and the use of one off resources the following table summarises the position for the period covered by the MTFS. The table highlights the following issues:

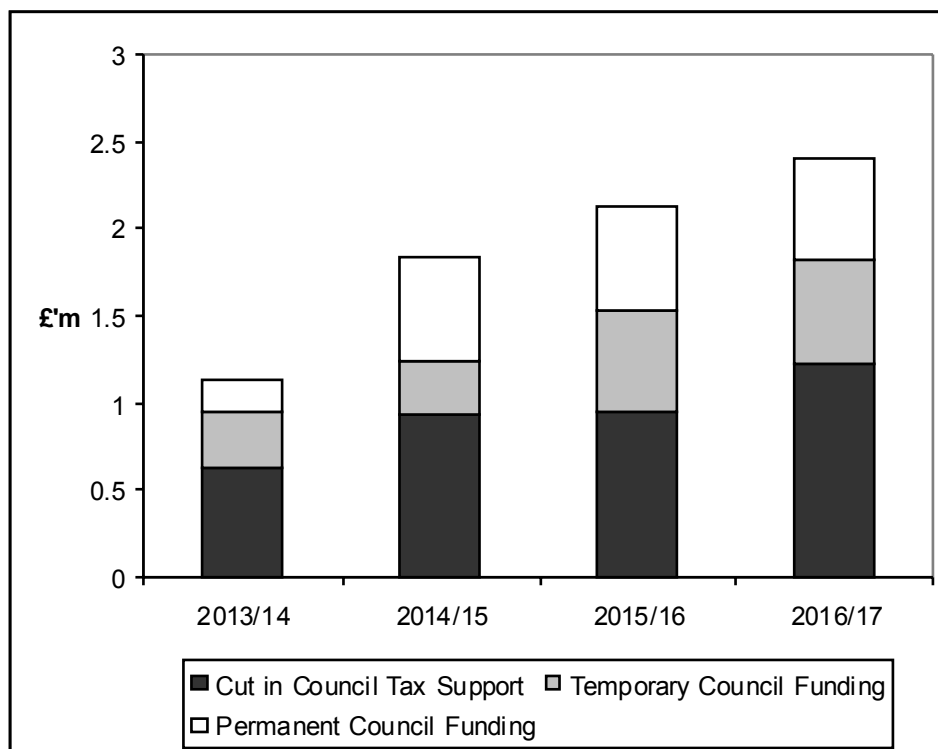
- Government forecast funding cuts over the period of the MTFS total **£7.757m**;
- Council funding to offset these cuts will be **£3.79m**, which includes the use of one-off funding of £1.53m;
- Cuts in Council Tax Support for low income Working Age households over the period of the MTFS total **£3.707m**.

	2013/14	2014/15	2015/16	2016/17	Total
Option 3					
Indicative Council Tax Increases	0%	2%	2.50%	2.50%	
Cut in Council Tax Support	8.5%	12.0%	12.0%	15.0%	
	£'000	£'000	£'000	£'000	£'000
Reduction in Government funding for LCTS scheme, net of changes to Council Tax exemptions	1,390	1,832	2,125	2,410	7,757
Less - One off Government Transitional Funding	(260)	0	0	0	(260)
<u>Less - Council Funding</u>					
- Use of Family Poverty Reserve	(160)	0	0	0	(160)
- Use 2012/13 Collection Fund Surplus	(140)	0	0	0	(140)
- Permanent Pressure included in MTFS (note 1)	(190)	(590)	(590)	(590)	(1,960)
- Use of Council Tax Support Reserve approved as part 2013/14 MTFS	(10)	(20)	(290)	(350)	(670)
- Additional one off funding required to phase cut in Council Tax Support	0	(300)	(300)	(260)	(860)
Cut in Council Tax Support for low income Working Age Households	630	922	945	1,210	3,707

Notes

1) As the Government grant is forecast to be cash limited an increasing proportion of this pressure will need to be allocated over the period of the MTFS to fund the increased cost of protecting low Income Pensioners. By 2016/17 this will commit £0.4m of the annual provision of £0.59m.

6.12 The following graph summarises the figures shown in the above table and highlights the balance between the grant cut funded by the Council (from a combination of one off resources and the permanent pressure included in the General Fund budget) and reductions in Council Tax support for low income Working Age households over the period of the MTFS

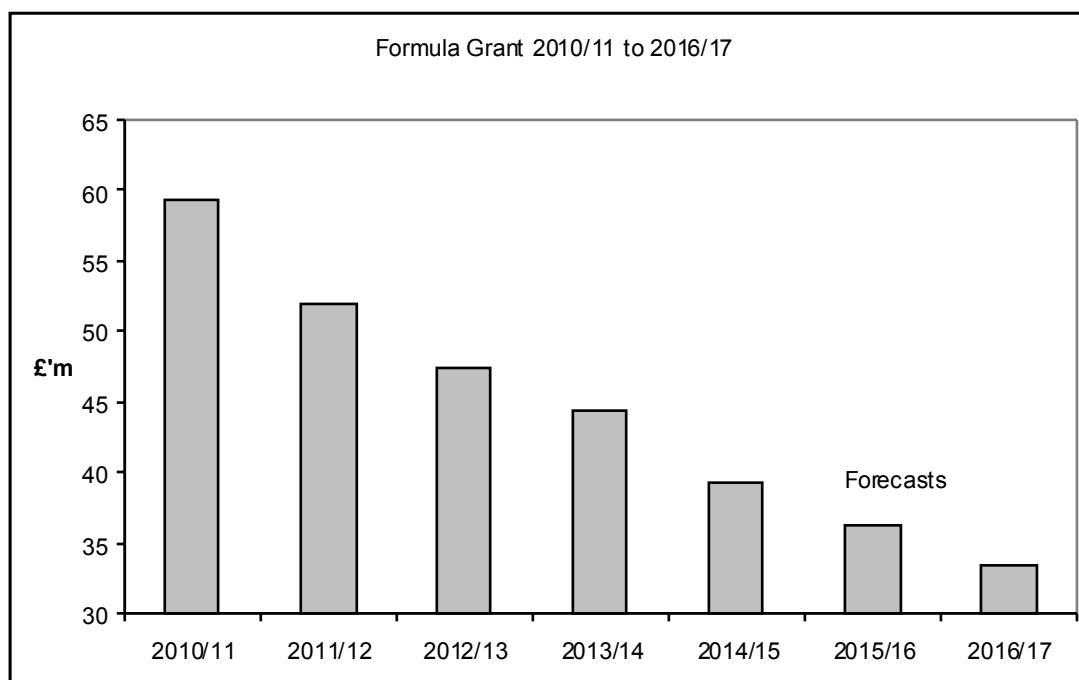
Summary of LCTS Government Grant cut 2013/14 to 2016/17 and how funded.

Note – the 2013/14 grant cut included in the above graph for 2013/14 is net grant cut of £1.130m (i.e. gross grant cut £1.390m less one-off transitional grant of £0.26m).

- 6.13 If Option 3 is adopted by Members it is recommended that a more detailed report is submitted to a future meeting to enable Members to review a range of issues affecting the 2014/15 LCTS, which may reduce the use of one-off resources in 2014/15 and therefore make the scheme more sustainable beyond the current MTFS. This would include reviewing factors such as capital limits used to determine eligibility, restricting eligibility to Band A and B properties or limiting support to all households at the maximum of a Band B property. These issues will need careful consideration, including assessing financial risk and compliance with Equality legislation.
- 6.14 Alternatively Members may wish to reduce this financial risk by reconfirming the indicative additional cuts in the LCTS approved in January 2013, which would reduce support by 15% in 2014/15 and 2015/16 and 20% in 2016/17. Under this option the additional funding of £1.009m (identified in paragraph 4.13) could be allocated to support the General Fund budget over the period of the MTFS.

7. General Fund Revenue Budget 2014/15 to 2016/17

- 7.1 The previous MTFS report identified the scale of the budget deficits facing the Council from 2013/14 as a result of continuing cuts in Government grants. For 2014/15 the deficit reflects the **actual two year settlement** confirmed by the Government in January 2013. The range for 2015/16 and 2016/17 reflects forecast annual grant cuts of either 5% or 7.5% for these years. As highlighted in the following table the Government grant received by the Council in 2014/15 is **34% (£20.127 million) lower** than it was in 2010/11, before the current programme of spending cuts commenced. By 2016/17 it is forecast the ongoing grant will be **43% (£25.783 million) lower than it was in 2010/11 - which is unprecedented.**



- 7.2 As part of the planned approach to managing ongoing Government grant cuts the budget for 2013/14 was balanced through a combination of permanent budget cuts (£3.7m) and the planned use of one off resources (£2.3m). The MTFS recognised that the use of one off resources **does not provide a sustainable financial solution** to address the permanent grant cuts and was designed to provide a longer lead time to implement a permanent strategy. It was recognised that the Council would need to begin implementing even more difficult measures than have been necessary over the past 3 financial years from 2014/15. Furthermore, 2014/15 would be a watershed year for the Council as it would determine the approach to be adopted for the following 2 financial years.
- 7.3 The previous MTFS report detailed the budget deficits for the period 2014/15 to 2016/17. The 2014/15 deficit is based on an indicative Council Tax increase of 1.99% (2.5% for 2015/16 and 2016/17). At this stage it is not recommended that this is changed. However, this position may need to be reassessed later in the year to reflect updated information from the Government on the Council Tax freeze / referendum arrangements which they determine for 2014/15. In addition, the level of future New Homes

Bonus allocations will need to be reviewed. At this stage it is assumed that for 2014/15 any change in these factors will be budget neutral. For 2014/15 the deficit also reflects the **actual two year settlement** confirmed by the Government in January 2013, although the grant allocation for 2014/15 may change as a result of comments made by the Chancellor in the March 2013 Budget Statement. The June 2013 Spending Review should provide more information on the level of total funding for Councils, although details of allocations for individual Councils will not be known until the annual Local Government Finance Settlement announcements are made in November/December.

- 7.4 A range of budget deficits were forecast for 2015/16 and 2016/17 based on annual grant cuts in these years of either 5% or 7.5%. These forecasts will need to be updated after the June 2013 Spending Review when more information is available.
- 7.5 In summary the Council faces a budget deficit over the next three years of **£17.426m to £19.426m**, as summarised below, which equates to a reduction in the existing budget of between 19% and 21% before the start of 2015/16.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Indicative Council Tax increases	1.99%	2.5%	2.5%	
Forecast Budget Deficits - Based on provisional 2014/15 grant cuts and annual grant cuts of 5% for 2015/16 and 2016/17	8,524	5,227	3,675	17,426
Forecast Budget Deficits - Based on provisional 2014/15 grant cuts and annual grant cuts of 7.5% for 2015/16 and 2016/17	8,524	6,227	4,675	19,426

- 7.6 In terms of measures to address the 2014/15 budget deficits the following factors can be taken into account:

- Full Year ICT saving;
- Public Health Funding;
- Review of Planning Assumptions.

These issues are covered in detail in the following paragraphs.

7.7 **Full Year ICT saving**

- 7.8 A part year saving of £0.3m has already been anticipated in the base budget from 2013/14. The competitive dialogue process to award the new ICT contract is progressing well and it is becoming more certain that a full year saving of £0.7m will be achieved. In addition, potential rental income is anticipated and these savings can be built into the 2014/15 budget to reduce the forecast budget deficit.

7.9 Public Health Funding

- 7.10 From the 1st April 2013 Local Authorities became responsible for managing Public Health and will receive a ring fenced grant to pay for these services. As reported previously the Council has received a better than expected initial grant allocation for 2013/14 and 2014/15. However, there is a risk that in future years this grant allocation will be reduced through the Government's 'pace of change' agenda which will seek to equalise Public Health funding.
- 7.11 Detailed work to determine contractual commitments against the ring fenced Public Health grant is nearing completion, which commits the majority of the available funding.
- 7.12 An assessment has also been completed to identify those existing Council services which contribute towards delivering the Public Health agenda and should therefore now be funded from the Public Health grant, rather than the General Fund budget. In total this has identified costs of £0.5m which should be funded from the Public Health Grant from 1st April 2013.
- 7.13 In 2013/14 it is recommended this savings is earmarked to manage in-year Public Health risks in the first year of operating these services. In the event these monies are not needed in 2013/14 it is recommended that a specific Public Health Risk reserve is established to manage ongoing risk and / or to manage the future 'pace of change' risk.
- 7.14 In relation to the position for 2014/15 it is recommended that the eligible costs currently charged to the General Fund are charged to the Public Health grant. The resulting reduction in General Fund costs of £0.5m can then be allocated to reduce the 2014/15 budget deficit. It needs to be recognised that beyond 2014/15 this approach is not without risk as Public Health funding allocations may be cut, which would then increase the budget deficit in 2015/16.
- 7.15 **Review of Planning Assumptions**
- 7.16 A detailed assessment of the initial planning assumptions for 2013/14 has been undertaken to reflect changing circumstances and a range of budget reductions have been identified. Some of these factors arise from current economic conditions and whilst it is possible to take a permanent saving in 2014/15 the position may change in the medium term, which may increase a future years' budget deficit. Conversely, if these 'contingency' budgets are maintained the Council will underspend, which will mean that permanent cuts are made earlier than necessary. Balancing these issues is not easy and the key issue for Members to recognise is the potential financial risk in future years. These issues are detailed in Appendix B and total £1.870m, as summarised below:

Proposed permanent measure to reduce budget deficit and risk assessment comment	£'000
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Reduce budget provision for April 2014 Pay award from 2.5% to 1%	600
Gas and Electric Budgets	150
Job Evaluation budget	150
Insurance Premium saving	60
General Fund Public Health Contribution	40
Members Allowances *	0
Accommodation budgets	170
Employers' Pension Contribution saving (provisional estimate)	250
Terms and Conditions Review (provisional estimate)	200
Structure Review (provisional estimate)	250
Total proposed budget reductions *	1,870

* In line with the recent Council resolution the revised planning assumptions excludes the Members Allowances savings which will be set aside in a ring fenced living wage reserve until such a time as the Council has consulted on the merits of introducing a 'Living Wage' in Hartlepool.

- 7.17 In relation to planning assumptions underpinning the 2015/16 and 2016/17 there are a range of factors which will need reviewing when more information is available. At this stage it is assumed that at best these changes will be neutral, although there is a risk that for these years these changes will increase the current forecast deficits. These factors cover the following issues:

Positive Factors for budget forecasts

- Continuation of Public sector pay freeze;
- Future years New Homes Bonus;
- Council Tax base and Collection Fund.

Negative Factors for budget forecasts

- Actual Grant cuts 2015/16 and future years;
- Business Rates Risks – appeals and safety net shortfalls;
- Local Council Tax Support scheme – increased demand;
- Increase in National Insurance costs from April 2016;
- Council Tax Referendum Thresholds

- 7.18 Assuming the permanent budget reductions are applied to reduce the 2014/15 budget deficit the Council will have to make less permanent cuts in 2014/15 than previously forecast. There is also a potential benefit in 2014/15 from using the one-off funding identified in paragraph 4.7. Assuming both the permanent budget reductions and one-off funding are allocated to reduce the 2014/15 budget deficit the Council faces the following revised budget deficit for 2014/15:

Revised budget deficit 2014/15

	£'000
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Budget Deficit reported February 2013	8,524
Public Health Funding	(500)
Full Year ICT saving (includes potential rental income)	(500)
Changes in Planning assumption	(1,870)
Net Budget Gap 2014/15	5,654
One-off funding (paragraph 4.7)	(680)
Permanent budget cuts to be implemented 2014/15	4,974

- 7.19 It needs to be recognised that the use of one-off funding of £0.68m in 2014/15 does not provide a permanent solution to the budget deficit and defers this element of the budget deficit until 2015/16. This position is summarised in the following table, which is based on the higher forecast deficits for 2014/15 and 2015/16 detailed in paragraph 7.5.

Revised budget deficits 2014/15 to 2016/17

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Indicative Council Tax increases	1.99%	2.5%	2.5%	
Forecast Budget Deficits - Based on provisional 2014/15 grant cuts and annual grant cuts of 7.5% for 2015/16 and 2016/17	8,524	6,227	4,675	19,426
Public Health Funding	(500)	0	0	(500)
Full Year ICT saving (includes potential rental income)	(500)	0	0	(500)
Changes in Planning assumption	(1,870)	0	0	(1,870)
Net Budget Gap 2014/15	5,654	6,227	4,675	16,556
One-off funding (paragraph 7.5)	(680)	680	0	0
Permanent budget cuts to be implemented 2014/15	4,974	6,907	4,675	16,556

- 7.20 These deficits are based on the indicative Council Tax increases approved in the 2013/14 MTFS report and at this stage it is recommended that these indicative increases are confirmed. This position will need to be reviewed when the Government provide details of Council Tax Referendum thresholds for 2014/15 and future years.
- 7.21 As detailed earlier in this report there is a risk that higher actual grant cuts may be implemented over the period of the MTFS than forecast, which will increase the budget deficits. The forecasts will be updated after the June 2013 Spending Review when more information is available.
- 7.22 Detailed proposals for addressing the revised forecast deficit for 2014/15 will be developed by the Corporate Management Team and reported to a future meeting, which will cover the following issues:

- **Departmental savings plans** – departments are currently developing detailed savings plans to address the net 2014/15 budget deficit detailed in paragraph 7.18. Given the cuts implemented over the last three years the identification of additional cuts is becoming increasingly difficult.
- **Unavoidable budget pressures 2014/15** - an initial assessment of these items indicates that the full provision of £1 million included in the 2014/15 base budget for pressures will be needed. The key issues relate to items currently being funded on a one-off basis which the 2013/14 MTFS report highlighted would need addressing as part of the 2014/15 budget if existing trends continue. The main issues relate to increased costs of Looked after Children and income shortfalls relating to Building Control and the Shopping Centre.

The budget forecasts for 2015/16 and future years make no provision for additional budget pressures. Therefore, should additional unavoidable budget pressures arise in these years the budget deficits will increase.

- **Review of 2012/13 and 2013/14 Approved Budget pressures** – as part of the annual budget process the budget pressures approved in the previous two financial years are reviewed to determine if reductions in these costs can be achieved. Previous reviews have only identified small reductions and it expected this will be the case when the last two years pressures are reviewed.
- **Review of Reserves** – it is good financial practice to review existing reserves as part of the annual budget setting process. Over the last few years the Council has implemented a robust multi-year financial strategy which integrates the revenue budget, financial risks and the use of reserves. The strategy adopted by the Council in previous years has enabled the Chief Finance Officer to provide full Council with professional assurance that the budget plans for the coming financial year and future years covered by the MTFS are robust. This approach is essential in the current financial climate as the Council needs to ensure it has robust financial plans in place to manage the impact of continuing grant cuts and the increased risks which the Council now needs to manage.

In 2013/14 the strategy included the use of reserves of £2.3m to balance the General Fund budget to provide a longer lead time to implement permanent cuts.

A comprehensive review of reserves was completed as part of the 2013/14 budget process. This identified reserves of £2.28m which were released to fund new one-off commitments covering a range of issues, including the impact of higher actual grant cuts for 2013/14 and the risks in relation to the re-localisation of Business Rates.

It is recommended that a further reserves review is undertaken as part of the 2014/15 budget process. It is unlikely that this will provide the same scope for releasing reserves as occurred in 2013/14 owing to the nature of

the risks the current reserves are earmarked to manage. However, this review is good financial practice and will enable the Council to clearly demonstrate how the available reserves support the MTFS and the significant financial risks the Council is managing. This is particularly important during the current period of public spending cuts as the Council needs a robust strategy for managing risks and reserves.

- 7.23 In addition to the above issues the Leader of the Council has asked officers to assess the financial implications of potentially providing free swims during the 6 week school holiday, free parking in the run up to Christmas and the use of yellow buses outside of core usage periods.

8. Highways Maintenance Programme

- 8.1 The Leader of the Council has also asked officers to examine the implications of enhancing the existing 5 year planned highways maintenance programme. This proposal will require funding either on a one-off basis, or a loan basis. Under both options additional funding will need to be provided in 2014/15. It should be noted that significant funding would be required to address highways conditions issues which have arise over a number of years. In the current financial climate this will not be possible without an adverse impact on other services.
- 8.2 As detailed in paragraph 4.7 it is suggested that an amount of £0.2m is allocated towards area from the available one off resources

9. Strategy for managing Early Intervention Grant (EIG) and Local Authority Central Spend Equivalent Grant (LACSEG) funding cuts

- 9.1 The MTFS identified temporary resources to mitigate the impact of 2013/14 grant cuts in these areas. This strategy provides a longer lead time to identify permanent cuts to reduce spending to the level of the reduced resources.
- 9.2 Work on developing these strategies is progressing and details will be reported to a future Finance and Policy Committee meeting.

10. Right to Buy income

- 10.1 The Council has recently been notified by Housing Hartlepool that the Council's share of the Right to Buy income for 2012/13 is £166,000 (2011/12 was £25,000 and this amount is held as 'uncommitted' within the General Fund Reserve). As the information on the income due to the Council for 2012/13 has only recently been provided this amount has not previously been reflected in the 2012/13 Outturn or the MTFS.

- 10.2 In terms of a strategy for using this money the following potential options have been identified for Members consideration:
- **Option 1** – allocate towards the existing capital receipts targets included in the MTFS. The receipt of this money was not anticipated when the capital receipts target was set as the achievement of capital receipts from the sale of houses by Housing Hartlepool is not within the Council's control. In addition, these sales have been significantly reduced over the last few years owing to the impact of current economic conditions and any amount received have been managed through the final outturn strategy.
 - **Option 2** – allocate towards a small extension of the existing Empty Homes schemes. This funding would enable the Council to provide an additional 6 affordable rented homes.
 - **Option 3** – allocate towards supporting the Council's capital programme, which would enable the Council to fund priorities which cannot be currently progressed within existing capital funding levels.
- 10.3 At this stage it is suggested that Members determined a preferred option. This will enable a further report to be submitted detailing a business case for the preferred option and the linkages to the MTFS. This will include an update on progressing in achieving the existing capital receipts target and the financial risks of achieving this target.

11. CONCLUSION

- 11.1 The Council has had to manage significant funding cuts over the last three years both in relation to specific funding regimes and the General Fund Budget. The cuts in specific funding regimes have had to be managed by reducing spending to the level of the reduced grant, or where the grant has been removed completely the service has been stopped. This position reflects the pressure on the General Fund Budget which cannot afford to replace this funding as the core revenue grant in 2014/15 will be **34% (£20.127million) lower** than it was in 2010/11. By 2016/17 it is forecast the ongoing core grant will be **43% (£25.783 million) lower than it was in 2010/11 which is unprecedented**. To put these figures into context the Council will raise around **£31.5 million** in Council Tax in the current year. The actual grant cuts may be higher and the position will be updated after the Government's June 2013 Spending Review.
- 11.2 The cuts to the General Fund Budget up to 2013/14 have been achieved without the level of compulsory redundancies, or the adverse impact on services, which would have been expected as a result of the scale of the grant cuts implemented over this period by the Government. This should not be interpreted as understating the scale of the challenges the Council has addressed, but reflects the proactive approach adopted to managing this position. This position has been repeated across the country as all Councils

have a legal responsibility to set a balanced budget and it has been recognised that Councils have been at the forefront of the Government's deficit reduction plan – although not out of choice.

- 11.3 However, there is a danger that the Councils ability to manage the grant cuts imposed up to 2013/14 undermines the scale of the financial challenges facing the Council in 2014/15 and the following two years from continuing grant cuts. It is therefore essential that Members recognise that 2014/15 is a watershed year and will require the Council to begin making even more difficult decisions than has been the case over the last three years. Over the next three years cuts of **£17.426 to £19.426m** will need to be made. These cuts equate to between **19% and 21%** of the existing General Fund budget and need to be made before the start of 2015/16. Increasingly, these decisions will involve prioritising services and completely stopping other services. This is anticipated to require increasing numbers of compulsory redundancies as the measures implemented in previous years to delete vacant posts and restructure management roles cannot be repeated. Assuming the revised 2014/15 budget deficit can be bridged from permanent budget cuts the Council will still need to make additional cuts before the start of 2016/17 of between **£9.582m to £11.582m**.
- 11.4 From 2014/15 budget decisions required to address grant cuts will be increasingly more difficult to explain to the public, particularly in the context of how Council Tax is spent as the services which will need to be prioritised are those areas which are not universally used by all residents and cover the services that many people do not realise the Council funds. This is not just an issue for Hartlepool, although it particularly affects those Councils suffering disproportionate grant cuts.
- 11.5 This is the first in a series of detailed budget reports which will be submitted to the Committee during the year. The report provides details of the significant financial challenges facing the Council in 2014/15 and the following two years, covering the following key areas:
- the General Fund Budget and the continuing cuts in Government grants;
 - Business Rates Risks;
 - The Local Council Tax Support Scheme to be applied in 2014/15;
 - The Strategy for managing EIG and LASCEG grant cuts; and
 - The availability of one-off resources to manage risks and / or support Council priorities, including the 2014/15 General Fund budget.
- 11.6 Over the last few years the Council has adopted a multi-year approach to managing the various financial challenges the Council faces. This approach has been designed to protect services as far as possible and to avoid exposing the Council to unnecessary financial risk, which could result in the need to make in-year budget cuts. Given the increasing financial challenges and risks facing the Council it is essential this approach continues. This includes managing in-year reductions in Business Rates income of **£1.9m** without receiving any 'safety net' payments from the

Government. This is a major risk for the Council owing to the impact of the Power Station and would be challenging to manage without core funding cuts. **However, this ongoing financial risk needs to be managed at a time of continuing grants cuts, which makes the position even more challenging.** The report therefore recommends a strategy which allocates additional one-off resources to address risks and therefore protect the medium term financial position and services.

- 11.7 The recommended strategy also proposes allocating some one-off resources to support the Local Council Tax Support scheme over the period of the MTFS. This will enable the cut in existing support to be phased over a longer period than previously forecast. This proposal enables the Council to continue to provide some time limited protection to vulnerable households affected by a wide range of Welfare Reforms. However, this strategy is **not sustainable** owing to the scale of the grant cut. Therefore, at some stage the Council will need to implement significantly higher cuts in Council Tax support and the timing will depend on the level of future Government funding for Local Council Tax Support schemes.
- 11.8 Similarly, it is recommended that some one-off funding is allocated to support the 2014/15 General Fund budget, although it needs to be recognised this is not a permanent solution and simply defers part of the budget deficit until 2015/16.
- 11.9 At this stage in the budget process it is not necessary or appropriate for Members to make final decisions as not all information is available. However, there are a number of areas where it is recommended Members provide an initial view to enable the Corporate Management Team to develop more detailed proposal for the Committees consideration and a final decision later in the year. These issues are detailed in the next section of this report.

12. RECOMMENDATIONS

- 12.1 It is recommended that Members approve the following principles for developing the MTFS and note that the final decision on these issues will need to be made latter in the year when more information is available:
- 12.2 **Allocation of one-off funding**
- 12.3 Approve the allocation of the available one-off funding of £2.640m to support the following issues:

	£'000
Business Rates risks (detailed section 5)	900
Support of Local Council Tax Support scheme (details section 6)	860
Support of 2014/15 Revenue budget (details section 7)	680

Support for Highways Maintenance Programme (details section 8)	200
	2,640

- 12.4 Note that the available one-off funding of £2.640m includes £1.060m to be achieved in 2013/14 and assumes there are no unbudgeted expenditure commitments in 2013/14;

12.5 **Local Council Tax Support Scheme 2014/15 to 2016/17**

- 12.6 Approve the adoption of Option 3 which will result in cuts in Council Tax Support and the use of additional one of resources of £0.86m as follows:

	Reduction in Council Tax Support	Additional use of one-off funding
2014/15	12%	£300,000
2015/16	12%	£300,000
2016/17	15%	£260,000
Total		£860,000

- 12.7 Note that the use of one-off funding of £0.86m is in addition to the existing one-off funding allocated to support the Local Council Tax Support scheme over the period 2014/15 to 2016/17 of £0.66m approved by Council in January 2013.
- 12.8 Note that the adoption of Option 3 would not commit the available Supporting Family Poverty Reserve of £0.149m, whereas Options 1 and 2 would fully commit this amount.
- 12.9 Note that a further report on the development of the 2014/15 Local Council Tax Support Scheme will be submitted to a future meeting to enable Members to review other factors such as capital limits used to determine eligibility, restricting eligibility to Band A and B properties or limiting support to all households at the maximum of a Band B property.
- 12.10 **General Fund Revenue Budget 2014/15 to 2016/17**
- 12.11 Approve indicative Council Tax increases of 1.99% for 2014/15 and 2.5% for 2015/16 and 2016/17 and to note that these proposals will need reviewing in light of Government announcements on Council Tax referendum thresholds and / or decision by the Government to pay Council Tax freeze grant in 2014/15 and future years.
- 12.12 Approve the following package of measures to reduce the 2014/15 budget gap from £8.524m to £4.974m:

Budget Deficit reported February 2013	£8,524k
Public Health Funding	(£500k)
Full Year ICT saving (includes potential rental income)	(£500k)

Changes in Planning assumption	(£1,870k)
Net Budget Gap 2014/15	£5,654k
One-off funding (paragraph 4.7)	(£680k)
Permanent budget cuts to be implemented 2014/15	£4,974k

- 12.13 To note that the use of Public Health funding of £0.5m in 2014/15 and future years is only sustainable whilst the existing grant continues and there is a potential risk that this grant is reduced in future years.
- 12.14 Approve the allocation of the forecast 2013/14 Public Health saving of £0.5m as an earmarked reserve to manage in-year Public Health risks in the first year of operating these services. In the event these monies are not needed in 2013/14 it is recommended that a specific Public Health Risk reserve is established to manage ongoing risk and / or to manage the future 'pace of change' risk.
- 12.15 To note that the use of one-off funding of £0.680m (detailed in paragraph 12.12) is not a permanent solution and defers additional budget cuts until 2015/16.
- 12.16 To note that detail reports will be presented to future meeting on a range of issues detailed in paragraphs 7.21 and 7.22 covering:
- Departmental savings plans to address the residual 2014/15 budget deficit of **£4.974m**;
 - Unavoidable budget pressures 2014/15;
 - Review of 2012/13 and 2013/14 approved budget pressures
 - Review of Reserves;
 - The financial implications of potentially providing free swims during the 6 week school holiday, free parking in the run up to Christmas and the use of yellow buses outside of core usage periods.
- 12.17 Note that based on forecast grant cuts (actual grant cuts may be higher) that over the next three years cuts of **£17.426 million to £19.426m** will need to be made. These cuts equate to between **19% and 21%** of the existing General Fund budget and need to be made before the start of 2015/16. Assuming the revised 2014/15 budget deficit can be bridged from permanent budget cuts the Council will still need to make additional cuts before the start of 2016/17 of between **£9.582m to £11.582m**.
- 12.18 **Highways Maintenance Plan**
- 12.19 To note that a detailed report on the use of £0.2m to examine the implications of undertaking the 5 year planned highways maintenance programme over a 4 year period. This proposal will require funding either on a one-off basis, or a loan basis. Under both options additional funding will need to be provided in 2014/15.
- 12.20 **EIG and LACSEG grant cuts**

- 12.21 To note that detailed reports on the development of strategies to manage these issues will be reported to a future meeting.

12.22 Right to buy income

- 12.23 Determined a preferred option for using the Right to buy income of £166,000 from the three options detailed in paragraph 10.2. To note that this will enable a further report to be submitted detailing a business case for the preferred option and the linkages to the MTFS. This will include an update on progressing in achieving the existing capital receipts target and the financial risks of achieving this target.

13 CONTACT OFFICER

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APPENDIX A**2013/14 Initial Forecast Outturn**

Certain figures:	
<u>Gas and Electric Budgets</u> Cost increases have been less than anticipated owing to contracts secured by NEPO and lower worldwide demand for energy.	£150k
<u>Job Evaluation budget</u> This budget has been retained to fund outstanding job evaluation issues to ensure all areas could be funded at the top of the grade, including the impact of career graded posts in Children's Services and to lesser extent Adult Services and Regeneration and Neighbourhood services.	£150k
<u>Insurance Premium saving</u> Cost lower than anticipated.	£60K
<u>General Fund Public Health Contribution</u> The base budget provided a 50% contribution towards the costs of the shared Director of Public Health post. For 2013/14 and future years it is assumed the whole of this cost can be funded from the Public Health Grant.	£40k
Provisional figures (initial estimates, updated figures will be reported to a future meeting):	
<u>Pay and pension budget savings</u> As part of the 2013/14 budget Members approved the removal of all salary turnover budgets and this was funded by reducing the budget provision for pay awards. For 2013/14 and future years this means that all staffing budgets are fully funded (with the exception of pay budgets for trading activities which are funded from income). This removes the ongoing budget risk of not achieving these targets, which will increase as permanent budget cuts are implemented over the next 3 years. In the 2013/14 there is expected to be some savings from continuing vacancies, which will provide a one-off benefit. In addition, work on implementing 'Pensions Auto-enrolment' has identified that significant numbers of	£250k

employees have opted out of the pension scheme. In previous years this contributed to the achievement of departmental salary turnover targets. As these targets have been removed from the 2013/14 budget the employers' pension contribution savings can be taken as a one-off benefit in 2013/14. It is also anticipated that a permanent saving can be included in the 2014/15 base budget.	
<u>Corporate Restructure</u> A comprehensive report was considered and approved by Cabinet (18 th March 2013) and full Council (11 th April 2013) setting out further reductions in respect of the Chief Officer Structure. These proposals provide an on going saving from 2014/15 and an in-year saving in 2013/14.	£250k
<u>Centralised Estimates</u> As part of the approved 2013/14 MTFS a permanent saving of £1m has been built into the base budget from 2014/15 from the approval of a revised Treasury Management Strategy. In 2013/14 this saving was estimated to be £0.87m and is allocated to establish a Treasury Management Risk Reserve to manage the risk of interest rates increases over the period of the MTFS. It is anticipated that the actual savings will be slightly higher in 2013/14 owing to the actual level of capital expenditure financed from borrowing in 2012/13 being temporarily lower owing to slippage. In addition, interest on cash investments has been reassessed to reflect the actual phasing for Government grant income during 2013/14. In total these issues are expected to provide a benefit in 2013/14 of £0.16m.	£160k
Total	£1,060k

APPENDIX B**Revised Planning Assumptions**

	£'000
<u>Reduce budget provision for April 2014 Pay award from 2.5% to 1%</u> Assessment based on Government Policy of public sector pay restraint. If the actual pay award is higher than 1% then additional savings would need to be made.	600
<u>Gas and Electric Budgets</u> Actual costs for the last few years have been less than forecast; therefore a saving can be taken. However, if international economic conditions improve this could increase demand for energy and drive up costs in future years.	150
<u>Job Evaluation budget</u> This budget has been retained to fund outstanding job evaluation issues to ensure all areas could be funded at the top of the grade, including the impact of career graded posts in Children's Services and to lesser extend Adult Services and Regeneration and Neighbourhood services.	150
<u>Insurance Premium saving</u> Savings is sustainable for 2014/15. However, if claims history deteriorates this would increase future premiums and lead to a budget pressure in future years.	60
<u>General Fund Public Health Contribution</u> The base budget provided a 50% contribution towards the costs of the shared Director of Public Health post. For 2013/14 and future years it is assumed the whole of this cost can be funded from the Public Health Grant.	40
<u>Members Allowances</u>	0

In line with the recent Council resolution the revised planning assumptions excludes the Members Allowances savings which will be set aside in a ring fenced living wage reserve until such a time as the Council has consulted on the merits of introducing a 'Living Wage' in Hartlepool.	
<u>Accommodation budgets</u> Savings from the rationalisation of office accommodation will be taken as a corporate saving to reduce the gross budget gap.	170
<u>Employers' Pension Contribution saving (provisional estimate)</u> Work on implementing 'Pensions Auto-enrolment' has identified that significant numbers of employees have opted out of the pension scheme, but we generally continue to budget for the employers' pension contribution. In previous years this contributed to the achievement of departmental salary turnover targets. As these targets have been removed from the 2013/14 budget the employers' pension contribution savings can be taken as a corporate benefit (when it is quantified) and the ongoing risk of maintaining this savings also managed corporately.	250
<u>Terms and Conditions Review (provisional estimate)</u> A range of proposals have previously been identified to achieve potential savings in 2013/14. Further work is needed and an initial assessment of the potential savings has been made.	200
<u>Structure Review (provisional estimate)</u> A comprehensive report was considered and approved by Cabinet (18 th March 2013) and full Council (11 th April 2013) setting out further reductions in respect of the Chief Officer Structure. These proposals provide an on going saving from 2014/15 and an in-year saving in 2013/14.	250
Total proposed budget reductions	1,870

NORTH AND COASTAL NEIGHBOURHOOD FORUM

10 July 2013



Report of: Director of Regeneration and Neighbourhoods

Subject: WARD MEMBER BUDGETS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non key decision; for information only.

2. PURPOSE OF REPORT

2.1 To inform the Forum of the current position in relation to Ward Member Budgets in the North and Coastal Neighbourhood Forum area, encompassing De Bruce, Hart, Headland and Harbour, Jesmond and Seaton wards.

3. BACKGROUND

3.1 On 30 April 2012, Ward Member Budgets and the associated application and approval framework were approved by Cabinet. Ward Members were allocated £5,500 each to be used for the wider and discernable community benefits of their ward, with a further allocation of £5,000 per Ward Member agreed by Council in February 2013. The budgets are not intended to be expended on services provided by the Local Authority or other public agencies, unless the purpose is to enhance or supplement what is being delivered.

3.2 Procedural arrangements have been implemented to ensure accountability and transparency, with all Ward Member Budget submissions being subject to an approval process under delegated authority of the Director of Regeneration and Neighbourhoods (in conjunction with Legal and Finance Departments). Progress on Ward Member Budgets is reported on a quarterly basis to the Neighbourhood Forums and is published online. In addition to this, an annual report will be taken to the relevant Portfolio Holder for information in April 2013

4. APPROVED SCHEMES

- 4.1 Attached at **Appendix A** is a breakdown of current spend to date in relation to each of the Ward Members Budgets in 2013/14. Please note that a number of projects are currently being developed and will be reported at a future Neighbourhood Forum meeting. Attached at **Appendix B** is the current running total for each Ward Member and their remaining budgets.

5. UNAPPROVED SCHEMES

- 5.1 There are no unapproved schemes to report at this stage.

6. RISK IMPLICATIONS

- 6.1 Through the implementation of the application and approval framework, a robust and transparent process has been put in place to ensure that the expenditure of Ward Member Budgets is for the purpose for which it is intended. In addition to this, consultation with other Ward Members, the community, and key partners is required through the application process to guarantee that monies are not used adversely and that projects and / or schemes are responding to local need.
- 6.2 In addition to quarterly reporting to the Neighbourhood Forums, an annual report is taken to Neighbourhoods Committee for consideration. All expenditure related information associated with Ward Member Budgets is also available online.

7. LEGAL IMPLICATIONS

- 7.1 Within the original Cabinet decision on 30 April 2012 to approve Ward Member Budgets, it was agreed that a delegation of powers to the Assistant Director (Neighbourhood Services)¹ be awarded; this was facilitated through 'executive arrangements' outlined within the Local Government Act 2000 which enables decision making powers to be delegated by the executive, individual Portfolio Holders, or through an Officer.
- 7.2 Ward Member Budgets must be used for purposes which originally fell within the 'well-being powers' enshrined in the Local Government Act 2000. The well being powers as far as they relate to England have now been repealed under Schedule 1 of the Localism Act 2011 which provides for the broader 'general power of competence'. This gives local authorities an explicit freedom to act in the best interests of the community, unless the local authority is prevented from taking that action by the common law, specific legislation or statutory guidance. As such, the new power of competence

¹ From December 2012, this power has fallen to the Director of Regeneration & Neighbourhoods.

can be applied to working in the best interests of Hartlepool Borough Council's Ward Member Budgets and also Ward Profiles which were endorsed by Cabinet in October 2012.

8. FINANCIAL CONSIDERATIONS

- 8.1 On 14 February 2013, Council approved a recommendation from Cabinet (4 February 2013) allocating a total of £165,000 for 2013/2014 for Ward Member Budgets, equating to £5,000 per Elected Member. As part of this decision, it was also outlined that any underspend remaining from the 2012/2013 allocation will be carried forward by each individual Ward Councillor for their use in the new financial year. This also applies to any unspent funds in 2013/2014, which can be carried forward by individual Ward Members in to the following financial year (2014/2015).

9. STAFF CONSIDERATIONS

- 9.1 There are no staff considerations for the Forum's attention in this case.

10. ASSET MANAGEMENT CONSIDERATIONS

- 10.1 There are no asset management considerations.

11. EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 There are no equality or diversity implications.

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

- 12.1 There are no Section 17 implications.

13. RECOMMENDATIONS

- 13.1 The North and Coastal Neighbourhood Forum is asked to note the contents of the report outlining Ward Member Budget spend to date.

14. REASONS FOR RECOMMENDATIONS

- 14.1 On 30 April 2012, Ward Member Budgets and the association application framework were approved by Cabinet. As part of this decision, it was agreed that expenditure be reported to the relevant Neighbourhood Forum on a quarterly basis.

15. BACKGROUND PAPERS

- 15.1 There are no background papers.

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

- 16.1 Appendix A - Ward Member Budget Spend 2013/14
16.2 Appendix B - WARD MEMBER BUDGET OVERVIEW

17. CONTACT OFFICER

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APPENDIX A: Ward Member Budget Spend 2013/14

Ward Councillor	Nature of Scheme	Date Approved	Funding Approved
Jesmond			
Councillor Keith Dawkins	Throston Primary School: Helping at Home Project	23.04.13	£1,000
	Wiltshire Way Horticultural Scheme (2)	07/05/13	£400
	Hartlepool Bereavement Service Donation	20/05/13	£970
	Chester Road Allotment Association Equipment Donation	28/05/13	£200
Councillor Linda Shields	Throston Community Centre Scheme	02/05/13	£3,700 - £4,700*
Seaton			
Councillor Kelly Atkinson	Jutland Road Community Hub Fun Day Contribution	25/05/13	£300
Councillor Cath Hill	Jutland Road Community Hub Fun Day Contribution	25/05/13	£300
Councillor Paul Thompson	Jutland Road Community Hub Fun Day Contribution	25/05/13	£300

*Costs for the Planning Application fee (£195) have only been incurred at this stage.

Please note that a number of projects are currently being developed and will be reported at a future Neighbourhood Forum meeting.

APPENDIX B: WARD MEMBER BUDGET OVERVIEW

Ward Councillor	Carryover from 12/13	Funding Available 13/14	Funding Approved 13/14	Total Funding Remaining
De Bruce				
Councillor Rob Cook	-	£5,000	-	£5,000
Councillor Sheila Griffin	-	£5,000	-	£5,000
Councillor Sylvia Tempest	-	£5,000	-	£5,000
Hart				
Councillor Paul Beck	-	£5,000	-	£5,000
Councillor Keith Fisher	£5,500	£5,000	-	£10,500
Councillor Jean Robinson	£2,737	£5,000		£7,737
Headland and Harbour				
Councillor Jim Ainslie	-	£5,000	-	£5,000
Councillor Peter Jackson	-	£5,000	-	£5,000
Councillor Robbie Payne	-	£5,000	-	£5,000
Jesmond				
Councillor Keith Dawkins	£1,970	£5,000	£2,570	£4,400
Councillor Mary Fleet	£4,100	£5,000	-	£9,100
Councillor Linda Shields	£5,000	£5,000	£3,700 - £4,700	£5,300 - £6,300
Seaton				
Councillor Kelly Atkinson	£3,285	£5,000	£300	£7,985
Councillor Cath Hill	£4,950	£5,000	£300	£9,650
Councillor Paul Thompson	£4,950	£5,000	£300	£9,650