

# FINANCE AND POLICY COMMITTEE AGENDA



Friday 23 August 2013

at 9.30 am

in the Council Chamber, Civic Centre, Hartlepool

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Cranney, Dawkins, Jackson, James, A Lilley, Payne, Richardson, Simmons, Thompson and Wells

## 1. APOLOGIES FOR ABSENCE

## 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

## 3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 26 July 2013, 2 August 2013 and 8 August 2013 (*previously circulated*)
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 24 June 2013

## 4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Medium Term Financial Strategy (MTFS) 2014/15 Savings Proposal – *Chief Executive*

## 5. KEY DECISIONS

- 5.1 Living Wage – *Chief Executive*
- 5.2 Warm Up North – Delivery of Green Deal Measures for Residents – *Assistant Director, Regeneration*
- 5.3 Future Use of Brierton Site – *Director of Regeneration and Neighbourhoods*
- 5.4 Welfare Reform Impacts – *Chief Finance Officer*



## **6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Data Quality Policy Review – *Assistant Chief Executive*
- 6.2 Review of Risk Framework – *Assistant Chief Executive*
- 6.3 Quarter 1 Strategic Financial Management Report – *Corporate Management Team*
- 6.4 Review of Civic Lottery Fund and Minor Awards – *Assistant Director, Community Services*
- 6.5 School Meals Service Strategy – *Director of Regeneration and Neighbourhoods*
- 6.6 Tees Valley and South Durham Local Improvement Finance Trust – Future Arrangements – *Director of Regeneration and Neighbourhoods*
- 6.7 Assessment Process regarding Claw back of Grant from Historical Grants Programmes – *Director of Regeneration and Neighbourhoods*

## **7. ITEMS FOR INFORMATION**

- 7.1 Quarter 1 – Council Overview of Performance and Risk 2013/14 – *Assistant Chief Executive*
- 7.2 Employee Sickness Absence 1<sup>st</sup> Quarter 2013/14 – *Assistant Chief Executive*
- 7.3 Six Monthly Monitoring of Agreed Scrutiny Recommendations – *Scrutiny Manager*

## **8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

## **9. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

### **EXEMPT ITEMS**

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

## **9. EXEMPT KEY DECISIONS**

- 9.1 Workforce Arrangements (*para 4*) – *Chief Executive*

### **ITEMS FOR INFORMATION**

**Date of next meeting – Thursday 19 September 2013 at 9.30 am in the Council Chamber, Civic Centre, Hartlepool**



# HEALTH AND WELLBEING BOARD

## MINUTES AND DECISION RECORD

24 June 2013

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

### **Present:**

Councillor Richardson (substitute for Councillor C Akers-Belcher, Leader of Council) (In the Chair)

### **Prescribed Members:**

Elected Members, Hartlepool Borough Council, Councillors Hall, G Lilley and Simmons  
Representing Hartlepool and Stockton-on-Tees Clinical Commissioning Group;  
Alison Wilson  
Director of Public Health, Hartlepool Borough Council, Louise Wallace  
Representatives of Healthwatch, Margaret Wrenn and Steve Thomas

### **Other Members:**

Chief Executive, Hartlepool Borough Council; Dave Stubbs  
Director of Regeneration and Neighbourhoods, Hartlepool Borough Council, Denise Ogden  
Representative of the NHS England Area Team; Caroline Thurlbeck  
Representative of Hartlepool Voluntary & Community Sector, Tracy Woodhall  
Representative of North Tees and Hartlepool NHS Foundation Trust; Alan Foster

### **Also Present:**

Michael Slimings, Director, Incontrol-able CIC  
Dr Emerton, North Tees and Hartlepool NHS Foundation Trust

Officers: Catherine Grimwood, Hartlepool Borough Council, Performance and Partnerships Manager  
Neil Harrison, Hartlepool Borough Council, Head of Service  
Donna Owens, NHS North of England Commissioning Support Unit  
Alastair Rae, Hartlepool Borough Council, Public Relations Manager  
Joan Stevens, Hartlepool Borough Council, Scrutiny Manager  
Amanda Whitaker, Democratic Services Team

### **Also in attendance:**

Councillor Loynes and Healthwatch members

The Deputy Leader of the Council, Councillor Richardson, advised the Board that he would be acting as a permanent substitute for the Leader of the Council due to a potential conflict of interest by Councillor Christopher Akers-Belcher.

## **1. Apologies for Absence**

Councillor C Akers-Belcher, Leader, Hartlepool Borough Council  
Martin Barkley, Tees Esk and Wear Valley NHS Trust  
Councillor Fisher, Chair, Audit and Governance Committee (Observer)  
Jill Harrison, Hartlepool Borough Council, Assistant Director (Adult Services)  
Dr Pagni, Hartlepool and Stockton-on-Tees Clinical Commissioning Group  
Sally Robinson, Hartlepool Borough Council, Assistant Director (Children's Services)

## **2. Declarations of interest by Members**

None

## **3. Minutes**

The minutes of the meeting of the Shadow Health and Wellbeing Board held on 11 March 2013 were received.

## **4. Health and Wellbeing Board Terms of Reference** *(Director of Public Health)*

The Board was reminded that the Health and Social Care Act 2012 set out the statutory requirement for unitary authorities to establish Health and Wellbeing Boards from April 2013. As a Committee of Hartlepool Borough Council the responsibilities and functions of the Board were set out within the Council's Constitution. The Board's specific responsibilities were set out in the report.

The Health and Wellbeing Board had been meeting in shadow form since October 2011. From 1<sup>st</sup> April 2013 the Board had taken on its formal role as set out in the Constitution. However, in order to provide further detail about the role and responsibilities of the Board and its members a new Terms of Reference had been prepared. The draft Terms of Reference for the Health and Wellbeing Board were appended to the report. It was highlighted that the codes and protocols of the Voluntary and Community Sector (VCS) Strategy were referred to in the Terms of Reference and were therefore also appended to the report.

At the development day the Board had considered the Local Government Association and Association of Democratic Services Officer joint publication 'Health and wellbeing boards - A practical guide to governance and constitution issues'. It was agreed that the structure of the Health and

Wellbeing Board for Hartlepool should follow a similar structure to the Luton model with three delivery groups covering children, adults and health inequalities. All other health related groups would feed into the work of one of the three delivery groups. The sub structure of the Health and Wellbeing Board was set out in the Terms of Reference and was illustrated in the report.

### **Decision**

- (i) The Board agreed the Terms of Reference as appended to the report.
- (ii) In accordance with the terms of reference, it was agreed that the Vice Chair of the Board would be a representative of the Clinical Commissioning Group.

## **5. Communication and Engagement Strategy** (*Director of Public Health*)

The report set out the draft Communication and Engagement Strategy and sought agreement to the establishment of a Communications and Engagement group that would lead on the delivery of the strategy. The Board was also asked to note the proposed draft action plan, appended to the report, together with the draft campaign calendar for 2013 / 14.

Partners had been asked to provide information to the Council's Performance and Partnerships Team identifying their existing channels for communications and public engagement. The exercise had identified a broad range of mechanisms that partners currently utilised including; magazines, publications, bulletins, websites, social media, local press and resident forums / focus groups.

The draft Communication and Engagement Strategy had been circulated. The Board was requested to agree the draft Strategy and provide feedback. In order to drive forward the delivery of the strategy it was proposed that the Board establish a Communications and Engagement Group which would be led by the Council's Public Relations Team. The group would consist of representatives from communication teams from partner organisations. The proposed group would be responsible for the development and delivery of the communication Strategy Action Plan (Appendix B) together with the planning and delivery of the annual campaign calendar (Appendix C). The group would also undertake evaluations of campaigns to monitor their effectiveness and feedback to the Board on a regular basis.

Board Members recognised the opportunities which were available in terms of public health communication together with important social care and commissioning messages. It was highlighted that communication should be transparent, for lessons to be learnt from previous experiences and that appropriate resources be allocated to deliver the Strategy. Board Members

received an assurance from the Council's Director of Regeneration and Neighbourhoods regarding the operation of those work streams applicable to this Board and those of the Safer Hartlepool Partnership.

### **Decision**

(i) The draft Communications and Engagement Strategy was approved and it was agreed that appropriate level of resources should support the Strategy.

(ii) That the establishment of a Communication and Engagement group was approved.

(iii) The draft action plan and campaign calendar was approved and it was agreed that the proposed Communication and Engagement group develop these further.

## **6. Work Programme** (*Director of Public Health*)

The report set out a proposed work programme for 2013/14 which provided an opportunity for the Board to consider a work programme for 2013/14. The need for a work programme had been identified at the Board development session held on 22<sup>nd</sup> April 2013. Members of the Board had considered a work programme would allow the Board to be focused on key health and well being issues and plan dedicated time into the Board agenda to address these issues. It was noted that the work plan did not replace the Council's Forward Plan.

Members of the Board noted that development of the work programme was an iterative process and members were urged to bring forward items for inclusion in the work programme as they became aware of them.

### **Decision**

The Board work programme was endorsed subject to consideration of the Children's Strategic Partnership Terms of Reference being brought forward to the August meeting of the Board.

## **7. Potential Topics for Inclusion in the Audit and Governance Statutory Scrutiny Health Work Programme** (*Scrutiny Manager*)

The Board was invited to suggest topics for consideration / inclusion in the work programme for the Audit and Governance Committee in relation to the statutory scrutiny area of health. The Audit and Governance Committee was

due to set its work programme at its meeting of 27 June 2013. The role of the Audit and Governance Committee was highlighted together with the success of previous health scrutiny investigations. The Scrutiny Manager assured Board Members that the monitoring of recommendations of previous scrutiny investigations would continue under the Council's new governance arrangements.

Suggested topics had been sought from the Council's Director of Public Health, Hartlepool and Stockton-on-Tees Clinical Commissioning Group and North Tees and Hartlepool NHS Foundation Trust. The topic that had been suggested was Chronic Obstructive Pulmonary Disease (COPD). The Hartlepool Joint Strategic Needs Assessment (JSNA) had identified COPD as a key issue. The topic has been suggested because it would help improve services and raise awareness of COPD. The key issues relating to COPD were highlighted in the report.

Dr Emerton explained the reasons that COPD was a particularly important issue. During the discussion which followed, reference was made to the importance of early detection of the disease, the appointment of a new Consultant to ensure the best possible management of patients, the primary care role together with the role of Healthwatch. The identification of COPD as an effective topic suggestion was welcomed by Board Members and it was highlighted that the topic incorporated the whole spectrum covered by Members of the Board.

### **Decision**

The Board agreed that COPD is an effective topic suggestion to put forward to the Audit and Governance Committee for consideration as part of the Committee's 2013/14 work programme.

## **8. Centralisation of Emergency Medical and Critical Care Services at University Hospital North Tees – Public Consultation** *(Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group)*

The report provided the Board with an update on the public consultation, the rationale for the proposed changes and provided an opportunity for discussion by the Board in respect of the implications of the proposals.

The Board was advised that following proposals put forward by North Tees and Hartlepool NHS Foundation Trust in relation to the reconfiguration of services to ensure sustainability of Critical Care and Acute Medical services

at the University Hospital Hartlepool, Hartlepool and Stockton-on-Tees Clinical Commissioning Group (HaST) had commissioned an independent review by the National Clinical Advisory Team (NCAT). The NCAT review had confirmed that the proposals were necessary to maintain safety and quality of services for the local community and that there was no other option but to centralize services on the North Tees hospital site. The team provided assurance that the changes would result in safer services for local people that would be sustainable and affordable. The change was expected to be an interim arrangement until the new single site hospital was in place. The commissioners and the Trust had therefore commenced a 12 week public consultation on the proposals.

It was proposed that Critical Care, Acute Medical Services and some complex surgery be centralised on the North Tees Hospital site. This would also mean that in addition some support staff from pharmacy, radiology and estates would also need to be transferred to North Tees. The change would affect about 30 Hartlepool and Easington patients per day. 97% of health care contacts would remain in Hartlepool. The Public Consultation had commenced on the 20<sup>th</sup> May and would run until 11<sup>th</sup> August 2013. The consultation aimed to gather views on the proposals and to understand concerns about the proposed changes. A copy of the consultation document was appended to the report and details of consultation questions were included in the report.

Members of the Board highlighted the importance of addressing transport issues. Board Members expressed their contentment that the options available in terms of transport were being considered by the Foundation Trust and that the Trust was committed to addressing those issues. It was highlighted, however, that it was essential to ensure effective public communication of transport services available to patients/visitors. It was confirmed that the provision of transport services was commissioned by the Clinical Commissioning Group from North East Ambulance Service (NEAS). The Voluntary & Community Sector representative referred to transport services provided by the voluntary sector. It was agreed that it would be interesting to obtain an indication of the number of mini buses available in the voluntary sector and for discussions to be held with NEAS.

### **Decision**

The Board received the update on the consultation and discussed the implications of the proposed changes with particular reference to transport issues.

## **9. Equality and Diversity in Service Provision DVD (Incontrol-able CIC))**

The Board viewed a dvd entitled “*Freddie’s Story*”; a new 20-minute training film about people with learning disabilities for everyone working in



healthcare including medical students, nurses, doctors, and receptionists.

The film was inspired by Mencap's Death by Indifference report and aimed to help provide the mandatory training in learning disability recommended by Sir Jonathan Michael's Inquiry into Healthcare For All. The DVD addressed many different aspects of the hospital environment through a narrative based on real experiences. The film gave simple steps to good practice in improving care and diagnosis with a focus on improving communication and inspiring everyone to respect and value people with a learning disability.

At the conclusion of the DVD Michael Slimings responded to clarification sought from Members of the Board. Reference was made to the powerful nature of the film. It was recognised that it was essential to continue to share the message conveyed in the film to ensure quality in health care provision.

### **Decision**

The issues highlighted by the DVD were noted

## **10. Winterbourne View** (*Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group and Assistant Director, Adult Social Care*)

The report provided an update on actions identified following publication of the Winterbourne View Hospital report and Concordat (Dec 2012) to provide assurance of collaboration between Health and the Local Authority. The Department of Health review had responded to criminal abuse at Winterbourne View hospital revealed by the BBC Panorama programme in May 2011. The main actions identified for commissioners through the review and concordat were identified in the report.

A letter received from Chris Bull, Chair of the Winterbourne View Joint Improvement Board, had asked Clinical Commissioning Groups (CCG's) and Health and Wellbeing Boards to assess their progress against commitments in the Concordat and to allow for good practice and progress from local areas to be shared nationally. A copy of the letter had been appended to the report. A joint plan would be developed to deliver this work once the individual patient requirements were known; this would also include the review of existing inpatient assessment and treatment bed requirements for the future. It was highlighted that this work would be on-going. Transitions' planning was in place between Health and Local Authority partners with the aim of mapping future demand, informing investment requirements and preventing out of area placements.

The Board was provided with a progress update. It was highlighted that the timescales which had been identified nationally for Winterbourne were a particular pressure given the complexity of the people who had been

identified and the risk of re-admission throughout this programme remained high.

It was noted that impact assessment work was underway with Tees Esk and Wear Valley NHS Trust which could potentially suggest that the current investment in assessment and treatment provision be re-provided into community services to support delivery of this work and prevent re-admission through placement breakdown. Any additional resource requirements were unknown at this point.

Officers responded to questions raised by Board Members and gave assurances regarding monitoring and accountability with particular reference to community settings.

### **Decision**

(i) The update was received by the Board and the assurance that plans are in place to work collaboratively between the Clinical Commissioning Group and the Local Authority to develop the long term solutions for these patients was noted.

(ii) The update of progress against key winterbourne view concordat commitment was agreed.

**Prior to consideration of the following item of business, representatives of North Tees and Hartlepool NHS Foundation Trust left the meeting.**

## **11. Any Other Items which the Chairman Considers are Urgent**

The Chairman ruled that the following item of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

## **12. Development of a New Hospital**

The Council's Chief Executive advised the Board that Alan Foster was due to attend a meeting later in the week with the Secretary of State for Health regarding funding arrangements for a new hospital. The support of the Board was sought to letters being sent from the Board and the Council's Chief Executive, to the Minister, in support of plans to build a new hospital in Hartlepool.

Councillor G Lilley advised the Board that he would not object to letters of support being sent to the Minister. However, he highlighted

that the letters would not reflect his personal views. Councillor Lilley requested that his grave misgivings be recorded.

During a debate which followed, Members of the Board referred to long term considerations in terms of 'what was best' for the residents of Hartlepool. Board Members were reminded of the consultation which had been undertaken when thousands of people had agreed that a new hospital should be built. In the context of Momentum Pathways to Healthcare, the delivery of services locally had been recognised.

**Decision**

It was agreed, on a consensus basis, that letters supporting the building of a new hospital in Hartlepool be sent to the Secretary of State for Health.

CHAIR

# FINANCE AND POLICY COMMITTEE

23<sup>rd</sup> August 2013



**Report of:** Chief Executive

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2014/15 SAVINGS PROPOSAL

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework decision.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to enable Members to consider the initial 2014/15 savings proposals relating to the Committees remit. Comments made are to be incorporated with those received from each of the Policy Committee in relation to their remits, and will be considered by the Finance and Policy Committee at the meeting on the 19 September 2013.

## 3. BACKGROUND AND OVERVIEW OF COUNCILS FINANCIAL POSITION

- 3.1 Detailed budget reports were submitted to the Finance and Policy Committee on 31<sup>st</sup> May 2013 and 2<sup>nd</sup> August 2013 to enable Members to begin to develop detailed budget proposals for 2014/15. These proposals will be referred to full Council in February 2014 to enable the 2014/15 Budget and Council Tax to be approved.

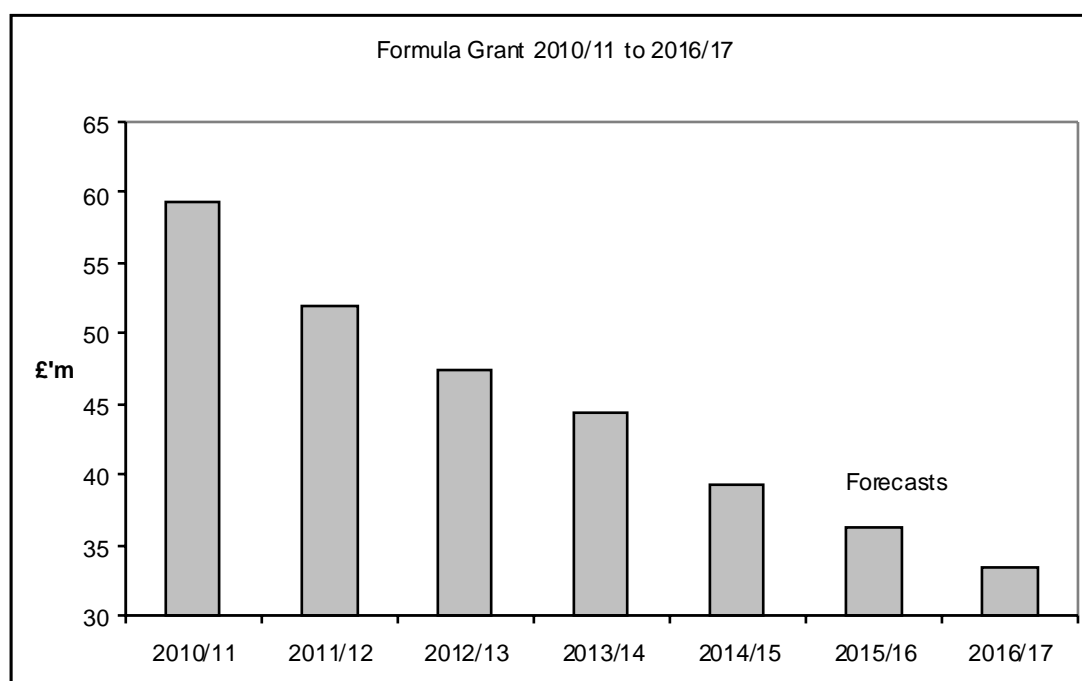
- 3.2 The report to the Finance and Policy Committee on 2<sup>nd</sup> August 2013 provided an update on the latest position and covered the following areas:

- Background and Government Spending Plans 2014/15 Onwards;
- One-off resources available to manage risks and / or support Council priorities;
- General Fund Revenue Budget 2014/15 to 2016/17;
- Strategy for bridging 2014/15 budget deficit;
- Council Tax 2014/15 to 2016/17;
- Impact of 2014/15 budget proposals on 2015/16 and 2016/17 forecast deficits;
- Review of Reserves;
- Reductions in other grant funding;

- Strategy for managing capital risks; and
- Conclusion and recommendations.

3.2 In summary the Finance and Policy Committee report provided an update of the previous MTFS report submitted to full Council in February 2013, which 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. It is anticipated these cuts will continue in the following two years. The June 2013 Spending Review announcement confirmed the overall level of cuts for 2015/16 and further details are provided later in the report. The previously forecast grant cuts are summarised below and it should be noted the 2015/16 and 2016/17 forecast will be updated when more information on the impact of the recent Spending Review announcement on individual Councils is known;



- 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 actual cut for Hartlepool was around 13% when account is taken of actual support previously provided under the former national Council Tax Benefit scheme. 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 it 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 years. 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;

- 3.3 In relation to the 2014/15 budget the report advised Members that the Council faces a gross budget deficit of **£8.524m**. The gross budget deficit can be reduced to **£4.594m** without impacting on services through a combination of permanent budget savings and one-off factors as summarised below:

Revised budget deficit 2014/15

	£'000	£'000
<b>Budget Deficit reported February 2013</b>		<b>8,524</b>
Public Health Funding		(500)
Full Year ICT saving (includes potential rental income)		(500)
Initial Changes in Planning assumptions (includes budget reductions from continuing 1% public sector pay gap, saving from senior management restructure, lower energy increases and lower Employers Pension contributions)		(1,797)
<b>Net Budget Gap 2014/15</b>		<b>5,727</b>
One-off funding (funded from uncommitted one-off resources and will be sustainable at this level for 3 years. Thereafter, this will need to be replaced by identifying additional savings of £1m in 2017/18).	(1,000)	
Use of residual balance of 'Savings implementation reserve'	(133)	
Total use of one-off funding		(1,133)
<b>Permanent budget cuts to be implemented 2014/15</b>		<b>4,594</b>

- 3.4 The Finance and Policy Committee report also detailed departmental savings proposals with a total value of **£4.376m**.

- 3.5 Assuming the proposed departmental savings are implemented there is a net unfunded deficit for 2014/15 of **£0.218m**. At this stage it is anticipated that this amount can be bridged from the 2014/15 New Homes Bonus which will be payable for 7 years commencing 2014/15. This income is not yet guaranteed and will depend on the share of the national New Homes Bonus funding the Council receives, although at this stage this is a reasonable planning assumption. It should be noted that this proposal will mean that in 2014/15 total support for the core revenue budget from the New Homes Bonus will be £1.4m.
- 3.6 As reported previously the New Homes Bonus is funded by top slicing the national funding for Local Authorities. Whilst it is forecast the Council will receive a total New Homes Bonus payment of £1.4m in 2014/15, this needs to be seen in the context of the permanent cut in the Council's core grant which in 2014/15 is forecast to be £20m (34%) less than it was in 2010/11.
- 3.7 Assuming Members approve the proposals detailed in the previous paragraphs for addressing the 2014/15 budget deficit the Council will still face significant budget deficits in 2015/16 and 2016/17. Over the period of the current MTFS it is forecast that the Council will have to make permanent budget cuts of around **£16.2m**, as follows:
- 2014/15 net deficit                      £4.6m;
  - 2015/16 revised deficit                £6.3m;
  - 2016/17 revised deficit                £5.3m.
  - Total forecast deficit                   £16.2m
- 3.8 The revised deficit is less than the initial forecast prepared in February 2013 of £19.4m and the reduction reflects the benefits of the revised planning assumptions and available one-off resources to support the budget over the next three years. The use of the one-off resources over the next three years is not a permanent solution and defers an additional budget deficit of £1m until 2017/18.

#### **4. SPECIFIC ISSUES TO BE CONSIDERED BY THIS COMMITTEE**

- 4.1 The Finance and Policy Committee considered details of proposed departmental budget savings and budget pressures for 2014/15 and determined to refer these proposals to the relevant Policy Committees for consideration and comments back to Finance and Policy Committee on 19 September 2013. Accordingly the following details are attached for Members consideration:
- 2014/15 proposed savings – Appendix A
  - 2014/15 budget pressures – Appendix B

## 5. RECOMMENDATIONS

- 5.1 It is recommended that Members consider the 2014/15 proposed savings and budget pressures and comment back to Finance and Policy Committee on 19 September 2013.

## 6. CONTACT OFFICER(S)

Dave Stubbs, Chief Executive  
Chief Executives Department  
Hartlepool Borough Council  
(01429) 283001  
[Dave.stubbs@hartlepool.gov.uk](mailto:Dave.stubbs@hartlepool.gov.uk)

Denise Ogden  
Director of Regeneration and Neighbourhoods  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY  
Email [denise.ogden@hartlepool.gov.uk](mailto:denise.ogden@hartlepool.gov.uk)  
Tel: 01429 523301

Andrew Atkin, Assistant Chief Executive  
Chief Executives Department – Corporate Strategy  
Hartlepool Borough Council  
(01429) 523003  
[Andrew.atkin@hartlepool.gov.uk](mailto:Andrew.atkin@hartlepool.gov.uk)

Chris Little  
Chief Finance Officer  
(01429) 523003  
[Chris.little@hartlepool.gov.uk](mailto:Chris.little@hartlepool.gov.uk)



Division / Area	Savings	Brief description of change	Risk
	14/15 £'000		

<b>Chief Executives Department</b>			
Revenues & Benefits	29	Deletion of vacant Band 9 Fraud Investigator post and changes in working arrangements to ensure remaining staffing resources can deal with workload,	G
Revenues & Benefits	5	Formalise existing Rostering arrangements for Cashiers to reflect flexi working arrangements agreed with staff.	G
Revenues & Benefits	10	Deletion of budget provision used to fund External Credit Check Services pilot arrangement which will not provide the initially anticipated benefits as the Financial Industry will not share the level of information necessary to make this work.	G
Revenues & Benefits	5	Printing/ Mailing budget saving arising from Contract Renegotiation.	G
Revenues & Benefits	60	<p>Increase in Summons Costs chargeable on non-payment of Council Tax from £70 to £80, with effective from 01.04.14.</p> <p>These costs have remained frozen since 01.04.11 and are now in the lower quartile of Local Authority charges.</p> <p>Implementation of these changes will need to be managed carefully for all Council Tax payers to avoid increasing financial hardship. However, these charges need to reflect the higher costs of recovering Council Tax from those households who 'won't' pay without the Council actively pursuing recovery and those who 'can't' pay owing to their financial circumstances and may be eligible for support under the Local Council Tax Support scheme, but have not claimed.</p> <p>This will need particularly carefully management for households in receipt of Local Council Tax Support.</p>	A

Division / Area	Savings	Brief description of change	Risk
	14/15 £'000		
Revenues & Benefits	10	Savings in equipment purchase/ repair/maintenance budget arising from the outsourcing of specialist bulk mailing requirements in relation to Council Tax and Business Rates. These arrangements enable staff resources to be concentrated on core activity and managed the increased workload of managing around 8,500 additional Council Tax accounts following the implementation of the Local Council Tax Support scheme in April 2013.	G
Shared Services	40	This saving will be achieved from the reassessment of requirements for the Payroll/HR system and the subsequent renegotiation of the contract.	G
Shared Services	39	Reduction in external Insurance premiums following Contract Negotiation.	G
Shared Services	10	Deletion of 0.4 FTE vacancies within Shared Services and changes in existing working practises to mitigate the impact on the delivery of services.	A
Shared Services	5	Postage savings from increased electronic remittance/correspondence with suppliers and increased transfer from cheque payments to BACS payments.	G
Less allocated to offset Housing Benefit Admin. Grant cut	(64)	Part of the saving identified need to be allocated to offset the anticipated reduction in 2014/15 in the Housing Benefit Administration Grant cut. On the basis of available information the level of this grant cut is anticipated to be 5%, which equates to a reduction of £64,000. There is a risk the actual grant cut may be higher. This position is unlikely to become clearer until latter in the year when the impact of the June 2013 Spending Review feeds through into detailed cuts by the Department for Communities and Local Government. (It should be noted that the 2013/14 Housing Benefit Administration Grant was not confirmed until April 2013).	N/A
E learning and translation services	15	Reprocurement of e learning provider and translation services in conjunction with some limited changes in respect of the corporate training budget. A number of services have been reprocured and the changes in costs of this reprocurement are reflected in the savings.	G

Division / Area	Savings	Brief description of change	Risk
	14/15 £'000		
Overtime and other related staffing Budgets	30	Not filling temporary posts and savings as a result of the change in rota arrangements in the contact centre including a review of the costs of apprenticeships given historic profile of the age of apprentices taken on by the service	G
General running costs	48	In bringing together the Corporate Strategy and Workforce Services divisions as part of the overall restructure the opportunity has been taken to revisit the running costs of the division and identify those areas where there has been a minor though ongoing under spend across the functions. This review has provided the opportunity to re base the budgets in line with this historic spend and identify a reduction in the running and support costs	G
Management and Staffing costs	91	<p>This saving is a combination of changes in the former Corporate Strategy and Workforce Services divisions that relate to staffing.</p> <p>The post of Strategy and Performance Officer Band 12 has been held vacant since the post holder left in line with an approach to minimise compulsory redundancies. The post will be deleted and reconsideration given to both the reprioritisation and cessation of some areas of none critical work. In addition to the cessation of some potential elements of work the scaling back and or alternative delivery of some elements fop work will be further considered.</p> <p>Further revisions to the staffing and management arrangements in the division will deliver the additional savings required. These changes will require a revision in the operating arrangements in the division and the management of a range of potential risks in relation to the ongoing delivery of services. These risks can be managed.</p>	A
Democratic and members support	69	Revised proposals for the delivery of support across the democratic and members support functions in the new governance arrangements. Includes member's services, scrutiny and Democratic services including the deletion of currently vacant posts and some running costs.	A

Division / Area	Savings	Brief description of change	Risk
	14/15 £'000		

Legal Services	25	Revision of staffing arrangements following a deletion of a vacant post (following retirement) and realignment of duties within section.	A
External subscriptions	30	Savings on a range of corporate subscriptions paid from the Chief Executives Departmental budget can be achieved as organisations respond to pressure on Council's budgets.	G
<b>Departmental Total</b>	<b>457</b>		

### Regeneration and Neighbourhoods Department

Community Pool	220	Review Community Pool criteria and priorities	A
Property and Facilities Management	90	Review and centralisation of teams and functions within the re-configured department and across the Council.	G
Estates and Asset Management	125	Potential lease of Bryan Hanson House	R
Building Design and Management and FM (Building Maintenance)	50	Review construction related teams and functions for 14 / 15. Further reconfiguration and service delivery options for 15 / 16 including income generation opportunities.	A/R
Facilities Management	20	Revision of Terms and Conditions to improve productivity and income generation opportunities.	A
Facilities Management (Building Cleaning)	10	Revise specifications and reduce budget for 14 / 15. Further reconfiguration and service delivery options for 15 / 16.	A/R
Facilities Management (Function Catering)	25	Rationalise outlets and reduce overheads, undertaking options appraisal for future delivery of services.	A/R
Security Services	35	Review provision of security services and re-tender relevant elements.	?
<b>Departmental Total</b>	<b>575</b>		

<b>Corporate Pressure</b>	Value of Budget pressure £'000
<u>Council Capital Fund</u> The pressure would support Prudential Borrowing of approximately £0.6m in 2014/15 (actual value of capital spending depends on specific schemes approved which will have different operational lives). Detailed proposals for using part of this funding will be reported to a future Finance and Policy Committee.	50
<u>Income pressure</u> - these issues relate the 2.5% inflation increase included in the MTFS forecast which is cannot be achieved for areas previously identified as shortfalls in the 2012/13 budget and addressed as budget pressures covering	
<u>a) Shopping Centre income inflation</u> Income depends on occupancy of shop units and it is not expected that the Council's share of rental income will increase in the current economic climate Shopping Centre ongoing income shortfall - 2013/14 addressed from reserve, but for 2014/15 need permanent solution.	24  400
<u>b) Car Parking income inflation</u> Car Parking - owing to the current economic climate it is not recommend that an increase in car parking charges is implemented in 2014/15. Furthermore, owing to the practicalities of setting an increase which generates increases in multiples of 5p a higher percentage increase than the 2.5% inflation increase in the MTFS would be required.	37

# FINANCE AND POLICY COMMITTEE

23 August 2013



**Report of:** Chief Executive

**Subject:** LIVING WAGE

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision (test (i) Forward Plan Reference No. CE58/13 – Living Wage

## 2. PURPOSE OF REPORT

- 2.1 To obtain Finance and Policy Committee approval to implement a Living Wage for low paid employees in the Council

## 3. BACKGROUND

- 3.1 Over recent months there has been a growing campaign, led by the Living Wage Foundation, to persuade employers throughout the UK to adopt the Living Wage.
- 3.2 The Living Wage is an hourly rate, set independently, every year (by the GLC in London and the Centre for Research in Social Policy outside London). It is calculated according to the cost of living and gives the minimum pay rate required for a worker to provide an acceptable standard of living to ensure good health, adequate child development and inclusion.
- 3.3 The current Living Wage in London is £8.55p per hour and outside London is £7.45p. The Living Wage is uprated every November and has to be implemented within 6 months by employers accredited as 'Living Wage Employers' by the Living Wage Foundation. By comparison the national minimum wage for 21 year olds is currently £6.19p per hour, rising to £6.31p per hour in October 2013 and the lowest spinal column point used for 'Green Book' employees in the Council and schools is SCP 5 (equivalent to £6.45 per hour from 1 April 2013 following a 1% pay award). There are a small number of employees (referred to as the 'TUPE employees' in the remainder of this report) who TUPE transferred to the Council and who are paid the national minimum wage (or slightly above) as a result of them retaining their pre transfer conditions of service and pay rates. Consideration is currently

being given to assimilating the employees onto Green Book conditions of service and pay rates which are generally more beneficial. TUPE generally provides legal protection of conditions of service and/or contractual pay rates to employees who transfer from one employer to another. However TUPE allows agreed changes where these are either unconnected with the transfer or connected to the transfer but are being made for an economic, technical or organizational (ETO) reason. Case law has established that a desire to achieve harmonisation will be by reason for the transfer itself and cannot constitute an ETO reason.

- 3.4 Living Wage employers report improved morale, lower turn over of staff, reduced absenteeism, increased productivity and improved customer service.
- 3.5 The Living Wage Foundation indicate they are not aware of anyone being worse off due to the implementation of the Living Wage. This may be because some benefits are tapered and employees may be able to adjust their working arrangements if their benefits are reduced.
- 3.6 Nationally, accredited “Living Wage” employers include KPMG, Aviva, Birmingham City Council, London Boroughs of Lambeth, Camden, Ealing, Hounslow, Islington, Lewisham and Southwark who pay the national Living Wage.
- 3.7 Non Accredited Living Wage Employers include Newcastle City Council who pay the Newcastle Living Wage of £7.20p per hour and Manchester City Council – pay the Manchester Living Wage of £7.15p per hour (no commitment is made by non accredited Living Wage employers to apply any changes to the national Living Wage and they set and review their Living Wage as they see fit).
- 3.8 Sub-regionally,
  - Middlesbrough Council have recently committed themselves in principle to a Living Wage for their employees but will thoroughly investigate issues, costs and benefits before making any firm proposals
  - Redcar and Cleveland Council are introducing a Living Wage of £7.04 for employees on 1 October 2013
  - Stockton Council are considering options for introducing a Living Wage for their employees and are due to report soon to members
  - Darlington Council are considering whether to introduce a Living Wage for their employees and will be exploring options in the Autumn.
- 3.9 General Purposes Committee considered a Pay Policy report on 18 March 2013 which made reference to the Living Wage. Extracts from the minute include

*“During the discussion that followed, Members were supportive of the exploration of the inclusion of a living wage in Hartlepool within the Pay Policy, which they highlighted should be undertaken in consultation with Trades Unions and employees when the Policy was reviewed early in the new municipal year. A Member raised a number of concerns in relation to the*

*impact on the level of benefit entitlement for individuals as a result of the introduction of a living wage. The Chief Executive added that a full analysis would be undertaken to identify the effects on individuals and this will form part of the discussions. The potential impact to school employees was highlighted. It was recognised that some employees in schools work directly for the school whereas others work in schools through the purchase of Council services. Generally, however, it was considered that the implementation of a living wage would have a positive impact on the majority of individuals as the aim would be to uplift the lowest paid individuals, which in turn may produce savings through the resulting reduction in the level of council tax benefits paid out by the Council. Members considered that the implementation of a living wage for Council employees would set an example and influence other employers who may come to appreciate that individuals need to receive a living wage."*

- 3.10 At Council on 15 April 2013 a reserve in 2013/14 of £131k for the Living Wage was established. The MTFS makes provision for an equivalent permanent saving from the Members allowances budget from 2014/15 onwards which members have indicated they wish to use to fund the Living Wage.

- 3.11 The following motion was unanimously agreed at Council on 13 June 2013

*Since its inception in 1999 the minimum wage has become a cornerstone of our social democracy. It defends working people from exploitation at the hands of greedy, negligent employers.*

*Overnight it raised the pay of over 1 million workers in the UK by around 15% and despite the doom-laden predictions of some, it has not resulted in mass unemployment.*

*As Tony Blair once said: The absence of a minimum wage would mean "building a workforce where fear is the spur and insecurity the incentive".*

*Today it acts as vital safeguard in our society, which promotes dignity for hard-working men and women across Hartlepool and the UK as a whole.*

*Therefore, we, the Council, condemn any responsible individual (be they manager, director or trustee) who fails to pay the National Minimum Wage. Such abuses are an affront to justice, both legal and moral, and those individuals should be prosecuted to the fullest extent of the law.*

*As the largest contractor of services in Hartlepool, we recognise our responsibility to protect all workers, including those undertaking comparable work under the 'Back to work' programme. Therefore we propose the introduction of a 'Living Wage Guarantee', in line with our aim to be a Living Wage Council. This must be signed by every beneficiary who receives a grant or commissioned contract by this Council. Should the Council fail to adopt the Living Wage all organisations would be required to sign a National Minimum Wage Guarantee.*



*If an organisation fails to live up to this agreement, then this must be reported to Full Council and a decision about the future of that contract taken by the appropriate committee.*

- 3.12 A national pay award of 1% on all pay points has recently been agreed with effect from 1 April 2013. Provision of 1% has been built into the 2013/14 budget to cover pay awards. The impact on hourly rates is detailed in Table 1

**Table 1 – Impact of 1% pay offer on Bands 1-4**

<b>Pay Band</b>	<b>Spinal Column Point</b>	<b>Whole Time Substantive Hourly Rate prior to the 1% pay increase at 1.4.13 (£)</b>	<b>Whole Time Substantive Hourly Rate following the 1% pay increase at 1.4.13 (£)</b>
Band 1	5	6.38	6.44
	6	6.47	6.54
Band 2	7	6.62	6.69
	8	6.84	6.90
Band 3	9	7.04	7.11
	10	7.19	7.26
Band 4	11	7.64	7.71
	12	7.80	7.87

Members attention is drawn to the change for SC P 10 from £7.19 per hour to £7.26 per hour as financial information based on £7.20 per hour has previously been provided to General Purposes Committee.

- 3.13 By law, the Council is the employer of Community and Voluntary Controlled school employees whereas the Governing Body is the employer of Academy, Aided and Foundation school employees.
- 3.14 Headteachers and Hartlepool Joint Trade Union Committee have been formally consulted and their views are detailed in the appropriate sections below. The full response from the Hartlepool Joint Trade Union Committee is attached at Appendix 1.
- 3.15 The Council currently has a Child Poverty Strategy which has recently been updated and approved at Childrens Services Committee.

## **4. PROPOSALS**

- 4.1 **Justification for Introducing a Living Wage for Council Employees**– Low paid employees who currently earn less than the level set for a Living Wage would benefit from the introduction of a Living Wage. Paying a Living Wage is an investment in people and families and would contribute to tackling inequality and poverty. A Living Wage makes sense in relation to the potential impact on the local economy too, as those on low incomes are more

likely to spend their money locally which can help to safeguard and create jobs in Hartlepool. Over 95% of employees in the Council and schools who could benefit from a Living Wage live in Hartlepool. In addition, lower paid employees are more likely to be claiming benefits and any increase in their pay may reduce the amount of benefit they receive which will create a saving on the Council's benefits budget which, in turn, can be used to support other Hartlepool residents. Due to the tapering nature of some benefits it is unlikely that employees will be worse off as a result of receiving a Living Wage (see 4.32 below for more details). Headteachers and the Hartlepool Joint Trade Union Committee are supportive of implementing a Living Wage for Council employees. If members agree that a Living Wage should be implemented for Council employees then a number of issues need to be considered, as detailed in 4.2 – 4.44 and summarized in 4.45 below.

**4.2 Accreditation** – If the Council wishes to become a Living Wage Foundation Accredited employer it will need to

- pay the UK Living Wage as determined by the Centre for Research in Social Policy (currently £7.45 per hour)
- implement any changes in the UK Living Wage rate within 6 months of new rates being determined in November each year
- ensure contracted workers over 18 (but excluding apprentices) are paid the UK Living Wage where the worker is on the employer's premises for two or more hours per week, for eight or more consecutive weeks in the year.

**4.3** Unless significant savings from changes in employees terms and conditions can be achieved there is insufficient funding within existing staffing budgets to fund the UK Living Wage of £7.45 per hour and this would represent an additional pressure on the MTFS. In addition, the Council will have little, if any, influence over the level of the UK Living Wage set each year. The main benefit of accreditation, from a budget perspective, is that the UK Living Wage is set in November each year and therefore the additional costs can be built into the budget process before the budget is set in the following February. There is no linkage between the UK Living Wage and the national pay spine for Green Book employees. Becoming an accredited Living Wage employer severely restricts/removes local flexibility.

**4.4** As it is not proposed to seek accreditation no analysis has been undertaken to determine whether employees of contractors who spend two or more hours per week, for eight or more consecutive weeks on Council premises are paid the national Living Wage rate of £7.45 per hours. If accreditation is to be sought it will be necessary to investigate this more fully. Whilst the Living Wage Foundation encourage Living Wage employers to send out a communication to all their suppliers letting them know they have gone Living Wage and encouraging them to consider doing the same there is no requirement under the accreditation for suppliers to pay the Living Wage. This is considered later in the report in paragraphs 4.38 – 4.41.

- 4.5 Headteachers have indicated that they do not support accreditation. The Hartlepool Joint Trade Union Committee has indicated “*Full accreditation should remain as aspirational in the current economic climate. However if implementing a ‘Hartlepool’ Living Wage there is a need to ensure contracted workers are paid the ‘Hartlepool’ Living Wage where the worker is on the employer’s premises for two or more hours per week, for eight or more consecutive weeks in the year*”. It is proposed that the Council does not seek to be an accredited Living Wage employer.
- 4.6 **Rate for a Living Wage** – If it wished the Council could agree to a rate of £7.45 per hour which is equivalent to the UK Living Wage if it does not seek to be an accredited Living Wage employer. However the funding issue remains and it is important that all current and future costs can be contained within existing staffing budgets to ensure that additional financial pressures are not created. In theory it would be possible to set a Hartlepool Living Wage rate at any level above £6.45 per hour).
- 4.7 The estimated costs and number of employees potentially affected by a Living Wage of £7.45 per hour and £7.26 per hour (updated to reflect the costs of casual workers, the proposed transfer of cleaners from Manor College to the Council on 1 September 2013, the inclusion of the ‘TUPE employees and the impact of the 1% pay award’) is detailed in Table 2.

**Table 2 – Implications of a Living Wage**

Living Wage	Council				Schools			
	Number of employees	Additional Costs (£)			Number of Employees	Additional Costs (£)		
		Employees	Casual Cover	Total		Employees	Casual Cover	Total
£7.26	351	145	10	155	54	15	0	15
£7.45	531	227	15	242	237	44	0	44

The types of jobs which would benefit from a Living Wage at £7.26 per hour include Band 1 and 2 employees e.g. Cleaners and Band 3 employees in their first year only e.g. Supervisory Assistants and at £7.45 per hour would include all Band 1-3 employees. The pension costs reflect current membership of the Local Government Pension Scheme (LGPS). There is a low risk that membership of the LGPS may increase the above costs. If all eligible employees were to join the LGPS then the costs would increase by a further £10,000 for £7.26 per hour and a further £14,000 for £7.45 per hour.

- 4.8 As indicated in Table 2 the costs to the Council of a Living Wage of £7.26 is £155,000 and at £7.45 is £242,000. These figures exclude the potential additional employers pension costs if membership of the LGPS increases. This is assessed as low risk and it is not recommended that funding is provided for this risk.
- 4.9 In terms of funding the additional cost of implementing a Living Wage Members have previously indicated that they wish to allocate the saving in the Members Allowances budget towards this cost. The available ongoing

funding from this saving in the 2014/15 base budget is £131,000 and the saving in 2013/14 is held in an earmarked one off reserve.

- 4.10 If Members adopt a Living Wage of £7.26 there will be a residual permanent budget pressures of £24,000 in 2014/15 (i.e. cost of Living Wage of £155,000 less ongoing saving in Members allowances budget of £131,000). This shortfall will need to be addressed from the review of Workforce Arrangements, which seeks to achieve savings from a range of proposals, including removing/reducing premium payments and reducing car allowances to HMRC tax free levels. If savings in these areas are not achieved the residual budget pressure will need to be addressed within the overall budget process and alternative budget savings identified for 2014/15. It would not be appropriate to fund an ongoing cost from the residual balance of the one-off Living Wage Reserve, as this would not be sustainable. Members will need to determine a strategy for using the residual Living Wage Reserve balance as part of the 2013/14 Outturn Strategy.
- 4.11 If a Living Wage of £7.45 is adopted the residual budget pressure will be £111,000. This is a more significant funding shortfall and will be more difficult to address as part of the 2014/15 budget process.
- 4.12 Headteachers have indicated that the Living Wage rate should be £7.26 per hour. The Hartlepool Joint Trade Union Committee have indicated *“Significant progress can be made towards the introduction of the Living Wage by linking the introduction of a ‘Hartlepool’ Living Wage to a current NJC SCP (SCP 10)”* It is recommended that a Hartlepool Living Wage be set at £7.26 per hour subject to either additional funding of £24,000 being identified or the shortfall being addressed as part of the overall budget process for 2014/15.
- 4.13 **Flexibility to change the rate of a Living Wage** – the amount of flexibility to change the rate of the Living Wage will depend upon how it is implemented. There are 2 main options as follows
- a) Agree a rate each year in light of the Council's financial situation
  - b) Link the rate to a specific spinal column point
- 4.14 Agreeing a rate each year in light of the Council's financial situation gives the opportunity for free standing decisions to be made in relation to the rate in any given year. By definition the rate will need to be considered each year, presumably as part of the budget considerations as specific provision for any increase will need to be made.
- 4.15 Linking the rate to a specific spinal column point would ensure that the rate changes automatically in line with national pay awards and would mean that the pay inflation provision in the budget would cover any additional costs. Headteachers and the Hartlepool Joint Trade Union Committee have indicated that the Living Wage should be linked to SCP 10 and this is recommended.

- 4.16 **Contractual status** – The Living Wage can be paid in a number of ways including as a contractual supplement to pay, a permanent variation to the employees contract of employment or as a non contractual supplement to pay. If the Living Wage is contractual it will be very difficult to vary this without the employees consent or a collective agreement with the trade unions. A contractual supplement to pay would be where the employee continues to be paid in accordance with their contractual basic rate of pay but will receive a contractual supplement to bring their basic rate of pay up to the Living Wage rate.
- 4.17 A permanent variation to employees contracts of employment would be for the Living Wage to be the employees basic pay. If the Living Wage is set at £7.26 per hour this would require the merging of the bottom 3 pay bands in the pay and grading structure into a single pay band with a single spinal point. The current pay and grading structure is detailed in Table 3.

**Table 3 – Current Pay and Grading Structure**

Pay Band	Job Evaluation Points		Spinal Column Points	
	JE Points Minimum	JE Points Maximum	SCP Minimum	SCP Maximum
Band 1	0	269	5	6
Band 2	270	279	7	8
Band 3	280	289	9	10
Band 4	290	299	11	12
Band 5	300	327	13	15
Band 6	328	355	16	18
Band 7	356	383	19	21
Band 8	384	411	22	24
Band 9	412	446	25	28
Band 10	447	481	29	32
Band 11	482	516	33	36
Band 12	517	551	37	40
Band 13	552	606	41	45
Band 14	607	661	46	50
Band 15	662	1000	51	55

- 4.18 The pay and grading structure with the bottom 3 pay bands merged into a single pay band (Band 1 - 3) comprising spinal column point 10 only is detailed in Table 4.

**Table 4 – Pay and Grading Structure with the bottom 3 pay bands merged into a single pay band (Band 1-3) comprising spinal column point 10 only**

Pay Band	Job Evaluation (JE) Points		Spinal Column Points	
	JE Points Minimum	JE Points Maximum	SCP Minimum	SCP Maximum
Band 1-3	0	289	10	10
Band 4	290	299	11	12
Band 5	300	327	13	15
Band 6	328	355	16	18
Band 7	356	383	19	21
Band 8	384	411	22	24
Band 9	412	446	25	28
Band 10	447	481	29	32
Band 11	482	516	33	36
Band 12	517	551	37	40
Band 13	552	606	41	45
Band 14	607	661	46	50
Band 15	662	1000	51	55

- 4.19 Implementing the pay and grading structure in Table 4 would mean that jobs which had previously been evaluated as being of different worth would be paid the same at spinal column point 10 and the Living Wage would be contractual. The job evaluation (JE) points difference at the bottom end of the current pay and grading structure is small and a change of one level in one of the factors in the job evaluation scheme can result in a change of 2 pay bands.
- 4.20 A non contractual supplement to pay would involve the Council agreeing to pay a supplement to bring the employees earnings up to the Living Wage rate but the employees would have no contractual right to receive the payment. On this basis it would be relatively straightforward, from a legal perspective, to remove the supplement but may be more difficult from an industrial relations perspective as employees will, over time, have become used to receiving it.
- 4.21 If the final level to be set for the Living Wage is greater than can be immediately funded it would be appropriate for either the whole of the payment or the unfunded element to be non contractual until sufficient permanent funding has been identified to fund the whole of the cost.
- 4.22 Headteachers have indicated that the Living Wage should be contractual and support the merging of Bands 1-3 into a single pay band (Band 1-3) comprising spinal column point 10 only. The Hartlepool Joint Trade Union Committee have indicated *“The Hartlepool Living wage should be a contractual payment. All SCPs below SCP 10 should be removed from the NJC Pay Scale used by Hartlepool Borough Council and all relevant pay band/s merged to create one (1) band with 1 SCP band width of SCP 10”*.

- 4.23 The introduction of a Living Wage is not connected to TUPE transfer and there is therefore no legal impediment to agreeing a contractual change with the employees.
- 4.24 It is proposed that
- a) the Living Wage be contractual for 'Green Book' and TUPE employees and
  - b) Bands 1-3 be merged into a single pay band (Band 1-3) comprising spinal column point 10 only.
- 4.25 **Impact on Trading Accounts and other services competing for work–**  
The main group of employees who would benefit from the introduction of a Living Wage would be cleaners some of whom work in Council buildings and some of whom work in schools and other non Council premises under service level agreements (SLA). There would be a significant impact on the Cleaning Trading Account if the costs of cleaners increased but were not funded. The Chief Finance Officer has indicated that client budgets for Council buildings would initially be provided with additional funding of £47,000 so that they are able to pay any increase in cleaning costs as a result of the Living Wage. This amount is included in the additional costs detailed earlier in the report.
- 4.26 The situation in respect of cleaners who work in schools and other non Council premises under an SLA is more complicated. In the short term the SLA price will have been set and there is no real justification for varying the price simply because the Council makes a decision to increase its own costs. In the medium to long term the SLA price will come up for renewal. If the renewal prices are based on the additional costs of a Living Wage it is possible that some of the SLA's will not be renewed. Agreement to a Living Wage would also potentially be detrimental to all those Council services which may be striving to compete for external work. Similar concerns exist with other trading accounts e.g. it may be difficult to pass on any additional cost of school meals. The desire to support low paid employees by paying a living wage is important but it is also difficult to reconcile this with being competitive in the market.
- 4.27 The Chief Solicitor has advised that whilst trading accounts could be funded for the Living Wage, the Council will need to ensure it does not distort, or potentially distort competition, wherein there could be state aid ramifications. Hartlepool Joint Trade Union Committee have indicated that "It is essential that introducing a Living Wage does not result in job losses, particularly where services are competing with the private and voluntary sectors". The cost of funding the trading accounts would be £86,000 (including casuals and Manor College). If the trading accounts are funded there will not be an adverse impact on the Building Cleaning and other DSO trading accounts with the full impact being on the General Fund. It is therefore recommended that the trading accounts be funded for the impact of the Living Wage.
- 4.28 **Impact on Differentials** – Introducing a Living Wage for some employees will reduce the differential between supervisors/other employees and employees

who receive the Living Wage. However this will not impact on the pay of the supervisors and will therefore be more of a status issue. A similar issue arose when the Single Status Agreement and new pay and grading structure was introduced.

- 4.29 Differentials will also be eroded between employees who receive the Living Wage as all will be paid the same. No Green Book employees who will receive the Living Wage are supervising other employees who will also receive the Living Wage although this will apply to one of the 'TUPE employees' (options to address this are currently being considered by officers). Employees in some jobs which are perceived as being bigger jobs than others in the same service will be paid the same for example directly supervised cleaners in the Civic Centre will be paid the same as cleaners who work unsupervised and have some responsibility for the security of the building they clean.
- 4.30 Headteachers have indicated that the number of employees affected in each school at a Living Wage rate of £7.26 per hour is likely to be very low (1 or 2) unless the school employs its own cleaners. Schools would deal with any issues that arise in a sympathetic manner whilst needing to maintain services. The Hartlepool Joint Trade Union Committee have indicated *"With the introduction of a Living Wage at SCP10 maintains a clear recognition that the responsibility factor/s included in Job Evaluation start to make a clear difference, given the limited band widths at Band 1 to Band 3, at Band 4 to Band 5 and above, particularly in schools, and as such will not make a significant problem regarding differentials albeit as has been recognised some employees may feel aggrieved that others are receiving a 'pay rise' whilst they are not but this would be the case irrespective of the level set for a living wage and as and when NJC pay awards have been bottom loaded"*.
- 4.31 **Impact on other terms and conditions** – some terms and conditions are linked to basic pay e.g. weekend enhancements, overtime pay etc. In order to simplify payroll processes it is proposed that all associated payments in accordance with contracts of employment are based on the Living Wage rate rather than basic pay. This will ensure, for example, that a part time employee who undertakes additional hours up to 37 hours will be paid the Living Wage hourly rate rather than their basic rate (where this is lower) although there may be a marginal increase in costs. In addition it is suggested that redundancy payments be calculated on the Living Wage rate. If it is agreed that the Living Wage is contractual and that Bands 1-3 be merged immediately into a single pay band (Band 1-3) with only one spinal point (SCP 10) then all aspects of the Single Status Agreement would apply and there would be no discretion to not link other payments to basic pay without renegotiating the Single Status Agreement. Headteachers have indicated that all payments should be based on the Living Wage. The Hartlepool Joint Trade Union Committee have indicated *"As Living Wage is linked to NJC SCP 10, and contractual, all terms and associated NJC conditions of service (as local amended) should be linked automatically"*.



- 4.32 **Pension implications** – If the Living Wage is regarded as pay it is pensionable under the current LGPS scheme. However if it is regarded as a 'supplement' it might be considered to be non pensionable, although this could be challenged in an Employment Tribunal. If it is agreed that the Living Wage for Green Book employees is contractual and that Bands 1-3 be merged immediately into a single pay band (Band 1-3) with only one spinal point (SCP 10) then there is no discretion for it to be non pensionable. It is proposed that the payment be pensionable for the 'TUPE employees'. The costings make provision for the payments to be pensionable where employees are currently members of the pension fund. Headteachers have indicated the Living Wage should be pensionable. The Hartlepool Joint Trade Union Committees have indicated *"As with all relevant pay this should be pensionable"*. The costs of pension are relatively low and it is proposed that the payments be pensionable.
- 4.33 **Possible impact on benefit entitlement** – The Director of the Living Wage Foundation has verbally indicated that he is not aware of any employees being worse off due to the increase in pay from the Living Wage leading to a greater decrease in benefit entitlement, the reason being that some benefits are tapered. The Chief Finance Officer has indicated that it is not feasible for Officers to assess, in advance, whether any employees will be worse off as a result of implementing a Living Wage. However it is possible that some employees may be worse off and in these circumstances it is proposed that managers be sympathetic (wherever possible) to any requests to reduce hours. It may be appropriate to set up drop in surgeries so employees can discuss the potential impact on benefits. However there was very little take up of similar surgeries by Newcastle employees when they were working towards implementing a Living Wage. Alternatively employees could be signposted to West View Advice and Resource Centre, Hartlepool Citizens Advice Bureau or other appropriate advice centres. It may be appropriate to release and/or pay employees to receive the advice. Headteachers have indicated that benefit advice should be made available but not necessarily via specific surgeries. The Secondary Headteachers would be willing to pay employees when they are provided with advice whereas Primary Headteachers felt that employees could attend in their own time as they are typically part time. The Hartlepool Joint Trade Union Committee have indicated "Work would need to be undertaken with individual employees/schools/department to ensure there is not detriment following the introduction of a Living Wage. Advice should be provided to employees using benefit experts. Relevant sessions if requested, could be arranged at staggered times / dates to ensure all relevant employees have an opportunity to receive advice with release/pay as appropriate." It is proposed that managers be sympathetic (wherever possible) if employees wish to change hours and employees be referred to appropriate advice centres e.g. West View Advice and Resource Centre, Hartlepool Citizens Advice Bureau outside of working hours if they require advice about benefit entitlement.
- 4.34 **Date of Implementation** – The date of implementation could be
- 1 September 2013 as this is the start of the next academic year

- 1 November 2013 to give employees time to obtain benefit advice and change their working hours if needed
  - 1 April 2014 as this is the start of the next financial year
  - Some other date as determined by members
- 4.35 If a Living Wage is implemented from 1<sup>st</sup> September 2013 then £90,000 of the one-off reserve would be required for a rate of £7.26 per hour with £41,000 being unallocated and the whole of the one-off reserve would be needed, plus additional funding of £10,000 for a rate of £7.45 per hour. If a Living Wage is implemented from 1 April 2014 the whole of the one-off reserve would not be required. The Payroll section would be able to implement a Living Wage effective from 1 September 2013 in October's pay for Council and school employees. An earlier date would not be appropriate as
- Aided and Foundation schools and Academies will need to confirm that they wish to implement the Council's Living Wage
  - some employees may be entitled to receive the Living Wage in more than one job (school and Council) and it would be beneficial if they receive the new rate of pay at the same time
- 4.36 Secondary Headteachers have indicated that, ideally the implementation date would be 1 April 2014 as this would enable the costs to be built into next years budget. However they have no objection to an implementation date of 1 September 2013 as costs are likely to be low (and can therefore be managed within the 2013/14 budget) unless the school employs its own cleaners. Primary Headteachers support an implementation date of 1 September 2013. The Hartlepool Joint Trade Union Committee have indicated that they “*support an implementation date of September 1<sup>st</sup> 2013 as start of school academic year or 1<sup>st</sup> October 2013 as half way through ‘financial year’ and NJC relevant pay cycle. Thought may be given on ensuring employees have an opportunity to receive relevant advice prior to the introduction of the Living Wage! The payroll section need to be able to implement a Living Wage quickly and efficiently.*” It is proposed that a Living Wage be implemented in full from 1 September 2013. However it is necessary for all changes to be made to the payroll system for over 400 Council and school employees at the same time and it is highly unlikely that all schools will have confirmed that they intend to implement the Living Wage by the September 2013 payroll deadline as the Autumn term typically does not start until the week commencing 2 September 2013. As a result the Living Wage will be included in employees October pay, backdated to 1 September 2013. Employees will be notified of this when they are notified of the change in their contract of employment to the Living Wage in September.
- 4.37 **Sleeping in Duty** – Case law has established that the hours undertaking sleeping in duty on works premises are to be taken into account when determining whether an employee is receiving at least the national minimum wage. The Council currently has a small requirement for sleeping in duty at Exmoor Grove and this is expected to increase when the new children's home opens later this year. It is envisaged that no employees at these establishments will benefit directly from the introduction a Living Wage. However it is possible that some employees would receive less than a Living

Wage if the methodology for determining compliance with the national minimum wage is applied to those employees who undertake sleeping in duty. The Hartlepool Joint Trade Union Committee have indicated *“The national minimum wage regulations require time spent on sleeping in duties to be taken into account when determining whether employees are receiving at least the minimum wage. In future time spent on sleeping in duties should be taken into account when determining whether employees are receiving at least the Council’s Living Wage”*. It is proposed that the national minimum wage methodology be applied when determining compliance with the Council’s Living Wage. There will be no additional budget required for this as the risk of non compliance is in respect of posts at the lower end of Bands 7-9 and budget is currently provided at the maximum of Band 9.

- 4.38 **Equality Considerations** – Over 90% of the employees who will benefit from a Living Wage are female.
- 4.39 **Equal Pay Risks** - Any failure by a Community School to pay the Council’s Living Wage to its employees would expose the school to an equal pay risk equivalent to the difference between the Council’s Living Wage and the school pay levels for each employee paid less than the Council’s Living Wage. There would be no equal pay risk to the Council if Academies, Aided schools or Foundation schools did not pay the Council’s Living Wage as such an entity has the status of ‘employer’ in their own right. There would therefore be no equal pay risks for the Council if any schools did not pay the Council’s Living Wage. If a Community school set a Living Wage higher than the Council is paying some of its employees then the Council and other Community schools would be exposed to a significant equal pay risk. There would be no equal pay risk to the Council or Community schools if Academies, Aided schools or Foundation schools set a Living Wage rate higher than the Council’s.
- 4.40 **Contractors and Suppliers** – As indicated in 4.2 and 4.4 above accredited employers have to ensure contracted workers over 18 (but excluding apprentices) are paid the UK Living Wage where the worker is on the employer’s premises for two or more hours per week, for eight or more consecutive weeks in the year and are encouraged to send out a communication to all their suppliers letting them know they have gone Living Wage and encouraging them to consider doing the same there is no requirement under the accreditation for suppliers to pay the Living Wage.
- 4.41 If accreditation is not sought then there is no requirement to do anything about contractors and suppliers in relation to a Living Wage. However Council unanimously passed a motion on 13 June 2013 including the following
- “As the largest contractor of services in Hartlepool, we recognise our responsibility to protect all workers, including those undertaking comparable work under the ‘Back to work’ programme. Therefore we propose the introduction of a ‘Living Wage Guarantee’, in line with our aim to be a Living Wage Council. This must be signed by every beneficiary who receives a grant or commissioned contract by this Council. Should the Council fail to*

*adopt the Living Wage all organisations would be required to sign a National Minimum Wage Guarantee”.*

- 4.42 The Hartlepool Joint Trade Union Committee have commented “*We should ensure all new contracts procured by HBC should include a Hartlepool Living Wage’ clause and that on conclusion of current contracts any renewed contracts should include a ‘living wage’ clause*”.
- 4.43 The potential impact on commissioning arrangements of the decision of Council is currently being investigated and a further report will be submitted to Finance and Policy Committee by the Director of Child and Adults and the Director of Regeneration and Neighbourhoods should it be required.
- 4.44 **Other Hartlepool employers** – Members may wish, as civic leaders and in support of the Council's anti poverty strategies, to consider encouraging other Hartlepool employers to adopt a Living Wage for their employees with a view to Hartlepool becoming a Living Wage town over time. If members support this a further report will be submitted to Finance and Policy Committee in due course.
- 4.45 **Summary of Proposals with Alternatives** – A summary of the proposals and alternatives for a Living Wage for Council employees on Green Book conditions of service is set out in Table 5

**Table 5 - Summary of Proposals with Alternatives for Green Book employees**

Paragraph Number	Issue	Proposal	Alternatives
4.2-4.5	Accreditation	No accreditation	Accreditation
4.6-4.12	Rate for a Living Wage	£7.26 funded from the one off Living Wage reserve in 2013/14 (subject to Council release of funding) and, from 2014/15 onwards the ongoing funding from savings in Members Allowances in the base budget of £131,000 with the shortfall of £24,000 being met from the review of Workforce Arrangements. If savings in these areas are not achieved the residual budget pressure will need to be addressed within the overall budget process and alternative budget savings identified for 2014/15	A level which can be wholly funded from the savings in members allowances in 2014/15 £7.45 (UK Living Wage) Any other amount over £6.44
4.13-4.15	Flexibility to	Formally link to SCP 10	Rate set each year

	change the rate of a Living Wage		
4.16-4.24	Contractual Status	Contractual payment. Merge Bands 1-3 into single pay band comprising SCP10 only	Non contractual supplement to pay No merger of bands 1-3 Non contractual supplement to pay until additional funding has been identified if a Living Wage is set at a higher level than that which can be funded from the Living Wage reserve in 2013/14 and available ongoing funding

**Table 5 - Summary of Proposals with Alternatives for Green Book employees (cont)**

Paragraph Number	Issue	Proposal	Alternatives
4.25 -4.27	Impact on Trading Accounts and other services competing for work	Funding provided to client officers and trading accounts	Funding not provided to the trading accounts and the costs of the Living Wage are passed on to schools and owners of other non Council premises
4.31	Impact on other terms and conditions	All other payments based on Living Wage rather than basic pay	Mix of arrangements All other payments based on basic pay
4.32	Pension Implications	Pensionable	Non Pensionable
4.33	Possible impact on benefit entitlement	Managers be sympathetic if employees wish to change hours. Refer employees to appropriate advice centres e.g. West View Advice and Resource Centre, Hartlepool Citizens Advice Bureau outside of working hours	No flexibility for employees to change hours. Specific surgeries set up for employees
4.34-4.36	Date of Implementation	1 September 2013	1 April 2014 Some other date as determined by members A date which allows employees to obtain benefits advice in advance of implementation
4.37	Sleeping in Duty	Apply the national	Exclude hours on sleeping

		minimum wage methodology (i.e. including hours on sleeping in duty) when determining compliance with the Council's Living Wage.	in duty when determining compliance with the Council's Living Wage.
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## 5. RECOMMENDATIONS

- 5.1 That a Living Wage equivalent to Spinal Column Point 10 (currently £7.26 per hour) and uprated as and when the value of Spinal Column Point 10 increases be introduced for Council employees with effect from 1 September 2013.
- 5.2 That Bands 1 – 3 be merged into a single pay band (Band 1-3) comprising Spinal Column Point 10 only with effect from 1 September 2013.
- 5.3 That the national minimum wage methodology (i.e. including hours on sleeping in duty) be applied when determining compliance with the Council's Living Wage for employees
- 5.4 That employees be referred to appropriate agencies outside of working hours if they wish to receive advice on the possible impact on benefit entitlement.
- 5.5 That members note the intention of the Director of Child and Adults and the Director of Regeneration and Neighbourhoods to submit a further report on a Living Wage in respect of the potential impact on commissioning arrangements to Finance and Policy Committee in should this be required.
- 5.6 That members indicate whether they wish to encourage other Hartlepool employers to pay a Living Wage to their employees and if so note the intention to submit a further report to Finance and Policy Committee in due course.
- 5.7 That Council be requested to release £90,000 from the Living Wage reserve to fund a Living Wage of £7.26 per hour in 2013/14
- 5.8 That the cost of implementing the Living Wage of £155,000 be funded from 2014/15 onwards from the ongoing savings in Members Allowances (£131,000) with the residual shortfall of £24,000 being funded from the review of Workforce Arrangements, or if savings in this area are not achieved the residual cost will be a budget pressure for 2014/15.
- 5.9 That client budgets and trading accounts be funded for the Living Wage.
- 5.10 That a strategy for using the unused element of the Living Wage reserve be developed as part of the 2013/14 Outturn Strategy.

**6. REASONS FOR RECOMMENDATIONS**

To provide an affordable increase in pay for the Council's lowest paid employees to help address inequality and poverty within Hartlepool.

**7. BACKGROUND PAPERS**

General Purposes Committee report 18 March 2013

**8. CONTACT OFFICER**

Dave Stubbs  
Chief Executive  
E-mail: [dave.stubbs@hartlepool.gov.uk](mailto:dave.stubbs@hartlepool.gov.uk)  
Tel No: 01429 523001

Appendix 1

Response from the Hartlepool Joint Trade Union Committee

## HARTLEPOOL JOINT TRADES UNION COMMITTEE

**Chair:- SJ Williams**

**Secretary:- E Jeffries**  
**Union Suite**  
**Carnegie Buildings**  
**Northgate, Headland**  
**Hartlepool**  
**TS24 0LT**

**Tel:- 01429 523868**

**Fax:- 01429 523869**

**e.mail:- Edwin.jeffries@hartlepool.gov.uk**

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Wally Stagg  
Organisational Development Manager  
Hartlepool Borough Council

5<sup>th</sup> July 2013 (by email)

Dear Wally,

### **HJTUC response to Living Wage consultation**

Answers collated to appropriate section in consultation document:-

Introducing a Living Wage - HJTUC support the introduction of a Living Wage.

Accreditation - Full accreditation should remain as aspirational in the current economic climate. However if implementing a 'Hartlepool' Living Wage there is a need to ensure contracted workers are paid the 'Hartlepool' Living Wage where the worker is on the employer's premises for two or more hours per week, for eight or more consecutive weeks in the year

Contractors and Suppliers - We should ensure all new contracts procured by HBC should include a 'Hartlepool Living Wage' clause and that on conclusion of current contracts any renewed contracts should include a 'living wage' clause

Rate for a Living Wage - Significant progress can be made towards the introduction of the Living Wage by linking the introduction of a 'Hartlepool' Living Wage to a current NJC SCP (SCP 10)

Flexibility to change a Living Wage - The introduction of a 'Hartlepool' Living Wage to be linked to a current NJC SCP (SCP 10)

Contractual Status – The Hartlepool Living wage should be a contractual payment. All SCPs below SCP 10 should be removed from the NJC Pay Scale used by Hartlepool Borough Council and all relevant pay band/s merged to create one (1) band with 1 SCP band width of SCP 10.

Impact on Differential - With the introduction of a Living Wage at SCP10 maintains a clear recognition that the responsibility factor/s included in Job Evaluation start to make a clear difference, given the limited band widths at Band 1 to Band 3, at Band 4 to Band 5 and above, particularly in schools, and



as such will not make a significant problem regarding differentials albeit as has been recognised some employees may feel aggrieved that others are receiving a 'pay rise' whilst they are not but this would be the case irrespective of the level set for a living wage and as and when NJC pay awards have been bottom loaded.

Impact on other terms and conditions - As Living Wage is linked to NJC SCP 10, and contractual, all terms and associated NJC conditions of service (as local amended) should be linked automatically

Pension Implications – As with all relevant pay this should be pensionable

Impact on Benefit entitlement – Work would need to be undertaken with individual employees/schools/department to ensure there is not detriment following the introduction of a Living Wage. Advice should be provided to employees using benefit experts. Relevant sessions if requested, could be arranged at staggered times / dates to ensure all relevant employees have an opportunity to receive advice with release/pay as appropriate.

Date of implementation – The Trade Unions support an implementation date of September 1<sup>st</sup> 2013 as start of school academic year or 1<sup>st</sup> October 2013 as half way through 'financial year' and NJC relevant pay cycle. Thought may be given on ensuring employees have an opportunity to receive relevant advice prior to the introduction of the Living Wage! The payroll section need to be able to implement a Living Wage quickly and efficiently.

Impact on Trading Accounts and other services competing for work – It is essential that introducing a Living Wage does not result in job losses, particularly where services are competing with the private and voluntary sectors.

Sleeping in duties – The national minimum wage regulations require time spent on sleeping in duties to be taken into account when determining whether employees are receiving at least the minimum wage. In future time spent on sleeping in duties should be taken into account when determining whether employees are receiving at least the Council's Living Wage

#### General

Further work will need to be undertaken on the above including potential impact and any equal pay issues with regards to Job Evaluation but the Trade Unions support progress being made on the implementation of a 'Hartlepool' Living Wage in 2013.

Yours,

Edwin Jeffries  
Secretary  
HJTUC.

# FINANCE AND POLICY COMMITTEE

28<sup>th</sup> August 2013



**Report of:** Assistant Director (Regeneration)

**Subject:** “WARM UP NORTH” – DELIVERY OF GREEN DEAL MEASURES FOR RESIDENTS

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision (test (ii)) Forward Plan Reference No RN 17/13. Although this item was in the Forward Plan to be taken to Regeneration Services, due to the implications for public health it was decided that this item should be taken to Finance and Policy Committee to make the decision.

## 2. PURPOSE OF REPORT

- 2.1 To provide information on the 'Warm Up North' project and to seek approval and funding to formally engage with the scheme.

## 3. BACKGROUND

- 3.1 Warm up North (WUN) is a project looking to provide a regional 'Green Deal' scheme for WUN partners in the North East. The purpose of the scheme is to improve the energy efficiency of domestic properties (whether privately or publicly owned) and non-domestic publicly owned properties across the North East with a view to reducing energy consumption and carbon emissions, whilst also helping to tackle fuel poverty.
- 3.2 Originally, five North East Local Authorities (led by Newcastle City Council) developed a proposal to work together to procure a delivery partner to implement the Government's new Green Deal scheme. They advertised the opportunity to the European market in November 2011. Hartlepool Borough Council were named on the OJEU notice as optional participants.
- 3.3 The procurement process is complete. A competitive dialogue process resulted in two final bids being evaluated, a preferred bidder has been selected the outcome will be known in August 2013.

## 4. PROPOSALS

- 4.1 The proposal is for a small, capped contribution of £50,000 towards the procurement costs (which all partners have paid). Participating in Warm up North would give Hartlepool Borough Council the opportunity to access a regional contractor – procured through a robust, competitive dialogue process, led by Newcastle City Council, therefore minimizing capacity requirements - to deliver Green Deal measures across the Borough, as part of a regional approach.
- 4.2 Such an approach will boost take-up of Green Deal, thus contributing to objectives around energy efficiency, carbon reduction, fuel poverty, and employment opportunities. As well as boosting Green Deal take-up, it will enable the Council to manage risks around how Green Deal is delivered in Hartlepool (for example through avoiding sharp practices such as mis-selling or unacceptable cross-selling). The Green Deal provider will operate a Hartlepool branded scheme and will work with the Council to identify target areas for street-based approaches, and will use local firms as sub-contractors.
- 4.3 Although Hartlepool previously decided not to join Warm up North (but chose to be named on the OJEU notice as an optional participant), there are a number of areas where, through good progress in delivery of the scheme, risks have been reduced, mitigated or managed.
- 4.4 The partnership is now formally established, and growing. In March 2012, a Memorandum of Understanding (MoU) was signed by the five participating Local Authorities, and now an Inter Authority Agreement (which will replace the MoU) is at an advanced stage of drafting. That places the partnership on a firm footing, with a £50,000 capped contribution to procurement costs from each Local Authority.
- 4.5 In January 2013, Sunderland Council made a decision to join the Warm Up North partnership. In May 2013, Gateshead Council made a decision to join the Warm Up North partnership, followed by Redcar & Cleveland BC in June. This means that there are currently eight Local Authorities involved in the scheme – Newcastle, Northumberland, Gateshead, South Tyneside, Sunderland, Durham, Darlington and Redcar & Cleveland (with the possibility of further new entrants). This regional scale – around 1,000,000 households will be eligible – significantly boosts momentum, and pools any residual risk.
- 4.6 The national legislation is now in place. At the time of our previous discussions, Warm up North was a response to Government consultation on emerging legislation. In July 2012 the legislation was passed, with cross-party support, and the legislative framework is therefore now in place. Green Deal Plans can now be entered into, and Energy Company Obligation (ECO) guidance has been provided.
- 4.7 Previously, it was expected that participating Local Authorities would need to inject capital to fund measures, however this requirement is now removed.

Since the previous discussions with Warm Up North, the Green Deal Finance Company (GDFC) has secured support from the Green Investment Bank, and is now operational. This is now the preferred method of financing. Although GDFC are reliant in part on public investment, that public investment does not need to come from the Local Authority in whose area the works will be delivered (it could come from other sources, from public or private sector). The intention of GDFC is to provide finance to Green Deal Providers for works in any area of the country (on an equal rate). State Aid clearance has been received for the Green Deal Finance Company, removing another risk that was present in 2011.

- 4.8 The procurement process is now approaching a successful conclusion - European funding of around £900,000 was secured by Newcastle City Council in June 2012. Although the requirements for contributions from partner authorities remain (capped at £50,000 for each authority other than Newcastle City Council, who are underwriting the remainder of the procurement costs), securing this funding significantly reduces the risk of an abortive procurement.
- 4.9 Clawback of European funding risks have been significantly reduced. It has now been clarified that the amount of works need only reach a multiple of 15 times the investment secured from Intelligent Energy Europe (IEE), in the first three years. This equates to an estimated 1,900 properties across the region (less than 300 properties per local authority area) in a period of around 2 years, and this figure is expected to be far exceeded.
- 4.10 Millions of pounds of external funding has already been secured, with the prospect of more to come. In September 2012, Department of Energy and Climate Change (DECC) awarded Newcastle City Council, on behalf of Warm up North, £1.25m capital funding, towards Green Deal 'Go Early' schemes, to be spent in 2012/13. That then levered in over £1m ECO funding. Each participating Authority received a share of the funding many times greater than the £50,000 investment they originally invested into Warm up North. This was only possible because of the existence of Warm up North, and is an example of the kind of significant spin-off benefit that could not previously have been foreseen at the time of previous discussions. Warm Up North was one of only two schemes in the country where the funding was spent within timescale. DECC have now invited a proposition to be put to them for similar funding in 2013/14.
- 4.11 It is increasingly apparent that regional, Local Authority led responses to Green Deal / ECO are likely to deliver the best results. From a commercial perspective, Warm Up North's discussions with bidders indicate that the presence of a critical mass of properties at a regional level will enable more favorable offers of ECO funding to be received than would be available on the open market, or on a one Borough basis.
- 4.12 Warm Up North will offer 30 improvement measures including windows and doors. The capped contribution of £50,000 has already levered in additional funding for the participating authorities and DECC are looking to provide more funding.

- 4.13 The Council is already handling complaints of Green Deal/ECO mis-selling in Hartlepool and have referred one organisation to Trading Standards. Residents are complaining of being targeted by companies and their details sold on to disreputable companies. They are being offered free external wall insulation but no contractors have turned up.
- 4.14 Warm Up North, if the Council chose to join in, would be branded as an Hartlepool initiative, giving residents the confidence to engage. The Council would have a level of control not achievable with other partners and the Council would be able to target activity into the areas that most need it. There will be the opportunity for local contractors to engage after the preferred bidder is engaged bringing employment opportunities into Hartlepool.

## **5. FINANCIAL CONSIDERATIONS**

- 5.1 The Council will have to make a financial contribution of £50,000 towards the scheme and this is a capped sum, this contribution could be paid over 2 financial years, 2013/14 and 2014/15. The Director of Public Health – Hartlepool is considering the option of funding this contribution from the Public Health budget as a none recurring contribution. Another option is to consider a contribution from any under spend on the Authorities social fund budget.
- 5.2 There is some risk associated with failure to deliver but as already highlighted this will be capped and the level of activity required is reduced due to the higher number of participating Authorities. It is also reduced by the level of resources that have already been attracted to the scheme.

## **6. LEGAL CONSIDERATIONS**

- 6.1 Participation in the scheme will mean that the Council join the Partner authorities in an inter Authority agreement which sets out roles, responsibilities and commitments of all partner Authorities. The obligations will give Hartlepool equal responsibility for management costs, structure of the partnership and contract management.
- 6.2 Green Deal Energy Company Obligations have replaced previous energy efficiency schemes, such as those carried out under Carbon Emissions Reduction Target (CERT) and Community Energy Savings Programme (CESP). Without replacement there is no guarantee of effective and affordable market response for residents seeking energy efficiency improvements to their homes.
- 6.3 Other options have been considered for example leaving the market to deliver an offer to residents or a facilitation role by Hartlepool BC however as already highlighted there have already been a number of complaints to Trading Standards about poor or sharp practice and the Council does not have the capacity to lead a programme with energy providers. This option provides the most cost efficient option for the Council and gives the best

opportunity to directly influence how delivery takes place and secure satisfactory outcomes in key areas of Hartlepool.

- 6.4 Local Authority action is being encouraged by the Department of Energy and Climate Change which has been supportive of Warm Up North.

## **7. STAFF CONSIDERATIONS**

- 7.1 Staff in the Housing Services team will be the initial contact and link for the scheme and will provide the data and guidance on the which households and areas of the town should be targeted to get the best impacts from the programme.

## **8. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 8.1 There are no equality or diversity implications.

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

- 9.1 There are no Section 17 Implications.

## **10. RECOMMENDATIONS**

- 10.1 It is recommended that Hartlepool BC join and participate in Warm Up North, and it is requested that an allocation of £50k be committed in order to facilitate our inclusion. This will be funded from the non recurring Public Health Grand Fund.

## **11. REASONS FOR RECOMMENDATIONS**

- 11.1 This option presents the best opportunity to attract Green Deal funding into Hartlepool and have a degree of control over how the programme is developed in the town

## **12. CONTACT OFFICER**

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

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

Nigel Johnson  
Housing Services Manager  
Level 2  
Civic Centre  
Hartlepool TS24 8AY

Tel: (01429) 284339  
E-mail: [nigel.johnson@hartlepool.gov.uk](mailto:nigel.johnson@hartlepool.gov.uk)

# **FINANCE AND POLICY COMMITTEE**

**23rd August 2013**



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

**Subject:** FUTURE USE OF BRIERTON SITE

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

1.1 Key Decision (test (i)/(ii)) Forward Plan Reference No. RN89/11.

## **2. PURPOSE OF REPORT**

- 2.1 To update the Committee on progress for the future use of the site.
- 2.2 To consider the outcome of the marketing of the EDC/Golden Flatts sites.
- 2.3 To consider options for potential parking areas on part of the land adjacent to Sitwell Walk.

## **3. BACKGROUND**

- 3.1 The Brierton buildings were used by Dyke House School during the construction phases of the Building Schools for the Future (BSF) project and are now vacant with the exception of Brierton Sports Centre which has continued in use and development. It had originally been anticipated that these buildings would have been used over the lifetime of the BSF programme which was originally anticipated to run until 2017/18. Following withdrawal of BSF funding this was no longer the case and a strategy for the future use of the site was developed and approved by Cabinet in December 2012 and Council in February 2013.
- 3.2 The Brierton Sports complex was transferred to Borough Council management from Christmas day 2011. The centre has remained in use and continues to be well patronized, developing new clientele and user groups since that time. In addition to the main Sports Centre, additional space is utilised within the former school building and the playing fields are also extensively used.



- 3.3 Cabinet, in December 2012, considered a number of options for sports facilities and the relocation of the Council services on the site as well as a number of alternative locations for future residential development. The residential development was to be aligned to the Council's housing priorities but linked to producing capital receipts to enable the whole site to be developed successfully within a funding envelope.
- 3.4 Cabinet approved the following: -
- The western edge of the upper site to be disposed of for residential development.
  - Community Sports Centre to continue and be developed.
  - Part of the lower site buildings are to be converted to relocate the Pupil Referral Unit (PRU) and the Education Development Centre (EDC) operations from the Seaton Lane site. Surplus areas to be demolished.
  - Catcote Futures to occupy the former craft block and caretaker's bungalow.
  - A new 3G ATP (artificial turf pitch) to be installed to enhance the playing pitch provision and offset the loss of part of the existing playing fields.
  - The receipts from the disposal of the EDC site and the upper part of the Brierton site are to be maximised to fund the site development.
  - An area to be reserved for a potential 25m swimming pool in the future.
  - An area for potential relocation of Catcote School/Springwell (subject to re-provision of playing fields if appropriate).
  - Consideration be given to Macaulay Road/Sitwell Walk parking areas but not to be included at this stage.
- 3.5 Council subsequently approved the proposals and included them as part of the Budget and Policy Framework for 2013/14.

## 4. DEVELOPMENTS

### Catcote Futures

- 4.1 The technology block and caretaker's bungalow are being adapted for use by Catcote Futures business operation (16-25 year olds) for teaching and training purposes. A scheme was developed by the Building Design and Management Section in accordance with Catcote School's brief and is being undertaken by the Facilities Management team. The school carried out some redecoration and other minor work to the bungalow before commencing to use it fully from September 2012.
- 4.2 External works including a paved patio area and a link footpath within the curtilage of the bungalow are now complete together with the removal of trees. The reinstatement of the fence bounding the coach park will be complete by the end of July 2013.
- 4.3 The former school craft block is currently being adapted for teaching and phase one will be completed by the end of July 2013. The scheme included

substantial internal alterations and improvements together with external fencing and gates. Because Catcote School caters for both disabled and behaviourally difficult students it has particular needs in relation to its buildings and the requirement to make the premises secure and separate from the rest of the site.

- 4.4 External works comprising drainage, erection of a security fence to the boundary (including bungalow), provision of disabled parking bays to the coach park and paving / decking to the outdoor teaching and break-out spaces will be completed by the end of July 2013.
- 4.5 The Council's Building Design and Management Team are currently working up a scheme for phase 2 which will include adaptations to the existing garage space linked to the craft block to form additional classroom space.
- 4.6 The Catcote Future's works have been fully funded by the school itself.
- 4.7 A 10 year lease from 1<sup>st</sup> August 2013 at nil rent has been agreed with Catcote Futures for the purposes of their Academy conversion, together with a licence in relation to vehicle parking on the site.

### **Demolition Works**

- 4.8 The demolition of the upper school building was completed in December 2012. The demolition of north block and food and textiles block of the lower site together with the greenhouse and old swimming pool will be complete by the end of July 2013 as part of the approved masterplan for the site.
- 4.9 There has been a significant increase in the demolition contract cost (although still within the overall master plan budget estimate) due to the discovery of asbestos contamination within the sub-base material below the floor slab. This is not something that would normally be expected and could not be identified by the asbestos demolition survey. This has now been successfully completed. However there is a risk that when the top site is developed a similar situation will occur as the floor slab is still in place. This will affect the value of the development site and a contingency will be required to be built in.

### **Accommodation**

- 4.10 The Sports Centre remains, together with associated rooms and the main kitchen. The remainder of the existing school building will be adapted to house the Educational Development Centre (EDC) and the Pupil Referral Unit (PRU) which will be transferring from their current Seaton Lane site.
- 4.11 Some minimal works will be required to bring the kitchen back in to use however this is still under discussion as part of a wider future strategy for function catering within the authority.
- 4.12 The physical moves from the existing PRU and EDC site need to coincide

with the PRU's school calendar and the current plan is to have all of the internal works completed to enable operational use by the start of the new school term in January 2014. The works are being carried out in phases, the first phase being the PRU element.

- 4.13 The internal layouts for the PRU have been finalised and agreed and a detailed pricing process is being carried out to ensure that this work will be done within the available budget. Work should commence on site in September 2013.
- 4.14 The scheme design for the EDC (phase 2) will be finalised and agreed by the end of July 2013.
- 4.15 A small section of the food and textiles wing has been retained and will form a Home and Hospital Service area giving it a proper frontage and access facing Catcote Road. This then forms an almost independent space away from the PRU and other operational elements of the EDC. This is an improvement on the mobile classroom facilities currently being used and releases space elsewhere for additional office / meeting room facilities.
- 4.16 The different elements of the Brierton site usages are identified on the plan attached as **Appendix 1**.

## **5. SECRETARY OF STATE CONSULTATION ON LAND DISPOSAL FOR RESIDENTIAL DEVELOPMENT**

- 5.1 As part of the approved Master Plan the western edge of the site was designated for residential development, the capital receipt being part of the funding envelope for the whole project.
- 5.2 A 6 week statutory public consultation has been carried out including contact with all schools within one mile of the site, contact with all sports clubs who use HBC facilities within the borough and a public drop-in session was held at the Sports Centre on 23<sup>rd</sup> July. The proposed disposal has also been advertised in the press and on the HBC website and a number of responses have been received from the public and other interested parties.
- 5.3 The results of the consultation together with information relating to the proposed disposal will shortly be submitted to the Secretary of State for consideration. The process within the Department for Education includes formal consultation with a panel on which Sport England is represented and is likely to take some months to complete.

## 6. SPORTS PROVISION & PLAYING FIELD DEVELOPMENTS

- 6.1 The reconfiguration of the Brierton site and the release for the sale of land on the western side (the top site) for development will produce a capital receipt to be invested into the delivery of an improved Brierton Centre including the sports centre and ancillary sporting infrastructure. To assist in the improved infrastructure, additional grants have been sourced to ensure that the final sporting developments are first class. The adherence to the Playing Pitch Strategy standards endorsed by Sport England has greatly assisted in the successful achievement of a Sport England grant of £50,000 towards improved pitch improvements and a major grant of £602,000 from the Football Foundation which will help deliver a state of the art floodlit 3G ATP on the Catcote Road side of the lower school building. A full announcement of this grant and our success in achieving it will be made in the Autumn by the Football Foundation.
- 6.2 The 3G pitch will enable greater capacity of use for football in particular and reduce the intensity of use on the remaining grass pitches. The forthcoming national changes in sizes of football pitches to aid junior development will also be incorporated into new pitch configurations and the current partnership with Greatham FC will be further enhanced (as a specific funding condition requirement) to continue to provide a very strong base for football development.
- 6.3 The existing floodlit tennis courts will also be improved to provide what will be the best public tennis court complex in town. The site plan also incorporates a 'footprint' for the future provision of a 25m 6 lane swimming pool and learner pool although it is fully recognised that such a development may take some considerable time to come to fruition. The current demolition of the redundant building wings has incorporated new gable ends and access doors to enable the site complex to work efficiently in layout and access requirements. The provision of additional sporting and recreational areas in the former school hall as a dance studio and fitness area and supplementary changing has enabled the prospect of much greater patronage and use leading ultimately to a more sustainable sports complex. The existing on-site MUGA will also be utilised by the PRU on an occasional basis when they open, thus leading to a further maximising of resources.
- 6.4 Community sporting use and the availability of specialist recreational courses has increased greatly since the early days of Council management and the availability of day time hours gained which was previously restricted to pupils only from Dyke House School. This has been achieved in less than 18 months and with the new proposed developments will only further enhance a site of major sporting significance for the Borough.

## 7. TENDER FOR THE SALE OF EDC AND GOLDEN FLATTS SITES

- 7.1 The tender closed on 26<sup>th</sup> July. Tenders were received from two parties and details are enclosed in **Confidential Appendix 2. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 7.2 The estimated net receipt from the highest bidder taking into account deductions such as demolition and site conditions is in excess of the valuations included in the financial element of the business case to deliver the scheme.
- 7.3 It is suggested that the Committee approve the highest bidder as the preferred bidder.
- 7.4 Timescales for the disposal are as follows

Contracted Milestones	Approx. timescale	Sum to be paid to Council
Agree contract subject to planning, site investigations	December 2013	10% on exchange of contracts
Completion	September 2014	40% on completion
12 months from completion	September 2015	Remainder

- 7.5 Through negotiations and contractual requirements the early demolition of the EDC building will be pursued so as to avoid the problems associated with vacant buildings.

## 8. PLANNING APPLICATION FOR THE SITE

- 8.1 A “hybrid” planning application comprising a full application for the installation of the 3G pitch and alterations and changes of use of the former lower school site together with an outline application for residential development on the former upper site was submitted in early July and validated on 8<sup>th</sup> July under reference H/2013/0311. The consultation period on the application is due to expire on 7<sup>th</sup> August 2013. The date of the most likely Planning Committee for the scheme to be taken to is 25<sup>th</sup> September 2013. The current target date for determination is 8<sup>th</sup> October 2013.

## 9. MACAULAY / SITWELL WALK

- 9.1 The need for parking for the Macaulay Road/Groves/Sitwell Walk is a long standing priority for residents and Ward Members.
- 9.2 Two options to provide parking bays have been investigated.

### **Option 1. Provide parking bays at end of Groves off Macaulay Road.**

Cost per grove to include six extra bays, tarmacing both verges and groves and upgrade streetlighting is £36k. There are four groves giving a total of £144k.

The potential to extend this to nine bays per grove has proven problematic. There is not enough width of the grassed area to provide this number unless they extend into the playing field beyond the fence (which is not possible).

### **Option 2. Provide new link road and parking (61 bays) along full length of Sitwell Walk.**

Cost for road construction, streetlighting £481k.

- 9.3 If Members were to support a parking scheme then Option 1 (with six spaces per grove) would be the preferred option in terms of practicality and cost. It may be that this could be phased over more than one year.
- 9.4 In terms of funding this will be an additional unbudgeted capital commitment as the scheme is not included in the 2013/14 capital programme or the updated Medium Term Financial Strategy proposals for 2014/15. Local Transport Plan funding has been committed up to the end of the five year programme (14/15) although this type of scheme would not normally qualify. The funding decision is therefore a departure from the approved budget and will need a decision by the Finance and Policy Committee and then full Council. At this stage no specific funding has been identified.
- 9.5 There may be an opportunity for Option 1 to be funded from capital receipts from the disposals. This would be subject to a surplus being achieved over-and-above that needed to deliver the Brierton Project (noting particularly the risks around land value and the need for a contingency going forward). This could be phased over more than one year. The significant cost of Option 2 would prevent this method of funding.
- 9.6 The car parking proposals for Macaulay Road are not covered or referenced in the Brierton site application and any such works are likely to require their own application in due course. This proposal is situated outside of the existing boundary fence and does not affect the current planning application which takes full cognisance of the Playing pitch Strategy and land use.

## **10. RISK IMPLICATIONS**

- 10.1 The risk implications for the successful delivery of this scheme would appear to centre on the approval of the planning permission which in turn is believed to rely on Sport England approval to the reconfiguration of the existing Playing Fields on site to allow for the introduction of developments which in turn will assist in co-funding the development. The involvement of Sport England as a key partner in the discussions to date has been critical to giving comfort and optimism to a successful outcome. The current grant achievements would not have been successful if Sport England as an advisory partner, did not believe in the added value that Hartlepool will be able to achieve as part of this comprehensive development.
- 10.2 The second major risk area is the ability to contain all development costs within the overall budget for the Brierton masterplan. This is assessed in the following paragraph.

## **11. FINANCIAL CONSIDERATIONS**

- 11.1 A significant development since the original report has been that the Council has succeeded in attracting considerable additional grant funding towards the costs of the 'Sports Improvements' element of the site development. In particular the Football Foundation are contributing £602,000 towards the 3G ATP. This funding has been contingent on the Council investing in its existing playing field facilities, which has also attracted additional funding of £50,000 from Sport England via their Protecting Playing Fields Programme. The original budget assumed a cost to the Council of £600,000 for the 3G Pitch alone. Following the success in obtaining this additional grant funding, the cost to the Council to be met from capital receipts is a lower overall amount. The resulting saving has been used to offset the increased cost of demolition and an overall reduction to the total budget.
- 11.2 The highest bid received from the tenders for the EDC and Golden Flatts Site has an estimated net value greater than that estimated in the business case therefore reducing the risk on scheme delivery. However there is a risk that when the upper site at Brierton is developed a discovery of asbestos contamination below the floor slab (which is still in-situ) of the former upper school occurs in a similar way to the lower site. This will adversely affect the valuation of the upper Brierton site and a further contingency needs to be built-in. It is proposed at this stage therefore to assume the pessimistic valuation for the EDC/Golden Flatts site should be used as the potential net value.
- 11.3 When disposal of the western part of the Brierton site is progressed the final financial support to the project will be clarified.

- 11.4 The latest budget for the project is shown in the table below and shows that total capital receipts of approximately £1.9m need to be achieved to fund the latest estimated cost. The achievement of the capital receipt from sale of the EDC and former Golden Flatts site will provide part of this requirement, although a significant capital receipt will still need to be achieved for the Brierton Site.

	Approved budget	Latest Estimate
	000	000
Construction Costs PRU:	254	272
Construction Cost EDC:	302	337
Demolition	592	719
Decant Costs	24	20
Sports Improvements (ind 3G Pitch)	600	1048
Community Café (separate outlet)	60	0
Landscape Buffer	54	59
I.T. Installation	113	113
	<b>1,999</b>	<b>2,568</b>
Less: Grant Funding		
- Sport England		50
- Football Foundation		602
	<b>0</b>	<b>652</b>
<b>Amount to be Funded by Council covered by Capital Receipts from land disposals</b>	<b>1,999</b>	<b>1,916</b>

- 11.5 Security costs are currently being covered by the non-operational property budget where there are numerous pressures. Further details on security issues are included in Section 16.
- 11.6 The Medium Term Financial Strategy includes for the achievement of £6.5m of capital receipts to meet budget shortfalls, of which £2m are associated with the Brierton project. It is essential therefore that any potential benefits from capital receipts are maximized.

## 12. LEGAL CONSIDERATIONS

- 12.1 Legal implications of developing the site are being carefully planned particularly in relation to the land disposals and special requirements for the site.

## 13. EQUALITY AND DIVERSITY CONSIDERATIONS

- 13.1 The relocation of staff, services and users will need to be completed in an open and transparent manner so that various groups are not unfairly affected. This will include consideration of access issues.



**14. STAFF CONSIDERATION**

- 14.1 Consultation and forward planning is required to ensure a smooth transition minimising services disruption and keep staff informed.

**15. ASSET MANAGEMENT CONSIDERATIONS**

- 15.1 The attention of the Committee is drawn to the Asset Management element of the Medium Term Financial Strategy. The decision by Cabinet in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues, the proceeds of this transaction being a contribution to the Medium Term Financial Strategy.
- 15.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of and maximizes the capital receipts to meet targets within the Medium Term Financial Strategy.
- 15.3 The development of the Brierton site allows for the consolidation of services on one site whilst providing the opportunity to dispose of surplus land and property to invest in the masterplan for the site.

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

- 16.1 Section 17 implications will be dealt with through the design planning and construction stages of the project.
- 16.2 In terms of site security, there have been numerous security breaches and acts of vandalism. Items of equipment have also been stolen together with extensive internal / external damage and on one occasion substantial flooding due to vandalism.
- 16.3 It had been anticipated that the cost of future damage to the building was potentially significant and could impact upon the future costs of refurbishment. In addition to this the risk of damaging materials containing asbestos was a concern. It was therefore necessary to place static security guards on site whilst the building was vacant.
- 16.4 It is anticipated that the refurbishment works will be completed by January 2014 at which point the security cover can be removed. Security costs to date have been allocated to the non-operational property budget.

**17. RECOMMENDATIONS****17.1 That the Committee:-**

1. Note the current position on the development of the Brierton site.
2. Approve the highest bidder as preferred bidder in relation to the EDC and Golden Flatts sites.
3. Consider the option to provisionally approve the use of any surplus capital receipts from the relevant disposals to fund parking at locations adjacent to Sitwell Walk (Option 1 in Section 9) on a phased basis as the required capital receipts are achieved.
4. To note that if Members approve recommendation 3 a report will need to be submitted to full Council to enable this proposed scheme to be added to the capital programme when funding is available. It is currently envisaged this proposal will be included in the 2014/15 Medium Term Financial Strategy report which will be submitted to Council in February.

**18. REASONS FOR RECOMMENDATIONS**

- 18.1 To ensure Members are kept informed of progress in the redevelopment of the Brierton site.
- 18.2 To enable the disposal of the EDC and Golden Flatts sites to progress in order to fund the project.
- 18.3 To consider local parking priorities.

**19. BACKGROUND PAPERS**

- 19.1 Cabinet report – December 2012  
Council report – February 2013.

**20. CONTACT OFFICER**

- 20.1 Denise Ogden  
Director of Regeneration and Neighbourhoods  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY  
Email [denise.ogden@hartlepool.gov.uk](mailto:denise.ogden@hartlepool.gov.uk)  
Tel: 01429 523301

Graham Frankland  
Assistant Director (Resources)  
Civic Centre  
Hartlepool  
TS14 8AY  
E-mail: [graham.frankland@hartlepool.gov.uk](mailto:graham.frankland@hartlepool.gov.uk)  
Tel: 01429 523211



# Finance and Policy Committee

23 August 2013



**Report of:** Chief Finance Officer

**Subject:** WELFARE REFORM IMPACTS

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision – Test (i) and (ii) apply – General Exception Notice.

## 2. PURPOSE OF REPORT

2.1 The purposes of the report are to:

- i) To set out for information the range of welfare reforms, their associated implementation timescales / impacts and update members on the Council's arrangements for dealing with these challenges;
- ii) To enable Members to approve revised proposals for using the Local Welfare Support funding in 2013/14.

## 3. BACKGROUND

3.1 Previous reports provided details of the Government's Welfare Reforms which are wide ranging and represent a major element of Government policy. The Government's stated intentions include:

- Encouraging people back into work
- Reducing Welfare Dependency by ensuring that "work pays" – that people are better off in work than on benefits
- Delivering significant savings – a commitment to save over £18bn from the Welfare Budget by March 2015 and an announcement in the 2012 budget to reduce welfare spending by a further £10bn.
- Simplifying benefits administration by combining several existing benefits into a single payment of Universal Credit.

3.2 The Government is implementing welfare reforms that will apply to all parts of the Country, however the impact of the reforms will vary from place to place because benefit claimants are unevenly spread across the Country. Some of the reforms will have more regional impacts e.g. the Social Rented Sector Under - occupancy charge or Bedroom

Tax will have the greatest impact on those parts of the Country with the greatest levels of social housing i.e. those Councils in the northern part of the Country. Conversely, the Benefit Cap will have the greatest effect in London and the South East of England where housing benefit payments are highest.

Another key aspect is that the welfare reforms extend beyond those that are out of work, to also include large numbers of those in work. The overall impact of the welfare reforms by 2014/15 is estimated in the following table:

National Impact of Welfare Reforms by 2014/15

	Number of households / individuals affected	Estimated govt saving £m pa	Average loss per affected household / individual £ pa
Incapacity Benefits / Employment and Support Allowance	1,250,000	4,350	3,480
Tax Credits	4,500,000	3,660	810
1% Uprating	n/a	3,430	n/a
Child Benefit	7,600,000	2,845	370
Housing Benefit / Local Housing Allowance	1,350,000	1,645	1,220
Disability Living Allowance / Personal Independence Payments	500,000	1,500	3,000
Housing Benefit / Bedroom Tax	660,000	490	740
Non Dependant Deductions	300,000	340	1,130
Council Tax Benefit	2,450,000	340	140
Benefit Cap	56,000	270	4,820

Source: Sheffield Hallam University

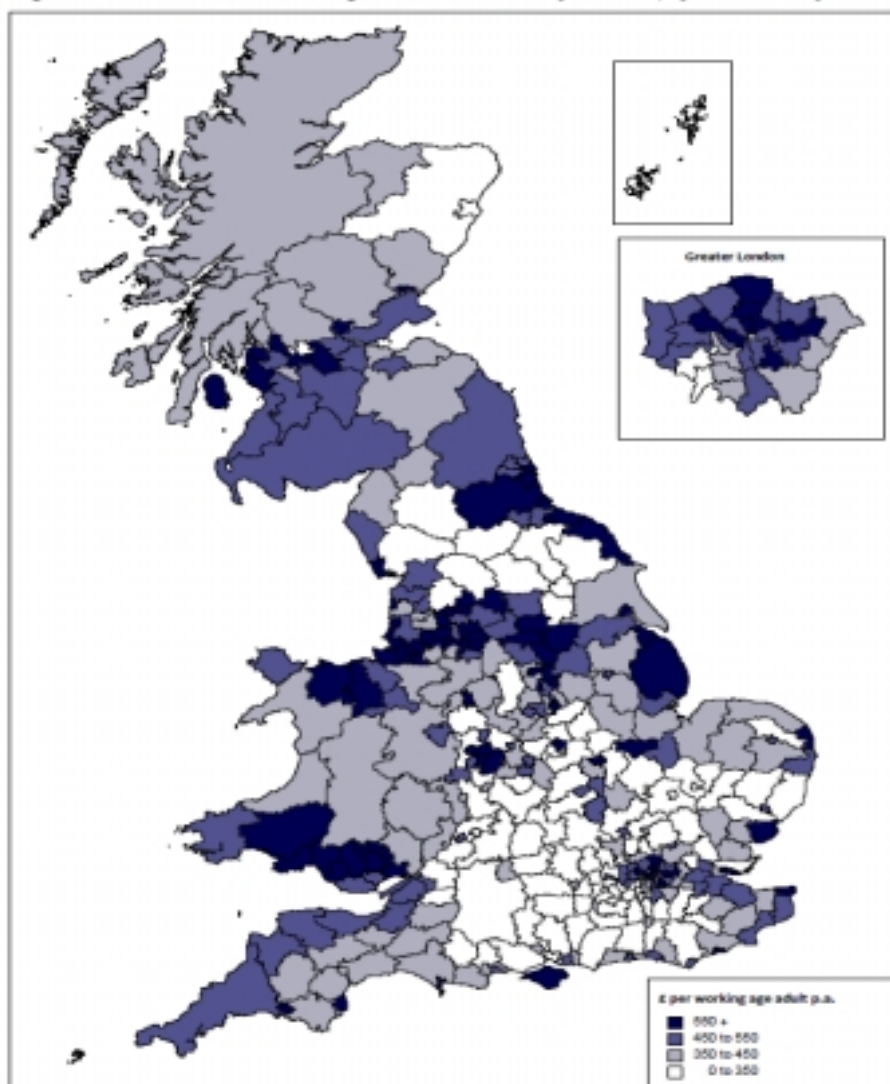
The individual welfare reforms vary significantly in the scale of their impact, in the number of individuals or households affected and also in the level of financial loss imposed on those affected. Whilst media coverage has focussed on the “bedroom Tax” and the overall household Benefit Cap, the biggest financial impact comes from the reform of incapacity benefits, changes to Tax credits and the restriction to 1% uprating of most working age benefits.

- 3.3. Some households and individuals will be hit by several different elements of the reforms, notably those who received incapacity benefit (now Employment and Support Allowance) and disability living allowance (now Personal Independence Payments). The compounding

effect of the reforms will have significant financial implications for particular households.

- 3.4. The financial impact of the reforms varies greatly as shown by the following heat map. Previous reports on the impact of cuts in funding for Council services showed a similar pattern of distribution.

Figure 1: Overall financial loss arising from welfare reform by 2014/15<sup>(1)</sup>, by local authority



<sup>(1)</sup>Except DLA by 2017/18, incapacity benefits and 1% uprating by 2015/16  
Source: Sheffield Hallam estimates based on official data

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- 3.5. At the extremes, the worst hit Local Authority areas lose around four times as much per adult of working age as the Authorities least affected by the reforms, as shown in the following tables. Britain's older industrial areas and a number of seaside towns are hit hardest by the changes. Much of the south and east of England outside London are impacted comparatively lightly. This position is highlighted in the following tables:

**Worst Hit Councils**

Rank	Council	Loss per working age adult £pa
1	Blackpool	910
2	Westminster **	820
3	Knowsley	800
4	Merthyr Tydfil	720
5	Middlesbrough	710
6	Hartlepool	700
7	Torbay	700
8	Liverpool	700
9	Blaenau Gwent	700
10	Neath Port Talbot	700

\*\* Westminster has high rents which means the housing benefit reforms and the Benefit Cap will have a significant impact.

**Hartlepool ranks 6<sup>th</sup> out of all Councils nationally in terms of estimated loss per working age adult.**

**Least Hit Councils**

Rank	Council	Loss per working age adult £pa
370	Chiltern	270
371	South Bucks	260
372	Guildford	260
373	South Northamptonshire	260
374	South Oxfordshire	260
375	Rutland	260
376	Wokingham	250
377	Cambridge	250
378	Hart	240
379	City of London	180

Source: Sheffield Hallam University



#### 4. LOCAL IMPACT OF THE WELFARE REFORMS

The following paragraphs provide more detailed information of the local impact of Welfare Refoms covering:

- Local Council Tax Support Scheme (LCTS)
- Bedroom Tax/ Social Rented Sector Under occupancy Charge
- Local Welfare Support / Social Fund
- Benefit Cap
- Local Housing Allowance Rates

##### **Local Council Tax Support Scheme (LCTS)**

- 4.1 In response to the Government funding cut for Council Tax Support and the requirement to protect low income pensioners from this cut, Councils were required to develop their own Local Council Tax Support schemes. In January 2013, the Council approved a 2013/14 LCTS scheme which limited the cut in financial support for working age households to 8.5%. This decision enabled the Council to secure a one – off Government Grant for limiting the cut to 8.5% of £0.26m. This policy decision placed Hartlepool within a group of about 190 Councils nationally that implemented schemes involving cuts of 8.5% or less. Locally the other 4 Tees Valley Councils implemented cuts in support of 20%

To limit the cut to 8.5% for 2013/14, the Council had to bridge a net funding shortfall of £0.5m from its own resources and also agree to commit the forecast extra Council Tax yield from making a number of changes to Council Tax charges covering exemptions, second homes etc.

- 4.2 The effect of the 8.5% cut in LCTS support was an increase in the amount of Council Tax to be collected in 2013/14 of about £0.65m, which is due from those that are financially less well off. As part of the Council's proactive strategy for informing the public of the changes, each of the households affected received a letter in early February 2013, explaining the changes were the result of national Government policy reforms, gave an indicative financial impact and encouraged the public to contact the Council to set up arrangements to pay the amount due.
- 4.3. The Council has sought to make it as easy as possible to pay the extra amounts by allowing the public to choose their preferred frequency of payment i.e. weekly, fortnightly, monthly and also whether they wish to pay by Direct Debit or via the Paypoint network which covers post offices and shops (the Council will arrange for the issue of a Paypoint card in such circumstances). The response to these awareness letters was positive and a significant number of advance payment arrangements were set up on the Council Tax system.

- 4.4 The Council has over the period January 2013 to June 2013 successfully implemented an integrated strategy covering the Council's Revenues and Benefits Services and Hartlepool Connect, for communicating and dealing with associated enquiries arising from the welfare reform changes. In addition to specific letters to those households affected by the changes, information has been provided within Hartbeat and on the Council's web site and the Council have commissioned additional advice services from West View Advice and Resource Centre at a community level across the Borough. These advice sessions cover financial health checks/ benefits maximisation support, money management advice and debt advice. In the first quarter of 2013/14, West View have conducted 218 advice sessions with the public, of which 126 have been complex debt management sessions. These additional West View advice arrangements have resulted in welfare benefits awarded or expected to be awarded of £79,000 and assisting individuals to more effectively manage their debts totalling £512,000.
- 4.5. A monitoring framework has also been established covering those Hartlepool Council Tax payers affected by the LCTS changes to complement the Council's historical Council Tax collection performance monitoring arrangements. This collection monitoring framework covers 2 distinct groups affected by the LCTS scheme:
- Passported Cases ie. those households that in 2012/13 previously received full Council Tax Benefit ie. no Council Tax to pay;
  - Non Passported cases covers households that received partial Council Tax benefit support in 2012/13 and who face a higher Council Tax bill in 2013/14.
- 4.6. As at the end of June 2013, the recovery status of Council Tax accounts affected by the LCTS scheme is shown in the table below:

Progress on collection of Council Tax under LCTS scheme

	Passported Cases (previously paid no Council Tax)	Non Passported Cases (previously paid some Council Tax)	Total
Number Paid 13/14 Council Tax in Full	407	153	560
Number paying by regular instalments	2951	1579	4530
Number who have had a Court Liability Order issued	990	156	1146

Number progressing to Magistrates Court - July13	1648	613	2261
TOTAL	5996	2501	8497

- 4.7. Overall Council Tax collection remains positive and at the end of June 2013, it was down 0.45% on the equivalent period in 2012/13. For the Passported case group, the primary measure for collecting outstanding Council Tax after obtaining a Liability Order from the court is likely to be by the Council requesting the Department for Work and Pensions (DWP) to deduct an amount at source (maximum of £3.60 per week) from other welfare benefits and paying the sums to the Council. Requests were issued to the DWP in July to commence deductions for the first block of affected households in Hartlepool.
- 4.8. However, DWP rules only permit one deduction from welfare benefits (attachment of benefit) to discharge statutory Council Tax debt to be active at any one time. About 25% of the Passported case group have an existing attachment of benefit arrangement already in place. For these cases, a new attachment of benefit request for 2013/14 Council Tax will have to be queued. Under such circumstances, whilst it is highly likely that the Council will eventually recover the debt, the time taken to secure recovery will be extended into future financial years.
- 4.9. Close monitoring of Council Tax collection performance will continue during 2013/14 and regular updates will be provided to future meetings. A separate future report will also be provided on the development of the 2014/15 Local Council Tax Support scheme, which will build on the information reported on 31<sup>st</sup> May 2013 as part of the MTFS.

#### **Bedroom Tax / Social Rented Sector Under occupancy Charge**

- 4.10. The Government has introduced new rules governing housing benefit entitlements in the social rented sector from 1<sup>st</sup> April 2013. Working age housing benefit claimants of registered housing associations or other registered social landlords now have their housing benefit calculated based on new Government rules covering the number of bedrooms a household is deemed to need. The Council wrote to those households at risk from national changes in January 2013 outlining whether the household under the new rules had 1 or 2 surplus bedrooms resulting in a reduction in housing benefit of 14% or 25% respectively. These local arrangements built on the engagement and awareness raising amongst the affected households undertaken by registered social landlords in Hartlepool.
- 4.11. Recent analysis (July 2013) indicates that in Hartlepool 1,581 households are being impacted by this change, the average weekly

loss of housing benefit is £13.67 per week and the annual value of housing benefit reductions associated with the Bedroom Tax in Hartlepool is £1.123m. These figures are broadly in line with the initial analysis reported previously. Details by Ward are shown in the following table:

**Properties affected by new Bedroom Criteria rules by Ward**

Ward	1 surplus bedroom 14% reduction	2 surplus bedrooms 25% reduction	Total properties subject to a reduction	Average weekly reduction £ per week	Annual Loss of Housing Benefit £'000
Burn Valley	26	2	28	14.33	21
De Bruce	204	47	251	13.40	175
Fens and Rossmere	52	13	65	13.36	45
Foggy Furze	124	26	150	13.90	108
Hart	35	4	39	16.15	33
Headland and Harbour	205	51	256	13.53	180
Jesmond	158	39	197	13.75	141
Manor House	273	61	334	13.33	231
Rural West	12	1	13	12.14	8
Seaton	86	22	108	13.88	78
Victoria	115	25	140	14.19	103
	Total	291	15816		1,123

- 4.12 One of the direct impacts of the bedroom Tax changes is the increased level of demand for housing advice services as individuals seek alternative accommodation in either the social or private rented sector. This position has been experienced in Hartlepool, where enquiries at the Housing Options Centre have increased by almost a third from the previous year. In response Finance & Policy Committee agreed in June to apply £26,442 of temporary one off impacts funding received from the DWP in April 2013 (totalling £55,812), to the appointment of an additional Housing Advice Officer on a 12 month fixed term contract. .
- 4.13 The Government have recently issued correspondence covering the Bedroom Tax and the re-designation of properties. This communication is in response to a number of Local Authority and Housing Association landlords either carrying out or actively considering, the re-designation of properties occupied by tenants subject to a spare room deduction, in

order to reduce the number of rooms described as bedrooms and therefore to avoid the housing benefit deduction.

- 4.14. Minister for Welfare Reform, Lord Freud has written to all Local Authorities setting out that if Local Authority benefits services accept a re- designation and remove the deduction, where there is no associated rent reduction by the landlord to reflect the loss of a bedroom, this may result in a loss of Housing Benefit subsidy. The Council has written formally to all registered social landlords informing them of this position. Furthermore, the Council will challenge any inappropriate re – designation requests it receives. This will ensure the Council does not carry any financial risk to the subsidy associated with the £48m of housing benefit awards made each year. It is expected that this area will be closely scrutinised when the annual audit of the Housing Benefit Claim is completed by the Council's external auditors.

### **Local Welfare Support / Social Fund**

- 4.15. Responsibility for some elements of the DWP's Discretionary Social Fund were transferred to local authorities on 1<sup>st</sup> April 2013. It was widely recognised that the DWP were not managing the previous system effectively.
- 4.16. As part of the preparations for this transfer, the Council recognised the financial and reputational risks if there was not an effective system model for providing this type of financial support.
- 4.17. The Council has minimised administration costs and facilitated holistic support by integrating this responsibility within the Benefits Services, pending the outcome of the Corporate Advice and Guidance Review. The Council's arrangements also seek to secure best value by ensuring the provision of white goods, furniture etc is via a joint Tees Valley procurement. In addition, wherever possible emergency support is provided without making cash payments to applicants by directly topping up gas /electricity prepayment cards, providing supermarket and clothing vouchers, providing meals via an arrangement with a local charity and signposting to foodbanks.
- 4.18. There are effective and established protocols within the Council for determining whether individuals who contact the Council to access LWS support need to be signposted to the DWP for a short term benefit advance. Alternatively, where cases relate to family issues, these are seamlessly passed at the Civic Centre to the First Contact Support Hub (FCSH). FCSH have a small one off budget provision for 2013/14 of about £7,000 (separate to the S17 budget) that can be used to support children and families where this is more appropriate than LWS support.
- 4.19. Data on LWS awards in Hartlepool during Quarter 1 indicates a significant under – spend, as summarised in the following table which

shows the budget position at the end of the first quarter for both Crisis and Non Crisis scenario's. This position is consistent with experience at a national level and across all North East Councils which are experiencing significant LWS underspends.

**Hartlepool Local Welfare Support Budget / Expenditure**  
**Quarter 1 - 2013/14**

	Number of applications received	Number of awards made Quarter 1	Budget Quarter 1 £'000	Expenditure Quarter 1 £'000	Underspend £'000
Crisis	579	323	49	14	35
Non Crisis	241	36	90	15	75
Total	820	359	139	29	110

There have been no significant changes in the value and awards made in July.

(Analysis of Qu1 spend across the North East is being collated by Newcastle City Council and will be reported to Members when this is available)

- 4.20 This above position seems to support previous criticisms of the former DWP arrangements for delivering this type of help and supports the view that Local Authorities are better placed to manage this type of support, both in terms of achieving the best use of limited resources and targeting support to people in need. Significant work has been undertaken locally to ensure people and relevant organisations are aware of the new system. Individual application decisions are subject to review by supervisory officers as part of the administration control arrangements in operation to ensure that decisions are both consistent and fair. Whilst, the Council has only been operating the system since April it is anticipated that these trends will continue. Whilst, this position cannot be guaranteed it is recommended that a strategy for using these monies is developed to assist Hartlepool households affected by the Welfare Reforms.
- 4.21 LWS funding allocations are not ring fenced and can be applied flexibly by Local Authorities. However, the DWP have not yet confirmed LWS allocations for 2014/15 and there remains a significant financial risk that if Councils effectively manage these resources during 2013/14, that future years LWS allocations may be reduced by Central Government.
- 4.22. If current trends continue, the Council may potentially underspend in the current year by up to £400,000. The Council will need to develop

and agree a strategy for applying the available LWS resources in 2013/14. Members may wish to support the following areas:

#### Bedroom Tax Changes

The welfare reform that has had the greatest impact and profile locally has been the Bedroom Tax changes. It would be possible to support every household affected by the Bedroom Tax with a credit to their rent account. A future report on potential changes to Discretionary Housing Payment (DHP) arrangements is scheduled to be submitted to a future meeting and this aspect will be considered further as part of that report.

#### Food Bank

The Council has already supported the establishment of a food bank within the Borough and a potential option would be to consider what additional financial support may be given from the LWS budget to further develop this important type of community support that is accessed by those most in need.

- 4.23. The Local Welfare Support allocation is unringfenced. However the Council remains accountable to the DWP for how the available resources have been deployed. Given the pressures on individual households associated with the impacts of the welfare reforms, the Council has the opportunity to consider how best to proactively apply the forecast LWS underspend as detailed in the previous section.
- 4.24. Should Members determine to commit resources to address the effects of the Bedroom Tax they would be making additional discretionary housing support payments, in addition to the DWP discretionary housing payment allocation paid to the Council. There are overall financial limits set by the DWP each year on the value of each Council's discretionary housing payments expenditure, including locally funded 'top ups'. The total "headroom" for topping up the 2013/14 Discretionary Housing Payment allocation is £475,000. The resources Members are being asked to consider is within this headroom value and therefore this technical aspect is not an issue.
- 4.25 2013/14 is the first year under which the Council has had responsibility for Local Welfare Support and it would be prudent to maintain an appropriate contingency should demand over the remainder of the financial year increase to avoid any potential general fund pressure. The current LWS budget has been profiled for forecast increases in applications for crisis support in December and January and for some increased demand for non crisis help. Nevertheless, it is suggested that a contingency of £50,000 should be retained but that the position should be subject to review by Finance & Policy Committee in January 2014, when consideration can be given to options for allocating any

uncommitted resources, either to provide further support in the current year or carry forward amounts to 2014/15. The following table sets out the proposal for applying the current forecast LWS underspend:

**Proposal for application of forecast LWS underspend.**

<b>Bedroom Tax</b>			<b>Food Bank Initiatives</b>	<b>Contingency</b>	<b>Total</b>
No of weeks Support	Help per household	Cost to LWS budget			
£	£	£	£	£	£
16	218	346,000	4,000	50,000	400,000

Households affected by the Bedroom Tax changes have been losing on average £13.67 per week since April 2013, which equates to a full year average loss of £710.

- 4.26. Previous reports advised Members that additional funding was being provided by the DWP to cover administration costs of the LWS. Members previously approved the creation of fixed term posts for 12 months. LWS and Discretionary Housing Payments are administered by a generic team within the Benefits service. As the volume of LWS applications being received has been lower than anticipated, it has not been necessary to back fill a seconded Benefits Assessment Officer post. As a result there will be an uncommitted budget underspend within the Benefits Service 2013/14 salaries budget of £21,750. This will be included in the quarterly financial management report.

**Benefit Cap**

- 4.27 New rules covering the amount of state benefits a working-age household can receive have been introduced. The Cap level is set at £500 per week for couples and single parents, or £350 per week for single people. Any excess income above the Cap level is “clawed back” by the DWP requiring Local Authorities to reduce weekly housing benefit entitlements.
- 4.28 The Benefit Cap arrangements are currently live as a pilot in four London boroughs - Bromley, Croydon, Enfield and Haringey. The DWP have now confirmed that the national roll out of the benefit cap will start Mid July in two phases and Hartlepool is in phase 1. Earlier information from the DWP suggested that about 140 households in Hartlepool were potentially at risk from the Benefit Cap. The most recent DWP data now indicates that the number affected is likely to be about 75 households and latest information is that all these households will have been capped by the end of August 2013.



- 4.29. The impacts of the Benefit Cap on these individual households is financially significant with the average loss of housing benefit estimated at £68 per week, but , 12 households stand to lose all their housing benefit entitlement (except 50p, which allows the Council to award a Discretionary Housing Payment).
- 4.30 The Council has been proactively engaging with those households at risk from the Benefit Cap since summer 2012 providing advice and guidance on personal actions that the individual can take to exclude themselves from the Cap eg. signposting to DWP Work Programme providers with a view to securing paid employment or encouraging the individual to secure additional working hours to access Tax Credits. Information has also been given by Officers about how to apply for a discretionary housing payment or secure alternative cheaper rented accommodation.
- 4.31. The Council's 2013/14 Discretionary Housing Payment framework was predicated on earlier data provided by the DWP that suggested that 140 households would be subject to the Benefit Cap. That framework provides that the Council would provide tapered Discretionary Support for benefit Cap cases over 18 weeks, 8 weeks at 100% 6 at 50% and 4 at 25%. As the number of cases are likely to be much lower than forecast, and as the DWP have not indicated that DHP allocations will be reduced, the Council will be in a position to extend and increase the support to those affected by the Benefit Cap. This will be covered in a future report on proposed amendments to the DHP framework.

### **Local Housing Allowance Rates**

- 4.32 The Government has determined that Local Housing Allowance Rates (which dictate housing benefit entitlements in the private rented sector) will be increased in line with the Consumer Price Index instead of actual local market rents from April 2013 (2.2%) and subsequently only by 1%, in April 2014 and April 2015. This measure is designed to assist in controlling the national cost of housing benefit in the private rented sector. Potentially the linkages between housing benefit entitlements and 'asking' rents in the private rented sector can be lost through this measure which could through time push housing benefit claimants into the poorest quality housing.
- 4.33. Hartlepool, for local housing allowance purposes is included as part of a Tees Valley group. On a monthly basis, each Tees Valley Authority submits data on asking rents in the private rented sector for properties with different numbers of bedrooms which is collated by the Government's Rent Officer Service who notify Council's of the LHA rates they must use for housing benefit entitlements.

- 4.34. There are about 3,600 private rented sector housing benefit claimants in Hartlepool. The published LHA rates to apply from April 2013 and the former rates are set out in the following table which suggests that local private sector landlords have not been generally increasing rent levels, therefore LHA rates have in general not been increased by the Government up to the 2.2% ceiling:

Private Rented Sector Local Housing Allowance Rates

Property	Old Rate Pre April 13 £	April 13 £	% Change
1 Bed Shared	55.00	56.21	2.2
1 Bed	80.55	80.55	0
2 Bed	95.56	96.71	1.2
3 Bed	114.23	114.23	0
4 Bed	150.00	150.00	0

## 5. FUTURE WELFARE REFORM - UNIVERSAL CREDIT

- 5.1. The current system of working-age benefits and Tax Credits is to be replaced by Universal Credit. The Government aim is to ensure that people are better off in work than on benefits. Universal Credit will involve the bulking together of six benefits in one block payment:
- Job Seekers Allowance (income based) - JSA
  - Employment and Support Allowance (former Incapacity Benefit) - ESA
  - Income Support – I S
  - Working Tax Credits
  - Child Tax Credits
  - Housing Benefit – HB
- 5.2. The Chancellor of the Exchequer's Autumn statement assumes the following timetable for Universal Credit:
- October 2013 - new claims to Universal Credit in place of Job Seekers allowance applicants
  - May 2014 - new claims to Universal Credit in place of Tax Credits and Income Support applicants
  - October 2014 - new claims to Universal Credit in place of Employment and Support Allowance and Housing Benefit applications

There remains significant ongoing speculation regarding the deliverability of this timetable and the state of readiness of DWP IT systems therefore this proposed timetable may well alter moving forward.

- 5.3. The managed transition of existing Housing Benefit claims to Universal Credit on the latest available timetable will not start at the earliest until September 2014, and then initially only for a limited type of claimant. The migration of all current Housing Benefit claimants to Universal Credit, on the latest project timetable (potentially subject to change) will not be complete until late 2017/18. Until the migration process is fully completed the Council will continue to process and award Housing Benefit payments.
- 5.4. Universal Credit will create immense challenges for sections of the public in terms of budgeting and money management especially as it will be paid monthly in one single payment and will include housing benefit monies, which historically for registered social landlord cases will have been paid direct to the landlord.. The financial risk of rent arrears is one of the most significant risks that registered social landlords face under the new arrangements.
- 5.5. The DWP issued a paper “Local Support Services Framework” Feb 2013 which sets out a key role for Local Authorities in assisting claimants to access Universal Credit by providing advice and guidance support and also with assisting individuals on budgeting. In Hartlepool, the implications of the future “Local Support Services Framework” responsibilities is being considered as part of the corporate review of Advice and Guidance services project.

## **6. RECOMMENDATIONS**

- 6.1 It is recommended that Members:
  - i) Note the report.
  - ii) Approve the retention of a contingency amount of £50,000 from the forecast LWS underspend to manage any increase in demand for support in the current year.
  - iii) Approve the proposals for applying the forecast uncommitted LWS underspend as set out below and refer this proposal to full Council as a departure from the approved Budget and Policy Framework:

Bedroom Tax			Food Bank Initiatives	Contingency	Total
No of weeks Support	Help per household	Cost to LWS budget			
£	£	£	£	£	£
16	218	346,000	4,000	50,000	400,000

- iv) To note that a further report on the development of the 2014/15 Local Welfare Support arrangements will be submitted when the 2014/15 funding allocation is confirmed.
- v) Council be requested to approve that delegated authority be given to Finance & Policy Committee, to determine the application of any underspend of the contingency sum of £50,000 following a Local Welfare Support scheme review in January 2014.

## 7. REASONS FOR RECOMMENDATION

To appraise Members of the impacts of the welfare reform programme and to enable a strategy for using the forecast uncommitted LWS funding to be developed and referred to full Council for approval.

## 8. BACKGROUND PAPERS

None.

## 9. CONTACT OFFICER

John Morton  
 Assistant Chief Finance Officer  
 01429 523093  
[John.morton@hartlepool.gov.uk](mailto:John.morton@hartlepool.gov.uk)

# **FINANCE AND POLICY COMMITTEE**

**23 August 2013**



**Report of:** Assistant Chief Executive

**Subject:** DATA QUALITY POLICY REVIEW

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

Non-Key Decision

## **2. PURPOSE OF REPORT**

- 2.1 To inform Finance and Policy Committee of the review of the Data Quality Policy and provide them with the updated version of the policy for approval.

## **3. BACKGROUND**

- 3.1 Good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making within the Council. In order to ensure that the Council's data is reliable a Data Quality Policy has been in place since 2007 and was last reviewed in 2011. It is therefore now timely to review and update the policy to reflect, amongst other things, the Council's new governance arrangements.

## **4. DATA QUALITY REVIEW 2013**

- 4.1 The Data Quality Policy has been reviewed and updated as attached in appendix 1. The main content of the policy has not changed significantly but the roles and responsibilities have been updated to reflect current arrangements including the role of the Finance & Policy Committee and its Chair in relation to data quality. The updated policy has been considered by the Corporate Management Team Support Group and Audit and Governance Committee.
- 4.2 This was considered by Audit and Governance Committee at the meeting on 25<sup>th</sup> July 2013 and there were no comments to feed through to Finance and Policy Committee

**5. RECOMMENDATIONS**

- 5.1 Finance and Policy Committee is requested to agree the updated Data Quality Policy.

**6. REASONS FOR RECOMMENDATIONS**

- 6.1 Data Quality falls within the responsibility of Finance and Policy Committee.

**7. BACKGROUND PAPERS**

- 7.1 There are no background papers.

**8. CONTACT OFFICER**

Andrew Atkin, Assistant Chief Executive  
Chief Executives Department – Corporate Strategy  
Hartlepool Borough Council  
(01429) 523003  
[Andrew.atkin@hartlepool.gov.uk](mailto:Andrew.atkin@hartlepool.gov.uk)

Kerry Trenchard, Acting Performance & Partnerships Manager  
Chief Executives Department – Corporate Strategy  
Hartlepool Borough Council  
(01429) 524057  
[kerry.tenchard@hartlepool.gov.uk](mailto:kerry.tenchard@hartlepool.gov.uk)

# **Hartlepool Borough Council**

## **Data Quality Policy**

**July 2013**



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## **1. Introduction**

The Council recognises the importance of using reliable data for performance management and service planning purposes and having appropriate procedures in place to ensure the reliability of performance information being used. Good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making at all levels.

It is essential that the Council not only have a data quality policy but ensure that it is embedded across all services and it is a key consideration in the collecting, processing and using of data to support decision making.

This policy sets out the Council's approach to Data Quality, specifically: -

- Aims and Objectives
- Data Quality Characteristics
- Purpose and Rationale
- Scope of the Data Quality Policy
- Policy Standards
- Roles and Responsibilities

## **2. Aims and Objectives**

The Data Quality Policy supports the overall aim of the Council, which is for high-quality data to be an integral part of the Council's operational, performance management and governance arrangements so that it drives service improvement and informs both policy and strategic decisions.

Collecting performance information efficiently and effectively requires a balance to be struck between the need to maintain the data quality required and the level of resources available to collect and use the data.

Within this context the Data Quality Policy objectives are:

- To set out the key principles of data quality across the Council;
- To ensure all officers involved in the collection and collation of performance data are aware of their responsibilities in relation to data quality;
- To ensure a consistent approach to data quality is adopted and embedded across the Council;
- To ensure that the quality of data is regularly monitored and checked;
- To ensure that appropriate mechanisms are in place to keep relevant staff aware of the Council's data quality requirements and provide suitable training.

### 3. Data Quality Characteristics

The Council is committed to achieving the six basic characteristics of good data quality as defined by the Audit Commission in their publication, "Improving information to support decision making: standards for better quality data". They are:

**Accurate** – Data should be sufficiently accurate for its intended purpose.

**Valid** – Data should be recorded and used in compliance with relevant requirements, including the correct application of any rules or definitions. This will ensure consistency between periods and with similar organisations.

**Reliable** – Data should reflect stable and consistent data collection processes across collection points and over time, to increase confidence that progress towards performance targets reflects real changes rather than variations in data collection approaches or methods.

**Timely** – Data should be captured as quickly as possible after the event or activity and must be available for the intended use within a reasonable time period. This ensures decisions can be made on up-to-date information rather than data that is out of date.

**Relevant** – Data captured should be relevant to the purpose for which it is used.

**Complete** – Data requirements should be clearly specified based on the information needs of the body and data collection processes matched to these requirements. Monitoring missing, incomplete or invalid records can provide an indication of data quality and can also point to problems in the recording of certain data items.

### 4. Purpose and Rationale

As previously stated good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making at all levels. It is the purpose of this policy to set out what is expected from officers across the Council to ensure that this process is embedded across all services and it is a key consideration in the collecting, processing and using of data to support decision making.

While assurance about the quality of data can be obtained by testing the data itself, testing all data to obtain assurance is impractical and costly. Furthermore, the results of testing smaller samples can provide only a snapshot of the quality of a small amount of data at a specified point in time. Therefore the Council will continue to focus on improving and maintaining arrangements to manage the collection and reporting of data, rather than relying solely on data checks.

However, it should be noted that it is not possible to apply a universal process covering the collection and collation of performance data as each measure is subject to its own method of counting. Rather, by following a common framework, including the principles of accurate data collection and collation, there will be an increased confidence in the quality of performance data used.

This policy supports the Council's vision by making sure that accurate and trustworthy data is used in the decision-making, resource allocation and planning process. It will also provide clear guidance to relevant staff for putting in place appropriate controls and other mechanisms aimed at checking and validating data that is produced for performance management purposes.

## **5. Scope of the policy**

All Council employees potentially play a role in ensuring data quality but it is recognised that certain individuals and groups are key to this process. These include:

- Corporate Management Team, Corporate Management Team Support Group and Departmental Management Teams (CMT/CMTSG/DMTs)
- Heads of Service/Service Managers
- Performance and Partnerships Team (Corporate Performance Team)
- Performance Indicator (PI) Co-ordinators (Departmental Performance Teams)
- PI Responsible Officers

The responsibilities of these groups are set out in Appendix A.

Elected Members also play a role in data quality. The Finance and Policy Committee has overall responsibility for performance management, which includes data quality, within its remit. Other elected members are primarily consumers of performance information.

The Audit and Governance Committee will continue to consider the Annual Audit letter from the Audit Commission on an annual basis.

The policy is relevant to quantitative data used to monitor and report (both internally and externally) on the performance of Council services including those delivered through partnerships and by contractors. This includes information gathered through surveys.

## **6. Policy Standards**

The policy requires that:

- The Data Quality Policy and associated supporting information is reviewed regularly and any changes required are implemented;
- Any necessary data quality action plans are developed and updated as required;
- A list of the officers and members with responsibility for the implementation of the Data Quality Policy is kept up to date;

- Key people/groups within the scope of the policy are briefed and provided with relevant information ;
- Internal testing of data quality arrangements will be completed at least annually;
- The lead elected member for data quality will be kept informed of data quality issues as appropriate.

## **7. Roles and Responsibilities**

**A summary of the role and responsibilities in respect of Data Quality can be found at Appendix A.**

The Finance and Policy Committee has overall responsibility for performance management which includes responsibility for data quality. The lead elected member for data quality is the Chair of the Finance and Policy Committee.

The overall corporate responsibility in relation to data quality and performance management rests with the Assistant Chief Executive (ACE) and the Performance and Partnerships Team. The Corporate Management Team Support Group (CMT SG) supports the ACE in ensuring that the objectives of this Policy are applied in their departments.

Day to day responsibility for corporate aspects of data quality and performance management is delegated to the Performance and Partnerships Manager, who considers issues relating to performance and data quality and where necessary reports significant issues to the Assistant Chief Executive and CMT Support Group.

Departments have day-to-day responsibility through their own management procedures for data quality and performance management within the departments and their own performance information.

Within departments responsibility rests with Departmental Management Teams and Service Managers. Each department has appointed PI Coordinator(s) to oversee performance indicator management arrangements.

- Chief Executive's – Catherine Grimwood
- Child and Adult Services – Kay Forgie and Trevor Smith
- Regeneration and Neighbourhoods – Steve Russell

Service Managers are responsible for the complete, timely and accurate reporting of data in their area of activity. They are also responsible for ensuring that staff are aware of their responsibilities in this area and are provided with an appropriate level of training and guidance.

PI Responsible officers (Assignees in the Council's Performance Management System, Covalent) are identified for each PI included in Covalent regardless of whether this is monitored corporately, departmentally

or in individual teams. For each indicator they are responsible for data collection, data quality and where required, target setting. It is recommended that all PIs monitored within the Council's Performance Management System, Covalent, should have all necessary up to date data quality information (See Appendix B). However, there are a large number of indicators held within the system so emphasis will be given to those indicators identified in the Council Plan (made up of the three departmental plans).

As each year the indicators contained in the Departmental Plans are reviewed it is a requirement that, by the end of June each year, the data quality information for all indicators included in the plans is reviewed and any missing or out of date information is input into Covalent.

Actions, PIs and risks in relation to performance management are identified in the Council Plan. This encompasses arrangements for PI data quality, demonstrating the authority's commitment to ensuring robust but appropriate arrangements are in place. Progress is managed by the Assistant Chief Executive and monitored by the Council's Corporate Management Team and the Finance and Policy Committee as part of quarterly performance reports.

### **Communications**

Communication regarding data quality is primarily through the Performance and Risk Management Officer Group via regular meetings and email and phone contacts. Arrangements are in place with the Assistant Chief Executive to escalate any relevant issues for consideration at Director/Assistant Director level - ensuring an appropriate commitment to PI data quality at an operational level but also providing the opportunity to deal effectively at a senior level with other issues should the need arise.

PI coordinators (who also attend Performance and Risk Management Officer Group) have responsibility for cascading information to PI responsible officers (assignees in Covalent) within their departments or divisions.

### **Internal Audit**

Performance Indicators and data quality is reviewed by Internal Audit as part of their annual coverage. Any risks identified in the performance of individual audits will be distributed to Performance and Partnerships Team, Service Managers and PI Responsible Officers (assignees in Covalent) for the development of appropriate action plans.

## **8. Monitoring Data Quality**

The corporate framework for monitoring data quality includes the following: - (Lead responsibility shown in bold).

- PI challenge prior to reporting. This includes the assessment of annual PI outturns and follow-up of queries. Examples of these quality checks have included robustness of base data, calculation methods compared to definition etc. – **Departments/Performance and Partnerships Team**

- Clear roles and responsibilities for Performance and Partnerships Team, PI Coordinators and PI responsible officers in relation to PIs are established (see above). These have been communicated to all parties via data quality training sessions and via the Performance and Risk Management Officer Group - **Performance and Partnerships Team**
- **Departments** are required to ensure that all data quality fields within Covalent have been completed including procedure notes and definitions. This information is assessed as part of Internal Audit PI reviews to ensure that practice and data reflect procedures notes and definitions. Essentially what auditors want to see is all the relevant information brought together in one location and available to all relevant staff.
- **Performance and Partnerships Team** organises and coordinates the PI collection process. This process is structured and completed using the Covalent system. All performance measures are subject to approval by the Corporate Management Team and elected members.

Regular contact with PI coordinators is maintained through the Performance and Risk Management Officer Group to identify issues and consider improvements as required.

- **Performance and Partnerships Team** provide the first line of support for PI collection and for the Covalent system. In addition support is also provided via Internal Audit.

Training of staff is the responsibility of the individual **Departments** however corporate training is provided where required. Where responsibility changes as a result of staff turnover or reorganisation then support should be provided as part of the usual induction, training and appraisal processes. It is expected that the data quality information held within Covalent will enable any new member of staff to understand how the PI is calculated and allow them to complete PI reporting.

- **Corporate reporting of PIs** - PI information collected corporately is used and reported in a number of ways including quarterly reporting to CMT and the Finance and Policy Committee. An annual Year End report focussing on improvement and target setting also identifies potential improvement areas e.g. indicators that have deteriorated in each of the last two years. This report is considered by CMT and the Finance and Policy Committee.
- **Departments** undertake further reporting as they require.

## **APPENDIX A - Roles and responsibilities (in relation to Data Quality)**

### **Finance and Policy Committee**

- Oversee Data Quality activity across the Council;
- Agree the Data Quality Policy.

### **CMT/CMTSG/DMTs/Service Managers**

- Provide support and show leadership to encourage use of performance information and importance of data quality.

### **Performance and Partnerships Team**

- Organise PI collection process for all PIs throughout the year;
- Challenge PI information throughout the year through quality control checks and raise queries with Departments;
- Provide front line support for officers in relation to Performance Management and Covalent issues;
- Review Data Quality Policy.

### **Departmental PI Coordinators**

- Help implement Data Quality Policy within Department;
- Disseminate information to PI Responsible Officers (assignees in Covalent);
- Undertake quality control checks on PIs;
- Review internal departmental controls at least annually to ensure they are working effectively;
- Co-operate with Internal Audit staff undertaking reviews;
- Follow up and monitor recommendations from Internal Audit;
- Liaise with Performance and Partnerships Team
- Coordinate review and completion of Data Quality Information in Covalent for Council Plan PIs annually.

### **PI responsible Officers (assignees in Covalent)**

- Ensure that appropriate control measures are in place;
- Ensure latest Data Quality Information is in Covalent for all their PIs;
- Use latest definition and guidance for all their PIs;
- Maintain file(s) with all key information relating to all their PIs;
- Co-operate with Internal Audit staff on reviews;
- Act on any recommendations from Internal Audit.

### **Internal Audit**

- Undertake reviews of PI's and data quality as part of annual coverage;
- Distribute any risks identified in individual audits to Performance and Partnerships Team, Service Managers and PI Responsible Officers;
- Use latest definition and guidance when assessing Data Quality;

## APPENDIX B - Data Quality required in Covalent

The template below sets out the Data Quality information that should be held in Covalent for each PI. As a minimum this information must be held for all PIs included in the Council Plan, and Departmental PI Co-ordinators are required to ensure that all Council Plan PIs have up to date Data Quality information included in Covalent.

The Responsible Officer (assignee) is responsible for ensuring that this information is entered into Covalent and also that it is kept up to date.

Data Quality Information	What is Required
PI definition	It should be clear what the indicator is measuring. A clear definition should be given, ensuring no ambiguity or room for interpretation.
Rationale for PI	This should be a short statement explaining why the indicator is needed and how it will be used.
Other organisations involved in the collection of the data	Any other organisations that are involved at any point of the PI process should be named, and the steps that must be taken to ensure data quality should be identified.
PI process	A description of how the PI is calculated. This should include any formulas, any calculations that need to be carried out and where data is sourced. Every calculation should be included and no assumptions of knowledge should be made – explanations should be provided on where or how data has been obtained, and what needs to be done to the raw data so it can be included in the calculations.
PI data quality controls	Details on what control measures are in place to ensure the data and information is of an appropriate standard and that management understand who is involved and the steps required to ensure data quality is appropriate. This should include any checks made on how data is collected, recorded and/or transferred so that assurances can be placed on the data that is being used in the outturn calculations.
Location of data	Information as to where the raw data is stored should be provided.



# **FINANCE AND POLICY COMMITTEE**

**23 August 2013**



**Report of:** Assistant Chief Executive

**Subject:** REVIEW OF RISK FRAMEWORK

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

Non-Key Decision

## **2. PURPOSE OF REPORT**

- 2.1 To inform Members of the review of the Risk Management Framework and provide them with the updated version of the Framework for information and comment.

## **3. BACKGROUND**

- 3.1 The Council has a responsibility to put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources; ensure proper stewardship and governance; and review regularly the adequacy and effectiveness of these arrangements. In order to do this the Council must manage risks and maintain a sound system of internal control.
- 3.2 The Risk Framework sets out how this will be done along with the roles and responsibilities of officers and elected members across the authority to help ensure the process is embedded into the services the Council provides.

## **4. RISK FRAMEWORK REVIEW 2013**

- 4.1 The Framework outlines the risk process across the authority and details the Council's actively managed and accepted risk registers which have been in place since Spring 2011. These registers contain various levels of risks that are monitored on a regular basis and reported to senior managers and elected members as appropriate. The Framework also set out the tolerance level which allows the Council to focus on those risks which are to be addressed either by reducing the impact or the likelihood or need to be monitored on a frequent basis.

- 4.2 There are other functions and activities of the Council that also contribute to the Council's approach for managing risks and have a role within the Risk Management Framework. These are detailed within the Framework.
- 4.3 The Risk Management Framework has been reviewed and updated as attached in appendix 1. The main content of the Framework has not changed significantly but elements have been updated to reflect the new governance arrangements particularly the role of the Finance & Policy Committee in relation to risk management. The updated policy has been considered by the Corporate Management Team and Audit and Governance Committee.
- 4.4 This was considered by Audit and Governance Committee at the meeting on 25<sup>th</sup> July 2013 and there were no comments to feed through to Finance and Policy Committee

## **5. RECOMMENDATIONS**

- 5.1 Finance and Policy Committee is requested to agree the updated Risk Framework.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 Risk management falls within the responsibility of Finance and Policy Committee.

## **7. BACKGROUND PAPERS**

- 7.1 There are no background papers.

## **8. CONTACT OFFICER**

Andrew Atkin, Assistant Chief Executive  
Chief Executives Department – Corporate Strategy  
Hartlepool Borough Council  
(01429) 523003  
[Andrew.atkin@hartlepool.gov.uk](mailto:Andrew.atkin@hartlepool.gov.uk)

Kerry Trenchard, Acting Performance & Partnerships Manager  
Chief Executives Department – Corporate Strategy  
Hartlepool Borough Council  
(01429) 524057  
[kerry.tenchard@hartlepool.gov.uk](mailto:kerry.tenchard@hartlepool.gov.uk)

# **Hartlepool Borough Council**

## **Risk Management Framework**

### **July 2013**



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## 1. Introduction

The Council has a responsibility to put in place proper arrangements to:

- ? secure economy, efficiency and effectiveness in their use of resources;
- ? ensure proper stewardship and governance; and
- ? review regularly the adequacy and effectiveness of these arrangements.

Proper arrangements include corporate performance management and financial management arrangements that form a key part of the system of internal control. These comprise the arrangements for:

- ? planning finances effectively to deliver strategic priorities and secure sound financial health;
- ? having a sound understanding of costs and performance and achieving efficiencies in activities;
- ? reliable and timely financial reporting that meets the needs of internal users, stakeholders and local people;
- ? commissioning and procuring quality services and supplies that are tailored to local needs and deliver sustainable outcomes and value for money;
- ? producing relevant and reliable data and information to support decision making and manage performance;
- ? promoting and demonstrating the principles and values of good governance;
- ? **managing risks and maintaining a sound system of internal control;**
- ? making effective use of natural resources;
- ? managing assets effectively to help deliver strategic priorities and service needs; and
- ? planning, organising and developing the workforce effectively to support the achievement of strategic priorities.

The purpose of risk management is NOT to eliminate all risk. It is about gaining a better understanding of nature and scale of risks that could impact on service delivery and outcomes and then taking actions to reduce any negative results of risks or maximise any positives that may arise from an activity.

Effective risk management requires that a balance be struck between two extremes:

- ? Too little control or ignorance of risk resulting in the organisation being exposed to a damaging level of loss, unnecessary waste and being ill-prepared for events that may take it by surprise;
- ? Too much control or obsession with risk stifles innovation and creativity, will result in lost opportunities and over-investing in control measures that bring no additional cost benefit.

## **2. The Risk Management Process**

Since Spring 2011 the Council has had two Risk Registers:

- ? Actively Managed Risk Register
- ? Accepted Risk Register

These registers contain various levels of risks that are monitored on a regular basis and reported to senior managers and elected members when appropriate. The framework by which this is achieved is described below.

## **3. Risk Management Framework**

To make certain all requirements are met Hartlepool Borough Council has a risk process that ensures the systematic identification, analysis and control of significant risks arising out of activities relating to the desired outcomes set out in Council plans. The Council maintains two risk registers: an Accepted Risk Register and an Actively Managed Risk Register within which each department details the risks they are responsible for. The Council recognises that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'benefits', are maximised.

## **4. The Council's Risk Tolerance**

Any organisation has neither the resources nor the capacity to eliminate all risks nor would any organisation want to. The framework sets a tolerance level which allows the Council to focus on those risks which are to be addressed either by reducing the impact or the likelihood or need to be monitored on a frequent basis.

Therefore the Council's Risk Tolerance is an indication of the level of risk that the Council is prepared to accept i.e. the maximum risk that can be taken before formally considering whether further action to control the risk is required.

For example if a risk is within the Council's risk tolerance (i.e. below risk rating 8) the Council may decide only to undertake minimum monitoring of the risk for any change. However if the risk exceeds the Council's risk tolerance the Council may decide to take further action and allocate resources to help reduce the likelihood or impact. Finally if the risk is well within the councils risk tolerance we may decide we have a greater appetite for risk and relax some controls thus saving on resources.

The Tolerance Line is meant as a guide and not set in stone. This will allow risks to move freely between the risk registers as per each individual situation dictates.

The Council Tolerance Line has been agreed by CMT and appropriate members as per Diagram A below.



**Diagram A – Risk Matrix with Tolerance Line**

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

### 5. Accepted Risk Register

Risks included in this register will have been identified and evaluated with control measures. (see Diagram A 'Risk Matrix with Tolerance Line').

There are a number of different types of risks that may feature in the accepted risk register:

- Risks that are below the tolerance line and therefore accepted;
- Risks that are above the line and a decision has been taken that the risk is beyond further control by the Council and introducing further controls would not significantly change either the impact of the risk or the likelihood of the risk occurring;
- Risks that are above the tolerance line and a decision has been taken that introducing further controls, even if they would change the impact of the risk or the likelihood of the risk occurring, is not appropriate. This could be due to budget, time or resource constraints.

Due to the nature of these risks they do not require close/formal monitoring throughout the year. However these risks need to be highlighted as risks to the Council and delivering services. Nevertheless, throughout the year managers responsible for these risks should:

- ? ensure that existing control measures are operating effectively as part of their day to day management arrangements;
- ? be alert to opportunities for introducing effective control measures where necessary;
- ? be alert to changes in the impact or likelihood of the risk occurring and therefore the need to reevaluate the risk.

Departments will formally review the evaluation of the risks on the Accepted Risk Register on a regular basis (at least once every 12 months during the annual service planning process) and review the adequacy of control measures currently in place. The results of this review will be reported to CMT and the Finance and Policy Committee.



At any point through the year risks can be amended, added to or removed from the Accepted Risk Register by the Department as required. Risks can move between the Accepted and Actively Managed registers at any time and not just at times of review.

## **6. Actively Managed Risk Register**

The risks within this register will be of a significant nature whether that be due to the impact or likelihood (or both) of the risk (Diagram A Risk Matrix with Tolerance line). It is expected that there would be a relatively small number of risks within this register that will be monitored on a quarterly basis. This monitoring will include reporting progress on the implementation of additional control measures and thereby reducing the level of risk. The review of these risks will be included in the quarterly Performance Reports to CMT and the Finance and Policy Committee?

Again there are a number of different types of risks that could be included in this register:

- a) Risks that are above the tolerance line where additional control measures could be effective and economical in reducing either the impact of the risk or the likelihood of the risk occurring.
- b) Risks that are below the tolerance line but a decision has been taken that it is necessary to highlight and monitor the risk through senior managers and elected members via this register.

Risks can be amended, added to or de-escalated to the Actively Managed Risk Register as required through out the year in order to ensure that all significant risks that may impact on the Council's overall defined outcomes and service areas are monitored regularly.

## **7. Risk Monitoring and Reporting**

Actively Managed Risks would be monitored within the Performance Management Framework through the Quarterly Performance report that is produced for CMT and Finance and Policy Committee. The Accepted Risk Register will be reviewed on an annual basis as a minimum.

Embedding risk management within the service planning process of the Council will help make it become part of the everyday achievement of objectives and service delivery.

Developing arrangements to assess the performance and delivery of risk management will be done on an ongoing basis through the Performance and Risk Management Officer Group.

## **8. Risk Management across the Council**

Other functions and activities of the Council also contribute to the Council's approach for managing risks and have a role within the Risk Management Framework. These are detailed below with a short description of their contribution to the Framework.

### **8.1 Internal Audit**

Internal Audit's role in risk management will be to provide independent assurance that:

- ? The risk management processes that management has put in place within the authority (covering all risk management processes at corporate, divisional, business unit, business process level, etc) are operating as intended.
- ? These risk management processes are of sound design.
- ? A sound framework of controls is in place to sufficiently mitigate those risks to an acceptable level.

Once Internal Audit have gained an understanding of the environment in which it operates it then uses its own audit risk matrix to assess all the elements of operation undertaken in order to determine where assurance needs to be given. An action plan is agreed to ensure that assurance is maintained into the future.

### **8.2 Audit and Governance Committee**

The role of the committee in relation to risk is to:

- ? Consider the overall effectiveness of the Council's corporate risk management arrangements and seeks assurances that action is being taken on risk related issues identified by internal and external.

### **8.3 Financial Risk Management**

Identification and management of risk is a key part of the Council's budget monitoring process. It highlights areas that need to be closely monitored and ensures that departments manage budgets and service delivery within the overall resource allocation. The Council's Financial Management Framework enables departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

### **8.4 Health and Safety**

Hartlepool Borough Council recognises and accepts the financial and legal responsibilities and duties which it has for the health, safety and welfare of its employees and others affected by the activities of the Council. In order to fulfil

these responsibilities the Council aims to continually improve health and safety performance by promoting healthy working and minimising where practicable the risk to people's health and welfare which may be affected by the activities of the Council.

As part of this commitment managers are expected to undertake suitable and appropriate risk assessments in relation to their areas of responsibility and ensure that suitable control measures are put in place where necessary to reduce risks to the health, safety and welfare of people who work on behalf of, or are affected by the activities, of the Council

The purpose of the Health and Safety Risk Management policy is to describe the Council's approach to minimising where practicable the risk to people's health, safety and welfare which may be affected by the activities of the Council and the arrangements for dealing with such matters.

### **8.5 Business Continuity (including ICT Disaster Recovery)**

Business Continuity is an important constituent of 'Risk Management' – the overall process by which risks are identified, evaluated and controlled, but more importantly should be recognised as an integral and fundamental aspect of the governance arrangements of the Council.

Business Continuity is a planned process aimed at managing and mitigating the varied operational risks inherent in the day-to-day activities involved in delivering services. The main purpose is to ensure the restoration and maintenance of priority services and activities following an unexpected disruption to normal working arrangements.

The Business Continuity Plan provides a management framework for dealing with events that lead to unexpected disruption. It provides a clear organisational response – combined with pro-active measures, to reduce interruption and avoid losses. Such measures will include systems for activating the response and recovery to the interruption of operations and coordinating the actions of staff. It is the continuity plan and staff who provide the primary defence in ensuring an organised and effective return to normality with minimal impacts on the community.

### **8.6 Insurance**

The Risk Framework also links to the Insurance Strategy which determines those risks where it is appropriate and normal business practice to arrange insurance cover to mitigate the financial impact of the risk occurring, such as property and vehicle insurance.

# FINANCE AND POLICY COMMITTEE REPORT



**Report of:** Corporate Management Team

**Subject:** QUARTER 1 – STRATEGIC FINANCIAL  
MANAGEMENT REPORT

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

## 2. PURPOSE OF REPORT

2.1 The purposes of the report are to inform Members of:

- i) 2013/14 Forecast General Fund Outturn;
- ii) Corporate Income Collection;
- iii) Progress in achieving the capital receipts target; and
- iv) Capital Programme Monitoring.

## 3. BACKGROUND AND REPORTING ARRANGEMENTS 2013/14

- 3.1 As part of the Peer Review action plan it was agreed to submit bi-monthly financial management reports to Members. The availability and reporting of accurate and up to date financial information will become increasingly important as future budget cuts are implemented and one-off resources are used up. This report outlines how this will be achieved.
- 3.2 This initiative was not implemented in 2012/13 owing to the timing of the Peer Review and the existing arrangements which were in place last year to manage the overall budget and report this information to Members. These arrangements achieved the required managed revenue underspend, which formed an integral component of the Council's strategy for managing financial risks.
- 3.3 The initial MTFS report for 2014/15 was submitted to the Finance and Policy Committee on 31st May 2013 and this report provided details of the provisional forecast outturn for 2013/14. This was a much earlier assessment of the forecast outturn than in previous years. Overall this assessment forecast an under spend of £1.1m. At that time no assessment of departmental forecast outturns had been prepared as it was too early in the financial year to assess

these areas. The first assessment of outturns for departmental budgets is provided in this report.

- 3.4 As reported in the initial MTFS report the forecast 2013/14 under spend (£1.1m), plus the uncommitted 2012/13 outturn (£0.680m), plus the uncommitted Equal Pay Provision (£0.860m) provide total forecast uncommitted resources of £2.640m in the current year. This Committee has previously determined to allocated these resources for a range of one-off commitments which will be included in the Budget and Policy proposals to be referred to full Council in February 2014 as follows:-

One-off commitments

- ? Business Rate risks £0.900m;
- ? Support of the Local Council Tax Support scheme £0.860m;
- ? Support of the 2014/15 Revenue budget £0.680m.

**3.5 Reporting arrangements 2013/14**

- 3.6 The Finance and Policy Committee reports will provide a comprehensive analysis of departmental and corporate forecast outturns, including an explanation of the significant budget variances. This is the first of these reports and the overall reporting timetable for 2013/14 is detailed in the following table:

	<b>Date of Finance and Policy Committee</b>
Financial Position : April 1st - 30th June	<b>23.8.13</b>
Financial Position : April 1st - 31st August	<b>18.10.13</b>
Financial Position : April 1st - 31st October	<b>20.12.13</b>
Financial Position : April 1st - 31st December	<b>14.2.14</b>

- 3.7 To enable a wider number of Members to understand the financial position of the Council and their service specific areas each Policy Committee will receive a separate bi-monthly report providing:
- ? a brief summary of the overall financial position of the Council as reported to the Finance and Policy Committee;
  - ? the specific budget areas for their Committee; and
  - ? the total departmental budget where this is split across more than one Committee. This information will ensure Members can see the whole position for the departmental budget.

**4. 2013/14 FORECAST GENERAL FUND OUTTURN**

- 4.1 As previously reported an initial assessment of the forecast 2013/14 outturn for a range of corporate budgets was completed and an initial underspend of

£1.1m forecast. These factors included lower utility costs, pay savings (including the in-year impact of the corporate restructure) and net interest savings consisting of lower borrowing costs for the 2012/13 capital programme owing to expenditure slippage and interest earned on cash investments in the current year.

- 4.2 In relation to the management of departmental budgets the Corporate Management Team is again seeking to achieve underspends to help address the significant financial challenges facing the next few years and to fund one-off commitments not provided for in the approved 2013/14 budget as these items were not known at the time. The Corporate Management Team will seek to achieve budget underspends through a combination of robust management actions, including;
- ? holding posts vacant, which will help reduce the number of compulsory redundancies required to balance the 2014/15 budget;
  - ? achieving planned 2014/15 savings earlier;
  - ? careful management of budgets to avoid expenditure where this does not have an adverse impact on services; and
  - ? savings in interest costs by taking advantage of current interest rates structures. As reported previously a comprehensive review of this area has been completed which secured a permanent budget saving of £1m from 2014/15 in interest and loan repayment costs.
- 4.3 After reflecting the above factors it is currently anticipated that there will be a year end underspend of £2.090m to £2.764m, which includes the initial forecast outturn of £1.1m. The range in the forecast outturn reflects seasonal and demand led budget which are difficult to predict after only 3 months of actual activity. These areas will be updated in future reports.
- 4.4 A range of additional one-off commitments have also been identified since the initial 2013/14 outturn forecast was reported including the creation of an income risk reserve for Hartlepool Maritime Experience and Building Control income shortfalls in 2014/15, residual Tall Ships costs, a shortfall in the 2013/14 planned People Collaboration savings and a contribution towards the Capital Risk strategy. When account is taken of these commitments and the earmarking of the initial forecast outturn of £1.1m (as detailed in paragraph 3.4) it is anticipated there will be a net uncommitted underspend of between **£19,000 and £693,000**. These initial forecast outturns need to be seen in the context of the complexity of managing a gross General Fund budget (excluding the cost of Housing and Council Tax benefits) of **£162m**. Details of the forecast outturn are provided in **Appendix A** and summarised in the table overleaf, together with the changes from the initial forecast outturn.

<b><u>Summary of updated forecast outturn 2013/14</u></b>	<b>Worst case £'000</b>	<b>Best Case £'000</b>
Initial Forecast outturn reported 31 <sup>st</sup> May 2013 (as detailed in paragraph 3.3)	1,100	1,100
Departmental Managed underspends  Range reflects seasonal and demand led budgets which are difficult to predict after only 3 months of actual activity and will be updated in future reports. Details of forecast Departmental Outturns are provided in Appendices B to D, which includes details of the main reasons for the forecast underspends.	779	1,118
New Homes Bonus  In 2013/14 the Council will receive a one-off refund in respect of grant funding top sliced from the national Local Government funding pot to pay for the New Homes Bonus payments in 2012/13, which were lower than anticipated by the Government.  As part of the update of the MTFS considered by Members on 2 <sup>nd</sup> August 2013 this amount has been earmarked towards the strategy to manage capital risks.	211	211
Property Running Costs  The budget for this area is £3m and covers the running costs for all Council buildings i.e. gas, electricity, rates and repairs.  Worst case forecast outturn is an overspend of £0.2m and reflects anticipated seasonal expenditure if there is a requirement for increased maintenance and energy during the winter months. Best case shows that this would not be required.	(200)	135
Corporate Budgets  The increase reflects a more detailed assessment of forecast net interest costs for 2013/14 based on actual activity to June 2013 and anticipated interest rates for the remainder of 2013/14.	200	200
<b>Sub-total</b>	<b>2,090</b>	<b>2,764</b>
<b>Less One-off commitments</b>		
Initial commitments reported 31 <sup>st</sup> May 2013 (as detailed in paragraph 3.4)	(1,100)	(1,100)
Additional one-off commitments (as detailed in Appendix A)	(851)	(851)
Contribution to specific departmental reserves (as detailed in section 5).	(120)	(120)
<b>Net Forecast uncommitted resources</b>	<b>19</b>	<b>693</b>

- 4.5 The higher forecast outturn is dependant on the actual impact of seasonal and demand led departmental budgets which are uncertain at this early stage of the financial year. Therefore, at this stage it is not recommended that this amount is committed until the position is more certain for these areas.
- 4.6 In addition, the usage of this forecast underspend will also need to be considered in the context of the actual grant cuts for 2014/15 and 2015/16. A 'technical consultation' document issued by the Department for Communities and Local Government on 25<sup>th</sup> July 2013 on the 'Local Government Finance Settlement 2014/15 and 2015/16' outlined a number of proposals which may mean the actual grant cuts are higher than the MTFS forecasts. At the time this report was prepared a detailed assessment of these proposals had not been completed as the Council has until 2<sup>nd</sup> October 2013 to respond. A detailed report on these proposals will be reported to a future meeting to enable Members to approve the Council's response to this consultation and to update Members on the potential impact of the proposals.

## 5. Creation of Departmental Reserves

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

Department	£'000
<b>Regeneration &amp; Neighbourhoods</b>	
<u>Social Housing Major Repairs Reserve</u>  In line with the approved business case for this project, annual contributions funded from rental income need to be made to this reserve to fund future planned repairs to these properties to ensure houses remain in a good state of repair and the Council does not face unbudgeted repair costs in future years. Thereby avoiding the repeat of underfunding of maintenance issues under the former HRA system.	120
<b>Total Creation of Reserves to Quarter 1</b>	<b>120</b>

## 6. Impact of 2013/14 Outturn on Statement of Accounts

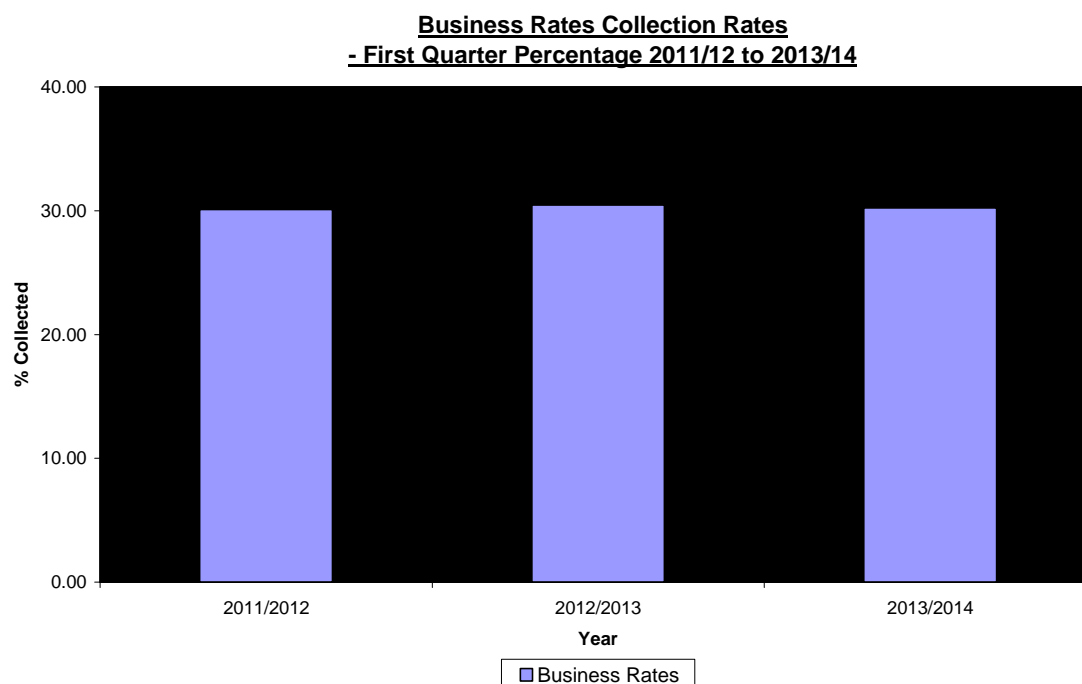
- 6.1 The Council is a complex organisation and the previous paragraphs provide an overview of the Council's financial position based on service and operational management arrangements. The management accounts provide financial accountability and transparency for different operational areas during the financial year. It also enables Members to make strategic financial decisions on individual operational areas to reflect specific funding requirements and service needs, as outlined in the previous paragraphs.



- 6.2 Where the Council is in receipt of specific grants but will not spend these in the current year the balances are transferred to earmarked reserves and included in the year outturn position. It is too early in the financial year to anticipate where this situation may arise and which individual grants will be affected. Details will be included in future reports when this information is available.
- 6.3 At the year end the statutory Financial Accounts consolidate this information to provide a summary of the overall financial position. The presentation of the statutory Financial Accounts follows defined international accounting practices which are designed to enable comparisons to be made between different councils.
- 6.4 These arrangements present financial information in a different way, although the underlying figures are the same. A reconciliation of the projected management accounts and statutory accounts will be provided in a future report when the outturn position is clearer, particularly the position in relation to departmental outturns for seasonal and demand led budgets.

## **7. Corporate Income Collection**

- 7.1 The 2013/14 Medium Term Financial Strategy report advised Members that significant changes were implemented with effect from 1<sup>st</sup> April 2013 to re-localise Business Rates and implement Local Council Tax Support schemes. As a result of these changes approximately 45% (i.e. £44 million) of the net General Fund budget is funded from a combination of Business Rates and Council Tax collected locally. The following paragraphs provide more information on the impact of these changes and also progress in collecting Sundry debts.
- 7.2 **Business Rates Income**
- 7.3 The re-localisation of Business Rates is a significant additional financial risk for Local Authorities to manage as 50% of any shortfall arising from either non payment by businesses, or reductions arising from the Valuation Office re-assessing rateable falls on individual authorities. A 'safety net' system is in operation, although this only compensates authorities for any shortfalls above 7.5% of the safety net figure. Prior to 2013/14 any shortfall in Business Rates collected was funded at a national level from the overall Business Rates pool.
- 7.3 Whilst, collecting business rates has always been an important responsibility and the Council has typically collected 98% in year (national average 97.1% for unitary and metropolitan councils), the changes implemented in April make this an even more important issue for the Council.
- 7.4 In terms of the overall Business Rates collection rate, at the 30<sup>th</sup> June 2013 this is down slightly by 0.22%, compared to the same period last year, as summarised in the graph below

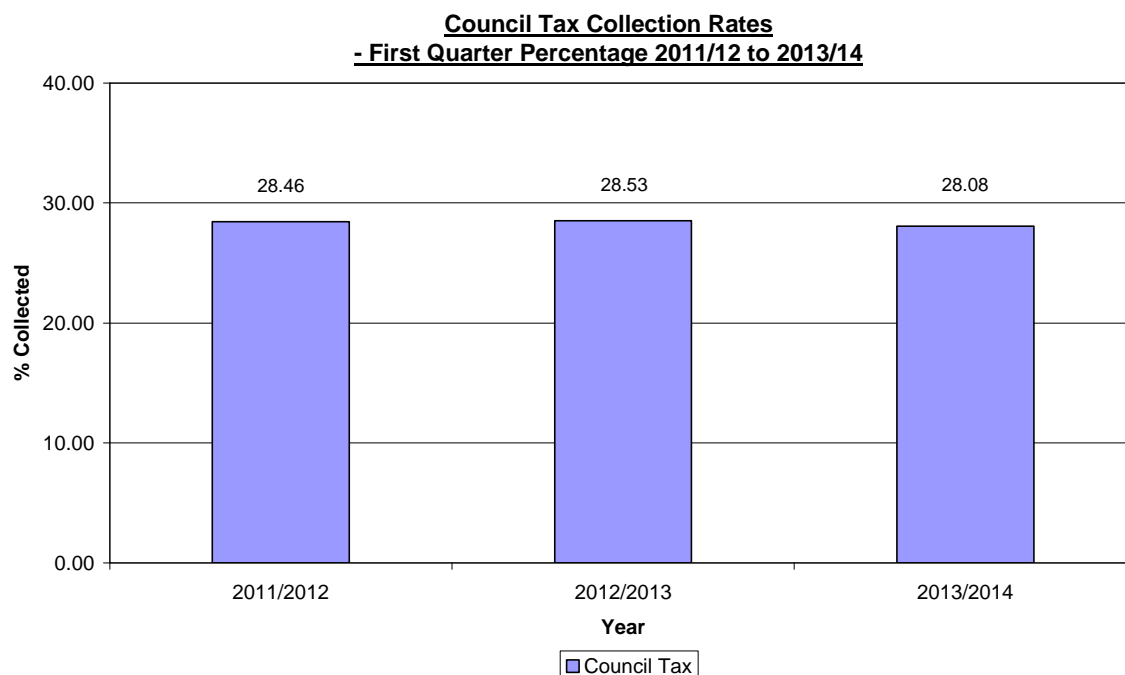


## 7.5 Council Tax

7.6 As a result of the requirement for Local Authorities to implement Local Council Tax Support schemes, with 10% less funding nationally, the Council needs to collect approximately £650,000 of Council Tax from 8,500 household in 2013/14. This is a significant additional workload as 6,000 of the households affected did not previously receive a Council Tax bill as they previously received 100% Council Tax benefit.

7.7 Of those households affected by the council tax support changes 60% have either paid in full or are paying regularly their 2013/14 council tax bill. By the end of July, the other 40% of households will have all been the subject of court action and in most of these cases a weekly deduction will be made from their DWP welfare benefits to clear the debt.

7.8 In terms of the overall Council Tax collection rate, at the 30<sup>th</sup> June 2013 this is down slightly by 0.45%, compared to the same period last year, as summarised in the graph below. This position reflects the impact of the local tax support scheme and the associated challenge of recovering council tax from those affected by the national welfare policy changes, as well as from the introduction of new government regulations that allow households to choose to spread the payment of their Council Tax over 12 months rather than over 10 months as applied in previous financial years.

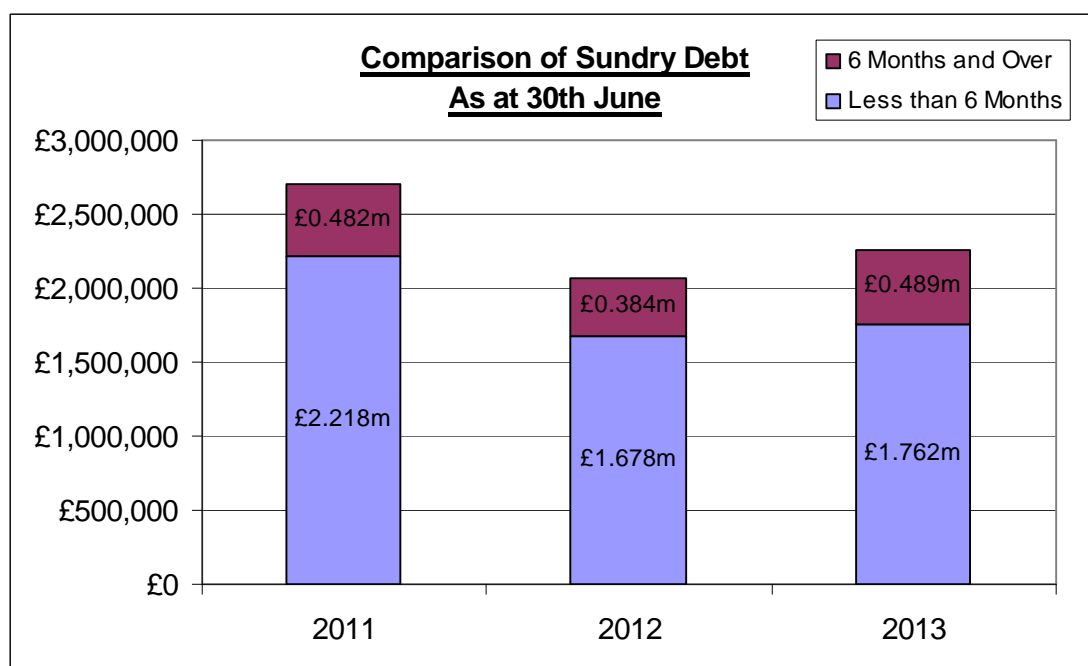


7.9 This council tax collection performance position reflects the Council's comprehensive strategy for engaging with households to explain the changes, how households would be financially affected, the increased efforts of staff, and the options and flexibilities offered by the council on paying the amount due. It is worth noting the number of Council Tax reminders issued has increased from 5,500 at this stage last year to 8,900, similarly the number of Council Tax summons issued has increased from 2,000 to 3,600. Therefore, whilst overall collection rates are broadly unchanged it is more difficult to collect this income. It is understood that other North East councils are facing similar challenges and it is hoped that comparative information can be reported to a future meeting.

#### 7.10 Sundry Debts

7.11 The Council also collects significant Sundry Debts income for the payment of services provided by the Council. Robust procedures for collecting this debt and the position at 30<sup>th</sup> June 2013 is summarised below. In total £23.6m of sundry debts were raised in 2012/13. To date £23.3m (98.7%) of this amount has been collected.

7.12 Robust procedures for collecting any remaining outstanding debt are in place. The following graph shows the comparable positions at 30<sup>th</sup> June for the last three years for this long term debt and current debt which has been outstanding for less than six months: -



Total debt as at 30th June was £2.251m, of which 78% (£1.762m) relates to current debts which are less than 6 months old. The remaining debts total £0.489m; of this amount, 99% is under recovery action and 1% is unrecoverable and is pending write off (£0.004m).

## 8. Progress against Capital Receipts Target

- 8.1 A substantial amount of work has been undertaken to identify surplus land and property within the Council's portfolio. A capital receipts target of £4.5m was approved as part of the 2012/13 MTFS and increased to £6.5m when account is taken of the Brierton scheme.
- 8.2 Previous MTFS reports highlighted that achieving this level of capital receipts in the current climate will be challenging and need careful management. If capital receipts are not achieved as forecast, costs will need to be funded from Prudential Borrowing. This would result in an unbudgeted revenue cost.
- 8.3 A detailed report on the progress of achieving the capital receipts target will be reported to a future meeting.
- 8.4. The existing capital receipts targets exclude the impact of the decision to purchase Jacksons Landing to facilitate the development of this site. In the short-term this is not a financial risk as the Council has received an interest free 'Growing Places' loan for this project. Proposals detailed in the MTFS update report on 2<sup>nd</sup> August 2013 outline measures to partly mitigate the financial risks of achieving the existing capital receipts target and / or the re-development of Jacksons Landing before the 'Growing Places' loan needs to be repaid.

## 9 Capital Monitoring 2013/14

9.1 The 2013/14 MTFS set out planned capital expenditure for the period 2013/14 to 2015/16.

9.2 Expenditure for all departments is summarised in the table below.

Department	2013/14 Budget	2013/14 Actual to 31/12/2012	2013/14 Remaining Expenditure	2014/15 Re-phased Expenditure	2013/14 Variance from budget Adverse/ (Favourable)
	£'000	£'000	£'000	£'000	£'000
Child & Adult Services	10,977	492	10,485	0	0
Chief Executive	102	0	102	0	0
Corporate	1,697	16	1,681	0	0
Regeneration & Neighbourhoods	26,498	3,443	21,348	1,707	0
<b>Total Capital Expenditure</b>	<b>39,274</b>	<b>3,951</b>	<b>33,616</b>	<b>1,707</b>	<b>0</b>

9.3 The Table above shows actual expenditure to 30<sup>th</sup> June 2013 of £3.951m compared to the budget of £39.274m leaving £33.616m to be spent in 2013/14. At this stage anticipated expenditure and resources of £1.707m will be re-phased into 2014/15. This primarily relates to the procurement of vehicles some of which have been deferred as a result of extending the useful life of existing vehicles before they are replaced in order to generate operational savings.

9.4 As indicated in previous reports there is a longer lead in time for capital schemes and therefore it is not unusual for expenditure to be low in the first quarter, as the profile of expenditure for many of the schemes is usually in the second half of the year.

9.5 More detailed information on individual capital projects will be reported to the October Finance and Policy Committee.

## 10. Conclusion

10.1 As reported in the MTFS update report on 2<sup>nd</sup> August 2013 the Council is facing greater financial challenges over the next three years than it has faced since becoming a unitary authority in 1996.

10.2 The initial assessment of the forecast outturn reported in May 2013 enable Members to begin to address these issues by earmarking one-off resources to support the 2014/15 budget, support the development of the Local Council Tax Support Scheme for 2014/15 to 2016/17 and to earmark resources to manage Business Rates risks, particularly in relation to the Power Station.

10.3 This report provides an update of the initial outturn forecasts for 2013/14, which includes forecast departmental budget underspends as a result of continued action by the Corporate Management Team to manage budgets. In addition, a

range of additional one-off expenditure commitments have also been identified. When account is taken of these changes it is currently forecast that there will be an uncommitted underspend at the year end of between **£19,000 and £693,000**. The range reflects the impact of seasonal and demand led budgets, which are difficult to predict after only three months actual activity.

10.4 At this stage it is not recommended that this amount is committed until the position is more certain for these areas. In addition, further work is needed to assess the impact of consultation proposals issued by the Government on 25<sup>th</sup> July 2013 in relation to the 2014/15 and 2015/16 Local Government Settlements and the impact this has on the MTFS forecasts.

10.5 In relation to collection of Business Rates and Council Tax in 2014/15 these issues are impacted by the significant changes implemented in April 2013. At the 30<sup>th</sup> June 2013 collection rates for the current year after recognizing the council tax support policy changes and the ongoing difficult economic climate compare favourably with same period last year, as summarised below:

	<b>30.06.12</b>	<b>30.06.13</b>
Business Rates collected	30.47%	30.25%
Council Tax Collected	28.53%	28.08%

## 11. RECOMMENDATIONS

11.1 It is recommended that Members:

- i) Note the report;
- ii) Defer a decision on the potential use of the forecast uncommitted outturn of £19,000 to £693,000 until the position on demand lead/seasonal budget is more certain and the actual 2014/15 Local Government Finance Settlement is known.

## 12. REASONS FOR RECOMMENDATIONS

To update the Finance and Policy Committee on the Council's financial position and to enable Members to make decisions as part of the overall budget process for 2014/15 later in the year.

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

Appendices A to D provide detailed financial information on the Councils revenue budgets.

**14. BACKGROUND PAPERS**

Medium Term Financial Strategy Report referred to Finance and Policy Committee 31<sup>st</sup> May 2013 and 2<sup>nd</sup> August 2013.

**15. CONTACT OFFICER**

Chris Little  
Chief Finance Officer  
[Chris.little@hartlepool.gov.uk](mailto:Chris.little@hartlepool.gov.uk)  
01429 523003

Budget	Description of Expenditure	June Projected Outturn Adverse/ (Favourable) Worst Case	June Projected Outturn Adverse/ (Favourable) Best Case	Comments
£'000		£'000	£'000	
31,516	Adult Committee	(234)	(234)	Underspends predominantly owing to staffing costs offset by demographic pressures for services
21,210	Child Committee	87	38	Overspend predominantly relates to Children and Families pressures. The range reflects the highly unpredictable and differing care needs within this area.
2,749	Regeneration Committee	90	90	Overspend predominantly linked to shortfall against income projections for Culture and Leisure facilities
<b>55,475</b>	<b>Total Child &amp; Adult</b>	<b>(57)</b>	<b>(106)</b>	
2,466	Finance & Policy Committee	30	(20)	Staffing underspends £100k, Functions Catering deficit £90k and worst case Building Cleaning deficit £20k and Licensing income shortfall £20k.
1,965	Regeneration Committee	(20)	(70)	Favourable variance of £120k relating to the planned contribution to the Major Repairs Reserve on Social Housing. Markets income shortfall £60k and worst case £40k Development Control income shortfall which exceeds the reserve.
17,661	Neighbourhoods Committee	(220)	(410)	Waste (recycling income and falling tonnages) £210k favourable, Concessionary Fares renegotiation £100k favourable, Car Parking £120k Adverse (Rates and Income shortfall), Fleet Trading Surplus £30k. The higher forecast outturn reflects a higher potential underspends on Waste, Fleet Trading and Home to School Transport.
<b>22,092</b>	<b>Total Regeneration &amp; Neighbourhoods</b>	<b>(210)</b>	<b>(500)</b>	
4,684	Finance & Policy Committee	(512)	(512)	£200k Housing Benefit Subsidy, £70k Advanced 14/15 savings, £240k staffing vacancies, incremental drift, maternity leaves
<b>4,684</b>	<b>Total Chief Executive</b>	<b>(512)</b>	<b>(512)</b>	
<b>82,251</b>	<b>Sub-Total Departmental Budgets</b>	<b>(779)</b>	<b>(1,118)</b>	
(1,188)	Additional New Homes Bonus Grant	(211)	(211)	This is a one-off refund of resources previously top-sliced from the national Revenue Support Grant to pay for this initiative as New Homes Bonus payments were less than forecast by the Government.
3,058	Property Running Costs	200	(135)	Worst case scenario reflects demand led and seasonal budget fluctuations.
9,731	Corporate Budgets	(1,300)	(1,300)	As reported on 31st May 2013 and initial assessment of Corporate budgets indicated an forecast underspend of £1.1m. The update forecast is a £1.3m underspend and the increase reflects a more favourable outturn for net interest costs.
<b>11,601</b>	<b>Total Corporate</b>	<b>(1,311)</b>	<b>(1,646)</b>	
<b>93,852</b>	<b>Sub-Total Corporate &amp; Departmental carried forward to next page</b>	<b>(2,090)</b>	<b>(2,764)</b>	



Budget	Description of Expenditure	June Projected Outturn Adverse/ (Favourable) Worst Case	June Projected Outturn Adverse/ (Favourable) Best Case	Comments
£'000		£'000	£'000	
93,852	<b>Sub-Total Brought Forward</b>	<b>(2,090)</b>	<b>(2,764)</b>	
	<b><u>Commitments to be funded from forecast underspend</u></b>			
	Commitments agreed MTFS 31.05.13	1,100	1,100	This amount is part of an overall funding package of £2.64m, which is earmarked to support the 2014/15 budget £0.680m, Local Council Tax Support Scheme £0.860m and manage the Power Station Business Rates risk £0.9m.
	Proposed income risk reserve ( Hartlepool Maritime Experience/ Building Control 2014/15)	200	200	In the current year 2013/14 these adverse income trends have been covered within the forecast Departmental outturns detailed above. As these underspends cannot be relied upon in 2014/15 it is recommended that a reserve is established from the 2013/14 overall outturn to offset these shortfall in 2014/15. In the event these trends continue beyond 2014/15 a permanent strategy for addressing these shortfalls will need to be developed as part of the 2015/16 budget.
	Tall Ships Settlement	110	110	Members will recall that when the estimated financial outturn for this event was reported a risk reserve was established to fund the finalisation of outstanding financial issues. These issues have recently been resolved and the final outturn totals £0.197m which is £0.110m more than the available risk reserve.
	Council Tax - HMR Empty Properties	80	80	These costs relate to Council Tax paid on properties purchased by the Council. There will be a corresponding benefit to the Collection Fund at the end of 2013/14, which will either feed through as a Collection Fund Surplus for the 2014/15 budget setting, or a lower Collection Fund deficit.
	People Collaboration Savings Shortfall	250	250	This proposed saving will not now been achieved and in 2013/14 needs to be offset by managed underspends on other budgets. This issue has been addressed in the 2014/15 budget update.
	Contribution towards Capital Risk Strategy	211	211	As reported in the MTFS update on 02.08.13 the one-off New Homes Bonus grant is earmarked towards the strategy for funding ongoing capital risks.
	Creation of Departmental Reserves as per Section 5	120	120	
93,852	<b>Net uncommitted forecast outturn</b>	<b>(19)</b>	<b>(693)</b>	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2013/14 as at 30th June 2013

## Overview:

Approved 2013/2014 Budget  £'000	Description of Service Area	June		Director's Explanation of Variance
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case £'000	
Adult Committee				
0	Adult Education	0	0	
148	Carers & Assistive Technology	4	4	
3,596	Commissioning-Adults	(38)	(38)	
1,458	Commissioning-Mental Health	(46)	(46)	
10,126	Commissioning-Older People	130	130	This outturn projection is owing to continuing demographic pressures for Older People both in residential care and non-residential settings.
7,625	Commissioning-Working Age Adult	126	126	This outturn projection is owing to an increase in complex packages for individuals in the community.
183	Complaints & Public Information	0	0	
1,240	Departmental Running Costs	(68)	(68)	
1,173	Direct Care & Support Team	(150)	(150)	This favourable outturn relates to staffing underspends in this area. This area is volatile and can be impacted by external activity generated by hospital discharges.
375	LD & Transition Social Work	0	0	
2,332	Locality & Safeguarding Teams	(115)	(115)	This favourable outturn relates to staffing underspends in this area.
630	Mental Health Services	(49)	(49)	
1,081	OT & Disability Equipment	(28)	(28)	
367	Workforce Planning & Dev	0	0	
1,182	Working Age Adult Day Services	0	0	
31,516	Adult Committee Sub Total	(234)	(234)	
Children's Committee				
11,647	Children & Families	106	106	The outturn projection range reflects the highly unpredictable different care needs for Children and Families. The pressure is reduced by 2 high cost, complex cases coming to an end. This area is regularly reviewed to take into account the volatile nature of packages of care around individual children.
6,243	Early Intervention Services	0	0	
57	Information, Sharing & Assessment	0	0	
0	Play & Care	27	27	
462	Youth Offending Service	(76)	(76)	This favourable outturn relates to staffing underspends in this area.
506	Youth Service	0	0	
118	Access to Education	0	(20)	
734	Central Support Services	0	0	
520	Other School Related Expenditure	0	0	
503	Raising Educational Achievement	26	5	Children's Services Software Licence costs are greater than budgeted.
267	Special Educational Needs	0	0	
153	Strategic Management	4	(4)	
21,210	Children's Committee Sub Total	87	38	

Approved 2013/2014 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case £'000	Director's Explanation of Variance
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<b>Regeneration Committee</b>				
22	Archaeology Services	0	0	
115	Community Centres	(3)	(3)	
478	Cultural Services	91	91	The adverse outturn projection predominantly relates to income shortfalls at the Historic Quay and Borough Hall.
6	Grants to Community & Voluntary Organisations	0	0	
1,245	Libraries	2	2	
883	Sports, Leisure & Recreational Facilities	0	0	
<b>2,749</b>	<b>Regeneration Committee Sub Total</b>	<b>90</b>	<b>90</b>	
<b>55,475</b>	<b>Total Child &amp; Adult Services</b>	<b>(57)</b>	<b>(106)</b>	

#### PLANNED USE OF RESERVES

The above figures include the 2013/2014 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2013/2014 Budget £'000	Description of Service Area	Planned Usage 2012/2013 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Adult Committee</b>				
30	PCT Carers into Employment	30	0	
40	PCT Carers Funding	40	0	
110	Social Care Delayed Hospital Discharges	110	0	
15	Physical Activity - Sports & Leisure	15	0	
<b>195</b>	<b>Adult Committee Sub Total</b>	<b>195</b>	<b>0</b>	
<b>Children's Committee</b>				
247	Schools Transformation Team	201	(46)	
106	Education Psychology	0	(106)	External Income generation means that the Reserve will not be required this year.
<b>353</b>	<b>Children's Committee Sub Total</b>	<b>201</b>	<b>(152)</b>	
<b>MEMO:-</b>				
<b>74,831</b>	<b>Dedicated Schools Grant</b>	<b>(109)</b>	<b>(132)</b>	Ring-Fenced underspends against LA element of DSG

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2013-14 - as at 30th June, 2013

## Overview:

Approved 2013/2014 Budget  £'000	Description of Service Area	June		Budget Holders Comments
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case  £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case  £'000	
Finance & Policy Committee				
1,068	Strategic Management, Admin & Service Development	0	0	The favourable variance reflects staffing underspends in this area.
(18)	R&N Central Budgets Savings	(100)	(100)	
605	Consumer Services	20	0	
(84)	Logistics	0	0	There is a possibility that additional income generated from various external works will result in a favourable variance at year end, however it is too early to predict an outturn at this stage.
70	Procurement and Reprographics	0	0	
(82)	Property Management	0	0	
100	Asset Management	0	0	
(139)	Building Consultancy	0	0	
27	Facilities Management - Functions Catering	90	80	This variance represents the projected deficit on the Functions Catering service. The future provision of Functions Catering is currently under review. Overheads total £70k and the current projection assumes that these overheads will continue to be incurred in 2013/14.
97	Facilities Management - School Catering	0	0	
38	Facilities Management - Building Maintenance	0	0	
215	Facilities Management - Other	0	0	
569	Facilities Management - Building Cleaning	20	0	
2,466	Finance & Policy Committee Sub Total	30	(20)	
Regeneration Committee				
2	Environmental Protection	0	0	
(85)	Environmental Standards	60	60	This adverse variance relates to the Markets income shortfall which is expected to be in line with previous years.
(68)	Building Control	150	100	
0	Building Control - release of Corporate Income Shortfall Reserve as per the MTFS	(150)	(100)	Projections still indicate that there is likely to be up to a £150k shortfall. This budget is less affected by large scale developments and small scale or domestic work is reducing. Any variance is expected to be covered by the Income Shortfall Reserve in 13/14 (see reserves below) and a pressure of £150k has been identified for future years which CMT would like to review.
392	Planning Services	150	0	
0	Planning - release of Corporate Income Shortfall Reserve as per the MTFS	(110)	0	This variance relates to Development Control income. Best case estimate is that we will achieve the budgeted level of income, however if some developments don't go ahead there could be a shortfall of up to £150k. This is a volatile area and will be monitored closely each month. Any variance is expected to be covered by the Income Shortfall reserve in 13/14 (see reserves below).
637	Housing Services	0	0	
0	Reserve to fund shortfall on Building Control Income as per the MTFS.			
0	Reserve to fund shortfall on Development Control Income as per the MTFS.			

Approved 2013/2014 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	Budget Holders Comments
£'000		£'000	£'000	
<b>Regeneration Committee</b>				
0	Social Housing	(120)	(130)	This variance relates to a planned contribution to the Major Repairs Reserve in line with the approved business model for this scheme.
82	CADCAM	0	0	
1,005	Economic Regeneration	0	0	
(0)	Economic Regeneration - External Funding	0	0	
<b>1,965</b>	<b>Regeneration Committee Sub Total</b>	<b>(20)</b>	<b>(70)</b>	
<b>Neighbourhood Committee</b>				
(24)	Cemetery and Crematoria	0	0	
417	Parks & Countryside	0	0	
33	Allotments	0	0	
17	Neighbourhood Management	0	0	
837	Neighbourhood Forum (N&C) - including Community Pool	0	0	
853	Neighbourhood Forum (S&C) - including Community Safety	0	0	
(670)	Car Parking	120	100	This projection assumes an overspend on Rates and the worst case scenario is based on a shortfall in income. This position will be closely monitored each month.
497	Engineering Services	0	0	It is possible that this area generates additional income again this year owing to the continuation of schemes which lead to a surplus in 12/13. However it is still considered to be a volatile area and it is too early to predict an outturn at this stage.
1,944	Grounds Maintenance	0	0	
1,905	Highway Maintenance and Insurance	0	0	
(210)	Highways Trading	0	0	
493	Highways Traffic & Transport Management	0	0	
1,409	ITU Passenger Transport	0	(70)	The favourable variance projected relates to potential additional grant funding received in relation to Home to School Transport budgets.
239	ITU Road Safety	0	0	
0	ITU Strategic Management	0	0	
(194)	ITU Vehicle Fleet	(30)	(40)	Projection is based on the extra income which is expected to be generated from recharging vehicles to Palm under the new Waste Collection contract.
(2)	NDORS (National Driver Offender Rehabilitation Scheme)	0	0	
1,196	Network Infrastructure	0	0	
0	Section 38's	0	0	
2,349	Sustainable Transport	(100)	(100)	Variance is as a result of a successful negotiation process with the providers where the new reimbursement methodology was not as costly as expected. Another factor was a drop in passenger numbers which is expected to continue. £100k has been offered up as part of review of pressures from 13/14 onwards and the remaining £100k is expected to be offered up from 14/15 onwards. This variance assumes the replacement bus pass provision is covered by the reserve created in 11/12.

Approved 2013/2014 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case  £'000	Projected Outturn Variance - Adverse/ (Favourable) Best Case  £'000	Budget Holders Comments
<b>Neighbourhood Committee</b>				
1,769	Street Cleansing	0	0	
4,803	Waste & Environmental Services	(210)	(300)	This variance is after the agreed £90k contribution to Capital to support work at the Household Waste Recycling Centre. The favourable variance forecast relates to an underspend on Waste Disposal as the volume of residual waste continues to fall, along with a favourable variance on income collected from Recyclable materials . Further work is ongoing to assess the sustainability of income generated to date.
17,661	<b>Neighbourhood Committee Sub Total</b>	(220)	(410)	
22,092	<b>Regeneration and Neighbourhoods Total - (before Creation of Reserves)</b>	(210)	(500)	

<b>Creation of Reserves</b>				
0	Social Housing - Creation of Reserve	120	120	Contribution to the Major Repairs Reserve in line with the approved business model for the Empty Homes Project.
22,092	<b>Regeneration and Neighbourhoods Total - Net of Reserves</b>	(90)	(380)	

#### **PLANNED USE OF RESERVES**

The above figures include the 2013/2014 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved 2013/2014 Budget £'000	Description of Service Area	Planned Usage 2013/2014 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Finance &amp; Policy Committee</b>				
20	Fleet	20	0	
45	Passenger Transport	45	0	
40	Plant/Equipment	40	0	
<b>Regeneration Committee</b>				
39	Cad cam	39	0	
23	Connect to Work	23	0	
4	Job Smart Test Centre	4	0	
200	Seaside Grant	200	0	
27	Baden Street	27	0	
94	High Street Innovation Fund	94	0	
25	Furniture	25	0	
10	Worksmart	10	0	
93	Selective Licensing	93	0	
51	Housing Public Health	51	0	
17	Community Pool	17	0	
15	Specialist Domestic Violence	15	0	
19	Team Around Household	19	0	
20	Ward Profiles/Rural Plan	20	0	
<b>Neighbourhood Committee</b>				
50	Winter Maintenance	50	0	
23	Community Safety	23	0	
50	Engineering & Design	50	0	
16	Speed Cameras	16	0	
25	Bikeability	25	0	
906	<b>Total</b>	906	0	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2013/14 as at 30th June 2013

## Overview:

Approved 2013/2014 Budget	Description of Service Area	JUNE		Director's Explanation of Variance
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	
£'000		£'000	£'000	
<b>Finance and Policy Committee</b>				
1,070	Corporate Finance	(50)	(50)	
(635)	Benefits	(26)	(26)	
(1,558)	Central Administration Recharges	0	0	
955	Hartlepool Connect	(135)	(135)	
927	Corporate Strategy & Public Consultation	(78)	(78)	
32	Housing Benefits Subsidy	(200)	(200)	The Housing Benefit budget generates £46 million in subsidy. The projected variances have been calculated using the initial estimate submitted to the DWP. A further assessment of the claim will be made at the mid-year estimate and outturn projection adjusted accordingly.
187	Democratic	0	0	
127	Fraud	(30)	(30)	
553	Human Resources & Health and Safety	10	10	
227	Internal Audit	0	0	
496	Legal Services	0	0	
184	Municipal Elections and Registration of Electors	0	0	
77	Other Office Services	39	39	The adverse variance is owing to a reduction in Local Land Searches.
83	Public Relations	0	0	
(96)	Registration Services	0	0	
875	Revenues	0	0	
(84)	Revenue & Benefits Central	0	0	
745	Shared Services	(10)	(10)	
122	Support to Members	0	0	
37	Training & Equality	(15)	(15)	The favourable variance is owing to reduced expenditure on supplies and services.
360	Corporate Management Running Expenses	(17)	(17)	This favourable variance is predominantly owing to the central Council subscription budget not being fully required.
<b>4,684</b>	<b>Finance and Policy Total (Before Creation of Reserves)</b>	<b>(512)</b>	<b>(512)</b>	

## PLANNED USE OF RESERVES

The above figures include the 2013/2014 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2013/2014 Budget £'000	Description of Service Area	Planned Usage 2013/2014 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Finance and Policy Committee</b>				
62	Finance - IT Investment	62	0	
20	Finance R & B	20	0	
20	Finance - IT Developments R&B	16	(4)	
10	Finance R & B - Corporate Booking System	10	0	
10	Finance R & B - Software Projects	10	0	
131	Chief Executive's Department Ring Fenced Grants	131	0	
55	Corporate Strategy - ICT System Development	55	0	
3	Finance R & B - FSM System	1	(2)	
20	Resource Investment - HR	18	(2)	
8	Corporate Strategy - Corporate Consultation	8	0	
4	Corporate Strategy - Enhancing Council Profile	4	0	
20	Finance - Accountancy Section	0	(20)	This amount is no longer required, this will be reflected in the reserve review report in September.
15	Contact Centre	15	0	
10	Registrars	15	5	
13	Corporate Strategy - Working from Home Surplus	13	0	
10	Hartlepool Partnership	10	0	New reserve created in 2012-13 to support the Household Survey.
<b>411</b>	<b>Total</b>	<b>388</b>	<b>(23)</b>	



# FINANCE AND POLICY COMMITTEE

23 August 2013



**Report of:** Assistant Director Child and Adult Services  
(Community Services)

**Subject:** REVIEW OF CIVIC LOTTERY FUND AND MINOR  
AWARDS

## 1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non Key Decision.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to advise Members of a number of options for the future administration and the responsibility for the Civic Lottery and the restrictions placed upon disbursement of Civic Lottery funds by the Secretary of State. In addition, the report gives options for clarity on additional existing small grants funds related to the Community Pool.

## 3. BACKGROUND

3.1 From 1977 until 1982 a Civic Lottery was promoted by Hartlepool Borough Council, and a Civic Lottery Fund was established, the original objective being to raise monies for leisure, recreational or environmental projects. The Civic Lottery ceased in 1982 and restrictions apply to any expenditure of the capital reserve without specific Secretary of State approval. The Civic Lottery Grants Fund is composed of annual interest earned from the capital investment. Interest is credited to this fund using either the interest rate earned on the Council's investments, or the average interest rate paid on the Council's long term borrowings, whichever is the highest. The total funding available for distribution in 2013/2014 is £17,023. The capital investment (£427,000) remains untouched.

3.2 In 1989 approval was given by the Secretary of State for an amendment in the Civic Lottery, to include the provision of grants to local charitable organisations. Consent was also given for an increase in the maximum amount that could be awarded from the Civic Lottery from £500 to £2,000 to any one beneficiary. Any further departures from the current criteria would also require consent from the Secretary of State.

#### 4. CURRENT CRITERIA OF THE CIVIC LOTTERY

The current eligibility criteria for assistance from the Civic Lottery Fund are detailed below:

<b>Civic Lottery Grants Fund</b>	<b>Eligibility criteria</b>
What can the fund be used for?	Leisure, recreational or environmental projects <b>(Secretary of State reserved matter)</b>
Who can apply for funding?	Groups, charitable organisations or individuals supported by a club/organisation who are based in Hartlepool <b>(Secretary of State reserved matter)</b>
How often can applications be made?	Applicants are currently restricted to applying for assistance only once every 12 months.
How often are applications considered?	Three times each financial year in order that an overall view of applications across the financial year can be obtained.
Who makes the decision regarding the application?	Under the Mayor & Cabinet constitution the decision was made by Cabinet Grants Sub Committee or Cabinet. In the Leader and Committee system the most appropriate Committee is currently the Finance & Policy Committee. The decisions are currently based on a report with recommendations presented by officers who have considered the current eligibility criteria as guidance.
How much can groups apply for?	The maximum amount of grant allocated is restricted to £2,000. <b>(Secretary of State reserved matter)</b>
What are the terms and conditions attached to the grants?	Grants must be claimed within one year of their approval.  Funding will not be paid out until receipts for the expenditure of the grant have been provided.
Are there any special criteria for team applications?	Teams must comprise a majority of residents from areas of disadvantage as identified by the 2011 Census.  Grants of up to £200 per team or band and <u>up to a maximum of £300 per group</u> may be awarded as a contribution towards running costs.  Grant aid should not be used to establish new teams.  Applications for equipment will not be supported, i.e. the purchase of strips, nets, balls etc.

Are there any special criteria for funding for senior citizens groups?	<p>Funding is available for either a summer outing or a Christmas party (not both).</p> <p>The amount of funding available is based on the number of members in the club. In recent years a 'top slice' of £1500 has been set aside for allocation for these purposes. This element of the lottery Fund has previously been delegated to officers.</p>
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It is fair to point out that the current general or 'local' criteria have remained unchanged for a number of years. Partly due to the fact that they have remained relevant and any change relating to 'reserved matters' must be considered and approved by the Secretary of State due to the restrictions of the Lotteries Act 1976.

## 5. CONSIDERATION OF THE ISSUES

- 5.1 The Civic Lottery is a small grants scheme which allocates grants to as a wide range of organisations as possible. Demand has largely been able to be satisfied in some way but many aspirants have had a limited value award. There are also a number of regular applicants who seek support, they have continued to receive support on those occasions where funding allows, although as a result it could be stated that town wide benefit, or spread, has not been as great as it could have been. A full auditable trail exists of every organisation who has been awarded Civic Lottery grants over previous years.
- 5.2 The maximum value grant limit of £2,000 has rarely if ever been awarded as applicants tend to be given limited funds in proportion to their own ability or their success in third party fund raising, the Lottery funds being used as 'seed funding' or final gap funding due to the number of applications. Of course with the annual allocation of grant being around the £17,000 limit this would not support many large grants and in reality most applicants are seeking more modest amounts. Certain categories of grant have had local limitations imposed upon them – namely sports teams and jazz bands which at times have been very regular applicants and 'top' ceiling limits have been imposed to ensure as many groups as possible could benefit. In addition funding allocations have been awarded for senior citizen parties or summer outings. The latter two elements of the current grant criteria are within the gift of the awarding Committee to consider and change. They are not set in stone. The current application form and criteria are attached as **Appendix 1**.
- 5.3 Times change and there is no reason whatsoever as to why the relevant Committee cannot change the existing guidance provided the intended recipients remain within the eligibility criteria approved by the Secretary of State. Any consideration or desire to change the core objectives and criteria of the Civic lottery, for which the lottery was originally developed, would require the approval of the Secretary of State.

It is strongly recommended that the current upper limit remain at £2,000 as this is a very flexible maximum limit to work within and the banding assists in terms of correlation with the Community Pool Grants Scheme which commences at a minimum of £2,000.

- 5.4. Whatever the decision on application allocations, there will remain a requirement for the administration of the process. This was for many years led by Democratic Services and several years ago this was removed to the Community Services Grants team who had a track record of appropriate assessment and recommendation. Recently the Community Grants allocation was transferred to Neighbourhood management and it is suggested that any changes to responsibility for the Civic Lottery, would also fit appropriately into the same assessment and management criteria.

## 6. OPTIONS FOR THE FUTURE OF THE CIVIC LOTTERY

### 6.1 **OPTION 1 - Transfer the responsibility of the Civic Lottery to another Committee other than Policy & Finance**

The Civic Lottery is currently allocated to the Finance & Policy Committee as the most relevant Committee under the new Constitution. Other Committee's which approve allocation of grant expenditure are the Neighbourhoods Services Committee, the Regeneration Committee and the Adult Services Committee. Some would appear to be more relevant than others in respect to the grants under discussion; there is scope to consider this funding alongside the newly introduced administration for the Community Pool and the Members Ward Budgets. If this were to be approved then the responsible body would be the Neighbourhood Services Committee.

### 6.2 **OPTION 2 - Allocation of Civic Lottery awards alongside Members Ward Budgets:**

**Background:** In 2013/2014 each ward member has a budget allocation of £5,000 to be used for the wider and discernable community benefits of their ward. 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 the service that is being delivered.

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. Progress on Ward Member Budgets expenditure is reported on a quarterly basis to the Neighbourhood Forums and is published online and an annual report to Neighbourhood Services Committee.

Neighbourhood Management administers the Ward Member Budget process and continues to support project development, assistance with submission (as required), decision record paperwork, and the management of payments.

Officers in Neighbourhood Management continually monitor and evaluate the Ward Members budget process and how it is operating in practice; as a result some minor amendments to the current application procedure are being made in 2013/2014 and the guidelines for eligibility will be reviewed to ensure that they are clear and concise.

Elected Members agree that their Ward Member Budget gives them the flexibility to address local ward priorities quickly through the application process and to guarantee that monies are not used adversely and that projects and schemes are responding to local need. Indeed some Ward Councillors have taken a 'community chest' approach to their allocation of Ward Budgets.

**Civic lottery option:** If the Civic Lottery were to be allocated across all Members of the Council to enable them to receive bids from within their ward areas then the Civic Lottery would support an **additional separate fund** of £500 per Member (or £1,500 per Ward) of funding. This would have the benefit of effectively delivering small sums of funding support direct into all 11 wards and ensure good disbursement to benefit town wide needs. If Members chose to support a particular group on a wider geographical basis they could do so with the only restriction being the maximum award to any eligible applicant being the maximum £2,000 limit.

Whilst the existing maximum allocation to teams and groups is recommended to be maintained to ensure fairness across the Borough, the current small grant allocation for senior citizen parties or outings is suggested to be removed. Any group seeking support would simply do so direct to their local Councillor or group of Ward members.

To enable a greater number of groups across the town to benefit from this small fund it is recommended that no successful bidding group would be eligible to apply again within three years and that new applicants be given preference over repeat applicants.

All other Civic Lottery Guidelines and Secretary of State approvals will remain in place – **Appendix 2** refers.

The allocation of Ward member budgets is considered each year as part of the Medium Term Financial Strategy, should these budgets be reduced or even withdrawn in future years, then the proposals for the Civic Lottery via Ward members would retain some local ward based funds for *prescribed* awards.

### 6.3 **OPTION 3 - No change to the current arrangement:**

The third option would be to maintain the current decision making route whilst considering any routine changes or updates to refresh the criteria. The decision making route would remain via the Finance and Policy Committee with awards being considered on three occasions throughout the civic year.

## 7. **ADDITIONAL GRANT ALLOCATION CATEGORIES**

- 7.1 There are currently two other small grant pots which were formerly linked to the Community Pool and relate to historical allocations, these too, are appropriate to consider in this 'tidying up' exercise.

**(i) - Sports Council Award** – For several years the Community Pool pot was 'top sliced' by £2,500 to provide an annual allocation to the Hartlepool Sports Council (HSC) to assist them in promoting personal sporting achievements. The Community Pool guidelines do not allow for applications from individuals and to enable small awards to be made to budding sporting stars of the future, the Council has worked in association with the Hartlepool Sports Council to provide benefit. The funding pot to make annual awards to emerging individuals (to assist them with expenses incurred in developing their talent) has then been enhanced by the HSC achieving additional sponsorships etc to ensure approximately £5,000 is awarded as cash grants on an annual basis. There are parallels to this with the Preston Simpson – Sterndale Trust which is a long running bursary fund giving support to musical talent from Hartlepool.

It is recommended that this annual grant to the Hartlepool Sports Council continues and the current budget amount continues to be awarded direct.

**(ii) - Directed Lettings** - Prior to 1996, community groups, including uniformed groups operating in school premises, were allowed free use of those premises for their meetings by Cleveland County Council. In 1996, when Hartlepool became a Unitary Authority, sufficient resources were not available to allow these groups free use, so the Directed Lettings Scheme was established to target resources to the groups operating in the most disadvantaged areas, i.e. those meeting in areas designated as suffering from the highest levels of disadvantage were awarded 100% of their costs, other groups were awarded up to 50% of their costs.

Since the scheme was established, several groups have ceased to operate, others have rationalised by joining groups together and some have moved to cheaper accommodation in order to reduce their costs. All groups have had to increase their membership charges.

It is proposed that this category of funding support is no longer supported in this way and that the small number of groups affected simply apply for

support via the Member Ward Budgets in the area in which they operate. There are three groups operating out of premises in Hart Ward, Jesmond Ward and Fens & Rossmere Ward respectively. A fourth organisation, classed as a town wide group has already received funding from members ward budgets in 2012/13 in addition to the Directed Lettings. Awards for 2012/13 were as follows:-

Group 1 – Fens & Rossmere Ward (50% subsidy category) awarded - £575  
 Group 2 – Jesmond Ward (50% subsidy category) awarded - £675  
 Group 3 – Hart Ward (50% subsidy category) awarded - £428  
 Group 4 – Town wide (40% subsidy category) awarded - £495

There is one remaining payment made and this is to the Elwick Parish Council who meet in Elwick St Peter's Primary School – the Borough Council is legally obliged to provide grant aid to Parish Councils in respect of the hire of premises and section 134 of the Local Govt Act 1972 gives the powers to provide a meeting place for Parish Councils. This is the only remaining Parish Council which does not have a suitable alternative meeting place. An annual sum of £250 is therefore recommended as a direct budget line in the Council's budget.

## 8. CONCLUSIONS

The sums under consideration in this report are modest in size and the object of the report is to identify a more appropriate and efficient method of administering disbursement for the Civic Lottery and the former 'top sliced' Community Grants to the eligible groups under the criteria.

Overall the intention will also ensure that a fairer spread of small grants are achieved across the Borough and many more groups will ultimately benefit by restricting bids to those who are successful to once every three years.

## 9. RECOMMENDATIONS

9.1 **Civic Lottery** - The report recommends the options for the future administration of the Civic Lottery as follows:-

1. That the Civic Lottery grants be administered on a Ward basis via Neighbourhood Management and to be reported annually to Neighbourhood Services Committee.
2. That the Civic Lottery local guidelines be amended as outlined in **Appendix 2**.

9.2 **Former Community Pool 'top sliced' funds** - The report recommends that the additional 'grant pots' be amended as follows:-

1. That the Hartlepool Sports Council continue to be allocated £2,500 from the existing budget for the benefit of sporting talent in the town.

2. That the 'Directed Lettings' budget be terminated and existing qualifying groups bid for support via the Members Ward Budgets.
3. The Elwick Parish Council be given direct premises hire support of £250 per annum from existing budgets to meet the Borough Council's legal obligations.

## **10. REASONS FOR RECOMMENDATIONS**

The Finance and Policy Committee is responsible for awarding funding from the Civic Lottery and the former elements of the Community Pool now residing in other budgets.

## **11. BACKGROUND PAPERS**

None.

## **12. CONTACT OFFICER**

John Mennear  
Assistant Director, Community Services  
Child & Adult Services  
Civic Centre  
Hartlepool  
TS24 8AY  
Email [john.mennear@hartlepool.gov.uk](mailto:john.mennear@hartlepool.gov.uk)  
Tel: (01429) 523417

Susan Rybak  
Community Resources Manager  
Child & Adult Services  
Civic Centre  
Hartlepool  
TS24 8AY  
Email [susan.rybak@hartlepool.gov.uk](mailto:susan.rybak@hartlepool.gov.uk)  
Tel: (01429) 523474



# HARTLEPOOL BOROUGH COUNCIL

## CIVIC LOTTERY FUND

### GRANT APPLICATION GUIDELINES



#### **Background**

The Chief Solicitor advises me that pursuant to Section 7 of the Lotteries and Amusements Act 1976, a local authority may promote a local lottery for any purposes, and in doing so must give such publicity to the objects of the local lottery as will be likely to bring them to the attention of persons purchasing tickets or chances, these objects are then reflected in the eligibility criteria. The authority are under a duty to apply the money accruing from the lottery (including interest) only to the objects of the lottery being that for which the lottery was promoted - as extended by the Secretary of State.

From 1977-1982 a Civic Lottery was promoted by this Council, and a Civic Lottery Fund was established, the original object being for leisure recreational or environmental projects. There is provision in the legislation under Section 7(4) for the consent of the Secretary of State to be given to the appropriation of lottery funds to purposes outside the consent, for an amendment in the Council lottery, to include the provision of grants to local charitable organisations, and on the 4th December 1989 the said consent was granted. Any further departure from the current criteria would require similar consent.

#### **Current Criteria of the Civic Lottery Fund**

#### **The current eligibility criteria for assistance from the Civic Lottery Fund is as follows:-**

1. Any application must be for either leisure, recreational or environmental projects, and following approval by the Secretary of State in December, 1989, it is now also possible for charitable organisations to qualify for assistance.
2. The Grants Committee will consider applications for assistance 3 times during the municipal year in order that an overall view of applications can be obtained.
3. The Grants Committee will assess each application on its merit.
4. Applicants must be based in the Borough of Hartlepool.
5. Applicants should be either organisations or individuals supported by a club/organisation.
6. Applicants are restricted to applying for assistance only once every 12 months.
7. The maximum amount of grant allocated is restricted to £2000.
8. Grants must be claimed within one year of their approval.

- 2 -

**Supplementary Criteria:**

**Specific criteria relating to funding for team activities, including football, netball and jazz bands:**

- i) Teams must comprise a majority of residents from areas of disadvantage as identified by the 1991 Census.
- ii) Grants of up to £200 per team or band up to a maximum of £300 per group may be awarded as a contribution towards running costs. These costs are likely to include pitch and league fees and transport.
- iii) Grant aid should not be used to establish new teams.
- iv) Applications for equipment will not be supported, i.e. the purchase of strips, nets, balls etc.

**Specific criteria relating to funding for senior citizen groups:**

Funding is available for senior citizens groups for either a summer outing or a Christmas party (not both). This is subject to funds being available and based on the number of members in the club.

- i) Senior citizens groups with under 30 members can apply for a maximum of £60 for an outing or party.
- ii) Groups with over 30 members can apply for a maximum of £100 for an outing or party.

# HARTLEPOOL BOROUGH COUNCIL



## APPLICATION FORM

### CIVIC LOTTERY FUND GRANT

Applications for Civic Lottery Fund Grants will only be considered in respect of Leisure, Recreational, Environmental Projects or from Charitable Organisations

Financial Year 20 to 20

This application form, when fully completed, together with background information in support of your application, should be returned to the Adult and Community Services Department, Suite 7 Municipal Buildings, Church Square, Hartlepool TS24 7EQ. (Failure to provide background information may result in your application being delayed)

1. (a) Name of Organisation .....
- (b) Address of Organisation .....
- (c) Meeting Place of Organisation.....  
(if different from above)
- (d) Type of Organisation .....
- (e) When Founded .....
- (f) Registered under Charities Act, 1960? YES/NO.....

2. Name and Address of Secretary .....
- .....
- Telephone Number (Daytime) .....
- Email Address.....

3. REASONS FOR APPLICATION .....
- .....
- (a) Total Cost of Project .....
- (Please provide detailed breakdown of costs - on separate sheet if necessary)
- .....
- (b) Contribution requested from Lottery Funds .....
- (Maximum Grant £2,000)

#### 4. DETAIL ORGANISATION'S OWN FUND RAISING EFFORT, IF ANY

.....

.....

.....

**5. AREA OF ACTIVITY (if more than local) .....**

.....

.....

.....

**6. MEMBERSHIP**

(a) Are there any restrictions on membership?.....  
If so, please give details.....

(b) Annual Subscription.....

(c) Numbers of Members .....

(Under 60) .....

(Over 60) .....

**7. GRANTS FROM OTHER BODIES OR LOCAL AUTHORITIES**

(a) Please give details of financial assistance received in the last financial year

.....

.....

.....

.....

(b) Name those bodies to whom application for financial assistance has been or will made this year

.....

.....

.....

Please supply any further information considered necessary in support of this application

.....

.....

.....

Use continuation sheet if required

Date ..... Signed .....  
Chairman/Secretary/Treasurer

**Please note that applicants should be prepared to visit the Adult and Community Services Department to discuss their application if required**

**HARTLEPOOL BOROUGH COUNCIL**  
**CIVIC LOTTERY GRANT**  
**SUPPORTING BACKGROUND INFORMATION**

<b>Civic Lottery Grants Fund</b>	<b>Eligibility criteria</b>
	<b><u>Proposed changes for adoption – August 2013</u></b>
What can the fund be used for?	Leisure, recreational or environmental projects <b>(Secretary of State reserved matter)</b>
Who can apply for funding?	Groups, charitable organisations or individuals supported by a club/organisation who are based in Hartlepool <b>(Secretary of State reserved matter)</b>
How often can applications be made?	<b>Current</b> - Applicants are currently restricted to applying for assistance only once every 12 months. <b>Proposed</b> – <i>Applicants cannot apply within three years of a successful award.</i>
How often are applications considered?	<b>Current</b> - Three times each financial year in order that an overall view of applications across the financial year can be obtained. <b>Proposed</b> – Applications can be made at any time
Who makes the decision regarding the application?	<b>Current</b> - Under the Mayor & Cabinet constitution the decision was made by Cabinet Grants Committee or Cabinet. In the Leader and Committee system the most appropriate Committee is currently the Finance & Policy Committee. The decisions are based on a report with recommendations presented by officers who have considered the current eligibility criteria as guidance. <b>Proposed</b> – Individual Ward members or groups of Ward members in collaboration with neighbourhood management officers to the prescribed criteria.
How much can groups apply for?	<b>Current</b> - The maximum amount of grant allocated is restricted to £2,000. <b>(Secretary of State reserved matter)</b> <b>Proposed</b> - <i>no change in total, however several councilors could support a valid project up to the maximum limit</i>
What are the terms and conditions attached to the grants?	Grants must be claimed within one year of their approval.  Funding will not be paid out until receipts for the expenditure of the grant have been provided.

<p>Are there any special criteria for team applications?</p>	<p>Teams must comprise a majority of residents from areas of disadvantage as identified by the 2011 Census.</p> <p>Grants of up to £200 per team or band and <u>up to a maximum of £300 per group</u> may be awarded as a contribution towards running costs.</p> <p>Grant aid should not be used to establish new teams.</p> <p>Applications for equipment will not be supported, i.e. the purchase of strips, nets, balls etc.</p>
<p>Are there any special criteria for funding for senior citizens groups?</p>	<p><b>Current</b> - Funding is available for either a summer outing or a Christmas party (not both).</p> <p>The amount of funding available is based on the number of members in the club. In recent years a ‘top slice’ of £1,500 has been set aside for allocation for these purposes. This element of the lottery Fund has previously been delegated to officers.</p> <p><b>Proposed</b> – <i>Proposed this category of reserved funding is deleted and groups simply bid direct to Ward Member budgets.</i></p>

# **FINANCE AND POLICY COMMITTEE**

**23<sup>rd</sup> August 2013**



**Report of:** Director of Regeneration & Neighbourhoods

**Subject:** SCHOOL MEALS SERVICE STRATEGY

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

1.1 Non-key decision

## **2. PURPOSE OF REPORT**

- 2.1 To report to the Finance and Policy Committee the actions and outcomes from the School Meals Service task group.
- 2.2 To seek Committee's consideration and approval of various elements of the future strategy.

## **3. BACKGROUND**

- 3.1 In December 2012 the Corporate Management Team (CMT) received a report which provided information and data regarding the steady decrease in take-up of school meals since 2008. The report also outlined the consultation work which was carried out in all primary schools in 2012 highlighting key issues raised by parents, pupils and staff as part of the overall exercise. A further report on the results and details of the consultation exercise was also reported to Neighbourhood Services Scrutiny Forum in February 2013.
- 3.2 Officers from Finance and Regeneration and Neighbourhoods provided an overview of the costs associated with running the school meals service in 2011/12, and this highlighted that the current level of grant and subsidy of £309,000 would be required in future years unless take up could be increased significantly from 55% to over 70%.
- 3.3 CMT requested a task group comprising officers from various disciplines within the authority be set up to consider appropriate measures to maximise school meal take-up. Along side this the group were also tasked to consider the impact the school funding reform and the universal credit system may



have on the school meals service in future years. This report summarises the current position and requests the Committee to consider the future strategy for the service.

- 3.4 The task group met in February 2013 led by the Facilities Management Manager and included officers from Child and Adult, Revenue and Benefits, Corporate Finance and Public Health. The group identified a number of areas to be explored in relation to the in-house school meal service which are outlined in this report.

#### 4. FINANCIAL PERFORMANCE 2012/13

- 4.1 The tables in **Confidential Appendix 2. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information)** provide details of the costs associated with the running of the School Meals Service in 2012/13, along with a breakdown of the income generated and funding received.
- 4.2 The service reported a surplus in 2012/13 of £62,000 which is largely owing to a small increase in take up. This outturn also reflects the fact that spend on replacement of kitchen equipment has been kept to a minimum with only urgent repairs and replacements being addressed. This balance has therefore been transferred to capital to fund the replacement of equipment that is urgently required.
- 4.3 A breakdown of the overhead costs is also provided in the table in **Confidential Appendix 2. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information)..**
- 4.4 The charge for Central Support Services has not been reduced to reflect the savings in central support functions made in recent years and this reflects existing corporate practice whereby the whole of these savings are taken as General Fund savings. A review is underway to determine if alternative arrangements for future central support function recharges needs to be introduced. For services receiving a subsidy this will be offset by a subsidy reduction and therefore will be budget neutral.

#### 5. TAKE UP OF SCHOOL MEALS

- 5.1 Take up in 2012/13 was 58% overall and this represents an increase of 3% on 2011/12 figures. **Appendix 1** attached provides details of the take up by School for both years. This shows that the movement by school varies and although the overall position has improved, in some schools take up has

fallen. However, Hartlepool continues to buck the trend nationally, where take up of school meals remains stubbornly low, at 43%.

- 5.2 It has been established that increasing take up is the best strategy for improving the financial performance of the School Meals service.
- 5.3 The School Meals service, like many trading activities, carries a proportion of fixed overheads that will not change if demand increases or falls. Even direct staffing is fixed to a certain point with only large increases in numbers affecting the number of staff required. As a result this means that the financial position could improve significantly if the take up were to be increased.
- 5.4 A detailed schedule showing the Financial Performance by Schools is attached at **Confidential Appendix 3. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information)** and this shows that almost all schools require some level of subsidy to support their provision.
- 5.5 Economies of scale play a large part in School Catering. Staffing levels do not vary proportionately with the number of pupils in school and the performance by school demonstrates this, as it is the smaller schools that generally require the most subsidies. Even a small school with 98% take up like Greatham will still require subsidy to cover the cost of providing the school meals service, whilst a large primary school such as Grange can return a small surplus with 72% take up. The greatest financial gains will therefore be realised by increasing take up in the larger schools.
- 5.6 Take up is very difficult to predict, particularly in secondary schools and the service provider has to evaluate how much food to provide based on total pupil numbers and this can lead to increases in the cost of food wasted. By working with schools, health nutritionists and parents to reduce alternatives available, such as packed lunches on a lunch time this would help improve the certainty around numbers, therefore waste could be reduced significantly.

## 6. FUTURE STRATEGY

- 6.1 The task group identified a number of areas to be explored. The key issues to emerge from the group are presented to Members as follows:

### Future Provision

- 6.2 Given the level of subsidy currently applied to the in-house School Meals contract, the task group needed to consider if the service should continue to be delivered in-house.
- 6.3 The subsidy received is in two parts, with £147,000 coming from Schools in the form of a contribution from the Dedicated Schools Grant, and £162,000

from the General Fund. It is not normal practice to subsidise trading activities, and the general fund subsidy in this case, relates to increased staffing costs which were incurred following the Job Evaluation process. The Council decided to fund these costs corporately and not pass on the increased costs to parents. If the service was to be provided externally without subsidy, the General fund element may be a saving to the Council, but of course this would be the subject of competitive tenders. The school meals service however, currently contributes £152,000 towards central support service costs, and £40,000 towards departmental management costs. It is likely that many of these overheads would not reduce proportionately if the service was removed or out sourced. The review of central support service charges will confirm the value of overheads which are fixed, however it is likely that the amount will largely offset the subsidy saved.

- 6.4 There are also strong and fundamental reasons as to why we should retain the school meal service in-house. It employs 240 staff and provided 1,324,823 nutritional meals in 2012/13. Consequently this provision can be seen as having positive impacts on a number of key themes within the Community Strategy – i.e. Jobs and the Economy/Health and Wellbeing. The service is highly regarded by schools and performs well.
- 6.5 The recommendation therefore is to continue to provide the service in-house with a longer term aim to reduce the subsidy to nil by increasing take up and minimising costs. This is necessary as local government spending cuts continue to take effect and departments look to make budget savings. This service has the potential to cover its running costs if volume can be increased, but Schools will need to assist in making many of the changes needed to increase the take up further.
- 6.6 The group did consider whether it was viable to continue to offer services to all schools and looked specifically at the provision of some schools where the subsidy is highest. **Confidential Appendix 3 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information)** and shows that the meals service in one particular secondary school required a substantial subsidy in 2012/13. This is a clear example of the financial challenges in providing services to smaller schools. The amount charged, over and above the food costs, is small in catering and a high volume of sales is needed to cover staffing and other running costs. The smaller schools do not benefit from the economies of scale as staffing costs do not vary proportionately with the number of pupils in school. This is the smallest secondary school we serve but it also has a lower than average take up, and this has fallen again in the past 12 months. In addition unlike other schools this particular school does not pay for all of its teachers to have a school meal. Subsequently there are only a small number of teachers using the school meal service here which has a direct impact on overall take up. Other secondary schools generate income from adult meals of £20,000 p.a. on average. The school also has an extended lunch break and, it has the highest unit food cost of all schools at £1.51 per meal. Discussions with the relevant Head Teacher in relation to finding ways to reduce the current level of subsidy will take place in the autumn term.

Pricing Strategy

## 6.7 Options include:-

1. Price Reduction
2. Price Freeze
3. Pricing incentives for those with more than one child in education

6.8 Affordability was identified as an issue affecting take up in the recent consultation exercise and this was in some cases having an impact on the decision to purchase a School Meal. The current price of a School meal is £1.90 in Primary Schools. In Secondary Schools items are individually priced and the cost of the meal is therefore determined by the items purchased, however a Free School Meal is charged at £2.10.

6.9 A 10p reduction in the price would result in lost income on current volumes of approx £130,000 and sales would need to increase by approx 170,000 meals just to make up this shortfall, which would represent 65% overall take up. In the past 5 years the maximum overall take up achieved has been 58%. Whilst it is very likely that reducing the price would increase take up, there is no strong evidence to suggest that a reduction of 10p would increase take up by the amount required, and this option is therefore not recommended at this stage. A price freeze for 13/14 is recommended, and with strong support from schools and parents to increase take-up, it may be possible to continue a price freeze in the short term working towards a longer term price reduction.

6.10 In 2013/14 the service has implemented a price freeze and the price of a meal has not been increased further. This was felt to be the best course of action as an increase in line with inflation was not likely to support the strategy to increase take up. Inflation will therefore be a real cost to the service in year. A pay award of 1% will cost £14,000 p.a and food costs are estimated to rise by 5% in 2013/14 increasing costs by £60,000. These costs will need to be covered by additional sales in year or alternatively overheads will need to be reduced to avoid a deficit. We will be working on both of these areas to ensure the financial integrity of the service.

6.11 In relation to incentives for those with more than one child in education, officers are proposing that a more detailed study be carried out to look at potential options. The primary school consultation work, carried out in 2012 found that many low-income working families were unable to afford the full cost of a school meal where there was more than one child in education. Incentives for these families need our urgent attention, as it is these families who are most likely to provide their children with a packed lunch as an alternative to taking a school meal. Officers are currently working on the feasibility of reducing the cost of school meals to larger families and assessing the financial impact this may have on the service. Officers are confident however, that the implementation of incentives would need to be assisted by a robust and improved payment system. Revenues and Benefits are already looking at this area via Capita. The Council is working with Capita, who provide the corporate payment and income management systems, to implement a solution that will enable parents to pay for school meals on line. The project is at the outline scoping stage and steps are

currently being taken to identify a primary school to pilot the initiative and work with the software supplier to ensure the school's information requirements are met. Under the proposed solution the parent or a school administrator (if a parent is at the school and wishes to pay by card) will log on to the school's web site and will be linked through to a payment portal where the payment transaction will be securely made.

- 6.12 As part of the in-house catering teams future business development plans it will be explored with Capita the feasibility of the on line payment system to support the offering of discounts to parents where more than one dependent child is taking a paid school meal. An interdepartmental project team will be established to drive this project forward which will be chaired by the Assistant Chief Finance Officer.

#### School Kitchen and Equipment Improvements

- 6.13 A comprehensive kitchen and equipment survey programme is currently being developed. The results from this will ensure that the available funding is used to target the highest priorities in 2013/14. The survey will also allow us to determine the annual budget required to maintain the current level of kitchen stock over its useful life, and develop a longer term strategy for funding the lifetime costs associated with the equipment needed to run this service. The current approach relies on funding from external grants and contributions, and one-off capital funding sources like the Council's Capital Fund Team (CCFT), and this is not sustainable.

#### Tackling childhood obesity and Poverty via the school meal service

- 6.14 Nationally there is a serious health crisis caused by bad diet and poor physical exercise. In Hartlepool approximately 24.3% of children aged 11 yrs were found to be obese (2011/12). The in-house School Meals Services provides a nutritional meal based on the current government standards. It is accepted that a nutritional meal improves health which contributes to improved educational performance. However, many parents continue to provide a packed lunch which current research has found only 1% meeting the nutritional standards currently applied to school food. Moving away from the "lunch box" may take a little time. In the meantime officers are talking to schools about the provision of free breakfast for all children; a few schools are willing to use their pupil premium in order to achieve this. However, in order to tackle big issues as poor diet, child poverty requires an ambitious approach on a town wide basis. Blackpool Council, one of Britain's most economically deprived towns are trying to tackle these issues by providing a universal free breakfast to all primary schools currently funded by Public Health (approx. £1.8m) as a way of tackling childhood obesity, child poverty and improving attainment, in the most deprived areas. The school breakfast initiative provides a daily trolley service in each classroom of cereal/fruit and a drink within the normal school day, including a mid-morning drink of milk. Blackpool has a similar size school meal service as Hartlepool; officers would therefore like to recommend that the feasibility of delivering an evidence-based programme like the Blackpool model in Hartlepool, possibly through using funding such as Pupil Premium, Public Health and other relevant funding opportunities be explored.

School Involvement

- 6.15 Gaining a clear understanding of why some schools have a low take up and working more closely with schools to make the necessary changes is key to increasing take up. Meetings are to be arranged with Head Teachers to discuss this issue and to establish possible actions. It is recommended however, that the issues around school meals will need to be considered in more depth at the School Forum. The Chief Executive and Director of Public Health are to attend the next Forum to emphasise the benefits.
- 6.16 End of line disappointment was highlighted as an issue and a move to menu options that are agreed in advance has been considered to avoid this. This would allow parents and children to choose weekly menus in advance and it is felt that this would be particularly popular in primary schools. As well as increasing take up this would have the added benefit of almost eliminating waste. This option however would almost certainly require support from the Schools to implement and administer. Additional support could be obtained by using the payment system referred to in Section 6.11 which may be able to help support this initiative but further work is needed to identify the costs associated and implications for schools.
- 6.17 Schools play a huge part in generating take up and supporting the Council to provide a better service. Challenges in school include logistics, reducing “lunch boxes” and promoting healthy eating. In the long term close cooperation with head teachers, health professionals and other key players will provide financial benefits which could be shared as, unlike with a private provider, any surplus generated would benefit the Council or the school.

School Funding Reform/Free School Meals

- 6.18 The group established that it would be difficult to assess the impact both the school funding reform and universal credit will have at this stage or at least not until 2014/15. This is mainly attributed to the fact that universal credit will not be rolled out in Hartlepool until around October this year. The Welfare Reform commenced in April and again it is too early to say what the impact will be. Nevertheless, as the major drive of these reforms is to reduce the number of people in receipt of benefits, it could be a fair assumption that this will reduce the number of children in receipt of Free School Meals, thus increasing the number of families working and receiving Family Tax Credits, but then unable to pay for school meals, especially in cases where there have more than one child at school. Being on the cusp of Free School Meals entitlement was a key issue raised by parents in the consultation exercise. As the Welfare Reform ploughs ahead, there is an increasing risk that financial pressure on households will impact upon take up of the service.
- 6.19 Income from Free School Meals (FSM) was £1m in 2012/13 and Schools fund the cost of a Free School meal. Secondary Schools are currently recharged monthly on the basis of the number of actual meals served.
- 6.20 In accordance with the current Service Level Agreement with Schools, Primary Schools are charged upfront at the start of the year based on the actual FSM take up in the preceding 12 months. No adjustment is made for actual meals served if this is different, until the next SLA is agreed.

- 6.21 The main benefit of the current arrangement is that it provides certainty for Primary Schools on the level of charge they need to fund and provides the in-house catering team with a guaranteed funding stream which reduces the volatility of income and helps the service to plan expenditure on an annual basis. The obvious disadvantage of the current scheme is that, in providing this certainty, it does not allow for any significant variations in year that may occur, either as a result of benefit changes or increases/reductions in take up. The impact of the changes will still be felt but they will be delayed until the next SLA is agreed in March. In October 2012, members of the Schools Forum approved the recommendation to continue with the current charging arrangements and review the process in 12 months.
- 6.22 These funding arrangements will mean that schools will benefit if pupils are eligible for a free school meal as this will determine the amount of Pupil Premium funding they receive. Pupil Premium is paid to schools based on the number of pupils in the January census known to have been eligible for free school meals in any of the previous six years. The school will only be charged for the cost of a meal if the pupil takes up the free school meal.
- 6.23 **Appendix 1** provides details of FSM eligibility and take up over years. This shows that the number of children eligible for a FSM is increasing year on year in Primary Schools but that this is not necessarily leading to an increase in the amount of Free Schools Meals provided. Take up as a percentage has been falling year on year with a slight improvement in 12/13 which saw take up reaching 83%. This increase in 2012/13 did mean that in-house catering teams provided additional meals over and above the amount covered in the SLA resulting in lost income of £40,000.
- 6.24 There appears to be an upward trend on FSM eligibility overall and work is underway to increase take up in Schools further. It is therefore recommended that the charging arrangements are amended for Primary Schools. The proposal is to move to the same system as Secondary Schools and charge Schools monthly based on actual meals served.
- 6.25 Whilst Secondary Schools are not seeing the same increase in eligibility, take up is increasing steadily every year, meaning that more meals are being served annually overall.

## 7. CONCLUSION

- 7.1 Whilst Hartlepool is increasing the take up of School Meals slightly we need to continue to address the key challenges facing the service highlighted in this report. Both primary and secondary schools have renewed their SLA agreements – most for 1 year with just under a third for 3-5 years. Nevertheless we will need a clear and realistic strategy which will deliver a range of initiatives in order to sustain the existing in-house provision in the long-term.
- 7.2 Work has commenced on each of the areas identified by the group, however, it is acknowledged that whilst maximising school meal take up is crucial, including the sustainability of delivering the service in house, there may not be one defining solution in the short term, due to the complex nature of some

of the issues and the unpredicted effects welfare reform may have. The need to reduce the subsidy becomes evermore important to the Council. However, we also have the opportunity to ensure that there is a valuable link with our school meals service around diet, health, child poverty and attainment. For these reasons one of the main challenges will be to ensure that all relevant stakeholders, members and schools are involved and have a clear understanding of this important social policy agenda.

7.3 At the time of writing this report, the Secretary of State for Education Michael Gove MP, published the 'School Food Plan'. The Plan contains 16 actions to transform what children eat in school, increase the quality and take up of school meals, diverting parents away from packed lunches. The Government are looking at providing approximately £16m of new funding over the next two years. If the funding is allocated on the same basis as the main Revenue Support grant Hartlepool may receive around £30,000 over two years. The boldest of all the recommendations is universal free school meals for all primary school children, starting with those schools in the most deprived areas. The Plan emphasises the need for Head Teachers to take a lead role in driving the Plan forward. The 16 actions are as follows:

- Put cooking into the curriculum
- Introduce food-based standards for all schools, including academies and free schools
- Kick-start increased take-up of good school food (The Department of Education will provide £11.8 million of seed funding over the next two years – to enable independent experts to work with schools to increase their take-up and help them break-even)
- Set up financially self-sufficient breakfast clubs (The Department for Education will provide £3.15 million over the next two years to increase healthy breakfast provision for children who are arriving at school hungry)
- Set up flagship boroughs to demonstrate the impact of improving school food on a large scale
- Investigate the case for extending free school meals entitlement
- Train head teachers: include food and nutrition in head teacher training
- Public Health England will promote policies which improve children's diets in schools
- Ofsted inspectors to consider behaviour and culture in the dining hall and the way a school promotes healthy lifestyles
- Measure success – set up and monitor five measures to test whether the School Food Plan is working
- Share 'What Works Well' on a new website, to enable schools to learn from each other
- Improve the image of school food
- Bring School cooks closer to the rest of the catering sector
- Improve the skills of the workforce
- Small school taskforce – caterers, kitchen designers and manufacturers to work together to provide good food for small schools
- Ensure small schools are fairly funded

7.4 We welcome this recent Government initiative and given that the task group are already working on a number of the actions outlined in the Plan, should the Government implement the actions outlined above, including universal



free school meals in primary schools - this can only have a positive and sustaining effect on the future of the existing in-house school meals service.

## **8. RISK IMPLICATIONS**

- 8.1 The in-house school meals service provides a nutritional meal which supports the wider public health agenda. This area needs to be developed further but without control of the service this would be difficult to deliver.
- 8.2 Welfare reform, as outlined in the report, may have an adverse affect on parent's ability to pay, the level of free school meals and the overall take up of meals which is the basis of the strategy.

## **9. FINANCIAL CONSIDERATIONS**

- 9.1 Financial considerations are discussed as part of the strategy in Section 6.

## **10. LEGAL CONSIDERATIONS**

- 10.1 The Council is required to provide a nutritional school meal although our provision does go beyond this requirement.
- 10.2 The final outcome and requirements of the Governments "School Food Plan" will need to be considered.

## **11. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 11.1 There are no specific considerations, however, as the service develops impact assessments will be undertaken to ensure there are no adverse effects.

## **12. STAFF CONSIDERATIONS**

- 12.1 There are 240 members of staff who work in the in-house team. Any changes and developments will be undertaken in consultation.

## **13. ASSET MANAGEMENT CONSIDERATIONS**

- 13.1 Whilst the building in which kitchens are based is the responsibility of the school, the equipment within the kitchen is the responsibility of the in-house catering team. Upgrading of the kitchens has been supported by Council Capital Fund contributions over the last 3 years but this may not be sustainable therefore the service needs to plan for asset replacement.

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

14.1 There are no Section 17 implications.

#### **15. RECOMMENDATIONS**

15.1 The Committee is asked to:

1. Approve the strategy to freeze prices for 2013/14.
2. Endorse that strong support is needed from schools and parents to work towards a continued price freeze and a longer term reduction of school meal prices.
3. Approve the feasibility study into offering financial incentives for families with more than one child in education and receive a report on the options available.
4. Approve further investigations into an ICT system to support menu selection and payment collection
5. Support the continuation of an in-house School Meal Service based on the strategy within the report and report back to the Committee in twelve months.
6. Approve the proposal to take a report to the School's Forum recommending a new monthly charging process for Primary Schools based on actual meals served, and raise the need for strong support to increase the take up of school meals in all schools.
7. Approve further exploration into the Blackpool pilot to fund free breakfasts in all primary schools using a combination of Public Health, Pupil Premium and other funding opportunities as outlined in the 'School Food Plan' document.

#### **16. REASONS FOR RECOMMENDATIONS**

16.1 To sustain and develop an effective school meals service for the future and build on the work to increase take up of school meals linking this to improved health and tackling child poverty in the Borough.

#### **17. CONTACT OFFICER**

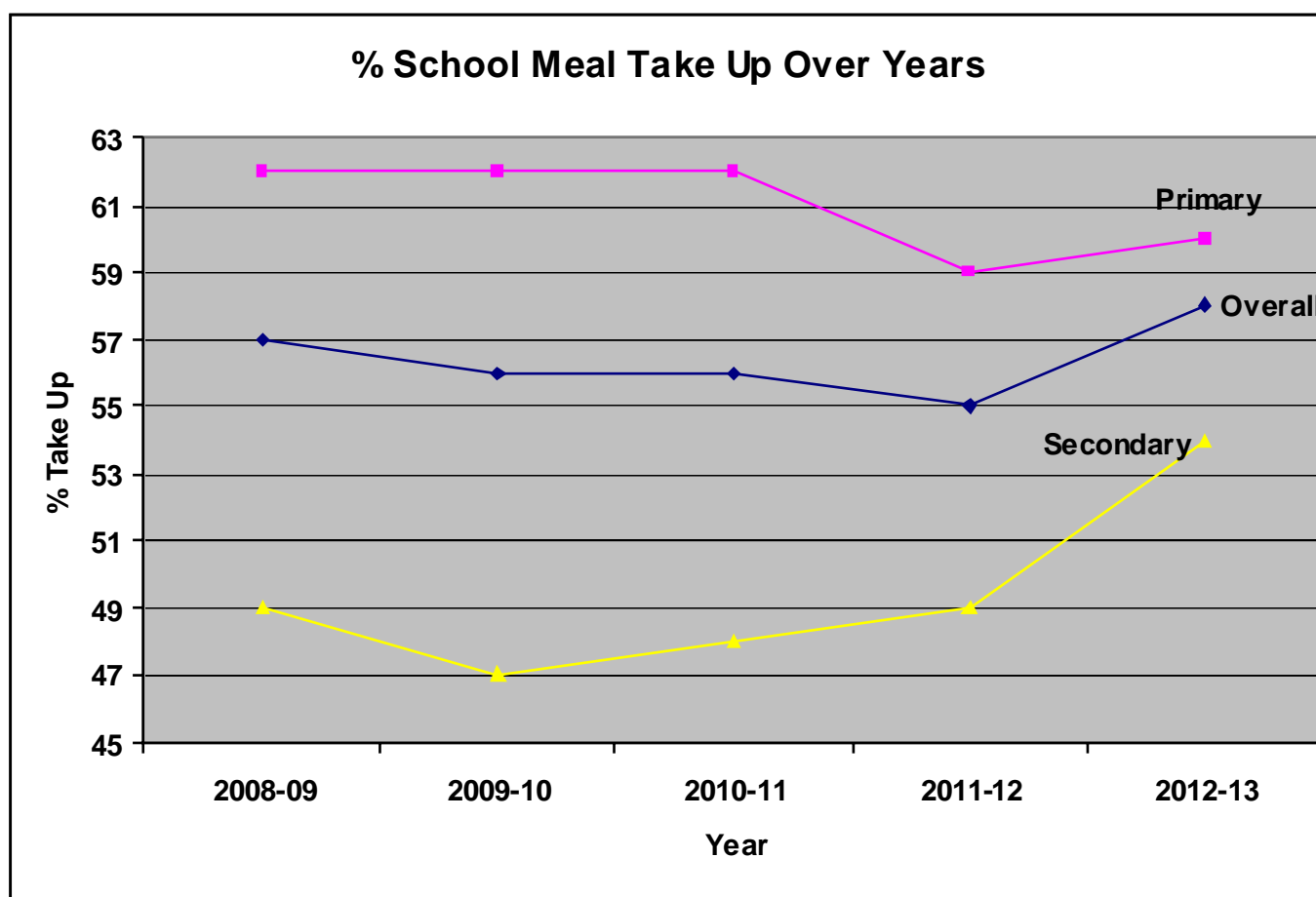
Graham Frankland  
Assistant Director (Resources)  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY

Email [graham.frankland@hartlepool.gov.uk](mailto:graham.frankland@hartlepool.gov.uk)  
Tel: 01429 523211

Karen Oliver  
Facilities Management Manager  
Bryan Hanson House  
Hanson Square  
Hartlepool  
TS24 7BT  
Email Karen.oliver@hartlepool.gov.uk  
Tel: 01429 523680

**SCHOOL CATERING - Take Up****2012/13 Take Up - Comparison to 2011/12 to Show Movement**

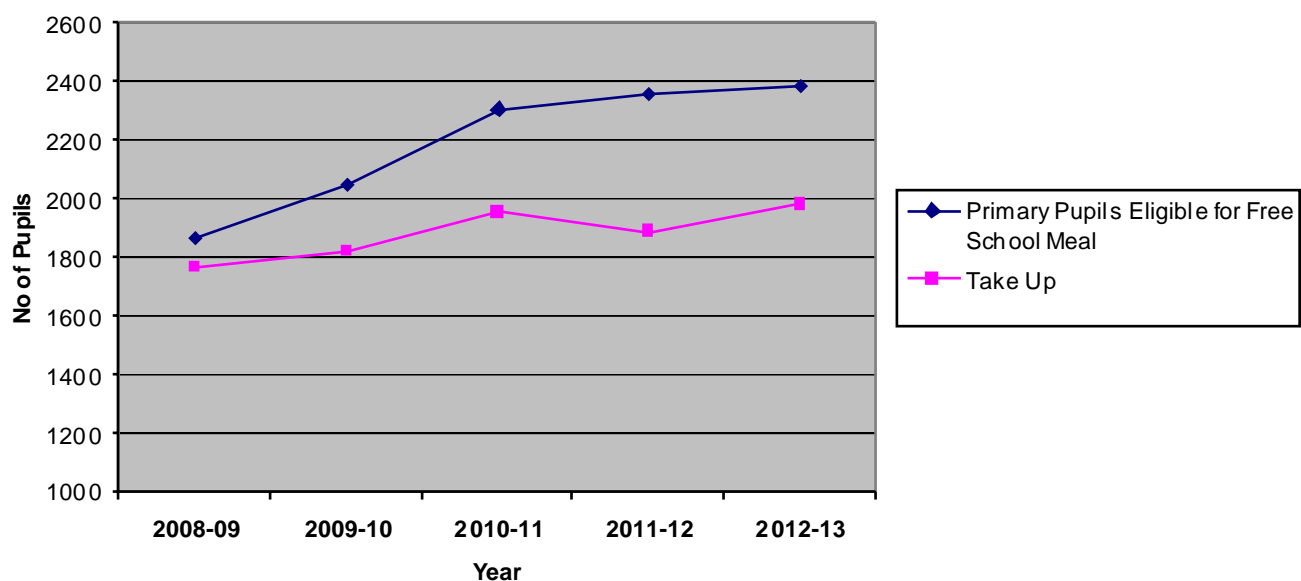
<b>School</b>	<b>11/12 Overall Take up</b>	<b>12/13 Overall Take up</b>	<b>Take Up Increase/ - Decrease</b>
BARNARD GROVE	54%	59%	5%
BROUGHAM	68%	65%	-3%
CLAVERING	47%	47%	0%
ELDON GROVE	42%	46%	4%
ELWICK	85%	84%	-1%
FENS	62%	65%	3%
GOLDEN FLATTS	71%	73%	2%
GRANGE	78%	72%	-6%
GREATHAM	96%	98%	2%
HART	82%	84%	2%
JESMOND ROAD	52%	50%	-3%
KINGSLEY	48%	48%	0%
LYNNFIELD	53%	58%	5%
OWTON MANOR	72%	75%	3%
RIFT HOUSE	55%	53%	-2%
ROSSMERE	51%	58%	6%
SACRED HEART	55%	58%	3%
SPRINGWELL	100%	100%	0%
HOLY TRINITY	63%	62%	-1%
ST AIDENS	52%	50%	-2%
ST BEGAS	65%	67%	2%
ST CUTHBERTS	49%	48%	-1%
ST HELENS	66%	67%	0%
ST JOHN VIANNEY	59%	64%	5%
ST JOSEPHS	70%	73%	3%
ST TERESAS	63%	66%	4%
STRANTON	64%	67%	3%
THROSTON	49%	46%	-4%
WARD JACKSON	66%	72%	6%
WEST PARK	61%	60%	-1%
WEST VIEW	66%	73%	7%
<b>Sub Total for Primary</b>	<b>59%</b>	<b>60%</b>	<b>1%</b>
ENGLISH MARTYRS	64%	67%	3%
HIGH TUNSTALL	46%	58%	12%
MANOR	30%	35%	6%
ST HILDS	55%	54%	-1%
<b>Sub Total for Secondary</b>	<b>49%</b>	<b>54%</b>	<b>5%</b>
<b>Overall Take Up</b>	<b>55%</b>	<b>58%</b>	<b>3%</b>



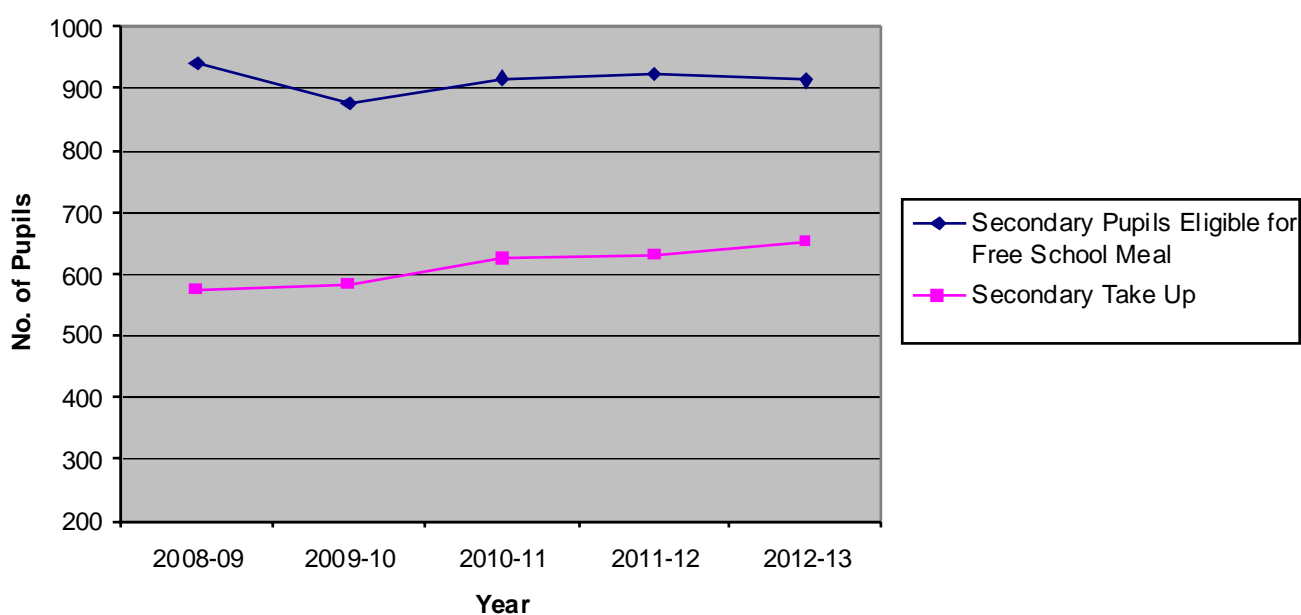
Year	Overall Take Up %	Primary Take Up %	Secondary Take Up %
2008-09	57	62	49
2009-10	56	62	47
2010-11	56	62	48
2011-12	55	59	49
2012-13	58	60	54

**NB:** Primary School meals are charged at a set price of £1.90. Secondary School meals are served per item and therefore vary according to the items purchased. Free Secondary school meals are charged at £2.10 and this has been used to estimate the number of meals purchased and calculate the percentage take up. Spend per meal may vary greatly and therefore the take up reported is only an estimate. Cashless systems will provide additional data to allow more detailed analysis to be undertaken in 2013/14, where available.

### Free School Meal Take Up - Primary Schools



### Free School Meal Take Up - Secondary Schools



### Take Up - Free School Meals - Summary Over Years

Year	Primary		Secondary		Overall	
	No. of Pupils Eligible for FSM	Take Up of Free Meal	No. of Pupils Eligible for FSM	Take Up of Free Meal	No. of Pupils Eligible for FSM	Overall Take Up of Free Meal
2008-09	1,865	95%	941	61%	2,806	83%
2009-10	2,047	89%	875	67%	2,922	82%
2010-11	2,306	85%	914	68%	3,220	80%
2011-12	2,359	80%	921	68%	3,280	77%
2012-13	2,388	83%	912	72%	3,300	80%

## **FINANCE AND POLICY COMMITTEE**

23rd August 2013



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

**Subject:** TEES VALLEY & SOUTH DURHAM LOCAL IMPROVEMENT  
FINANCE TRUST (LIFT) – FUTURE ARRANGEMENTS

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

1.1 Non-Key Decision

### **2. PURPOSE OF REPORT**

2.1 The report considers the development of the Tees Valley & South Durham LIFT Company (LIFT Co.) and requests the Committee to consider whether there are any benefits to the Council of pursuing Level 2 Signatory status linking to operational work the Council is delivering in partnership with “Community Ventures” the Private Sector Partner managing the business of the LIFT Co.

### **3. BACKGROUND**

3.1 Since 2004 a major vehicle for the development of Primary Care estate in the Tees and County Durham area has been the Local Improvement Finance Trust (LIFT). This Department of Health initiative provided for the creation of a joint venture company, the LIFT Company, as a Public Private Partnership with the aim of providing high quality Health and Social Care facilities.

### **4. OBJECTIVES OF LIFT CO**

4.1 During the period from 2004 a number of significant projects have been successfully completed by the LIFT Company (now Durham and Tees Community Ventures Ltd) and overseen by the Strategic Partnering Board (SPB) comprising representatives of the participating PCTs (now NHS County Durham and Darlington and NHS Tees), a representative of the LIFT Company Board and other stakeholders including Local Authorities and NHS North East.

4.2 LIFT Schemes in Hartlepool are the One Life Centre at Park Road and the Owton / Rossmere Health Centre at Wynyard Road.

- 4.3 The objective of this Special Purpose Vehicle was to create a partially owned Public Sector Limited Company (PPP) that had a long term strategic partnership with a competent Private Sector Partner (initially Accent Homes Ltd) who would provide commercial, procurement and technical expertise in the management and delivery of asset, estate, and property management, project finance and the delivery new capital developments.
- 4.4 Those organisations named in the OJEU, including Hartlepool Council are able to sign the Strategic Partnering Agreement (the principal document that governs the partnership) and are able to use the LIFT Company (as it then has Contracting Authority Status due to the procurement process) for the procurement and delivery of a range of Partnering Services (Professional, Technical, Commercial) without the need to pursue a further competitive procurement process.
- 4.5 At the award of contract (13<sup>th</sup> October 2004) stage all six NHS organizations named above signed the SPA and SHA (Shareholders Agreement) which gave the LIFT Company exclusive rights to provide certain services to those organisations for a 25 year period.
- 4.6 All of the Local Authority Partners including Hartlepool at the time chose not to sign the SPA but chose to keep the option of signing in the future. There were issues at that time around exclusivity in including Council-led projects into the LIFT Co. In addition there were questions over the private finance arrangement and resultant rent levels.
- 4.7 Two of the Local Authorities (Middlesbrough and Stockton-on-Tees) have now signed the Strategic Partnering Agreement and talks are in progress with County Durham. The LIFT Co have also approached Hartlepool Council and requested consideration of sign-up.

## 5. DEVELOPMENTS SINCE IMPLEMENTATION

- 5.1 Since the original establishment date there has been significant structural change within the NHS, however, the strength of this model and its partnership has stood the test of time and continues to deliver with successor bodies their Strategic Service Development Plans. A reformed Strategic Partnership Board will now be formed that will include relevant Health organisations plus:-

- Durham & Tees Community Ventures Ltd (LIFT Co)
- Stockton-on-Tees Borough Council (Level 2 SPA Signatory non exclusive)
- Middlesbrough Council (Level 2 SPA Signatory non exclusive)
- Durham County Council and Hartlepool Borough Council (Strategic Partner currently considering level 2)
- Strategic Health Authority



- 5.2 Level 2 Signatory Status now allows a participant to use the LIFT Co to procure and deliver Partnering Services and projects if they wish to do so without any exclusive nature or long term commitment to do so.
- 5.3 To-date the Council has not taken up the option to sign up to the Strategic Partnering Agreement due to relevant projects not coming forward and our concerns around the cost of the procurement route and any commitment to long term maintenance arrangements which could be out of our control. Early indications were that the “rental values” being paid by PCT’s seemed high, however, feedback from the PCT’s and other Councils getting involved are more positive. In addition the breadth of services and types of projects delivered by the LIFT Co. are expanding and improving to an extent where there may be opportunities, particularly if we are working in collaboration with Health colleagues, where using the LIFT Co. may be a useful option.

Examples include:-

- Multi Agency buildings and accommodation sharing.
  - Strategic Planning and Estates Management activities
  - Collaborative work on tenders
  - Work with other Local Authorities
  - Access to professional advice on commercial property matters with NHS partners (i.e. Co-located disposals).
  - Joint Venture / Developer Arrangements.
- 5.4 In addition to the development of new facilities the LIFT Co has also supported its partners by:
- Procuring and Providing Hard Facilities Management (FM) Services
  - Providing Project Management support
  - Delivering Minor Capital Improvement Projects
  - Managing Minor Capital Works Programmes
  - Undertaking Option Appraisals and Feasibility Studies
  - Providing Estate and Asset Management support
  - Managing Property Disposals Programmes
  - Support on Business Cases development
  - Development of GP Primary Care Premises
  - Provision of commercial Technical Professional Advice (from Framework)
  - Support in the compilation of the Strategic Service Development Plan
  - Supporting rationalisation plans
  - Provide additional Management Capacity and Capability to support in house teams.
- 5.5 It would be possible for the Council to make use of these services as a Strategic Partner of the LIFT Co. The LIFT Co simply act as a pre-procured provider to be accessed as and when required with no commitment.

- 5.6 In addition the Council has the opportunity to become a provider of these services – a much wider market for us to grow into.
- 5.7 From the Council's perspective an example of how effective the partnership is proving is the success that Community Ventures (the LIFT Co's operational arm) and Hartlepool Borough Council have had in being awarded contractor status for the provision of Statutory Facilities Management Services to NHS Property Services LTD. Winning this contract in an open market test against strong competition demonstrates the added value that a Public Private Partnership can deliver. The Council will be providing compliance testing in gas, electrical and legionella management plus associated maintenance. Further works are being pursued.
- 5.8 A relationship is building whereby the Council can undertake further services with potential to maintain and increase employment and generate income. There is therefore an argument that being closer to the LIFT Co via Level 2 signatories status may have positive spin offs for the Council in providing services as well as having access to support for the LIFT Co. This support would continue to be optional and there would be no cost nor exclusivity agreement requirement.
- 5.9 Commitment and involvement from the Local Authority to the partnership could build on and capitalise on this approach which can improve value for money, add value and create sustainability and employment within individual organisations.

## **6. BENEFITS TO THE COUNCIL IN JOINING THE SPB AT LEVEL 2**

- Access to LIFT Co expertise and range of services provided.
- Ability to procure straight through the framework
- A market tested supply chain that the Council could be part of with an opportunity for external work and income.
- It can provide a privately financed solution for a full lifecycle maintenance and replacement of facilities.
- Potential to be part of a joint venture development partnership as we look to new methods of delivery and asset maximisation.

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

- 7.1 There are no implications.

## **8. LEGAL, RISK AND FINANCIAL CONSIDERATIONS**

- 8.1 Signing up to the Level 2 non-exclusivity status does not commit the Council to engaging in, or the funding of, any projects in the future.

8.2 There is, however, an improved opportunity to provide services into the LIFT Co which would bring income into the Council.

8.3 As a partner we will have access to a range of services that have been pre-procured and that could be useful in terms of easy access and value for money.

## **9. EQUALITY AND DIVERSITY CONSIDERATIONS**

9.1 There are no implications.

## **10. RECOMMENDATIONS**

10.1 The Committee is requested to:-

- Note the development of the LIFT Company since implementation.
- Consider whether the Council should sign up to the Level 2 non-exclusivity status on the LIFT Company Strategic Partnership Board

## **11. REASONS FOR RECOMMENDATIONS**

11.1 To benefit our access to services and opportunity to provide services.

## **12. BACKGROUND PAPERS**

12.1 There are no background papers.

## **13. CONTACT OFFICER**

Denise Ogden  
Director of Regeneration and Neighbourhoods,  
Civic Centre, Level 3 Civic Centre,  
Victoria Road,  
Hartlepool,  
TS24 8AY.

Tel: 01429 523301.  
Email [Denise.Ogden@hartlepool.gov.uk](mailto:Denise.Ogden@hartlepool.gov.uk).

Graham Frankland  
Assistant Director (Resources)  
Civic Centre, Level 3 Civic Centre,  
Victoria Road,

Hartlepool,  
TS24 8AY.

Tel: 01429 284017.

Email [Graham.Frankland@hartlepool.gov.uk](mailto:Graham.Frankland@hartlepool.gov.uk).

# FINANCE AND POLICY COMMITTEE

23<sup>rd</sup> August 2013



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

**Subject:** ASSESSMENT PROCESS REGARDING  
CLAWBACK OF GRANT FROM HISTORICAL  
GRANT PROGRAMMES

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non – Key Decision

## 2. PURPOSE OF REPORT

2.1 To seek approval from members on a suggested process for dealing with grant clawback enquiries.

## 3. BACKGROUND

3.1 Members were previously informed (Finance and Policy Committee 31<sup>st</sup> May 2103) of changes to the removal of DCLG's capital clawback rights from certain historic grant programmes. Responsibility for dealing with enquiries from grant recipients now sits with the Council and a system is required to deal with these enquiries on an equal and consistent basis.

3.2 The way certain grant schemes operated previously resulted in long term onerous restrictions on grant recipients as there was a requirement to inform the grant funder if assets were sold or disposed of, in perpetuity meaning that the potential for clawing back funding remained. This therefore can hinder the long the term business planning of organisations. The Government want to remove these restrictions and delegate the responsibility for decision making to local authorities in those cases where they were the Accountable Body for the allocation of the grant.

3.3 The proposed changes relate specifically to Single Regeneration Budget (SRB), City Challenge, Urban Programme and Inner Area Grants. The earliest of these schemes date back to the late 1970's and most recently

SRB finished in 2008. The Council was the Accountable Body for all programmes.

- 3.4 Archive records have been reviewed and the requirements for clawback relating to the grant schemes have been considered based on sample applications. Urban programme has no clawback conditions included in offer letters, however, both SRB and City Challenge have clawback provisions in perpetuity.
- 3.5 SRB and City Challenge rely on grant recipients abiding by the condition within the offer letter to advise the Council when a disposal of properties were being considered as no provision was included to attach land charges to properties benefitting from grant allocations.
- 3.6 Under standard grant offer letter arrangements included in City Challenge and SRB grants, a condition warned grant recipients that assets must not be sold off or disposed of without notifying the organisation that awarded the grant. The Accountable Body could then make an assessment as to whether any grant funding should be repaid. The clawback conditions were included to protect public money from being used to generate quick returns on buildings that were improved using the funds, then sold on. These grant conditions, however, were in perpetuity, which meant that they could not be lifted, even after the funding stream had come to an end. It should be noted that since February 2011 the Council has received only one potential clawback enquiry.
- 3.7 Where a grant recipient did sell a building and the Accountable Body was aware of the disposal then they would inform the funder (the relevant Government department or local Government office) and seek advice as to whether clawback should be pursued. If a decision was made to look more closely at a clawback case then the Accountable Body was asked to look at putting together the information that was required to make an assessment of the case.
- 3.8 Under the Single Regeneration Budget and City Challenge funding streams the clawback process involved valuing the property before the grant aided works were carried out, then again following the completion of the works. This figure was then multiplied by the grant rate, which would result in a figure that could be used to estimate the additional value that could be attributed to the grant works. This figure was then used to seek repayment from the applicant. The amount could not be higher the grant total that was awarded.

#### **4. PROPOSALS**

- 4.1 It has now been recognised by Government that although there was a requirement to protect public funds that were administered through various grant schemes, the fact that they were tied into the clawback clauses forever was restrictive and often counteractive in terms of supporting businesses and economic growth over the medium to long term.

4.2 In February 2011 the Government issued guidance that withdrew the Department's capital clawback rights from Accountable Bodies that are either a public body or subject to an asset lock. Organisations that are subject to an asset lock are: Trusts; Community Interest Companies (CICS); Industrial & Provident Societies and Charitable companies. The asset lock is designed to ensure that the assets of the organisation (including any profits or other surpluses generated by its activities) are used to support the aims and objectives of their mission statements. The guidance goes on to state that in some cases to protect its liabilities (in the case of City Challenge) the Accountable Body may have placed restrictions on the grant recipient, in the case of charges placed on properties. In these circumstances the Accountable Bodies are advised to consider removing these restrictions from community owned assets allowing more flexibility to manage their affairs.

4.3 The Council therefore needs a process that allows enquiries to be dealt with on a fair and equitable basis and allows each particular case or inquiry to be considered on an individual basis

4.4 When an enquiry is received a simple process is required to assess whether any repayment of funding is required. This assessment would need to be based on terms and conditions imposed with respect to clawback at the time the grant was made, the most recent Government guidance issued, and an assessment of the aims and objective upon which the original grant was originally given. This would help members decide if any future action is required.

### **PROCESS**

4.5 It is proposed that following the receipt of an enquiry from a grant applicant a report will be prepared for Finance and Policy that will provide a recommendation as to whether clawback funding should be pursued and will cover a range of considerations to establish if the repayment of funding is required.

4.6 Given the number of grants administered over the lifetime of the various grant regimes coupled with the time that has elapsed between the offer of grant and the timing of queries received now, it is suggested that grants administered 10 years ago or more that are below a grant offer of £25,000 should not be pursued, unless there are extenuating circumstances such as if the grant award was part of a bigger grant package or there is likely to be excessive profits made from large uplift values. This figure is based on an average grant sum administered across the various funding streams. In addition there is also a cost of investigating or pursuing grant clawback on any sums smaller than this that would probably not be financially viable given the costs associated with pursuing funding in terms of officer time and any additional potential legal costs.

4.7 Grants paid out within the last 10 years (or those beyond 10 years over 25k) would be looked at on an individual basis and a report presented to Finance

and Policy with a recommendation. This report will include a description where possible of the background of the grant recipient and the rationale behind why the grant was awarded and the general aims and objectives of the particular grant scheme and if these aims and objectives had been met.

- 4.8 In terms of timescales, only enquiries received after the date of the advice issued by DCLG (Feb 2011) can be determined by the Council under the new arrangements. In addition, if we discover a building has been disposed of more than six years ago then it is probable that the case could not be pursued due to the statutory limitation period.
- 4.9 If there are particular cases where it is felt that clawback of grant should be pursued and no method of establishing the sum of clawback is specified in the agreements entered into with grant recipient, it is suggested that the clawback process will be based largely on the system previously used to calculate clawback amounts.
- 4.10 It is proposed that if there is no asset lock, there is a clawback condition in the original offer and the original grant offer is of sufficient value and within the timescales specified then an assessment to calculate a repayment amount could be made. This assessment would consist of a current valuation and an historic valuation of the property at a point immediately preceding the building works supported by the grant funding. This of course will rely on the accurate assessment of property valuations prior to the award of grant and the carrying out of improvement works.
- 4.11 This will help to measure the effect that the grant works have on the current market value. The further that officers are required to go back in time to undertake valuations the more challenging it is to establish accurate information on properties prior to improvement works. Comparisons could be sought from the Valuation Office and local agents, with assumptions made for condition of the property prior to the commencement of works. There could also be challenges in finding certain grant information given the age of some of the grant applications covered by these funding streams and the incompleteness of the current archive. In summary where possible the grant assessment report will include details of:
- Whether the organisation seeking to sell the property is asset locked;
  - If the aims and objectives of the grant award been achieved;
  - If there is a clawback clause in the offer letter that would allow repayment of grant;
  - The level of grant that was awarded;
  - What will the asset be used for if the building has been disposed of;
  - If the property has already been disposed of and were we informed before or after Feb 2011;
  - Whether it was a gap funded scheme and had a tailored clawback approach;
  - History of the organisation supported; and
  - 3 years financial accounts



- 4.12 This assessment report will then be reported to Finance and Policy for consideration.
- 4.13 The Council has received a current enquiry details of which are included in **Confidential Appendix 1 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).**

## **5. FINANCIAL CONSIDERATIONS**

- 5.1 If there was a decision to enforce a clawback condition there would be a financial cost to the Council in terms of officer time required to pursue a repayment. There could also be costs associated with any challenges to enforcement action in terms of court fees or specialist advice if this was required. If enforcement is successful these costs may be recovered as a result of the process. Any money that is clawed back would be retained by the authority as part of the new arrangements. Obviously if the Council pursued a repayment and was unsuccessful then the Council would need to meet the cost of pursuing repayment. It should be noted however that the Council has received only one enquiry since February 2011 when the clawback rights were lifted from the accountable body by DCLG.

## **6. LEGAL CONSIDERATIONS**

- 6.1 In cases where it is appropriate to pursue the repayment of grant monies then legal advice will be required and the Council's in house team would provide that service. They have been involved in the determination of this revised process and will be used to represent the Council if there were challenges to the demands for repayment. Any request for repayment that is not in line with the Government guidance could be subject to challenge and judicial review.

## **7. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 7.1 There are no Equality and Diversity considerations.

## **8.0 STAFF CONSIDERATIONS**

- 8.1 There were no staff considerations.

## **9.0 ASSET MANAGEMENT CONSIDERATIONS**

- 9.1 There are no asset management considerations.

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

- 10.1 There are no Section 17 considerations.

## **11. RECOMMENDATIONS**

### **11.1 Members are recommended to:**

- i) Endorse the approach suggested that will allow historic grant enquiries to be dealt with, in a fair and equitable way.
- ii) Consider the report in relation to an enquiry received from Barnardo's in confidential appendix 1 and endorse its recommendations.

## **12. REASONS FOR RECOMMENDATIONS**

- 12.1 This recommendation will allow grant enquiries to be dealt with in line with current government guidance.

## **13. BACKGROUND PAPERS**

- 13.1 Report to Finance and Policy 31<sup>st</sup> May 2013.

## **14. CONTACT OFFICER**

- 14.1 Denise Ogden  
Director of Regeneration and Neighbourhoods  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY  
Email [denise.ogden@hartlepool.gov.uk](mailto:denise.ogden@hartlepool.gov.uk)  
Tel: 01429 523301

# FINANCE AND POLICY COMMITTEE

23 August 2013



**Report of:** Assistant Chief Executive

**Subject:** QUARTER 1 – COUNCIL OVERVIEW OF PERFORMANCE AND RISK 2013/14

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key

## 2. PURPOSE OF REPORT

- 2.1 To inform Finance and Policy Committee of the progress made against the 2013/14 Council Plan, for the period ending 30 June 2013.

## 3. BACKGROUND

- 3.1 The Council Plan was agreed by Council on 11 April 2013.
- 3.2 The Council Plan contains an action plan setting out how the Council proposes to deliver the Council's priority outcomes. Key Performance Indicators are also included which can then be used to monitor progress throughout the year and at year end. It also contains a section listing the Risks that could prevent the Council from delivering the priority outcomes.
- 3.3 The Council's Performance Management System (Covalent) is used to collect and analyse progress against the actions, performance indicators and risks detailed in the Council. The information in the system was used to prepare this report.
- 3.4 It should be noted that Public Health will be included as a separate departmental section in the Quarter 2 performance report.
- 3.5 The structure of the report is:

Paragraphs	Content
4.1 – 4.7	Council Overview of Performance and Risk
5.1 – 5.7	Child and Adult Services Departmental Update

6.1 – 6.9	Regeneration and Neighbourhoods Departmental Update
7.1 – 7.8	Chief Executives Departmental Update
8.1	Recommendations

#### 4. COUNCIL OVERVIEW OF PERFORMANCE AND RISK

- 4.1 In total the Council Plan includes 231 actions and 227 performance indicators to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Plan.
- 4.2 Of the 227 indicators, 111 had targets set and the remaining 109 were for monitoring purposes only. 79 of the 111 targeted indicators are collected quarterly, and the remaining 32 are collected annually. Only the 79 targeted indicators that are monitored quarterly are included in the analysis for this report.
- 4.3 Officers have assessed the indicators and actions included in the plans, making judgements based on progress to the 30 June 2013. Progress is categorised as: -
- ? **PI target achieved or Action completed**
  - ? **PI on track to achieve target or Action on track to be completed**
  - ? **PI/Action having made acceptable progress**
  - ? **PI/Action requiring intervention**
  - ? **PI Target not achieved or Action not completed.**
- 4.4 The Council Plan addresses the key priorities and issues facing the Council, and includes an action plan that draws the key actions and performance indicators from across the three Departments.
- 4.5 Charts 1 and 2 below summarise officers' assessments of the Council Plan actions and indicators (that have targets **and** are measurable throughout the year). As at 30 June 2013, the position was a positive one, with: -
- ? 203 actions (88%) have already been completed or assessed as being on target to be achieved by their scheduled completion date;
  - ? 57 performance indicators (72%) have been assessed as being on track to achieve their year end target;
  - ? 28 actions (12%) and 21 performance indicators (27%) have been assessed as having made acceptable progress;
  - ? 1 indicator have been assessed as requiring intervention, and further information relating to this can be found later in the report – see paragraph 5.4

Chart 1: Council Plan Action Progress for period to 30 June 2013.

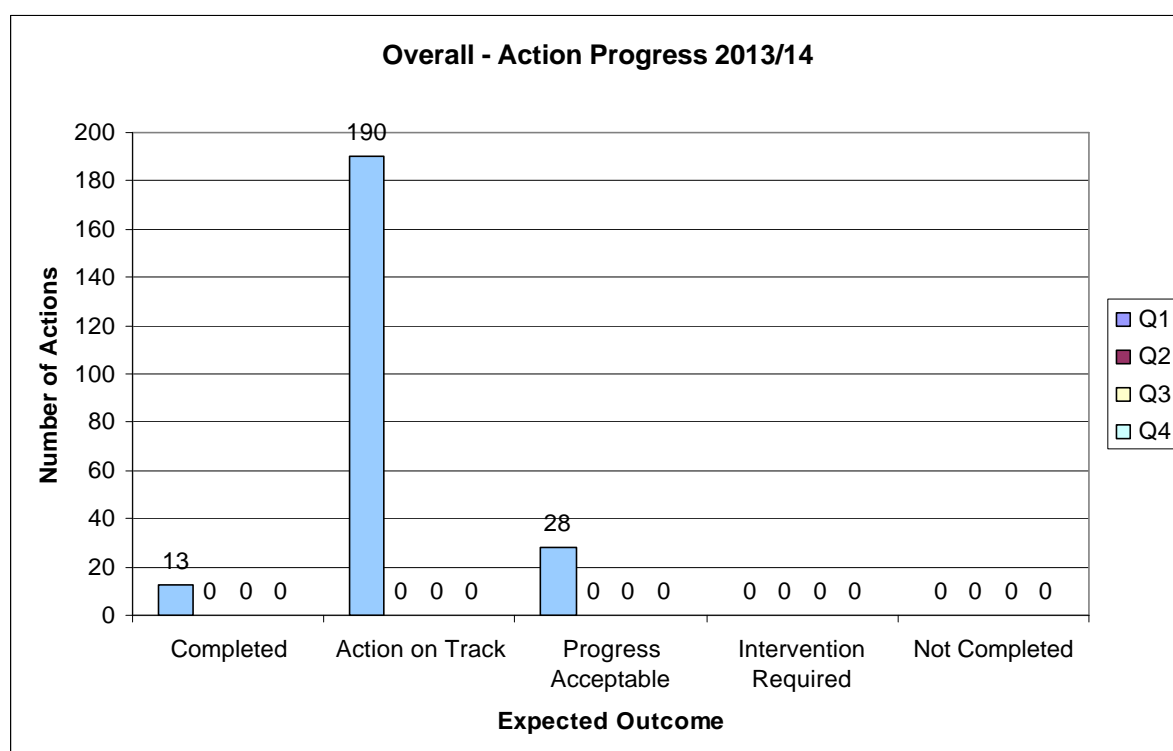
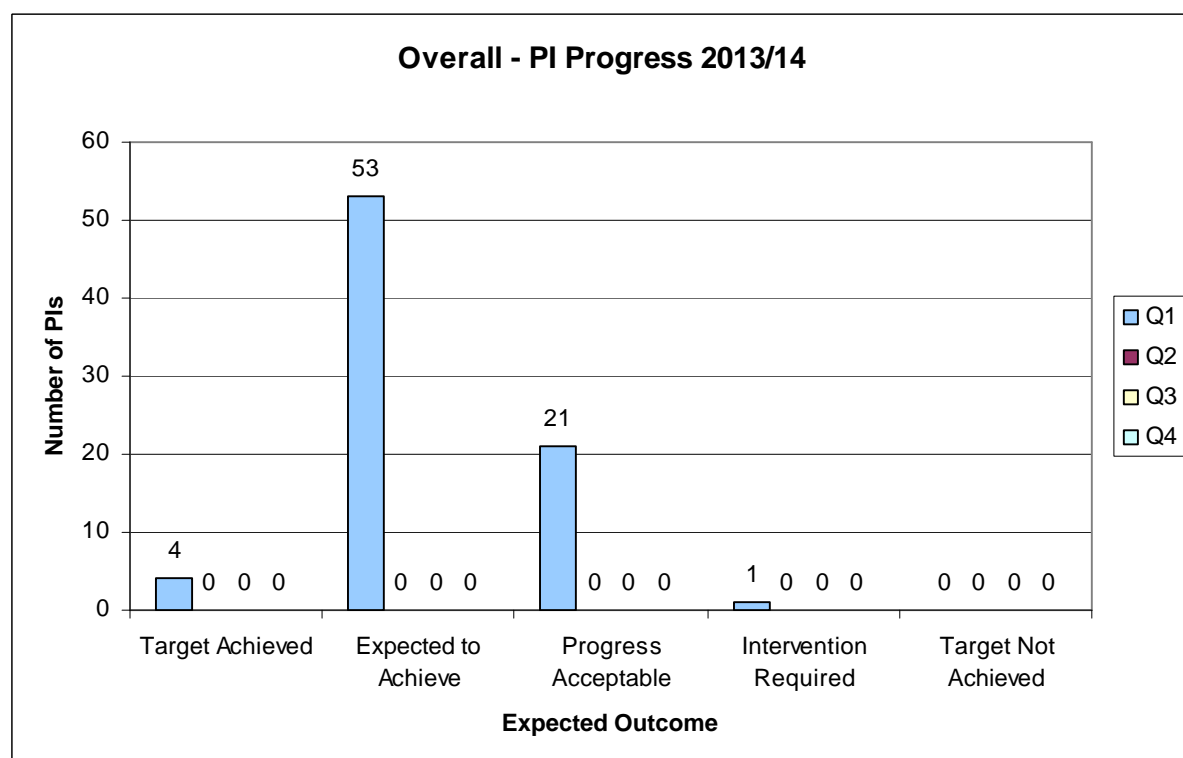


Chart 2: Council Plan PI Progress for period to 30 June 2013

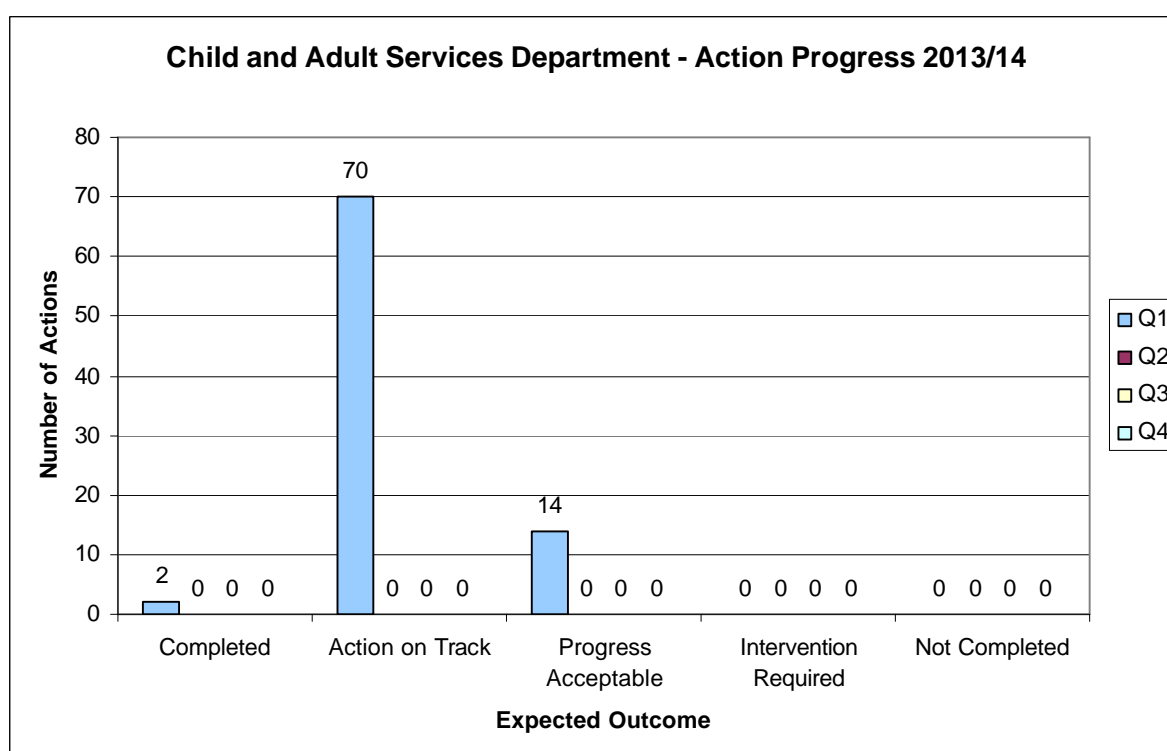


- 4.6 147 strategic risks have been identified across the Council. These are being managed in accordance with the Council's Risk Management Framework as agreed by Performance Portfolio Holder on 23 March 2011. This splits risks into two categories:
- ? Actively Managed Risks: those where additional control measures are being pursued or need highlighting and monitoring through senior managers and elected members; and
  - ? Accepted Risks: those risks that have been identified by departments as under control.
- 4.7 Accepted risks continue to be monitored by individual departments to ensure the risk is kept at an acceptable level. Sections 5.6, 6.8 and 7.6 of this report provide an update on the Actively Managed Risks.

## **5. CHILD AND ADULT SERVICES DEPARTMENTAL UPDATE**

- 5.1 The Child and Adult Department contributes to 11 outcomes, spread across 6 themes:
- ? Jobs and the Economy
  - ? Lifelong Learning and Skills
  - ? Health and Wellbeing
  - ? Community Safety
  - ? Culture and Leisure
  - ? Strengthening Communities
- 5.2 The Child and Adults Department has identified are 86 actions and 106 performance indicators (39 Targeted and 67 Monitored) spread across 11 outcomes within the Council Plan that it is responsible for. In addition the department has also identified 52 strategic risks that are included in the Council's Risk Registers.
- 5.3 As can be seen in chart 3 overall progress is good with:
- ? 72 actions (84%) having been completed or assessed as being on target to be achieved by their scheduled completion date;
  - ? 14 of the remaining actions have been flagged as having made acceptable progress;

Chart 3: CAD Overall Action Progress – to 30 June 2013



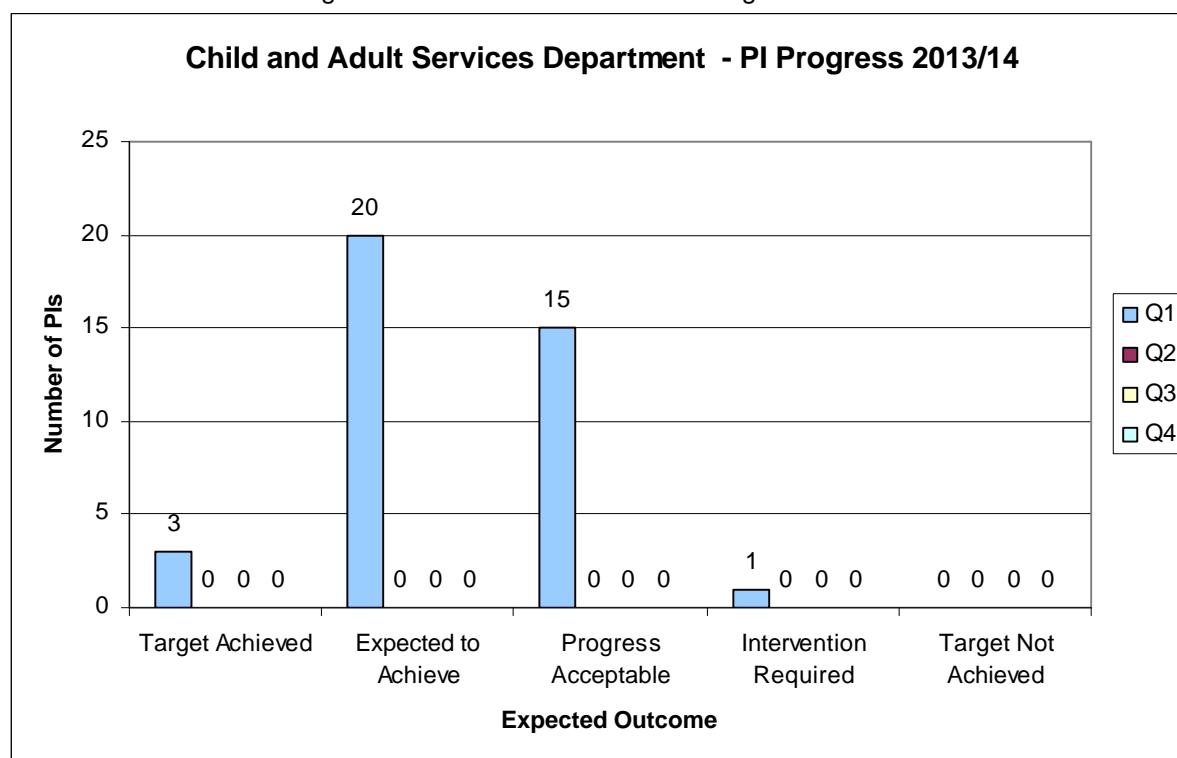
5.4 Chart 4 summarises officers' assessments of the 39 Performance Indicators that have targets **and** are measurable throughout the year. As at 30 June 2013, the position was a positive one, with:

- ? 23 indicators (59%) being assessed as being on track to achieve their year end target;
- ? A further 15 indicators (38%) having been assessed as having made acceptable progress;
- ? The remaining 1 indicator is identified as Intervention required and is identified in Table 1 below

Table 1: CAD PI Intervention required

Outcome				
Ref	Indicator	Current Value	Target	Notes
NI 59 (7 days)	Percentage of initial assessments for children's social care carried out within 7 working days of referral	26.2		233 Initial Assessments completed during April to June 2013 of these 61 were completed within 7 working days (61 / 233 x 100 =26.2%)

Chart 4: CAD Targeted Performance Indicators – Progress to 30 June 2013



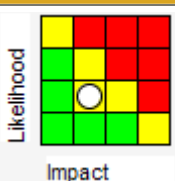
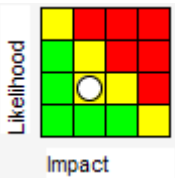
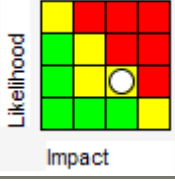
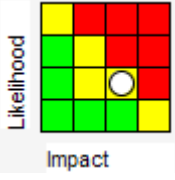
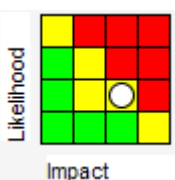
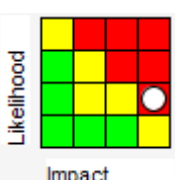
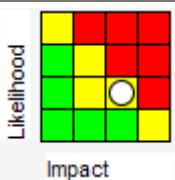
5.5 A further 26 indicators have targets which can only be assessed at the year end and a further 67 are for monitoring purposes only.

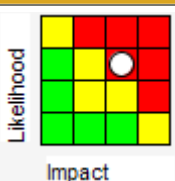
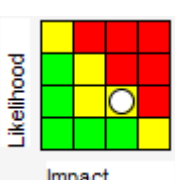
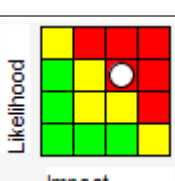
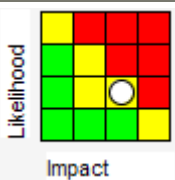
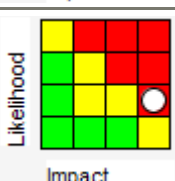
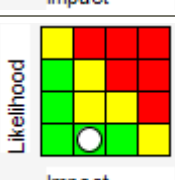
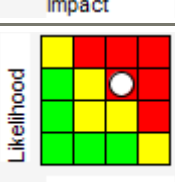
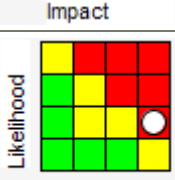
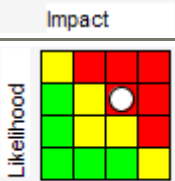
5.6 There are 11 risks on the Accepted Risk Register within the Child and Adult Services Department and a further 41 on the Actively Managed Risk Register. The table below provides a summary of the position of the risks on the Actively Managed Risk Register along with details as to what action is being taken with regard to these risks.

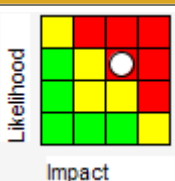
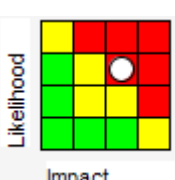
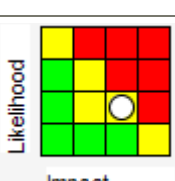
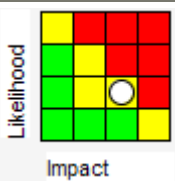
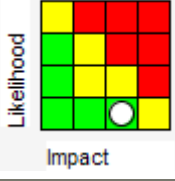
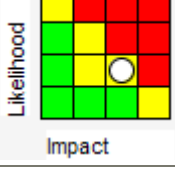
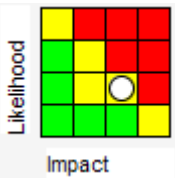
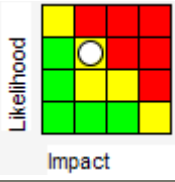
Table 2: CAD Actively Managed Risks 2013/14

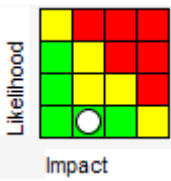
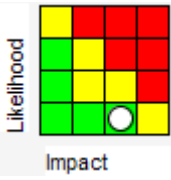
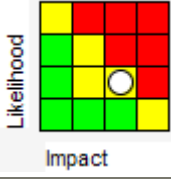
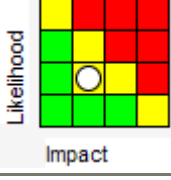
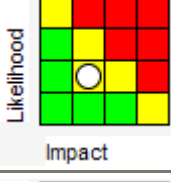
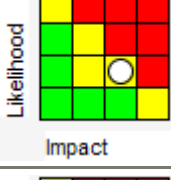
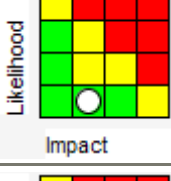
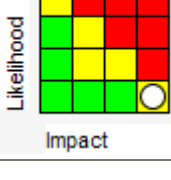
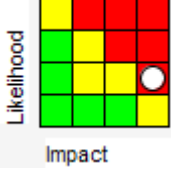
Code	Title	Current Risk Matrix	Latest Note
CAD R001	Service issue as a result of insufficient budget allocation or changes in national funding/grants (Actively Managed)		Central Education Budget continues to be reduced, however allocated Council reserves and income generation have mitigated some of the impact of these cuts and the LA continues to provide a good services to it's schools. (NO CHANGE IN RATING)
CAD R004	An increase in the number of schools falling below Performance Achievement Standard (Actively Managed)		Validated data available November 2013 will indicate which schools have fallen below National floor standards and the LA will support appropriately. (NO CHANGE IN RATING)
CAD R005	Failure to meet the statutory duties and requirements vested within the Child and Adult Services department (Actively Managed)		All statutory services for the education dept have now being identified and costed. (NO CHANGE IN RATING)

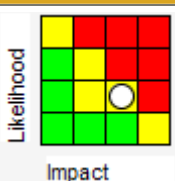
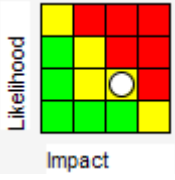
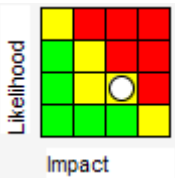
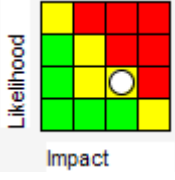
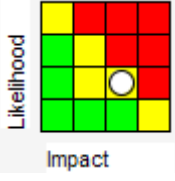


Code	Title	Current Risk Matrix	Latest Note
CAD R006	Alcohol investment does not enable the provision of sufficient services to meet the increased level of need. (Actively Managed)		No change in risk status since last update in April 2013. (NO CHANGE IN RATING)
CAD R007	Adverse publicity and community tension (e.g. in regard to reintegration of drug users./offenders back into community, drug related deaths, establishing community services/Pharmacist) (Actively Managed)		No change in risk status since last update in April 2013. (NO CHANGE IN RATING)
CAD R008	Damage / Disruption due to violence to staff, health & safety incidents or poor working conditions (Actively Managed)		Health and Safety risks carefully monitored through regular meetings held internally and involving trade union representation. (NO CHANGE IN RATING)
CAD R011	Failure to work in effective partnerships with NHS, including risk of cost shunting. (Actively Managed)		National guidance has been issued recently relating to closer integration of health and social care and the use of pooled budgets to provide more joined up services, with additional funding available from 2015/16 to support this agenda. Early discussions with the CCG are being arranged to consider how this is taken forward locally. (NO CHANGE IN RATING)
CAD R017	Failure to recruit & retain suitable staff in childrens services (Actively Managed)		No change to risk score. Staff recruitment and retention remains good. Some recent changes of staff due to opportunities arising in specialist teams, high calibre new staff have been recruited albeit they are newly qualified and will require protected caseload through their Assessed and Supported Year in Employment. To manage this effectively, two additional over establishment posts have been appointed to from temporary funding to maintain workforce capacity. (NO CHANGE IN RATING)
CAD R019	Failure to plan for future need and ensure sufficient placement provision to meet demand (Actively Managed)		No change to risk rating. Recruitment of foster carers to HBC remains good with high ratio of children within in house placements. Hartlepool is leading retender of independent fostering provision on behalf of Tees Valley which will provide additional placement capacity. Children's Home will open in the next three months providing residential provision within Hartlepool for those children needing this placement type. Increased demand for care provision for children with complex needs, provision at Exmoor Grove has been reviewed with the option of reconfiguring how the resource is managed between long stay and short break care. This is kept under regular review in light of demand. (NO CHANGE IN RATING)
CAD R020	Insufficient capacity in the independent sector to meet placement demand (Actively Managed)		Main risk is the availability of appropriate placements for teenagers in Independent Fostering Agencies and Residential Care, those that are available are high cost and a long way from Hartlepool. (NO CHANGE IN RATING)

Code	Title	Current Risk Matrix	Latest Note
CAD R021	Increased demand on services due to socio-economic pressures (Actively Managed)		No change to risk score. Demand for services has shown a steady rise over the past year, additional capacity has been provided to social work teams to manage demand. Review of early intervention services underway. (NO CHANGE IN RATING)
CAD R022	Failure to provide statutory services to safeguard children and protect their well-being (Actively Managed)		No changes to risk score. Council continues to meet statutory requirements in relation to safeguarding children. Service restructure is planned for September to realign teams to meet changes to assessment requirements arising from revision of Working Together to Safeguard Children. Services are effectively managed with audit and performance arrangements in place to ensure compliance with requirements. (NO CHANGE IN RATING)
CAD R023	Impact of change to funding arrangements across Children's Services (Actively Managed)		Risk rating increased in light of cuts to Early Intervention Grant which necessitate a scaling back of services. Review of services is underway and report will be submitted to Children's Services Committee for decisions in October 2013. (INCREASE IN RATING)
CAD R024	Failure to meet statutory duties and functions in relation to the Youth Offending Service (Actively Managed)		Performance in relation to the services statutory functions are monitored actively through fortnightly performance management meetings and reported quarterly to the services strategic management board. (NO CHANGE IN RATING)
CAD R029	Failure to effectively manage risks exhibited by young people and families (Actively Managed)		Risk management arrangements are in place for young people. This is being further developed implementing the Northumberland Risk Management Framework locally to strengthen arrangements for managing risk taking behaviours in young people. (NO CHANGE IN RATING)
CAD R031	Failure to recruit and retain staff in educational support services (Actively Managed)		The education department do not consider this to be a high risk and expects to successfully recruit at least two posts in the next 6 months. (DECREASE IN RATING)
CAD R032	Increase in the number of schools falling below national average for pupil attendance (Actively Managed)		Attendance in Hartlepool has improved mainly due to the work of a large attendance team, however if funding for this team were to be reduced it is likely that attendance would start to decrease again. (NO CHANGE IN RATING)
CAD R033	Failure to plan for future need and ensure sufficient placement provision to meet demand within adult social care. (Actively Managed)		This continues to be a significant risk, particularly in relation to nursing care and people with dementia. The situation is being closely monitored and concerns have been highlighted with the CCG. (NO CHANGE IN RATING)
CAD R034	Insufficient capacity in the independent sector to meet placement demand within adult social care. (Actively Managed)		This risk has increased due to limited nursing home capacity within Hartlepool. The situation is being closely monitored and concerns have been highlighted with the CCG. (INCREASE IN RATING)

Code	Title	Current Risk Matrix	Latest Note
CAD R035	Increased demand on adult social care services due to demographic pressures. (Actively Managed)		No change to risk score. Demographic pressures continue to impact on adult social care services in terms of capacity and spend and this is likely to continue. (NO CHANGE IN RATING)
CAD R037	Failure to achieve targets in relation to assessments within 28 days and annual reviews, due to increased pressures on services. (Actively Managed)		Although first quarter performance in 2013-14 for both reviews and assessments in time is good, increasing pressures means there are significant issues over our capacity to deal with inappropriate delays. Pressures on the health service are increasing the demands on social care and do not have control over these external factors. Work is ongoing to look at the nature of these risks, specifically by area such as OT. (NO CHANGE IN RATING)
CAD R038	Failure to provide statutory services to safeguard vulnerable adult. (Actively Managed)		No change to risk status. Statutory services to safeguard vulnerable adults will not be affected by funding cuts in 2013/14. (NO CHANGE IN RATING)
CAD R039	Impact of change to funding arrangements across adult social care services. (Actively Managed)		No change to risk status. The level of cuts required in adult social care is likely to produce increased risks as services are reduced or stop being provided. (NO CHANGE IN RATING)
CAD R040	Failure to deliver the Reablement Strategy. (Actively Managed)		Risk has reduced due to confirmation that NHS funding for social care is now guaranteed until March 2016, with additional funding to be made available in 2015/16 to support further integration of health and social care services, with a focus on prevention, early intervention and preventing hospital admissions. (NO CHANGE IN RATING)
CAD R041	Failure to recruit & retain suitable staff in adult social care. (Actively Managed)		No change to risk score. No current issues identified in recruiting and retaining suitable staff. (NO CHANGE IN RATING)
CAD R043	Delayed transfers of care from hospital due to reduced capacity and changing working arrangements for hospital discharge. (Actively Managed)		The potential for delayed transfers of care from hospital is an increased risk to the Council because of the phased reduction in the number of acute beds, while demand increases and is likely to increase further. The volume of requests for assessments of need will continue to be a pressure as will financial pressures linked to supporting vulnerable people to be discharged safely. We continue to need to work more closely with Community Nurses at both a strategic and operational level (NO CHANGE IN RATING)
CAD R044	Failure to retain suitably skilled staff in the Museum Service (Actively Managed)		No change in risk status since last assessment in April. (DECREASE IN RATING)

Code	Title	Current Risk Matrix	Latest Note
CAD R045	Failure to deliver statutory elements of the Library Service (Actively Managed)		No change to risk status, however, the way the library service is delivered is being reviewed. (NO CHANGE IN RATING)
CAD R046	Failure to provide statutory service of archaeological planning advice and Historic Environment Record (Actively Managed)		No change to risk status, however, there is a reliance on income to maintain this service. (NO CHANGE IN RATING)
CAD R047	Failure to fulfill the targets for recruitment set by the SFA leading to loss of income (Actively Managed)		SFA funding currently on stream, some possibility to all SFA funded organisations that non delivery will incur in year claw back. (NO CHANGE IN RATING)
CAD R048	Failure to reach the minimum levels of performance for the SFA or Ofsted (Actively Managed)		no change to current risk status in this matter. (NO CHANGE IN RATING)
CAD R049	Failure of MIS and IT systems preventing return of electronic data for funding purposes (Actively Managed)		Current returns are being met, new SFA ESF grant regime project will provide an additional challenge particularly as the number of partners inputting data requirements will increase. (NO CHANGE IN RATING)
CAD R050	Failure to recruit or retrain sufficient staff in key areas of a changing programme offer (Actively Managed)		Currently being managed satisfactorily and risks well known. (NO CHANGE IN RATING)
CAD R051	Failure of partnerships resulting in insufficient venues to deliver training (Actively Managed)		no current concerns in this volatile risk area. (NO CHANGE IN RATING)
CAD R052	Failure to meet the licensing requirements of the Adventurous Activity Licensing Authority (Actively Managed)		AALA Licence in place and operating in 2 critical areas - Carlton OEC and Summerhill. (NO CHANGE IN RATING)
CAD R053	Failure to adhere to the recommended standards regarding pool safety management (Actively Managed)		This remains a high risk area - mitigated to some degree by the proactive approach now being successfully undertaken by Health & Wellbeing section who have the SLA arrangements in place with schools with pools. Pro-active inspection and guidance now in place, however it is up to the schools themselves to monitor and follow minimum standards. (NO CHANGE IN RATING)

Code	Title	Current Risk Matrix	Latest Note
CAD R054	Failure to ensure awareness and training of staff regarding safeguarding (Actively Managed)		Staff are regularly attending different elements of safeguarding guidance to minimise incidents occurring. (NO CHANGE IN RATING)
CAD R055	Failure to establish new partnerships and meet funding conditions of external partners in relation to grant funding, MOU's or SLA's (Actively Managed)		Success achieved at Brierton in relation to the new 3G pitch etc, ESF grant awards to Adult Educ is indicative of the regard that AE is held in the tees valley with peers. (NO CHANGE IN RATING)
CAD R056	Lack of adequate investment in public buildings affecting ability to income generate (Actively Managed)		Some concerns raised regarding the possibility of delay in implementing the Mill House boom - this is a critical efficiency measure and possibly delayed due to emerging re-development proposals - which if considered timely will assist the service delivery. However if development delays occur then the MHLC is facing a significant potential deficit through delayed efficiency. The current maintenance investment into the appearance of the HME (Hartlepool Maritime Experience) is very welcome and will maintain its attractiveness as a major visitor attraction. (NO CHANGE IN RATING)
CAD R057	Impact of recruitment freeze, gaps in staffing caused by length of time taken in process and use of redeployed staff lacking appropriate skills and experience (Actively Managed)		A very challenging time in April / May as temporary staff left and new schemes came on stream leading to some opportunity to retain experienced staff and mitigate a constant reduction in staff and staff capacity to deliver. (NO CHANGE IN RATING)
CAD R058	Failure to adhere to recommendations of the Playing Pitch Strategy (Actively Managed)		The existence of the new PPS (Playing Pitch Strategy) was essential in gaining the Football Foundation and Sport England grants for the redevelopment of Brierton Sports Centre. The emerging development of 3 town schools will affect their playing fields as part of the site reconfiguration. The PPS and consideration of Sport England views is essential to making timely progress in these new initiatives. (NO CHANGE IN RATING)

5.7 For the period up to 30 June 2013 the Child and Adult Services Department have identified a number of achievements including: -

- ? Achievements against the drug treatment targets continue to be steady in what is a very challenging area of work. The focus is now on recovery and reintegration of people who use or have used illegal substances to more forward to live drug free lives. There is a strong focus on education and employment within the services as well as family support. The services are aimed at supporting people who make progress and then relapse to remain in treatment so that their chances of ultimately being free from drug use through a successful recovery journey
- ? The Hearing loss strategy agreed at Health and wellbeing board, action plan is being progressed, new BSL service is being commissioned with

the support of Deaf centre users, a new information point has been identified and the BSL strategy had its launch at HCFE and was attended and well received by over 100 people. A new SLA is in place with economy and regeneration to support the uptake of employment for people with a learning disability

- ? In terms of Clients receiving a review as a percentage of adults and older clients receiving a service; the first quarter performance is very good and the figure of 20.1% is ahead of the target - this relates to 1,003 people being reviewed in the first 3 months of the year.
- ? The Community Activity Network Public Health Grants is still actively functioning and networking within the wider partnership. The Public Health Grants Scheme in the last quarter has awarded St Cuthbert's School £1100 towards a Healthy Lifestyles Room and Community Based Provision, £200 to support Lynnfield Ladies with Chair Aerobics, £2500 for a Fit Family programme targeting physical activity programme in the Belle Vue Community. HUCSF (Hartlepool United Community sports Foundation) have secured £5484 to support a physical activity rehabilitation programme targeting people with substance addiction and Hartlepool Gymnastics Club received £9000 to purchase a tumble track which will mean they can increase participation from grass roots through to elite. A total of £18,284 has been awarded to support physical activity delivery in the wider community.
- ? The Number of patients completing a 10 week programme of referred activity recommended as a health intervention is down on quarterly target due to timing of 10 week programmes. It is not anticipated that this will be an ongoing problem.
- ? CAD are in the process of setting up a hidden harm network. All relevant staff have attended safeguarding training and are forging effective links with the locality teams.
- ? The Universal Plus programme in hotspot areas has been launched and will result in every new pregnancy being allocated a Family Support Worker at 20 weeks pregnant. The Family Support Worker will support the Midwife and then Health Visitor to ensure that families access all of the facilities available to them. In addition to this practical approach to families the Health and Family Support Services will be co-located from September 2013.
- ? Direct work with children is now being used more frequently within the child protection conference process. There have been examples of feedback questionnaires and other tangible documents more clearly evidencing the voice of the child in this arena. Team managers now ensure that all assessments contain the views of the child prior to authorisation.
- ? The long term social work team now have access to resource packs that are used by social workers for direct work with children. There is increasing evidence via case notes and Iclipse of the use of these tools in their work.
- ? Supported parents to deliver the 7<sup>th</sup> Parent led Conference. Continue to support parent led forum meetings and assisting them with service design.

- ? Held two workshops in April and June with parents around participation with regards to personal health budgets and the development of the local offer of services in relation to the SEND Pathfinder Programme.
- ? Supported parents in the production of the 7<sup>th</sup> Parent led Newsletter due to be published in July.  
In response to measles outbreak on Teesside, a school based vaccination (measles, mumps and rubella – MMR) campaign has taken place. All schools have dates for vaccination clinics which were provided by the School Nursing Service. At the end of May, 28 schools had delivered the vaccination sessions with 590 children and young people being vaccinated.
- ? First Contact and Support Hub workers are working with colleagues in Revenues and Benefits to ensure that families are prepared for the welfare changes. The operational welfare group is now a sub group of the Financial Inclusion Partnership which is ensuring that a partnership approach is in place.
- ? There has been a slight increase in the numbers of young people NEET in comparison to the previous year. However Hartlepool continues to compare favourably with both regional and statistical neighbours who are all experiencing the adverse affects of the ongoing economic downturn.

## **6 REGENERATION AND NEIGHBOURHOODS DEPARTMENTAL UPDATE**

6.1 The Regeneration and Neighbourhoods Department contributes to 19 outcomes, spread across 7 themes.

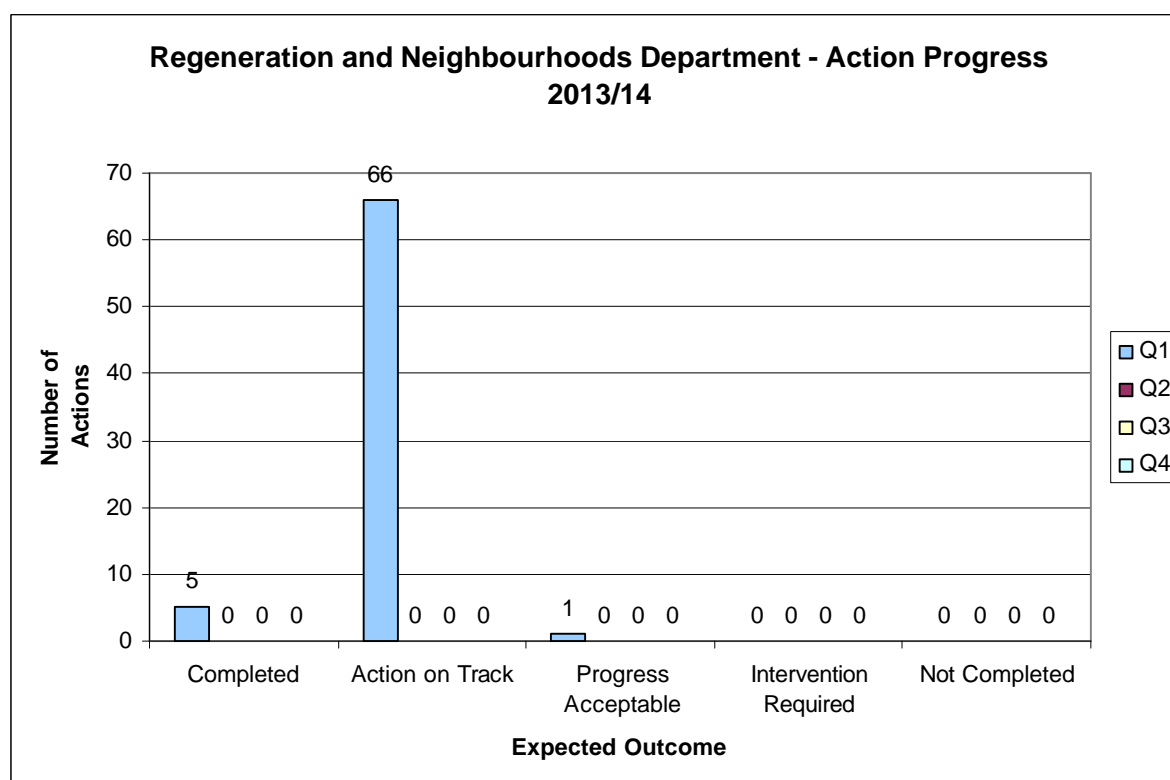
- ? Jobs and the Economy
- ? Health and Wellbeing
- ? Community Safety
- ? Environment
- ? Housing
- ? Strengthening Communities
- ? Organisational Development

6.2 The Regeneration and Neighbourhoods Department has identified 72 actions and 53 performance indicators spread across 19 outcomes within the Council Plan that it is responsible for. In addition the department has also identified 28 strategic risks that are included in the Council's Risk Registers.

6.3 As can be seen in Chart 5, overall progress is good with:

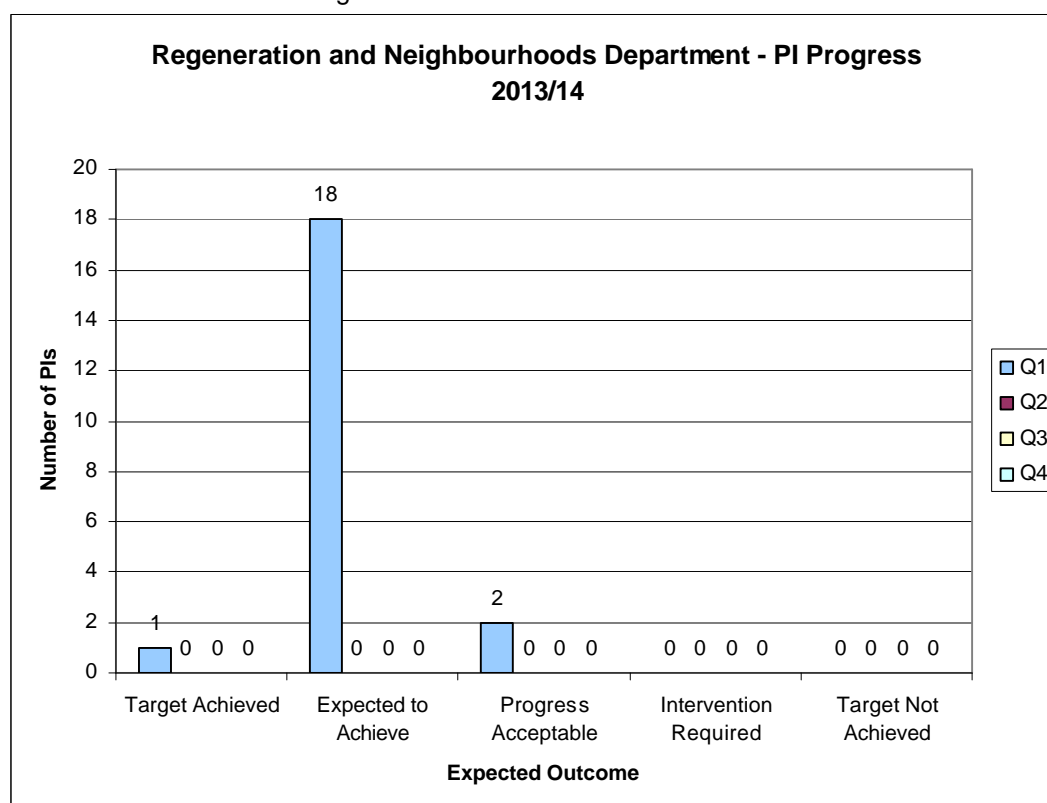
- ? 71 actions (98 %) having already been completed or assessed as being on track to be completed by the agreed date;
- ? One further action has been adjudged to have made acceptable progress;

Chart 5: RND Overall Action Progress – to 30 June 2013.



6.4 Chart 6 summarises officers' assessments of the 21 performance indicators that have targets **and** are measurable throughout they year.

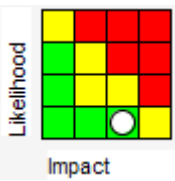
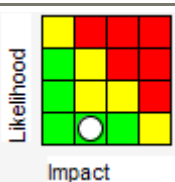
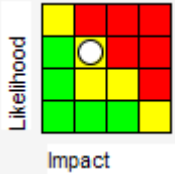
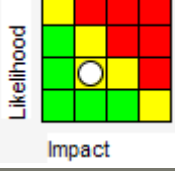
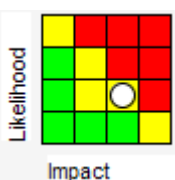
Chart 6: RND Overall PI Progress – to 30 June 2013.



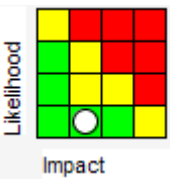
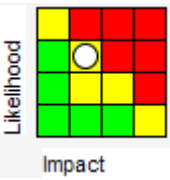
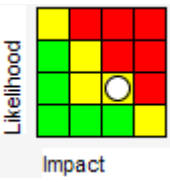
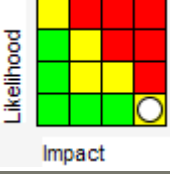
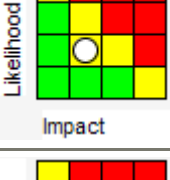
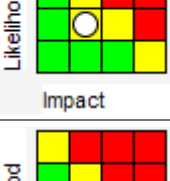
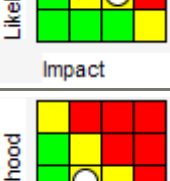
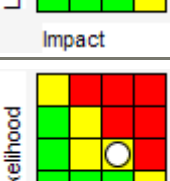
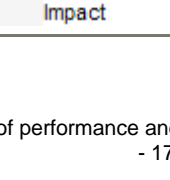


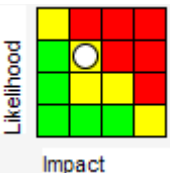
- 6.5 It can be seen that, as at 30 June 2013, the position was a positive one with:
- ? 19 indicators (90%) having been assessed as being on track to achieve year end target
  - ? 2 indicators have been assessed as having made acceptable progress.
- 6.6 A further 32 indicators are for monitoring purposes only.
- 6.7 There are 19 risks on the Accepted Risk Register within the Regeneration and Neighbourhoods Department and a further 17 on the Actively Managed Risk Register. The table below provides a summary of the position of the risks on the Actively Managed Risk Registers along with details as to what action is being taken with regards to these risks.

Table 3: RND Actively Managed Risks 2013/14

Code	Title	Current Risk Matrix	Latest Note
RND R052	Council liability for RTA related accidents resulting from employees driving whilst on council business (Actively Managed)		A policy is currently being written which will ensure that the Council is legally covered should a blameworthy collision occur as a result of an employee driving on official business. As part of this, options are also being explored regarding the introduction of an enhanced professional driver's eyesight tests. This would help ensure all drivers operating Council plant and vehicles are doing so with adequate vision and significantly reduce the associated risk. (NO CHANGE IN RATING)
RND R053	Failure to effectively implement selective licensing (Actively Managed)		No changes since last assessment all actions are progressing (NO CHANGE IN RATING)
RND R054	Failure to maintain highway infrastructure to acceptable standard resulting in additional cost implications through insurance claims (Actively Managed)		Insufficient maintenance budgets coupled with severe weather is leading to a larger extent of the highway network being in a poor condition. (NO CHANGE IN RATING)
RND R057	Reduction in funding for Housing Investment (Actively Managed)		There has been no change since the last assessment, as the period of allocation is 2011/15. (NO CHANGE IN RATING)
RND R059	Failure to provide a 'sound' Planning Policy Framework leading to a lack of clear planning guidance (Actively Managed)		The Hartlepool Local Plan was submitted to the Secretary of State in 2012 for examination, the document has been out to consultation extensively. The Local Plan was subject to Examination in Public (EIP) on the 29 January 2013 this examination lasted 2 weeks. The examination was suspended by the Planning Inspector on the grounds that the gypsy and traveller site which was proposed as an allocation (for 6 pitches) was not suitable or deliverable. The suspension period is approximately 6 months and it is anticipated additional hearing sessions will take place in early September. The sole purpose of the suspension is to allow the Council to

Code	Title	Current Risk Matrix	Latest Note
			<p>undertake further work in identifying a suitable site or sites for Gypsy and Traveller accommodation to meet identified needs and to carry out necessary consultation and sustainability appraisal. At the end of the period of suspension the Council will provide the Planning Inspector with its preferred option for meeting needs for Gypsy and Traveller accommodation both for a five year period and the plan period as a whole. Once the further hearings have taken place which is anticipated to be in September 2013 it is anticipated that the Local Plan will be found sound and the Council will be able to adopt the Local Plan possibly at the end of 2013 or beginning of 2014.</p> <p>However there is significant risks associated with the delay as previously reported if the Local Plan is not found 'sound' or not adopted by the Council there would be no up to date development plan and therefore no affordable housing policy which secures either affordable housing on site or a contribution to the housing team's projects to deliver affordable housing. There would also be risk that the employment sites could be proposed for housing development and without a robust planning obligations policy it would be very difficult to secure other contributions for regeneration, community facilities etc and there would also be no opportunity to develop CIL (Community Infrastructure Levy) which is a way to secure funding to important strategic infrastructure e.g. schools, major highway junctions, etc. Essentially the place shaping of Hartlepool could be progressed outside of the aspirations of the Borough Council as a whole. The risk of not having an up to date development plan is currently amplified as an application from Wynyard Park for a significant amount of general housing on a site allocated for employment has been submitted prior to the completion of the EiP and it is anticipated that other housing applications are to be submitted (e.g. Upper Warren). Whilst the policy position is robust to refuse applications not in accordance with the emerging Local Plan if approved the developments could render the Local Plan unsound, thus any affordable housing contributions currently committed or which would be have been required from future housing schemes would be nil. (NO CHANGE IN RATING)</p>
RND R060	Failure to deliver current regeneration programmes (Actively Managed)		<p>City Deal work is being undertaken with the intention of submitting a full bid to Govt in Sept 2013. Planning has been approved for Elizabeth Way and the programme should gather pace now. The concept of recycling capital receipts for regeneration investment is critical in implementing redevelopment schemes. The Crown House site disposal to Vela for student accommodation is progressing and meetings are arranged with HCA to progress the sale and retain capital receipt to invest in Market Hotel conversion. (NO CHANGE IN RATING)</p>
RND R061	Inability to meet very high levels of local housing needs including affordable housing		<p>Monitoring of impacts is still taking place no changes are required at present however this will be assessed actively during 2013/14. (NO CHANGE IN RATING)</p>

Code	Title	Current Risk Matrix	Latest Note
RND R062	Effective delivery of housing market renewal affected by external decisions and funding (Actively Managed)		Land Tribunal settlement has been concluded, transitional scheme is being delivered and the programme is well advanced (NO CHANGE IN RATING)
RND R063	Lack of resources to maintain building stock (Actively Managed)		12/13 saw a significant overspend on Centralised Budgets in excess of 300k. This included all costs related to managing vacant sites at Brierton, Foggy Furze and Tanfield, normally allocated to capital receipt. 13/14 controls are in place to ensure this will not happen, however there is a risk that building condition will decline as responsive repairs of an essential nature only are executed. (INCREASE IN RATING)
RND R064	Failure in asset management planning to make best use of assets in terms of acquisition, disposal and occupation (Actively Managed)		Medium and longterm accommodation strategy is constantly reviewed through the Council's corporate financial team. Key strategic reports to Cabinet and Scrutiny provide position statements/ proposals to ensure active management of the portfolio (DECREASE IN RATING)
RND R077	Loss of Operators License		Further development of Driver Assessment Process to be included in risk evaluations (NO CHANGE IN RATING)
RND R079	Failure to meet the statutory requirements of the Regeneration and Neighbourhoods department (Actively Managed)		Legislative changes within the Home Office involving the introduction of a Police & Crime Commissioner had impacted upon LA funding. The Safer Hartlepool Partnership has become a commissioning arm of the PCC, enabling local services to continue to be provided against local priorities. (NO CHANGE IN RATING)
RND R080	Failure to monitor and maintain Council owned trees (Actively Managed)		Inspection programme continues around the town identify any issue with trees. Any issued that are identified are responded to by the Parks and Countryside section on a priority basis. (NO CHANGE IN RATING)
RND R081	Failure to provide sound planning advice / enforcement in relation to waste sites in the borough (Actively Managed)		The planning services team are actively involved in the Councils Management of Waste Sites Group where sites are discussed and tackled in a co-ordinated way sharing information with the HSE, Police, Environment Agency, Fire Brigade and other council teams. (NO CHANGE IN RATING)
RND R083	Loss of personal or sensitive data resulting from a lack of information security (RND)		Several further IG policy training sessions have taken place in Q1. Various actions continue to be taken to mitigate risk of data loss (NO CHANGE IN RATING)
RND R085	Failure to achieve the Council's Capital Receipts target because of the difficult economic climate and market conditions (Actively Managed)		Although receipts achieved are on target as in the agreed programme, consideration is being given in conjunction with the Director of Regeneration & Neighbourhoods to re-profiling the timescale to allow further recovery of the market and further improvement in land values (NO CHANGE IN RATING)

Code	Title	Current Risk Matrix	Latest Note
RND R086	Failure to achieve the required level of financial rebate through the NEPO arrangements (Actively Managed)		(NO CHANGE IN RATING)

6.8 For the period up to 30 June 2013 the Regeneration and Neighbourhoods Department have identified a number of achievements including:

- ? The first collective switching scheme has been implemented throughout the borough. The scheme has been widely advertised through a range of widely accessible methods such as intranet, internet, and radio. Initial indications are that the take up of the scheme has been either at or above similar national schemes. The switcher I-Chooser are now considering an appropriate date for the next reverse auction
- ? From the 2nd April 2013, the waste management service switched to a four day working week, Tuesday to Friday. Routes were changed under the route optimisation programme and crews now follow zonal work patterns aimed at reducing travel costs. Wheeled bins have been introduced for dry recyclable waste to be collected at the kerbside, which replace the previously used plastic/poly bags. Initial data has shown a 17% increase in recyclable materials collected at the kerbside in the first month - data is not yet available for the rest of the quarter, but the trend is expected to continue. Despite some teething problems, the service appears to have been well received generally.
- ? The Commissioning and Procurement Strategy has been fully updated and approved by Finance & Policy Committee.
- ? Seaton Carew Beach was successfully awarded the Seaside Award for 2013. Will apply for the 2014 at a later date.

## 7 CHIEF EXECUTIVE'S DEPARTMENT UPDATE

7.1 The Chief Executive's Department contributes to 10 outcomes, spread across 4 themes:

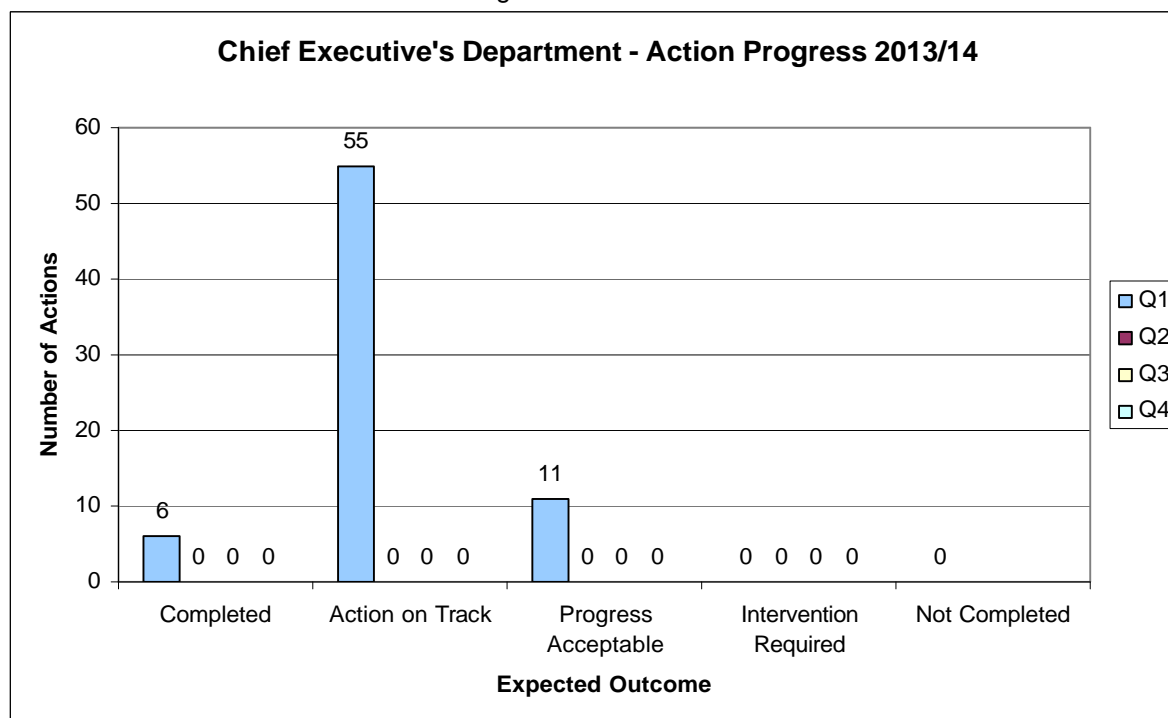
- ? Jobs and the Economy
- ? Organisational Development
- ? Health and Wellbeing
- ? Community Safety

7.2 The Chief Executive's Department has identified are 72 actions and 35 performance indicators spread across 10 outcomes within the Council Plan that it is responsible for. In addition the department has also identified 37 strategic risks that are included in the Council's Risk Registers.

7.3 As can be seen in Chart 7, overall progress across the department is positive, with:

- ? 61 Actions (85 %) have already been completed or are on track to be completed by their agreed due date.
- ? The remaining 11 actions (15%) have been assessed as having made acceptable progress.

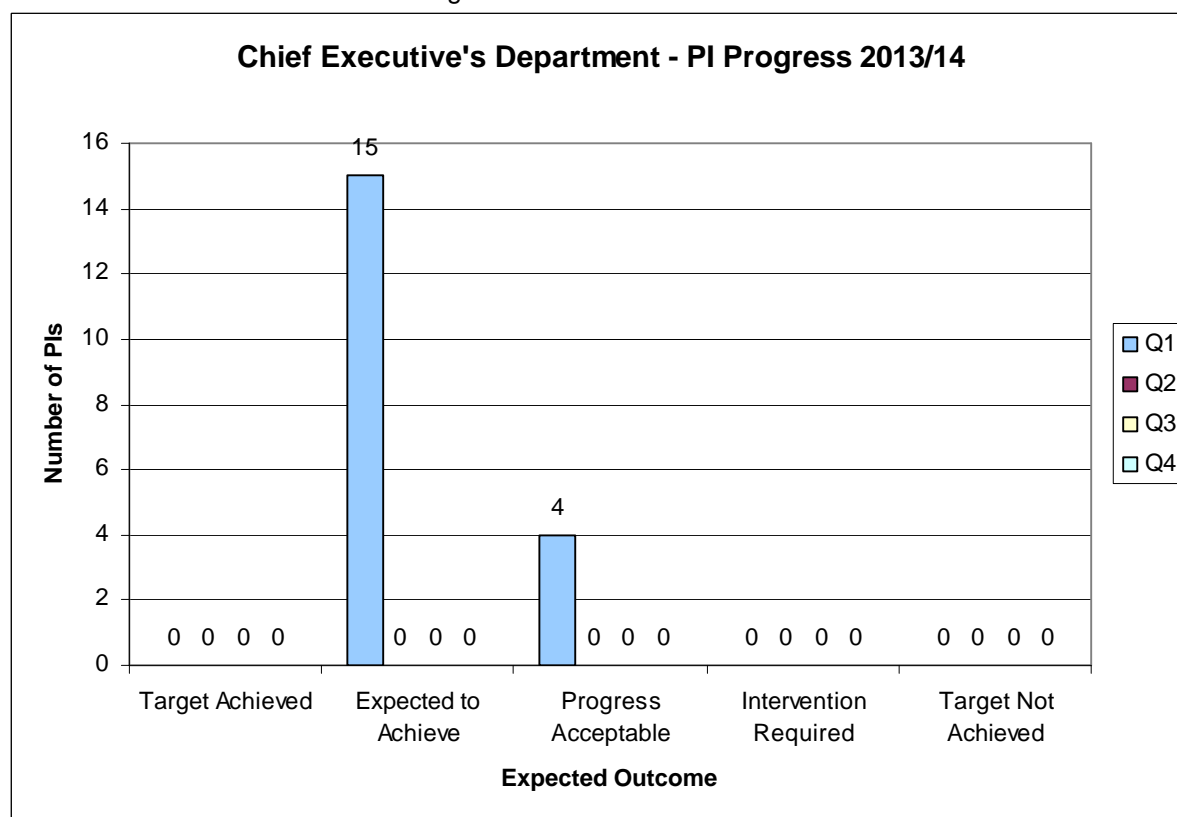
Chart 7: CED Overall Action Progress – to 30 June 2013.



7.4 Chart 8 summarises officers' assessments of the 19 performance indicators that have targets **and** are measurable throughout the year. It can be seen that, as at 30 June 2013, the position was also positive, with:

- ? 15 indicators (79%) either having been assessed as being on track to achieve target ;
- ? 4 indicators (16 %) having had made acceptable progress.

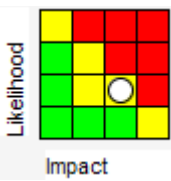
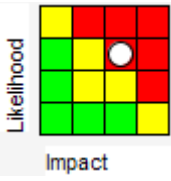
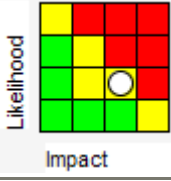
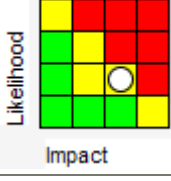
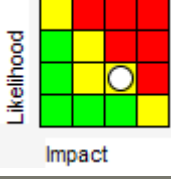
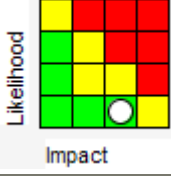
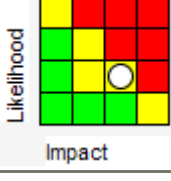
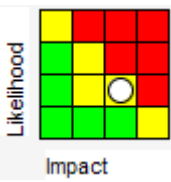
Chart 8: CED Overall PI Progress – to 30 June 2013



7.5 A further 6 indicators have targets which can only be assessed at the year end and a further 10 indicators or are for monitoring purposes only.

7.6 There are 29 risks on the Accepted Risk Register within the Chief Executive's Department and a further 8 on the Actively Managed Risk Register. The table below provides a summary of the position of the risks on the Actively Manager Risk Register along with details to show what action is being taken with regards to these risks.

Table 6: CED Actively Managed Risks 2013/14

Code	Title	Current Risk Matrix	Latest Note
CED R059	Failure to integrate equality into all aspects of the Council's work leading to non compliance with legislation and Council aims (Actively Managed)		the likelihood of this risk has remained the same. The corporate steering group continues to operate to both support departments in the consideration of and integration of equality issues in the development of policy and plan (NO CHANGE IN RATING)
CED R088	Future and Current Equal Pay Claims including settlement of, or adverse findings in ET of existing equal pay claims (Actively Managed)		On-going case right of all Equal Py claims. Risk assessment of terms and conditions arrangements reported to CMT for action. (NO CHANGE IN RATING)
CED R089	Experiencing failure or lack of access to Critical ICT systems (Actively Managed)		This remains remains the same. system availability remains high and is monitored through the monthly service reports (NO CHANGE IN RATING)
CED R090	Failure to meet the statutory requirements of the Chief Executive's department (Actively Managed)		New constitutional arrangements approved by Council on 6/3/2013, for implementation during forthcoming municipal year (NO CHANGE IN RATING)
CED R091	Failure to have corporately adequate arrangements in place to manage and deliver the budget strategy and the savings programme (Actively Managed)		Reports have been submitted to Cabinet and Council to approve 2013/14 savings programme, Achievement of saving will be monitored during 2013/14. (NO CHANGE IN RATING)
CED R094	Failure to deliver a new ICT Contract (Actively Managed)		The procurement process and evaluation have been successfully completed to the established timetable (NO CHANGE IN RATING)
CED R095	Failure to have in place effective governance arrangements (Actively Managed)		new governance arrangements have been developed and are in place and operating effectively (NO CHANGE IN RATING)
CED R098	That a material safety breach of health and safety legislation is identified by the HSE resulting in a significant Fine for Intervention (FFI) being applied.		Suitably qualified and training for staff which is being regularly reviewed and updated. Policies and procedures in place and are currently being reviewed and updated. External assessment of arrangements through HSE audits, internal audit and internal H&S inspections. Maintenance arrangements eg property, valuables, by qualified persons. Updated Bomb Procedures in place and training in place. Extended CMT trained by Gallagher Bassett on H&S for Senior Executives. Strategic Health and safety action plan developed. Property management arrangements regularly reviewed to ensure appropriate arrangements in place for protection from serious incidents e.g. fire. EPR in place and details circulated. Significant



Code	Title	Current Risk Matrix	Latest Note
			number of managers trained to IOSH Managing Safely standard. Robust internal inspection arrangements in place. Risk assessment review ongoing. Over 78 managers trained to IOSH Managing Safely standards. H&S guides for managers published and risk assessment review is ongoing. (NO CHANGE IN RATING)

7.7 For the period up to 30 June 2013 the Chief Executive's Department have identified a number of achievements including: -

- ? Referral arrangements for debt and benefit advice by West View advice and resource centre have been established. All households affected by the benefit cap will receive a personal visit and be invited to complete a shortened claim form.
- ? Promotion of Free School Meals has been undertaken in Hartbeat. A Benefits Officer has been working directly with a number of schools on initiatives to promote take up.
- ? The Credit Union loan backed white goods / furniture scheme was launched in June. Promotion of the Credit Union has been undertaken through the Financial Inclusion Partnership and Money Matters event in May.
- ? The Strategy for handling customer contact on the issue of Local Council Tax Support Scheme award letters, Council Tax recovery and summonses has been successfully implemented.
- ? The Public Relations team have led on the promotion of various health and wellbeing campaigns across the town via the Council-led Healthy Workplace Forum, including BHF Heart Month, No Smoking Day, Men's Health Week and Bike Week. Resources have been distributed and advice and support given for a number of campaigns and topics to support workplace campaigns in partner organisations such as Vela Group, TATA Steel, Hartlepool Power Station, Cleveland Fire Brigade, HCFE and schools.
- ? 73 meetings have been supported in accordance with statutory timescales and Performance Indicators. The change in Governance structure commenced in May 2013 and Member training provided.

## 8. RECOMMENDATIONS

8.1 Finance and policy Committee is asked to: -

- ? note the current position with regard to performance.



**9. REASONS FOR RECOMMENDATIONS**

- 9.1 Finance and Policy Committee have overall responsibility for the monitoring of the Council Plan.

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

- 10.1 There are no appendices to the report.

**11. BACKGROUND PAPERS**

- 11.1 There were no background papers used in the preparation of the report.

**12. CONTACT OFFICER**

- 12.1 Kerry Trenchard  
Acting Performance and Partnership Manager  
Tel: 01429 284057  
E-mail: [kerry.trenchard@hartlepool.gov.uk](mailto:kerry.trenchard@hartlepool.gov.uk)

# FINANCE AND POLICY COMMITTEE

23<sup>rd</sup> August 2013



**Report of:** Assistant Chief Executive

**Subject:** EMPLOYEE SICKNESS ABSENCE 1<sup>st</sup> QUARTER 2013/14

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

Non Key Decision

**2. PURPOSE OF REPORT**

To update the Committee on the Council's performance, in relation to employee sickness absence, for the first quarter of 2013/14.

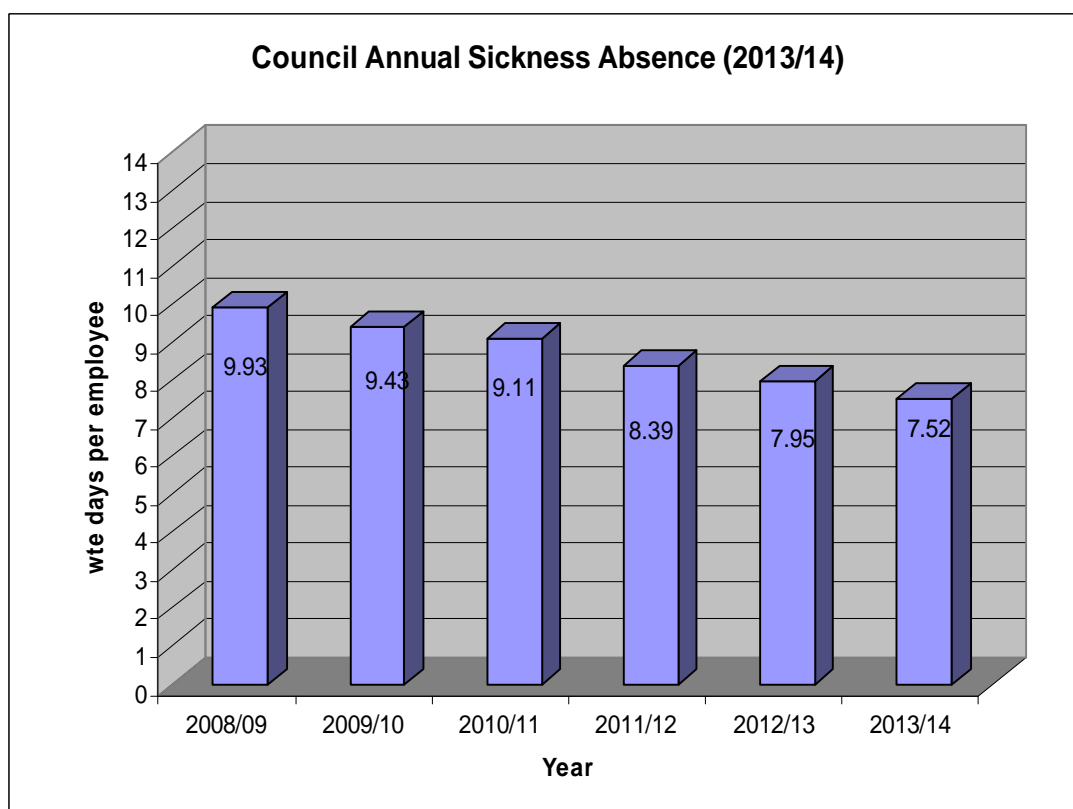
**3. BACKGROUND**

The extent to which employees are absent from work due to illness has a direct impact on the quality, level and cost of the provision of services. As such the Council have included this as a Local Performance Indicator (HRPI 5A) – The number of working days/shifts lost due to sickness absence in its group of Corporate Health Performance Indicators.

#### 4. THE COUNCIL'S PERFORMANCE UP TO THE 1<sup>st</sup> QUARTER OF 2013/14

- 4.1 The target figure for 2013/14 for the Council is 7.50 days absence per wte employee (whole time equivalent). The actual sickness rate at the end of the 1<sup>st</sup> quarter shows the Council's performance is basically on target at 7.52 days per wte per employee per annum as illustrated in Figure 1 below. The overall the figures still demonstrate a year on year improvement for the Council. The Council continues to focus on sickness absence management to ensure achievement of its 7.50 wte average sickness per employee target at the end of the reporting year.

Figure 1



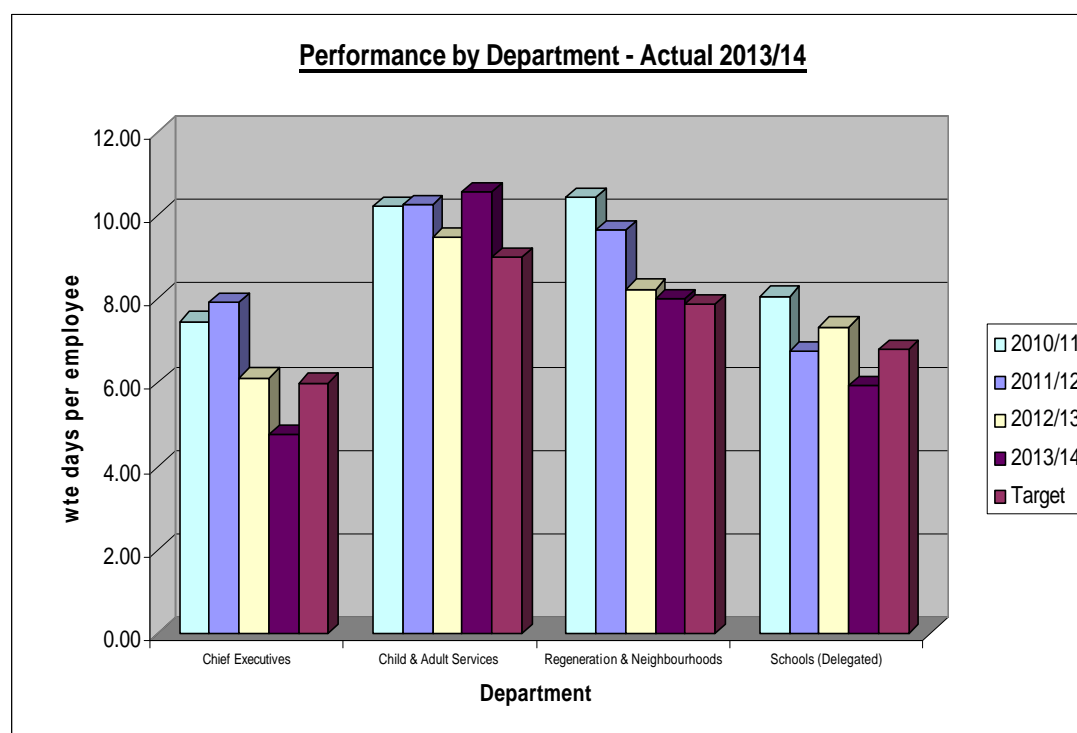
## 4.2 ACTUAL PERFORMANCE BY DEPARTMENT AND SCHOOLS

Figure 2 below illustrates the actual performance for each Department and Schools as at 30<sup>th</sup> June 2013. This can be compared to performance over the last three years. The final column shows the 2013/14 annual target set by each Department and Schools.

The figure identifies that there is an overall downward trend in sickness absence rates across all Departments compared with the last three years except for Child & Adult Services who have had an unusually high level of long term sickness absence during the first quarter. This level is expected to reduce over the remaining year. It shows, at this stage in the year, the Council is slightly over target but expects, through robust sickness absence management over the next 9 months, to meet its overall sickness absence target for the year.

The newly formed Public Health Department has not been included on the graphs which are split by Department. This is because unfortunately the combination of the small number of people in the Department coupled with three long term sickness cases has resulted in annual representation of the figures being so high that it distorts the graphs. The actual quarterly performance for Public Health is 29.58 wte days per annum per employee based on the last 3 months sickness rates.

**Figure 2**

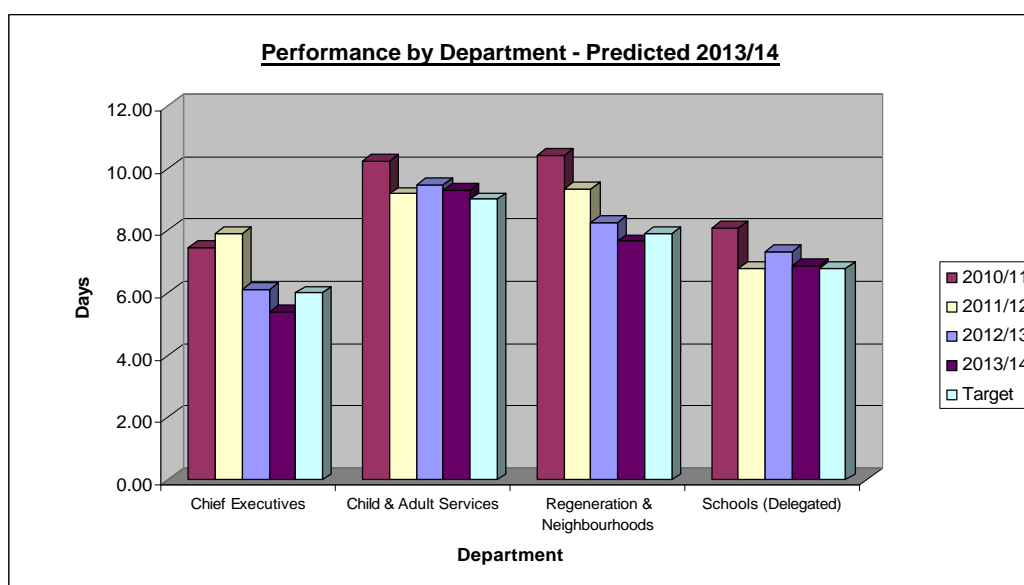


## 4.3 PREDICTED PERFORMANCE BY DEPARTMENT AND SCHOOLS

Figure 3 below identifies the end of year predicted figures (forecast for the annual year 2013/14) for each Department and Schools as at 30<sup>th</sup> June 2013. This can be compared to the actual performance over the last three years. The final column shows the approved 2013/14 annual target for each Department and Schools. Public Health predicted rates are 15.67 wte days per employee per annum.

These figures illustrate that all Departments and Schools, with the exception of Public Health, are predicted to meet their targets based on the last 12 months of sickness absence data. However as Public Health has only recently been formed then the calculation for the prediction is restricted to data from 1 April 2013.

**Figure 3**



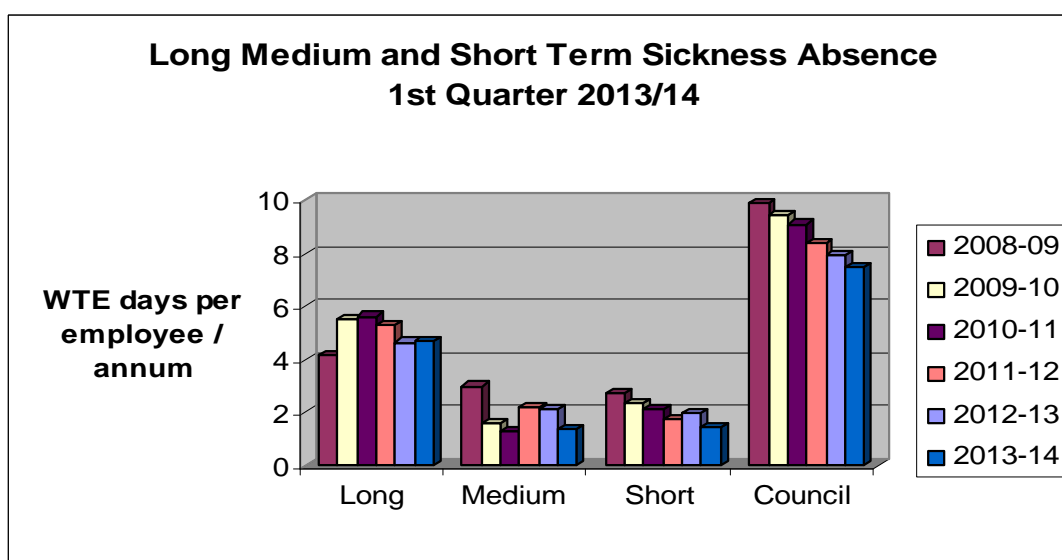
#### 4.4 LONG, MEDIUM AND SHORT TERM SICKNESS ABSENCE ANALYSIS

Figure 4 below shows a breakdown of long, medium and short term sickness absence in the Council for the past 5 years and up to 30<sup>th</sup> June for the 2013/14 year. The final column shows the impact this had on the overall Council sickness absence figure.

In 2013 there is a decline in medium and short term sickness and a small increase to the overall long term sickness absence. Overall for the Council there is a downward trend reflecting the improvement in the current year's figures to date. The Council ensures it targets resources to the management of long terms sickness absence cases which accounts for the majority of sickness. Overall this shows a year on year improvement in the management of sickness absence for the Council to date.

**Figure 4** Council Long Medium and Short Terms Sickness  
1<sup>st</sup> Quarter Analysis 2013/14

Long term               = 20 days plus  
Medium term         = 5 to 20 days  
Short term            = under 5 days

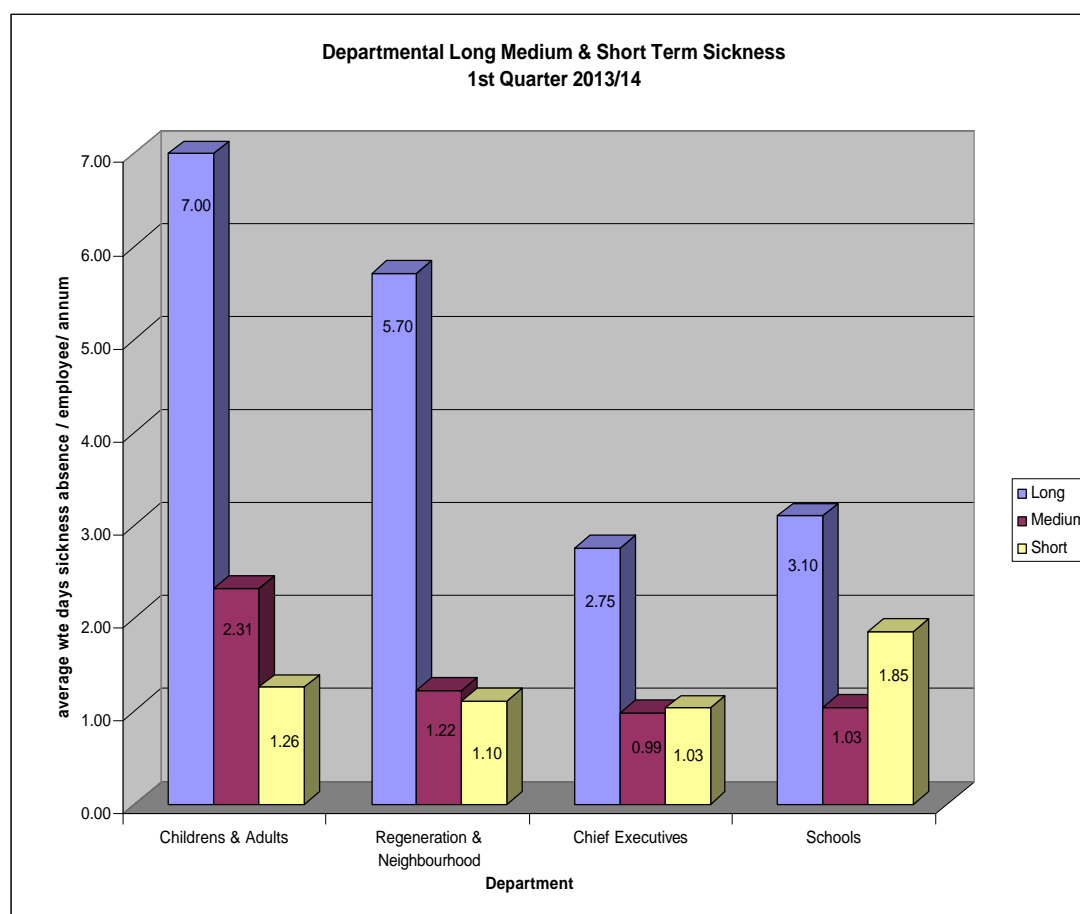


As we can see from the information in Figure 5 below, long term sickness absence continues to account for the majority of the Council's sickness absence. The Council is focusing resources to support managers on the long term cases through individual case management and early intervention to support employees to return to work as quickly as possible. The HR support to Schools is currently focusing on the increase in short term sickness which is currently higher than the Council.

The Public Health Department again have not been included in the graph below as the high level of long term sickness illustrated as a wte figure / employee / annum for a currently small Department would distort the graph. The Public Health information for the first quarter is as follows:

Long	29.11 wte
Medium	0 wte
Short	0.47 wte

Figure 5: Departmental Long, Medium and Short Term Sickness 2013/14 (April to June 2013 figures)



**5. RECOMMENDATIONS**

That employee sickness absence rates for the first quarter of 2013/14 are noted.

**6. REASONS FOR RECOMMENDATIONS**

To advise the Committee.

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

Not applicable

**8. BACKGROUND PAPERS**

None

**9. CONTACT OFFICERS**

Andrew Atkin  
Assistant Chief Executive  
Tel: 01429 523002  
Email: [andrew.atkin@hartlepool.gov.uk](mailto:andrew.atkin@hartlepool.gov.uk)

Rachel Clark  
HR Business Partner  
Tel: 01429 284346  
Email: [rachel.clark@hartlepool.gov.uk](mailto:rachel.clark@hartlepool.gov.uk)



## FINANCE AND POLICY COMMITTEE

23 August 2013



**Report of:** Scrutiny Manager

**Subject:** SIX MONTHLY MONITORING OF AGREED  
SCRUTINY RECOMMENDATIONS

### 1. TYPE OF DECISION/APPLICABLE CATEGORY

This is a non Key Decision

### 2. PURPOSE OF REPORT

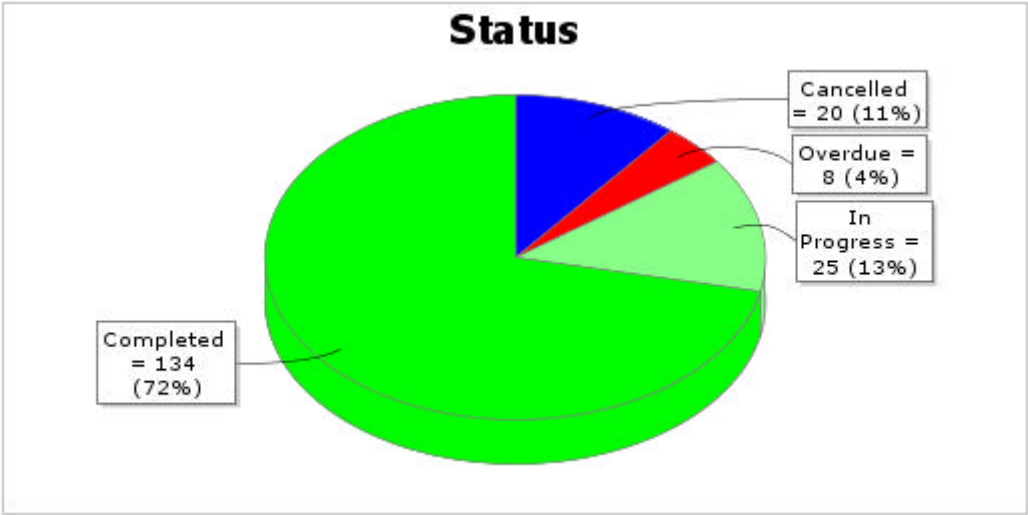
- 2.1 To provide Members with the six monthly progress made on the delivery of scrutiny recommendations that fall within the remit of this Committee.

### 3. BACKGROUND INFORMATION

- 3.1 This report provides details of progress made against the investigations undertaken by the previous Scrutiny Co-ordinating Committee. These recommendations now fall within the remit of the Finance and Policy Committee. **Chart 1** (overleaf) provides a detailed explanation of progress made against each scrutiny recommendation since the last six monthly monitoring report was presented to the Scrutiny Co-ordinating Committee in March 2013.

Scrutiny Co-ordinating Committee - All

Generated on: 12 August 2013

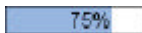






Year 2011/12
Investigation Call-In: Proposed School Admissions Arrangements for 2013-2014

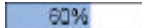
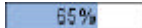

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					06-Aug-2013 A scoping report has been produced which will be presented to childrens Services Committee in 2013, which outlines the practical implications to carry out a full consultation process.			



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					03-Apr-2013 Further JSU details received analysis ongoing.			

**Year 2011/12****Investigation** The Borough Museum and Art Gallery Collection

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/29a/i That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update.	SCR-SCC/29a /i/1 Formally report progress on the Collections Review to members on a quarterly basis.	Mark Simmons	31-Mar-2014	31-Mar-2014	05-Aug-2013 Accreditation and policy documents going to Regeneration committee in early September. Collections review will be ready for October. 23-Apr-2013 Next formal report due June 2013 under new committee structure.	 75% In Progress		
SCR-SCC/29a/i That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update.	SCR-SCC/29a /i/3 Hold formal consultations with all stakeholders on the expansion and development of the Museum permanent displays.	Mark Simmons	31-Aug-2013	31-Aug-2013	05-Aug-2013 This action is now directly involved with the full review of Hartlepool's Maritime Experience (which started in July and is due to finish in late September). Although this will be slightly overdue, this will be completed by end of September 2013 and has broadened to include a much wider view, e.g. type, style and content of displays. 23-Apr-2013 Complexity of issues relating to development of Museum displays and offer requires more extensive consultation than originally thought, especially in the light of funding changes at a National level. Consultation has started, with VP40 specifically asking residents about World War One, and planned full consultation	 75% In Progress		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					for VP41 later this year.			
SCR-SCC/29a/i That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update.	SCR-SCC/29a/i/4  Secure external funding for a full feasibility study to support the development of the Museum's permanent displays and public areas to refresh our visitor/user offer.	Mark Simmons	31-Aug-2013	31-Aug-2013	05-Aug-2013 This may prove to be a challenge to secure all relevant funding from external sources, e.g. Heritage Lottery Fund (HLF), and other alternatives are also being looked at to undertake this. This fits in with the wider picture of funding for museum projects.  23-Apr-2013 Initial discussions with national funders including HLF suggest that a bid for feasibility study funding is achievable this year. Action to deliver a study would follow in 2014-2015.	 75% In Progress		
SCR-SCC/29a/ii That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update	SCR-SCC/29a/ii  Gain formal recognition of the importance of the Council's Maritime collections through Designation. If Designation is not possible, seek entry into comparative programmes.	Mark Simmons	31-Mar-2015	31-Mar-2015	05-Aug-2013 Work ongoing for opportunities to be explored to see how we identify important collections, both regionally and nationally.  23-Apr-2013 Designation Programme formally suspended by DCMS/ACE in March 2013, for review of scheme lasting no less than one year. Action is currently under way to identify comparative scheme/level that would enhance recognition of collections. Potential that this aspiration may not be now achievable.	 40% In Progress		
SCR-SCC/29b That the Council promotes the opportunity for the public to donate items to the Collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts	SCR-SCC/29b/i  Raise public awareness of this core mission by producing regular articles in Hartbeat. Focus on items and themes prioritised in the new Collections Policy.	Mark Simmons	31-Mar-2014	31-Mar-2014	05-Aug-2013 Funding to achieve this is challenging. Now that the policy is re-written, actions are identified and funding options are being examined. Budgets are now being pulled together for specific projects, such as World War I exhibitions etc. Use of Hartbeat being looked at in further detail, as working with the Hartlepool Mail.	 50% In Progress		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
required and sample photographs					07-Mar-2013 Articles in Hartbeat to begin in September 2013.			
SCR-SCC/29b That the Council promotes the opportunity for the public to donate items to the Collection through a regular article in the Council's magazine, Hartbeat, specifying examples of the types of artefacts required and sample photographs	SCR-SCC/29b /ii Review public enquiry and donation services to identify and implement improvements. This to include consideration of the opportunities for cross-disciplinary work with both Library and Archive services.	Mark Simmons	31-Dec-2012	31-Dec-2012	05-Aug-2013 Review being undertaken at the moment, and expect the report to be taken to committee by December 2013. The reduction of collections staff have had an impact on this area. 23-Apr-2013 Review to be taken to Committee in Q3 2013-2014	 60% Overdue		
SCR-SCC/29c/ii That the Council explores how the collection can:- (ii) be utilised to increase income generation opportunities	SCR-SCC/29c /ii Initiate new income generating projects based around using the Collection. These to include "print on demand" of copies of items including ship plans and artworks from in-house services.	Mark Simmons	31-Mar-2013	31-Mar-2013	05-Aug-2013 This has been incorporated into the Collections Development Plan. Due date to be taken forward to next year in line with future developments around print on demand etc. 23-Apr-2013 Roll actions forwards into 2013-2015 under strategic business development programme. Feasibility studies and costs have been achieved. Pilot scheme is currently being planned for action from June 2013.	 65% Overdue		
SCR-SCC/29d That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.	SCR-SCC/29d /i Full internal transfer and Accession of the Authority's Civic Regalia into the Museum Collection.	Mark Simmons	31-Dec-2012	31-Dec-2012	05-Aug-2013 Audit is now almost completed (including over 190 objects from the civic centre), with some specific areas to be completed, e.g. Items from Mayor's parlour. Formal report will be completed in Sep/Oct. 23-Apr-2013 Audit of Civic collections planned to be achieved in May 2013. Report back to new Committee to take place at first opportunity in Q2, and formal accessioning in Q3. Action delayed	 75% Overdue		


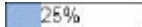
Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					due to loss of staff within museums, complexity of the task, and the need to work in the best interests of caring for the civic collections while being cost effective.			
SCR-SCC/29d That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.	SCR-SCC/29d /ii Items not owned by the Authority are instead sensitively returned to legal owners.	Mark Simmons	31-Dec-2012	31-Dec-2012	05-Aug-2013 Items potentially not owned by the authority have been identified in May 2013 - this list will be ratified by Committee in Sep/Oct. The process of sensitively returning to owners will begin after that. It may be that returning these items may take some time due to individual circumstances of the items and the owners. There are over 40 groups of items that need to be returned. 07-Mar-2013 Items to be identified by audit and returned to owners by August 2013.	 50%	Overdue	
SCR-SCC/29d That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.	SCR-SCC/29d /iv Assist in the decision making process for secure expanded Civic Display options in the Long Gallery of the Civic Centre.	Mark Simmons	30-Apr-2014	30-Apr-2014	05-Aug-2013 Further discussions ongoing within the department and appropriate route for decision being clarified. We need to follow a formal process to ensure items are appropriately secure. 07-Mar-2013 Discussions to take place with elected members after political changes. Target date July 2013.	 50%	In Progress	


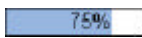
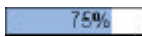
**Year 2012/13****Investigation** Contact Centre and Registrars

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/34a That consideration be given to the relocation of the	SCR-SCC/34a That consideration be given to the relocation of the Registrars Service to a more	Christine Armstrong; Andrew Atkin	31-Jul-2013	31-Jul-2013	02-Aug-2013 a report on the options available and potential costs is planned to be submitted to	 75%	Overdue	

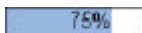
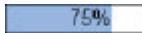
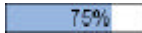
Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
Registrars Service to a more 'suitable' location					finance and policy committee at the same time as the review of Advice and Guidance.			
SCR-SCC/34c That marriage packages be explored as a means of income generation	SCR-SCC/34c That marriage packages be explored as a means of income generation	Christine Armstrong; Andrew Atkin	31-Jul-2013	31-Jul-2013	25-Jun-2013 a working group of staff from across the organisation has been implemented to consider options available to the authority in respect of the provision of marriage packages	 50%	Overdue	

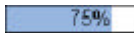


**Year 2012/13****Investigation JSNA Topic - Poverty**

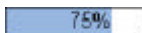
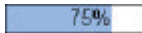
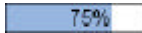
Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/36a 'What are the key issues', Members recommended that the entry be amended to reflect the importance of employment including the provision of apprenticeships for young people.	SCR-SCC/36a The Poverty JSNA entry will be amended by the Economic Regeneration Team to confirm that employment is the best way out of poverty.	Patrick Wilson	30-Sep-2013	30-Sep-2013	09-Jul-2013 Initial discussions have been made regarding this and this will be completed in the next quarter.	 10%	In Progress	
SCR-SCC/36c/i 'Who is at risk and why', Members recommended that statistical information in relation to the number of those seeking advice as a result of the welfare reforms, should be compiled on a ward by ward basis and utilised to update the JSNA.	SCR-SCC/36c/i Data will be collated as part of the ongoing monitoring of the Community Pool Advice & Guidance contract, the West View Advice & Resource Centre welfare reform additional advice sessions contract and data will also be compiled from Civic Centre customer contacts. Framework and Arrangements will be co-ordinated via Strategic Welfare Reform Group.	John Morton	31-Dec-2013	31-Dec-2013	09-Jul-2013 Cross sectional monitoring arrangements are in place covering the Community Pool contract and additional advice and guidance contract. Data covers appointments, outcome and case studies.	 25%	In Progress	

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/36c/ii Who is at risk and why' Members recommended that arrangements be put in place to ensure that information in relation to families / individuals who are experiencing poverty is relayed, and that they are signposted to relevant bodies.	SCR-SCC/36c /ii Data will be collated as part of the ongoing monitoring of the Community Pool Advice & Guidance contract, the West View Advice & Resource Centre welfare reform additional advice sessions contract and data will also be compiled from Civic Centre customer contacts. Framework and Arrangements will be co-ordinated via Strategic Welfare Reform Group.	John Morton	31-Dec-2013	31-Dec-2013	02-Aug-2013 A template for formally referring customers to West View Advice and Resource Centre has been introduced within the Civic Centre covering both the Contact Centre and back office staff. This template covers debt advice, money advice and benefits advice.	 25%	In Progress	
SCR-SCC/36d/i 'What is the level of need in the population' Members recommended where possible information contained within the entry be updated to better inform the commissioning of services to meet demand;	SCR-SCC/36d /i As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 The majority of topics are now uploaded onto the web based system and the steering group is meeting in the first week of September to view any outstanding areas.	 75%	In Progress	
SCR-SCC/36d/ii 'What is the level of need in the population', Members recommended that the information be updated to reflect the new ward boundaries and that the provision of information on a super output basis be explored	SCR-SCC/36d /ii As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 The majority of topics are now uploaded onto the web based system and the steering group is meeting in the first week of September to view any outstanding areas.	 75%	In Progress	



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
	all lead officers as part of its development.							
SCR-SCC/36d/iii 'What is the level of need in the population', Members recommended the following that information in relation to food bank usage be included in the entry, with regular updates to reflect any fluctuations / increases that may occur	SCR-SCC/36d /iii As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 This information will be discussed at the September JSNA Steering Group	 75% In Progress		
SCR-SCC/36e What services are currently provided', Members recommended that the entry should be updated to more accurately reflect the breadth of activities being undertaken in Hartlepool and a link to the Family Services Directory should be provided.	SCR-SCC/36e As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	05-Aug-2013 The majority of topics are now uploaded onto the web based system and the steering group is meeting in the first week of September to view any outstanding issues.	 75% In Progress		
SCR-SCC/36f/i What is the projected level of need / service use', Members recommended the following: - i) That this section of the entry be amended to include: -The impact of loan sharks; Housing Benefit	SCR-SCC/36f /i As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA	Louise Wallace	31-Dec-2013	31-Dec-2013	05-Aug-2013 This information will be discussed at the September JSNA Steering Group.	 75% In Progress		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
reforms; increase in mental health issues.		(Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.						
SCR-SCC/36f/ii What is the projected level of need / service use', Members recommended that an assessment of local needs / impacts should be included in the entry to build upon the national information already provided.	SCR-SCC/36f/ii	As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 The majority of topics are now uploaded onto the web based system and the steering group is meeting in the first week of September to view any outstanding areas.	 75%	In Progress
SCR-SCC/36g/i What needs might be unmet', Members recommended that in response to concerns regarding the transfer over to the Employment and Support Allowance, the impact of the migration should be reflected within the entry	SCR-SCC/36g/i	The Poverty JSNA entry will be amended by the Economic Regeneration Team to reflect this impact.	Patrick Wilson	06-Jul-2014	30-Sep-2013	09-Jul-2013 Initial discussions have been made regarding this and further work will be done in the next quarter.	 5%	In Progress
SCR-SCC/36g/ii 'What needs might be unmet', Members recommended that out of hours emergency numbers are re-circulated to Members and publicised to residents.	SCR-SCC/36g/ii	The Council website will be updated with details of emergency advice and support arrangements covering housing, food and clothing. Emergency contact details will be compiled and circulated for information to Members and Hartlepool	John Morton	31-Jul-2013	31-Jul-2013	09-Jul-2013 June 13 Hartbeat included details on Local Welfare Support Website information being revisited.	 40%	Overdue

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
	Financial Inclusion Partnership members.							
SCR-SCC/36h/i 'What evidence is there for effective intervention', Members recommended the the entry should be amended to reflect the successful activities of the voluntary and community sector, as well as the services provided by the local authority.	SCR-SCC/36h /i As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 This will be cross referenced at the September meeting of the JSNA steering group	 75% In Progress		
SCR-SCC/36h/ii What evidence is there for effective intervention', Members recommended in order to have a document that effectively influences the town's Health and Wellbeing Strategy, the entry should be amended to reflective the local position.	SCR-SCC/36h /ii As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 This will be fully discussed at the October Health and Wellbeing Board when the JSNA is reviewed and the action plans underpinning the strategy considered	 75% In Progress		
SCR-SCC/36i 'What do people say', Members recommended that the content of this section should be expanded to include the views of other sections of the community.	SCR-SCC/36i As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 This will be reviewed at the JSNA Steering Group in September	 75% In Progress		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
	(Director of Public Health) will highlight the requirements encompassed under actions (iv), (v), (vi), (viii), (ix) with all lead officers as part of its development.							

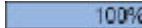
**Year 2012/13****Investigation** Overall JSNA

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/35a The scrutiny process highlighted weaknesses in the quality and content of some of the web based JSNA topic areas, with concerns expressed regarding a level of co-ordination between Council and the NHS in the development of entries	SCR-SCC/35a  The core offer of public health expertise to Clinical Commissioning Groups (CCG) will improve the process of completing JSNA. The Health and Well Being Board including the Local Authority and the CCG as statutory partners places a duty to ensure the JSNA is completed and reviewed.	Louise Wallace	31-Mar-2014	31-Mar-2014	01-Aug-2013 The Core Offer has been approved by the Clinical Commissioning Group's Governing Body and presented to the Finance and Policy Committee for information. The joint working between Public Health and the Clinical Commissioning Group is proving to be very positive and an action plan is being developed.	<div><div style="width: 50%;">50%</div></div> In Progress		
SCR-SCC/35b In instances where JSNA entries were incomplete at the time of scrutiny consideration, Members were concerned that the Scrutiny process had been utilised to inform, rather than comment on, the content of the entries;	SCR-SCC/35b  The JSNA is an ongoing and iterative process. As sections are refreshed members through involvement in policy committees will be able to comment on content on topics relevant to each policy committee area.	Louise Wallace	31-Mar-2014	31-Mar-2014	01-Aug-2013 This will be considered following the October Health and Wellbeing Board where the next steps of the JSNA will be agreed	<div><div style="width: 50%;">50%</div></div> In Progress		
SCR-SCC/35c Entries were in some instances based upon high level statistics / evidence and concern was expressed	SCR-SCC/35c  Local intelligence is continuously being developed through the Tees Valley Public Health Shared Service. As this intelligence becomes	Louise Wallace	31-Dec-2013	31-Dec-2013	05-Aug-2013 The Tees Valley Public Health Service has a key Business Plan objective and ensures new intelligence is fed into the JSNA.	<div><div style="width: 75%;">75%</div></div> In Progress		


Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
that the level of local information available could impact on the effectiveness of the JSNA as a tool in the commissioning of services		available it will be reflected in the JSNA entries.						
SCR-SCC/35d To ensure the JSNA is a 'living' document that accurately reflects the situation within the town, the various JSNA topics should be updated on a quarterly basis alongside the Councils Covalent database	SCR-SCC/35d	Implementation of this recommendation needs to be explored by the Health and Well Being Board as part of the 2013/14 refresh to see how practicable and meaningful a quarterly update would be.	Louise Wallace	31-Oct-2013	31-Oct-2013	01-Aug-2013 This issue will be discussed at October Health and Wellbeing Board	<div><div>50%</div></div>	In Progress
SCR-SCC/35e The impact of welfare reform must be reflected fully across all aspects of JSNA topics	SCR-SCC/35e	As part of the ongoing and continued development of the JSNA there will be a range of additional supporting information and requirements in respect of all aspects of the JSNA to make it a document reflective of its importance. The head officer for the JSNA (Director of Public Health) will highlight the requirements encompassed under actions (v), with all lead officers as part of its development.	Louise Wallace	31-Dec-2013	31-Dec-2013	01-Aug-2013 This will be discussed at the JSNA Steering Group in September in particular in relation to the Poverty section of the JSNA	<div><div>50%</div></div>	In Progress
SCR-SCC/35f he eradication of child poverty must continue to be priority within the Councils new decision making process, particularly through the future work of the Health and Wellbeing	SCR-SCC/35f /i	Child Poverty Strategy and action plan refreshed and to be approved by Children's Services Committee July 2013.	Danielle Swainston; Louise Wallace	31-Mar-2014	31-Mar-2014	24-Jun-2013 Child Poverty Strategy and action plan to be presented to Children's Committee 2nd July 2013.	<div><div>90%</div></div>	In Progress

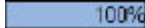


Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
Board.								



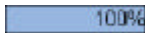
**Year 2008/09****Investigation** Kerbside Recycling Scheme Referral

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/7b/i-vi That as part of the process for the reconfiguration of in-house services, a feasibility study be undertaken incorporating the following areas of provision: (i) The reconfiguration of contracts in line with the service standard.	SCR-SCC/7b/i-vi  Reconfiguration of current services will be carried out as detailed in the recommendation, taking account of business transformation frameworks which are currently being developed.	Fiona Srogi	01-Dec-2010	01-Dec-2011	06-Mar-2013 Route Optimisation , Four day working, introduction of dual stream co-mingled collections for dry recyclate have now been agreed and will start week commencing 1st April 2013. The developments at the Waste Transfer Station will be complete in April 2013, and then operations will be part of the Waste Management Team day to day duties.  18-Sep-2012 Service changes which will include route optimisation, four day working, suspension of green waste over the winter months, and kerbside recycling collections will be introduced in April 2013. Development of the waste transfer station will allow for the bulking of certain recyclable materials enabling the authority to have greater freedom to approach the markets.	 100% Completed		



**Year 2011/12****Investigation** Cabinet Referral: Business Transformation Programme II - Proposals for the Provision of Revenues and Benefits Service



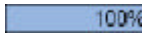

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/33/iv/a In supporting the retention of Revs and Bens	SCR-SCC/33/iv/a  In supporting the retention of Revs and Bens services in house the following significant	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 This has been implemented.	 100% Completed		



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
services in house the following service improvements would be necessary(a) That late payment letters should be non threatening and include clear reference to possible benefit eligibility								
SCR-SCC/33/iv/b In supporting the retention of Revs and Bens service in house the following service improvements would be necessary (b) that in relation to ICT the ability of the current ICT systems to be interrogated to provide greater sensitivity	SCR-SCC/33/iv/b	In supporting the retention of the Revenue and Benefits services 'in-house' the following significant service improvements would be necessary (b) that in relation to Revenue and Benefits ICT the ability of the current ICT systems to be interrogated to provide greater sensitivity in the early identification of those residents facing / or already in financial difficulty should be explored	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 There would be a cost associated with this system development which, given the potential outsourcing of the service, is not a prudent investment for the Council.  Should the procurement exercise not result in the award of a contract for Revenues and Benefits Services, system improvements will be revisited.	 100% Completed	
SCR-SCC/33/iv/b In supporting the retention of Revs and Bens services in house the following service improvements would be necessary (b) that in relation to Revs and Bens ICT utilising the early id information obtained, a process be put in place	SCR-SCC/33/iv/b	In supporting the retention of Revenues and Benefits services 'in house' the following significant service improvements would be necessary (b) That in relation to Revenues and Benefits ICT utilising the 'early identification' information obtained, a process be put in place to ensure that residents in financial difficulty are referred to community based independent advice / information services prior to the commencement of any enforcement action	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Current correspondence includes reference to the availability of benefit / financial advice.	 100% Completed	
SCR-SCC/33/iv/c In	SCR-	In supporting the retention of	Chris Little	31-Mar-	31-Mar-	25-Mar-2013 The mobile benefit	 100% Completed	




Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
supporting the retention of Revs and Bens services in house the following service impts would be necessary (c) In relation to the provision of mobile outreach support services the principle of the mobile outreach team be reintroduced	SCC/33/iv/c	Revenue and Benefits services 'in-house' the following significant service improvements would be necessary (c) In relation to the provision of mobile outreach / home support services the principle of the mobile outreach / mobile benefit team be reintroduced		2020	2020	team has not been withdrawn end is being sustained. However, it no longer operates with a 'real-time ICT' system because of high operating costs and relatively low take up.  The service currently operates well with no significant waiting list or unmet demand.		
SCR-SCC/33/iv/c In supporting the retention of Revs and Bens services in house svc impts would be necessary (c) in relation to the prov of mobile outreach svcs the reintroduction of svcs be delivered in partnership with the vcs as part of the roll out of C Care	SCR-SCC/33/iv/c	In supporting the retention of Revenues and Benefits services 'in house' the following significant service improvements would be necessary(c) in relation to the provision of mobile outreach / home support services the reintroduction of outreach / home support services be delivered in partnership with the voluntary and community sector, as part of the roll out of Connected Care	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The development of integrated advice support services is part of a wider project across the Council. The Benefits Team is part of that review. It is expected that a mapping exercise will be completed by November 2011	 100%	Completed
SCR-SCC/33/vi/b That in terms of the revenues and benefits service staffing structure (b) a complete rationalisation of the budget / staffing structure for the provision of counter fraud services is needed to prepare for changes over the next two years	SCR-SCC/33/vi/b	That in terms of the revenues and benefits service staffing structure (b) a complete rationalisation of the budget / staffing structure for the provision of counter fraud services is needed to prepare for changes over the next two years and mitigate the future requirement to shed or TUPE staff to the DWP	Chris Little	31-Mar-2020	31-Mar-2020	26-Mar-2013 The counter fraud budget and staffing structure will be reviewed as part of the proposals presented to Cabinet in December with recommendations for the award of contract.	 100%	Completed
SCR-SCC/33/vi/c That in terms of the revenues and benefits service staffing	SCR-SCC/33/vi/c	That in terms of the revenues and benefits service staffing structure (c) given the need to rationalise the budget /	Chris Little	31-Mar-2020	31-Mar-2020	26-Mar-2013 The counter fraud budget and staffing structure will be reviewed as part of the proposals presented to Cabinet in December	 100%	Completed






Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
structure (c) given the need to rationalise the budget / staffing structure for the provision of counter fraud services, the current vacant Fraud Officer post should be deleted					with recommendations for the award of contract. Note the Fraud Officer post remains vacant.			
SCR-SCC/33/vi/d That in terms of the revenues and benefits service staffing structure (d) in order to fully integrate financial inclusion within the local authority's working arrangements, and remove duplication of activities across a number of posts	SCR-SCC/33/vi/d	Chris Little	31-Mar-2020	31-Mar-2020	26-Mar-2013 The development of integrated advice and support services is part of a wider project across the Council. The Benefits Team is part of that review. It is expected that a mapping exercise will be completed by November 2011.	 100% Completed		
SCR-SCC/33/vii That during consideration of options for the future operation of cash office services, the Performance PH be asked to explore the feasibility of Cash Office staff working alongside Revs and Bens staff	SCR-SCC/33/vii	Chris Little	31-Mar-2020	31-Mar-2020	26-Mar-2013 The Cash Office is included in the Revenues specification. The provision of a Cash Office is a requirement of the contract.  The operation of the Benefits Service has not been reviewed given the current procurement exercise and potential TUPE transfer of staff to an external provider.  Should the procurement exercise	 100% Completed		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
	opening hours.				not result in the award of a contract for Revenues and Benefits Services, the operation of the Cash Office will be revisited.			
SCR-SCC/33i/a In relation to the options considered by Cabinet for the future provision of Revs and Bens, SCC (a) supports fully the retention of Revs and Bens services in house	SCR-SCC/33i/a	In relation to the options considered by Cabinet for the future provision of Revenues and Benefits services in Hartlepool, the Scrutiny Co-ordinating Committee (a) supports fully the retention of the Revenues and Benefit services 'in house'	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Complete	 100% Completed	
SCR-SCC/33i/b In relation to the options considered by Cabinet for the future provision of Revs and Bens services, SCC (b) supports the exploration of a shared service / partnering model with another LA, with the proviso that HBC acts as the lead provider	SCR-SCC/33i/b	In relation to the options considered by Cabinet for the future provision of Revenues and Benefits services in Hartlepool, the Scrutiny Co-ordinating Committee (b) supports the exploration of a shared service / partnering model with another local authority, with the proviso that Hartlepool Borough Council acts as the lead provider	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Complete	 100% Completed	
SCR-SCC/33i/c In relation to the options considered by Cabinet for the future provision of Revs and Bens services, SCC(c) rejects proposals for the creation of a joint venture vehicle via a Regional Business Centre model with a Private Sector partner	SCR-SCC/33i/c	In relation to the options considered by Cabinet for the future provision of Revenues and Benefits services in Hartlepool, the Scrutiny Co-ordinating Committee (c) rejects proposals for the creation of a joint venture vehicle or shared approach via a Regional Centre model with a Private Sector partner	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Complete	 100% Completed	
SCR-SCC/33ii Given the level of uncertainty in relation to the detail /	SCR-SCC/33ii	Given the level of uncertainty in relation to the detail / impact of the Governments	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The staffing structure and arrangements for retained services and for undertaking the	 100% Completed	



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
impact of the Governments welfare reform proposals, there is at this time a need to retain expertise in-house to enable the Council to respond to changes in the future					client function of managing and maintaining the contract is currently being developed. It will be confirmed in a report to Cabinet in December 2011 together with recommendations for the award of contract.			
SCR-SCC/33iii/a The provision of bailiff services to other LAs across the Tees Valley and Durham County be explored and that (a) subject to the devt of a business plan the viability of increasing the nos of staff within the bailiff team should be explored	SCR-SCC/33iii/a The provision of bailiff services to other local authorities across the Tees Valley and Durham County be explored and that (a) subject to the development of a business plan the viability of increasing the number of staff within the bailiff team / service should be explored, with the aim of increasing capacity for income generation	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The report setting out the planned future changes to the remit of the council's Internal Bailiff Services and other potential work opportunities was considered and agreed by the Performance Portfolio Holder on 22 December 2010. Recent developments include the submission of a bid in response to a procurement exercise by Darlington Borough Council and a commitment to bid for a contract in 2012 with Redcar & Cleveland Borough Council. Bailiff existing operating costs and income generation will be the subject of ongoing review as the service expands and develops.	 100% Completed		
SCR-SCC/33iii/b The provision of bailiff services to other LAs across the Tees Valley and Durham County be explored and that (b) any surplus income resulting from this be reinvested in frontline delivery to support / expand face to face advice services	SCR-SCC/33iii/b The provision of bailiff services to other local authorities across the Tees Valley and Durham County be explored and that (b) any surplus income resulting from this be reinvested in frontline delivery to support / expand the provision of face to face advice services	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The report setting out the planned future changes to the remit of the council's Internal Bailiff Services and other potential work opportunities was considered and agreed by the Performance Portfolio Holder on 22 December 2010. Recent developments include the submission of a bid in response to a procurement exercise by Darlington Borough Council and a commitment to bid for a contract in 2012 with Redcar & Cleveland Borough Council. Bailiff existing operating costs and income generation will be the	 100% Completed		



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					subject of ongoing review as the service expands and develops.			
SCR-SCC/33iv/c In supporting the retention of Revenue and Benefits services 'in-house' the following service improvements would be necessary (c) in relation to the provision of outreach services the mobile technology be reused	SCR-SCC/33iv/c	In supporting the retention of Revenue and Benefits services 'in-house' the following significant service improvements would be necessary (c) in relation to the provision of mobile outreach / home support services the mobile technology previously utilised by the mobile benefit team be reused, with the exclusion of the 3G connectivity elements of the package which had been the basis of problems in the past	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The mobile benefit team has not been withdrawn. It no longer operates with a 'real-time ICT' system however as explained above. This outreach service is with in the contract specification and is a requirement of the contractor who they wish to re-introduce such technology.	 100% Completed	
SCR-SCC/33iv/c Rev and Bens svs 'in-house' svc improv'ts would be nec (c) in rel to the prv'n of mobile outreach svcs in order to delivery the svcs on a collab basis, a protocol and SLA would need to be dev'td to facilitate the sharing of info with ptrns	SCR-SCC/33iv/c	In supporting the retention of Revenue and Benefits services 'in-house' the following significant service improvements would be necessary(c) in relation to the provision of mobile outreach / home support services in order to delivery the service on a collaborative basis, a protocol and service level agreement would need to be developed to facilitate the sharing of information with partners	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 The development of integrated advice support services is part of a wider project across the Council. The Benefits Team is part of that review. It is expected that a mapping exercise will be completed by November 2011	 100% Completed	
SCR-SCC/33v/a That in relation to the availability of job descriptions, person specifications and structures (a) the Committee was concerned to find out	SCR-SCC/33v/a	That in relation to the availability of job descriptions, person specifications and structures (a) the Committee was exceptionally concerned to find that a number of job descriptions, person	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Completed	 100% Completed	

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
that a number of job descriptions, person specifications and structures across the Council								
SCR-SCC/33v/b That in relation to the availability of job descriptions, person specifications and structures (b) the Committee requested that fully updated job descriptions, person specs and structures be brought back to SCC	SCR-SCC/33v/b	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Completed and available to Scrutiny Co-ordinating Committee	 100% Completed		
SCR-SCC/33v/c That in relation to the availability of job descriptions, person specifications and structures (c) the band / grade of Chief Officer posts be shown on all departmental structures	SCR-SCC/33v/c	Chris Little	31-Mar-2020	31-Mar-2020	25-Mar-2013 Completed	 100% Completed		
SCR-SCC/33vi/a That in terms of the revenues and benefits service	SCR-SCC/33vi/a	Chris Little	31-Mar-2013	31-Mar-2013	26-Mar-2013 The structure of the Benefits Service has not been reviewed given the current	 100% Completed		

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
staffing structure (a) as part of the move towards greater efficiency, the allocation of revenues and benefits posts above grade 9 should be addressed to enable resources to be focused		move towards greater efficiency, the disproportionate allocation of revenues and benefits posts above grade 9 should be addressed to enable resources to be focused on the provision of continued / improved front line processing services. This should be undertaken in conjunction with a review of the monies allocated to the Contact Centre and shared services ensuring resources equate to work undertaken in the administration of Housing and Council Tax Benefit.			procurement exercise and potential TUPE transfer of staff to an external provider.  Support provided to the Benefits Service by the CEX Support Services Team and Hartlepool Connect has been assessed and a proportionate number of staff in those teams has been identified on TUPE lists.			




**Year 2011/12****Investigation** The Borough Museum and Art Gallery Collection

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/29a/i That Members of the Museum and Art Gallery Working Group are involved in the review and development of the Collections, Acquisitions and Disposals Policy in the 2012/13 Municipal Year, and that this includes a progress update.	SCR-SCC/29a /i/2	Incorporate stakeholder's needs and aspirations into the new version of the Collections, Acquisitions and Disposal policy.	Mark Simmons	31-Mar-2013	31-Mar-2013	05-Aug-2013 Completed the new policy in July 2013 and incorporated the stakeholders needs and aspirations as directed. The policy now needs formal approval by committee in early September.  23-Apr-2013 Formal consultation for review of Collections Policy to take place in 2013-2014, post phase 6 of Accreditation (July 28th 2013). Consultation on collections development has started, and is incorporated into Viewpoint 40 (specific to World War One), and is planned for inclusion in VP41.	 100% Completed	
SCR-SCC/29c/i That the	SCR-	Secure external project	David	31-Mar-	31-Mar-	07-Mar-2013 External funding	 100% Completed	



Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
Council explores how the collection can:- (i) be promoted to further enhance its usage	SCC/29c /i/1	funding in collaboration with local partners to sustain and develop Collections Access initiatives.	Worthington	2013	2013	confirmed from Museum Development Fund - £900.		
SCR-SCC/29c/i That the Council explores how the collection can:- (i) be promoted to further enhance its usage	SCR-SCC/29c /i/2	Secure external project funding in collaboration with local partners to widen digital and on-line access to the Collection.	Mark Simmons	31-Mar-2013	31-Mar-2013	<p>05-Aug-2013 £62k was awarded by Esme Fairbairn Collections fund on 17th June 2013 - this was slightly overdue, but bid was successful - where only 7 out of 85 applicants received funding.</p> <p>23-Apr-2013 Bid to Esme Fairbairn Collections Development fund phase 4 completed in March 2013, for collaboration between Hartlepool, Middlesbrough and Darlington. Successfully shortlisted in top 15 of 85 applications on 17th April 2013, and progressing to full application by end of May 2013. £63K bid expected, with good chance of success in competitive process. In addition, launch of Hartlepool History Then and Now website from volunteer led project between NAS/Museums/libraries is forecast for July 2013. Delays in actions due to current resource and funding levels.</p>	 100% Completed	
SCR-SCC/29d That the potential of displaying more of the Council's regalia be explored and that in doing this, work undertaken a number of years ago be re-visited, with a view of erecting a display in the Long Gallery of the Civic Suite.	SCR-SCC/29d /iii	Items to be included where relevant into permanent displays at the Museum.	Mark Simmons	31-Mar-2013	31-Mar-2013	<p>05-Aug-2013 Items cannot go into permanent display until legally owned by the authority. This is an ongoing piece of work and continues to be undertaken.</p> <p>07-Mar-2013 Appropriate items to be included in museum re-display when appropriate.</p>	 100% Completed	

Year 2011/12

**Investigation** The Provision of Face to Face Financial Advice and Information Services in Hartlepool

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/24a That a mechanism be put in place under the banner of 'Connected Care' that focuses on the provision of core 'holistic' baseline services with the ability to 'bolt' on other services to meet the specific needs of individual communities.	SCR-SCC/24a /iii Ensure that all staff working directly with families are equipped with the knowledge to support and signpost to financial advice services – include financial support within workforce plan	Julie Pullman; Danielle Swainston; Penny Thompson	31-Mar-2013	31-Mar-2013	21-Mar-2013 Welfare reform training taken place. FISH staff are continuing to access update training to ensure fully up to date. One to one support offered to families as needed. 10-Jan-2013 Welfare reform training taken place. FISH staff are continuing to access update training to ensure fully up to date. One to one support offered to families as needed.	 100%	Completed	
SCR-SCC/24d That a web based monitoring process / database be identified that is implementable and accessible by all organisations who receive funding for the provision of face to face financial advice services.	SCR-SCC/24d /i Explore the need for a database to capture information on all the face to face financial advice that's available in Hartlepool	David Frame; Fiona Stanforth	31-Mar-2013	31-Mar-2013	15-Apr-2013 The Welfare Operational Reform Group have now reviewed the HBC website, and it has been deemed sufficient in sign posting to a number of informative partner websites (and any amendments made as appropriate). 17-Jan-2013 The meeting of the Welfare Operational Reform Group where the review of the website will be discussed (as detailed in previous note dated 16 November 2012) has yet to take place. A full update will be given in due course.	 100%	Completed	
SCR-SCC/24g That work be undertaken to improve the transmission of information between all organisations (navigators and providers).	SCR-SCC/24g Financial Inclusion Partnership to work with partners and other third sector bodies to improve information sharing	Margaret Wrigglesworth	31-Mar-2013	31-Mar-2013	22-Apr-2013 Qu 4 - data has been shared between Housing Hartlepool and the Council to inform future discretionary housing payment arrangements. 03-Dec-2012 Stakeholders are working effectively sharing information and instigating joint action plans to enable a coordinated response to the welfare reform changes. About 1600 households have been identified that will be	 100%	Completed	




Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
					subject to the Bedroom Tax , most have received a personal visit from their landlord and all will receive a letter from the Council in Mid Jan 13. The 140 households at risk of being affected by the Benefit Cap from April 13 have been identified and all been visited either by the Council's Benefits Service or by FISH in some instances in conjunction with an officer from Housing Hartlepool.			
SCR-SCC/24h That in light of the vast resource of expertise that exists across the town, ways of improving partnership mechanisms to facilitate the sharing of this expertise, and information on the availability of services, need to be explored.	SCR-SCC/24h Financial Inclusion Partnership to work with partners to explore increased partnership working to enable more effective use of resources	Margaret Wrigglesworth	31-Mar-2013	31-Mar-2013	22-Apr-2013 Programmes have been delivered to increase awareness of "Energy Best Deal" and Hartlepool Credit Union services / products. FIP Stakeholders have received briefings on local welfare support (social fund) to promote awareness / understanding. 03-Dec-2012 FIP Stakeholders are undertaking joint initiatives to increase awareness and understanding of future welfare reform changes and to provide advice, support and guidance including signposting where appropriate to other agencies.	 100%	Completed	
SCR-SCC/24i That funding be found to enable the continued provision of money skills / management sessions in schools, in partnership with Barclays Money Skills Project / Hartlepool Financial Inclusion Partnership.	SCR-SCC/24i Financial Inclusion Partnership to work with children's services and financial institutions to explore funding opportunities for financial education	Danielle Swainston; Penny Thompson; Margaret Wrigglesworth	31-Mar-2013	31-Mar-2013	19-Apr-2013 First Contact and Support Hub continue to attend the Financial Inclusion Partnership and look at all opportunities for funding. 21-Mar-2013 FISH attending Financial Inclusion Partnership to ensure that all opportunities accessed - no funding opportunities have been available yet. Credit Union are working with schools.	 100%	Completed	

Year 2012/13


**Investigation** Contact Centre and Registrars

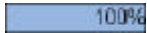
Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/34b That all appropriate staff are fully trained	SCR- SCC/34b That all appropriate staff are fully trained	Christine Armstrong; Andrew Atkin	31-Jul-2013	31-Jul-2013	14-May-2013 All staff are fully trained now to deliver their service area though changes to legislation and amendments to the General Register Office's Good Practice Guide means that, as with any service, training will be ongoing	 100%	Completed	

**Year 2012/13****Investigation** JSNA Topic - Poverty

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/36b n relation to the section of the entry relating to 'What commissioning priorities are recommended', Members supported the commissioning priorities identified within the entry	SCR- SCC/36b No action required		31-Dec-2013	31-Dec-2013		 100%	Completed	

**Year 2012/13****Investigation** JSNA Topic - Transport

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/37a The Transport Working Group supported the content of the Transport JSNA entry, with the inclusion of reference where appropriate to the health benefits of	SCR- SCC/37a The Transport JSNA is to be amended, to reflect the Working Group's comments regarding health benefits of 20mph zones.	Paul Watson	30-Jun-2013	30-Jun-2013	05-Aug-2013 JSNA updated to include the development and implementation of 20 mph zones with links to health, community safety, environmental, casualty reduction and carbon reduction outcomes. Health outcomes include improvements to longer term health	 100%	Completed	

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
the implementation of 20MPH zones across the town.					through the encouragement and promotion of active lifestyles such as walking and cycling.			
SCR-SCC/37b he Transport Working Group agreed that they should forward their recommendations to the Neighbourhoods Policy Committee.	SCR-SCC/37b Transport Working Group report included on the agenda for the 3 June 2013	Joan Stevens	03-Jun-2013	03-Jun-2013	18-Jun-2013 Considered by the Neighbourhood Services Committee on 3rd June 2013	 100% Completed		

**Year 2012/13****Investigation** Overall JSNA

Recommendation	Action	Assigned To	Original Due Date	Due Date	Note	Progress		
SCR-SCC/35f he eradication of child poverty must continue to be priority within the Councils new decision making process, particularly through the future work of the Health and Wellbeing Board.	SCR-SCC/35f /ii The responsibility for Child Poverty has been included in all policy Committees in the new council constitution	Andrew Atkin	31-May-2013	31-May-2013	18-Jun-2013 Complete	 100% Completed		

**4. RECOMMENDATIONS**

- 4.1 That Members note progress against the agreed recommendations and explore further where appropriate.

**5. REASONS FOR RECOMMENDATIONS**

- 5.1 In order for Members to continue to monitor the progress of Scrutiny recommendations.

**BACKGROUND PAPERS**

- (a) Report of the Scrutiny Manager entitled 'Six Monthly Monitoring of Agreed Scrutiny Co-ordinating Committee's Recommendations' presented to the Scrutiny Co-ordinating Committee on 8 March 2013.

**6. CONTACT OFFICER**

Joan Stevens – Scrutiny Manager  
Chief Executive's Department - Corporate Strategy  
Hartlepool Borough Council  
Tel: 01429 284142  
Email: joan.stevens@hartlepool.gov.uk