

# FINANCE AND POLICY COMMITTEE AGENDA



**Friday 8 November 2013**

**at 9.30 am**

**in the Council Chamber, Civic Centre, Hartlepool**

MEMBERS: FINANCE AND POLICY COMMITTEE

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

**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 18 October 2013 (*previously circulated*).
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 16 August 2013.

**4. BUDGET AND POLICY FRAMEWORK ITEMS**

None.

**5. KEY DECISIONS**

- 5.1 Development of Student Accommodation on the Former Crown House Site, Surtees Street – *Director of Regeneration and Neighbourhoods and Chief Finance Officer*



**6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Appointment of Local Authority Representatives to Serve on School Governing Bodies – *Assistant Director, Education*
- 6.2 Registration Service Accommodation – *Assistant Chief Executive and Director of Regeneration and Neighbourhoods*

**7. ITEMS FOR INFORMATION**

- 7.1 Savings Programme 2014/15 – Resources Division of Regeneration and Neighbourhoods – *Director of Regeneration and Neighbourhoods*
- 7.2 Savings Programme 2014/15 – Chief Executive's Department – *Chief Executive*

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

**ITEMS FOR INFORMATION**

**Date of next meeting – Friday 29 November 2013 at 9.30am in the Council Chamber, Civic Centre, Hartlepool**



## **SAFER HARTLEPOOL PARTNERSHIP DECISION RECORD**

16 August 2013

The meeting commenced at 9.30 am in the Civic Centre, Hartlepool

### **Present:**

Councillor: Christopher Akers-Belcher (In the Chair)

Dave Stubbs, Chief Executive  
Clare Clark, Neighbourhood Manager  
John Bentley, Safe in Tees Valley  
Andy Powell, Housing Hartlepool

In accordance with Council procedure rule 5.2 (ii) Andy Graham was in attendance as a substitute for Louise Wallace, Director of Public Health, Superintendent Ian Coates as substitute for Chief Superintendent Gordon Lang and Chief Inspector Lynn Beeston and Julie Keay as substitute for Lucia Saiger-Burns, Tees Valley Probation Trust

### **Also present:**

Karen Hawkins, Hartlepool and Stockton Clinical Commissioning Group  
Mark Smith, Head of Youth Services  
Councillor Keith Fisher, HBC  
Steven Hume, Stockton on Tees Borough Council  
Anthony Lowes, NOMS North East

Officers: Joan Stevens, Scrutiny Manager  
Danielle Swainston, Head of Access and Strategic Planning  
Richard Starrs, Strategy and Performance Officer  
Denise Wimpenny, Principal Democratic Services Officer

## **16. Apologies for Absence**

Apologies for absence were submitted on behalf of Denise Ogden, Director of Regeneration and Neighbourhoods, Lucia Saiger-Burns, Durham Tees Valley Probation Trust, Gordon Lang, Chief Superintendent, Cleveland Police, Chief Inspector Lynn Beeston, Cleveland Police, Ian McHugh, Cleveland Fire and Rescue Authority, Councillor Carl Richardson, Cleveland Fire and Rescue Authority and Louise Wallace, Director of Public Health.

## 17. Declarations of Interest

None.

## 18. Minutes of the meetings held on 5 July 2013

Confirmed.

## 19. Matters Arising from the Minutes

Superintendent Ian Coates confirmed acceptance of the role of Vice-Chair of the Partnership on behalf of Chief Superintendent Gordon Lang. The Chair requested that confirmation of the appointment be made in writing.

## 20. Troubled Families (*Assistant Director, Children's Services*)

### Purpose of report

To update the Safer Hartlepool Partnership on the implementation of the Think Family Think Communities (Troubled Families) Programme in Hartlepool and changes to the arrangements for local delivery.

### Issue(s) for consideration

The report included background information relating to the Troubled Families Programme following the Government's announcement that £448m be allocated to the programme.

As at 31 March 2013 Hartlepool submitted return data to the Troubled Families team, details of which were set out in the report. Since the start of the programme 97 families had been identified and work had commenced with the 97 identified. It was estimated that 28 payments by results would be claimed for July 2013.

With regard to changes to the arrangements for local delivery of the programme, in March 2013, the Troubled Families Co-ordinator role moved from the Director of Regeneration and Neighbourhoods to the Assistant Director, Children's Services and over the past 3 months a time limited core team had been developed to support the delivery of the programme, progress of which was provided.

It was reported that to date the Hartlepool Think Family Think Communities Programme had been able to identify 57 families that met the claim criteria. However, claims could only be made for 51 as funding was only attached to 5 out of 6 families. It was highlighted that this was higher than the forecasted figure of 28.

The Head of Access and Strategic Planning responded to issues raised by Members. Clarification was provided in relation to the payment by results process and the support arrangements in place following the conclusion of the claims process. In terms of the costs of implementing the programme, a query was

raised in relation to the anticipated income against additional expenditure to which the Partnership was advised that whilst cost benefits were yet to be examined, the DCLG had produced a cost benefit analysis tool to assist with the issue. Feedback in this regard would be provided to the Partnership in due course.

### **Decision**

- (i) That the change of management arrangements of the Think Family Think Communities Programme be endorsed.
- (ii) That the changes to the delivery model be ratified.
- (iii) That the work to date on delivery of the programme in Hartlepool be noted.

## **21. Safe Places Scheme** (*Director of Regeneration and Neighbourhoods*)

### **Purpose of report**

To make the Safer Hartlepool Partnership aware of the Tees-wide Safer Places Scheme and seek the endorsement of the Partnership for the scheme.

### **Issue(s) for consideration**

The Neighbourhood Manager provided background information relating to the scheme and made reference to the offer from Inclusion North to assist in the creation of a Safer Places Scheme across Teesside. The scheme was presently at the discussion stage in Stockton and Middlesbrough and was still being trialled by the Community Safety Team in Redcar and Cleveland. In Hartlepool, there had been take up of 50 places. One of the barriers to the success of the scheme was take up by transport providers. A steering group had been established with representation from all the agencies and districts working to launch a Tees-wide scheme.

It was reported that there would be a sub-regional launch in the week commencing 14 October and the various methods of promoting the scheme were outlined, as detailed in the report.

In the discussion that followed, some concerns were raised that when testing the system, some staff employed in designated safe place locations were not aware of the scheme and unsure as to what action to take in the event of any requests for assistance. Members emphasised that the success of the scheme was dependent upon staff employed in designated safe place locations being confident to deal with such requests and the benefits of training and briefing sessions for staff were highlighted as well as the need to publicise the success of the scheme. The Neighbourhood Manager agreed to feed those comments back to the Steering Group.

### **Decision**

- (i) That the contents of the report and comments of Members be noted.

- (ii) That the approach being taken to introduce a Tees-wide Safe Places Scheme be endorsed.
- (iii) That the Director of Regeneration and Neighbourhoods explore the potential for expansion of the scheme with partners eg Health and Wellbeing Board and Safeguarding boards.

## 22. **Community Safety Connect – Verbal Update** (representative from Stockton Borough Council)

### **Purpose of report**

To provide an overview of the Community Safety Connect project.

### **Issue(s) for consideration**

A representative from Stockton Borough Council, who was in attendance at the meeting, provided the Partnership with a detailed and comprehensive presentation in relation to the Community Safety Connect project which had been introduced in Stockton. The aim of the scheme was to build on the strong work that had been carried out on providing reassurance to local residents as well as continue to reduce the fear of crime and anti-social behaviour (ASB) in local areas. The presentation included background information as to how the project was developed including details the following three key elements of the project which could be adapted or developed at a low cost to meet the needs of individual areas.-

- Community Connect
  - web based application to report ASB
  - keep track of progress
  - benefits of the system
  - increased use of Quick Response (QR) codes
- Client Connect
  - single partnership document providing key information such as offending history, housing tenure, family makeup, health/special needs, risk factors, chronology of involvement with agencies including named officers
  - will enable the individual to receive the best possible support
- Re-connect
  - focuses on use of restorative practices to address ASB
  - to provide victims and perpetrators with the opportunity to come together to address issues that have been caused as a result of ASB
  - network made up of a number of representatives – local authority, police, fire service volunteers from local communities.

Following conclusion of the presentation and in response to concerns regarding the effectiveness of anti-social behaviour orders, the representative acknowledged that whilst anti-social behaviour orders were effective in some cases, they may not address the problem in others. The need to positively engage with individuals, improve use of sanctions imposed and improve the monitoring and review process was highlighted.

A query was raised in relation to the impact on resources as a result of the project. The representative stated that whilst it was not envisaged that service requests would reduce, it was hoped that the project would reduce the workload of officers in the longer term with less time being spent dealing with telephone calls and manual input of information as well as better quality case notes to assist with enforcement.

The Chair thanked the representative for his attendance and requested that feedback from the Partnership be reported back to individual teams.

### **Decision**

- (i) The presentation was noted.
- (ii) The comments of the Partnership be reported to individual teams.

## **23. Scrutiny Topic Selection – Reoffending** (*Scrutiny Manager*)

### **Purpose of report**

To advise the Safer Hartlepool Partnership of the crime and disorder topic selected by the Audit and Governance Committee for investigation as part of its statutory scrutiny responsibilities.

### **Issue(s) for consideration**

The Scrutiny Manager reported on the background to the requirements of the Police and Justice Act 2006 to establish a Crime and Disorder Scrutiny Committee and the suggestion made by the Partnership at the last meeting that the issue of reoffending should be investigated. The Audit and Governance Committee had welcomed the Partnership's suggestion and, in recognition of the importance of the issue, had agreed that an investigation would be undertaken as part of the 2013/14 work programme.

### **Decision**

That the selection of 'reoffending' as the crime and disorder topic for investigation by the Audit and Governance Committee be noted.

## **24. Reducing Reoffending in the North East – Improving Joint Working Between Prisons and Local Authorities (ANEC/NOMS Report)** (*Director of Regeneration and Neighbourhoods*)

### **Purpose of report**

To update the Safer Hartlepool Partnership on a joint report produced by the North East Councils (ANEC) and National Offender Management Directorate (NOMS) into improving joint working between prisons and local authorities in the North East to reduce re-offending.

To propose that the 'reducing re-offending strategic group' takes responsibility for local implementation of the recommendations contained within the report as part of a broader strategy for reducing re-offending in Hartlepool.

### **Issue(s) for consideration**

The report provided background information in relation to the production of a joint report produced by ANEC and NOMS. The ANEC Mayors and Leaders Group had agreed in principle to support the recommendations. However, had requested that the report be presented to the Local Community Safety Partnership to ascertain their views before giving their full support to the recommendations. An executive summary of the report was attached at Appendix A.

It was acknowledged within the report that amongst the many recommendations there would be some quick wins requiring minimum effort and resource with others requiring greater consideration through a North East Reducing Re-offending Forum. It was therefore proposed that the Safer Hartlepool Partnership ask the reducing re-offending strategic group to take responsibility for implementing the recommendations in the report as part of their work on the broader strategy.

Members were advised that a representative from the National Offender Management Directorate (NOMS) had been invited to the meeting to provide information on the report.

The Chair welcomed the representative from NOMS to the meeting who went on to deliver a detailed and comprehensive presentation on the project that had been initiated by ANEC and NOMS to identify opportunities for joint work directed at reducing reoffending and the associated harm to communities and focussed on the following:-

- Scope of the project
- The project answered a number of key questions
- Prison data by local authority as at July 2013

### **Recommendations**

- Action based on resettlement pathways
- Focus on areas where prisons and local authorities can have greatest impact and improve outcomes
- A holistic approach to joined up end to end offender management
- ANEC and NOMS to work with partners to articulate local priorities
- NOMS and local authorities to work together with other key partners via a North East Reducing Reoffending Forum
- Strengthen co-operation and engagement at North East level to respond to opportunities, issues and risks by the planned reforms of offender



management and through gate services.

Following the conclusion of the presentation Members discussed the contents of the report and issues highlighted by the representative which included the following:-

- (i) The representative from NOMS sought clarification as to whether partner organisations were engaging with prisoners in other areas outside the geographical boundaries. The representative from the Probation Trust referred to the strong links with Holme House Prison and the Probation Trust. Whilst acknowledging that links with other areas could be strengthened, it was highlighted that arrangements were in place to improve joint working to produce better outcomes for individuals. Details of joint working arrangements and the wraparound service in place with the local authority were provided. It was noted that all local authorities did not adopt a similar approach.
- (ii) Discussion ensued in relation to the importance of improving joint working and pathways from prison into the community, the problem of accessing services whilst in prison particularly those of a housing related nature and the impact on reoffending as a result. In order to address some of the issues identified, the NOMS representative advised that funding was provided by the 12 local authorities into a regional homelessness group contract to provide specific services. Arrangements were in place for a housing provider to engage with individuals at an early stage and, following release, there was a 13 week wrap around service provided by peer mentors.
- (iii) The Partnership debated the advantages and disadvantages of utilising volunteers as peer mentors to support offenders following release, the sustainability of this approach, access to internal housing support mechanisms as well as how individuals were supported following a withdrawal of an offer of accommodation as a result of unacceptable behaviour. In response, it was reported that the option to establish an Offenders Housing Group was being explored to alleviate risks of this type in future. It was noted that a discretionary grant was available to Prison Governors for emergency housing related issues.
- (iv) The Neighbourhood Manager, on behalf of the Durham Tees Valley Probation Trust representative, who had submitted her apologies and views prior to the meeting, questioned the value of a regional forum given the lack of outcomes of a previous forum that had been established a number of years ago. The importance of improving local connections with the prison and/or the reducing reoffending group to ensure things happened operationally was also highlighted. The NOMS representative indicated his availability to attend future meetings of the partnership as necessary.

In concluding the debate, the Chair was keen to receive feedback from the Reducing Reoffending Group, of which the NOMS representative was a Member, on the recommendations outlined in the report prior to a formal response being submitted to the Partnership to the ANEC Leaders and Mayors Group.

The Chair thanked the representative for his attendance at the meeting and responding to Members' questions.

### **Decision**

- (i) That the information given and comments of the Partnership be noted.
- (ii) That feedback on the recommendations, as detailed in the report, be sought from the Reducing Re-offending Strategic Group to enable a formal response to be submitted by the Partnership to the ANEC Leaders and Mayors Group.

## **25. Safer Hartlepool Partnership Performance**

*(Neighbourhood Manager (Community Safety))*

### **Purpose of report**

To provide an overview of Safer Hartlepool Partnership performance for Quarter 1 – April 2013 to June 2013 inclusive.

### **Issue(s) for consideration**

The Neighbourhood Manager provided the Partnership with an overview of the Safer Hartlepool Partnership performance during Quarter 1, as set out in an appendix to the report. Information as a comparator with performance in the previous year was also provided.

Whilst noting an overall reduction in crime of 2.2%, the Partnership debated the potential reasons for the increase in domestic burglary, shop lifting and anti-social behaviour including the measures that had been introduced to reduce this trend.

### **Decision**

That the Quarter 1 performance of the Partnership be noted.

## **26. Date and Time of Next Meeting**

It was reported that the next meeting was scheduled for 27 September at 9.30 am.

The meeting concluded at 11.25 am.

CHAIR

# FINANCE AND POLICY COMMITTEE

8 November 2013



**Report of:** Director of Regeneration and Neighbourhoods and  
Chief Finance Officer

**Subject:** DEVELOPMENT OF STUDENT ACCOMMODATION  
ON THE FORMER CROWN HOUSE SITE,  
SURTEES STREET

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision - test (i) applies - Forward Plan Reference RN 28/13.

## 2. PURPOSE OF REPORT

- 2.1 To update the Committee on the proposal for the Vela Group to build new student accommodation on the site of the former Crown House.
- 2.2 To seek Committee endorsement of the proposals to provide the Vela Group with a loan to enable to Project to proceed and to refer this proposal to full Council for approval.
- 2.3 To seek Committee Approval for the sale of the site at the agreed value.

## 3. BACKGROUND

- 3.1 The sale of the Crown House site to Vela for the construction of student accommodation was agreed by the Finance and Policy Committee on the 26<sup>th</sup> July 2013.
- 3.2 As previously reported the demand for student accommodation has increased recently due to the expansion of the Cleveland College of Art and Design (CCAD) and the relocation of their Higher Education course provision to Hartlepool. The Vela Group and the College have identified the former Crown House site as the preferred location for the development of student accommodation due to its proximity to the College and other town centre amenities.

- 3.3 The aim of the development is to enable the College to attract more students from out of the region as many students are currently discouraged from attending due to the lack of high quality accommodation. Attracting additional students is important for the long-term financial sustainability of the College.

#### 4. PROPOSALS

- 4.1 Vela have planning approval to construct two apartment buildings and two townhouses on the Crown House site, which will provide 56 student bedrooms. The buildings have been designed to be flexible and converted into one bedroom accommodation if the demand for student accommodation is not sustained beyond the initial 10 year rent guarantee from the College.
- 4.2 There is a short timescale for the development with Vela wishing to start construction as soon as possible so that the accommodation is open for the start of the 2014 academic year.
- 4.3 The development will have a positive impact on the local economy and regeneration of the area. In particular it will have the following benefits:
- Increasing the population of the area, which will benefit local shops and businesses whilst having the potential to attract additional investment and student amenities.
  - The development of student accommodation aligns with the regeneration aims of the area through the creation of an Innovation and Skills Quarter in the East Central Area.
  - The development will also help to support the regeneration and diversification of Church Street towards more daytime uses and the future redevelopment proposals for the Lynn Street Depot.
  - The tender for the work has been awarded to a local building firm which will create additional benefits to the local economy from the scheme.
- 4.4 The Council will be disposing of the land for the value which is detailed within **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).** The site boundary is detailed within **Appendix 1**

#### 5 FINANCIAL AND RISK CONSIDERATIONS

- 5.1 The capital cost of the scheme is budgeted at £2.218m to be funded from borrowing, to be repaid from future rent income.

- 5.2 The viability of the scheme is dependent on spreading the costs of borrowing over a period of 40 years at an interest rate of 4.5%. The high level of capital cost has meant that the business case model for the project is extremely tight and has required Vela to work with the builder to identify ways in which to reduce costs from those included in the initial tenders. The key to the viability for this scheme now is to minimise the cost of borrowing.
- 5.3 The interest rate that Vela can obtain is higher than that which the Council can secure from the Public Works Loan Board by a margin of approximately 1.5%. Vela has therefore approached the Council with a view to securing borrowing at a cheaper level in order to make the scheme viable.
- 5.4 The Chief Finance Officer has examined the business case and the underpinning financial planning assumptions for this development based on the Council providing loan funding. The business case shows there will be a revenue deficit on the project for the first 6 years, which is not unusual for this type of long term project. The forecast deficit identified in the business case may increase if either the capital costs increase, or there is a further rise in interest rates. If this occurs it may take longer than 6 years before the annual income for the project exceeds the annual expenditure. The accumulated losses over the early years of the project will be funded by the Vela Group and repaid from future year's forecast surplus income. Whilst, the college will provide a 10 year rent guarantee the outstanding debt at the end of this period will be £1.811m - which equates to 81.7% of the initial capital costs. This position reflects the long term nature of the project and the phasing of loan repayments over a 40 year term.
- 5.5 On the basis of the above financial risks this is not a project which the Chief Finance Officer would normally advise Members to support.
- 5.6 However, in view of the wider regeneration and economic benefits of the project, officers have examined potential options to mitigate these risks. In normal circumstances the Council would seek to manage the financial risks associated with this type of development by imposing conditions that in the event of loan repayments not being made ownership of the property would transfer to the Council. However, in relation to this proposal it is not considered this arrangement would provide the necessary financial safeguard, owing to the uncertainty of rental income after the initial 10 year rental income guarantee from the college has expired.
- 5.7 Therefore, an alternative safeguard is needed to protect the Council's financial position and it is recommended that this could be achieved if the following guarantees are provided by the Vela Group, which they have indicated they can agree to:
- A guarantee will be provided to the Council by the Vela Group to pay the annual Loan Repayments for the duration of the loan (i.e. 40 years)

- The Vela Group will not seek to increase the loan amount above £2.218m and any additional capital costs will be funded by the Vela Group.
- 5.8 The value of the guarantee will need to be determined once the project is complete and the loan is drawn down by the Council to funds passed on to Vela.
- 5.9 There is a potential risk of a further interest rate increase before the funds are drawn down and passed on. Therefore, to ensure the cost of providing a loan for this project is financially neutral for the Council the interest rate cannot be fixed until the loan is drawdown. For planning purposes the Vela Group has been advised that the current interest rate for a 40 year loan is 4.5%, which will be the minimum rate. They have also been advised that the interest rate may increase. An increase to 4.9% would increase the annual loan repayment costs by £10,000. The risk of any interest rate rise will have to be absorbed by the Vela Group and covered by the loan repayment guarantee with the Council.
- 5.10 Vela will provide the initial capital to start on site given the requirement to have the student accommodation open for the start of the 2014 academic year. They will then require the loan to provide the long term funding for the scheme. They have indicated that the loan will not actually be required until April 2014 and there is a possibility that they may decide to use alternative funding source at the time. This report therefore sets out the terms of a loan facility for Vela in the future, when and if it is required.
- 5.11 Legal Considerations**
- 5.12 The Chief Solicitor has been consulted on this proposal and has confirmed that the Council has the legal power to enter into the proposal arrangement with the Vela Group for the provision of a loan.
- 5.13 The Chief Solicitor has also advised that the necessary legal document can be prepared to provide the guarantees detailed in paragraph 5.7. Members should note that the Chief Solicitor and Chief Finance Officer will need to ensure that the guarantees for the proposed Council loan are not undermined by any existing guarantees the Vela Group have provided to funders to ensure the Council's financial position is protected.

## **6. CONCLUSION**

- 6.1 The report outlines proposals for supporting the development of student accommodation on the Crown House site which will help continue the redevelopment of this area.
- 6.2 The provision of a loan by the Council to fund this development will help make the scheme financially viable. The Council's financial position will be protected by securing the two guarantees detailed in paragraph 5.7 from the

Vela Group. The guarantees will ensure there is no cost to the Council and the loan provided will be fully repaid.

## 7. RECOMMENDATIONS

### 7.1 It is recommended that Members:

- i) Determine if they wish to support the proposal to seek full Council approval on the 5<sup>th</sup> December to approve the granting of a loan facility to the Vela Group of £2.218m to be drawn down in 2014 if required; subject to the Vela Group providing the following guarantees:
  - A guarantee will be provided to the Council by the Vela Group (which will include successors in title to the Vela Group) to pay the annual Loan Repayments for the duration of the loan (i.e. 40 years), based on the interest rate secured by the Council at the time funds are drawn down;
  - As a further safeguard a legal charge will be placed on the land subject to the loan, which will protect the Council's financial position in the event that the guarantee cannot be discharged;
  - The Vela Group will not seek to increase the loan amount above £2.218m and any additional capital costs will be funded by the Vela Group.
- ii) Authorise the Chief Finance Officer and Chief Solicitor to draft the necessary financial and legal documents to action the guarantees referred to in 6.1 (i) for agreement with the Vela Group and to note these documents will not be signed until full Council has made a final decision on this proposal;
- iii) Approve the disposal of the site which is detailed 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).**

## 8. REASONS FOR RECOMMENDATIONS

- 8.1 The recommendation will enable the development of student accommodation to precede thereby addressing a derelict site and supporting Cleveland College of Art and Design and the regeneration of the area.

**9. BACKGROUND PAPERS**

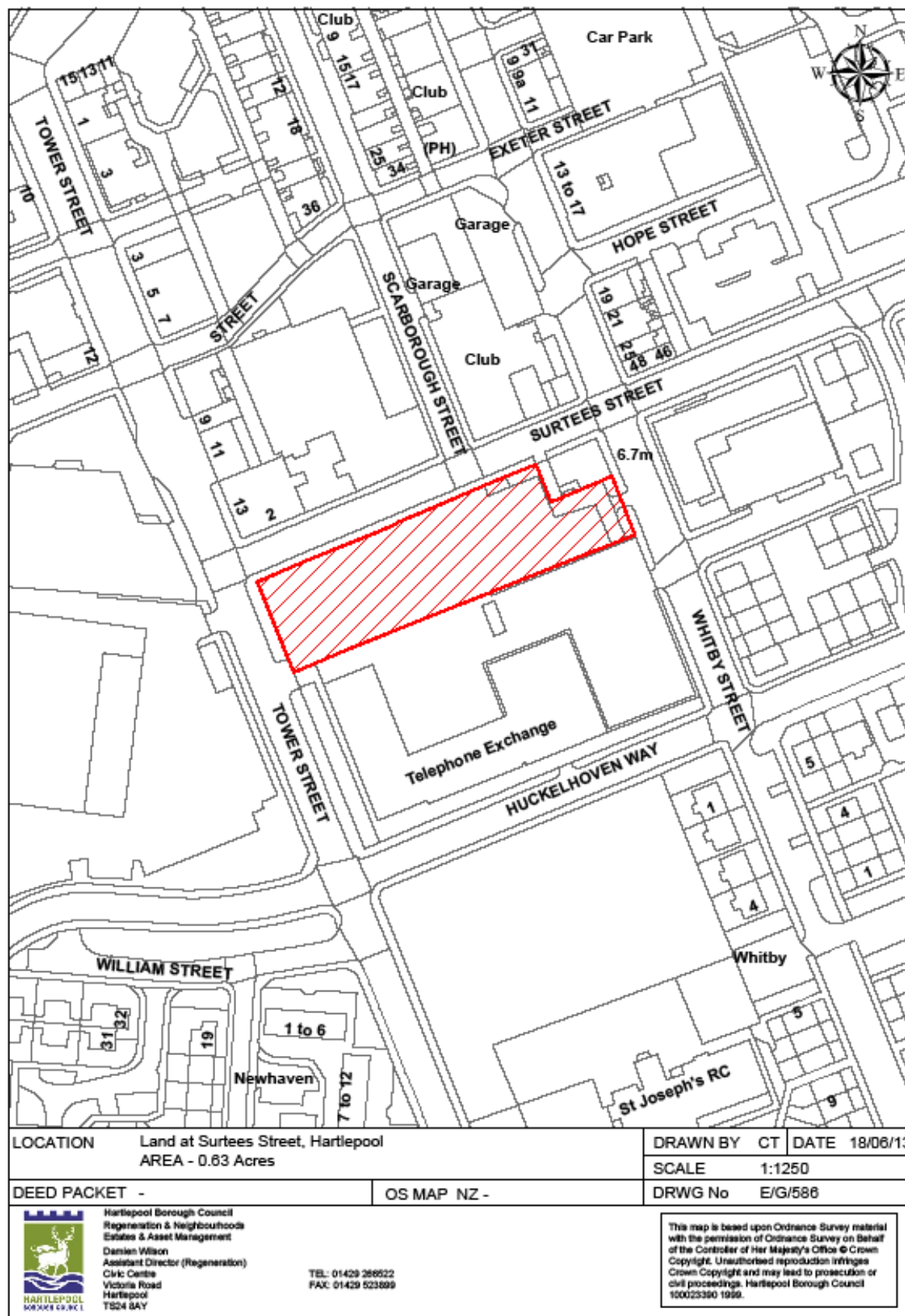
- Finance and Policy Committee report of the 26<sup>th</sup> July 2013- Sale of the Crown House site on Surtees Street for Student Accommodation.

**10. CONTACT OFFICERS**

Chris Little  
Chief Financial Officer  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY  
Email [chris.little@hartlepool.gov.uk](mailto:chris.little@hartlepool.gov.uk)  
Tel: 01429 523003

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



**APPENDIX 1**

# FINANCE AND POLICY COMMITTEE

8 November 2013



**Report of:** Assistant Director, Education

**Subject:** APPOINTMENT OF LOCAL AUTHORITY  
REPRESENTATIVES TO SERVE ON SCHOOL  
GOVERNING BODIES

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non key decision.

## 2. PURPOSE OF REPORT

- 2.1 To request members of Finance and Policy Committee consideration and approval of the applications received in respect of the appointment of the Local Authority representative governors to serve on school governing bodies where interest has been expressed in the vacancies.

## 3. BACKGROUND

- 3.1 Applications are invited from members of the general public, elected members and those governors whose term of office is about to expire or have expired and who are interested in serving or wish to continue serving as a Local Authority representative governor on school governing bodies.

The following criteria was agreed by the Borough Council for the recruitment of Local Authority representative governors in 2000. Local Authority governors should be able to show:

- demonstrable interest in and commitment to education;
- a desire to support the school concerned;
- a commitment to attend regular meetings of the governing body (and committees as appropriate) and school functions generally;
- good communication/interpersonal skills;
- ability to work as part of a team;
- a clearly expressed willingness to participate in the governor training programme.

#### 4. PROPOSALS

- 4.1 A schedule (**Appendix 1**) is attached setting out details of vacancies which currently exist for LA representative governors, where interest has been expressed in the vacancies together with applications received in respect of the vacancies (**Appendix 2**). ***This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to any individual (para 1).***

#### 5. RECOMMENDATIONS

- 5.1 The Finance and Policy Committee approve the appointment of Local Authority Governors to serve on school governing bodies.

#### 6. REASONS FOR RECOMMENDATIONS

- 6.1 The constitution of school governing bodies in respect of Community, Aided, Controlled and Foundation schools include Local Authority representation.

#### 7. BACKGROUND PAPERS

- 7.1 None.

#### 8. CONTACT OFFICER

Ann Turner  
Governor Support Officer  
Level 4, Civic Centre  
Hartlepool Borough Council

Tel: (01429) 523766  
Email: ann.turner@hartlepool.gov.uk

## **VACANCIES FOR LOCAL AUTHORITY REPRESENTATIVES ON GOVERNING BODIES**

**NOVEMBER 2013**

**Contact Officer: Ann Turner  
01429 523766**

## VACANCIES FOR LOCAL AUTHORITY REPRESENTATIVES ON GOVERNING BODIES

SCHOOL INCLUDING LA GOVERNORS	VACANCIES	EXPRESSION OF INTEREST	APPOINTMENT(S)
<b>Greatham CE VA Primary School</b>			
Councillor Geoff Lilley	1 Vacancy In place of Mrs P Brotherton	No interest expressed	
<b>Jesmond Garden's Primary School</b>			
Councillor Pamela Hargreaves Councillor Linda Shields Mrs Sandra Saint	1 Vacancy Mrs J Davies declined appointment	Mr Richard Brown Mrs Heather Bellwood	
<b>Lynnfield Primary School</b>			
Councillor Chris Simmons Mr P Ingham	1 Vacancy In place of Councillor Carl Richardson	No interest expressed	
<b>Rift House Primary School</b>			
Councillor Paul Beck Councillor Sylvia Tempest	1 Vacancy In place of Councillor Marjorie James	No interest expressed	
<b>West Park Primary School</b>			
Councillor Brenda Loynes Mrs Margaret Boddy	1 Vacancy In place of Councillor Ray Wells	No interest expressed	
<b>Springwell School</b>			
Mr Keith Tabram	1 Vacancy In place of Mrs E Barracough (Chair) Term of office expired October 2013	Mrs E Barracough	

# FINANCE AND POLICY COMMITTEE

8 November 2013



**Report of:** Assistant Chief Executive and Director of  
Regeneration & Neighbourhoods

**Subject:** REGISTRATION SERVICE ACCOMMODATION

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to provide further information on alternative premises for the relocation of the Registration Service following recommendations made at the Finance and Policy Committee held on 19 September 2013.

## 3. BACKGROUND

- 3.1 At the Scrutiny Co-ordinating Committee held on 22 March 2013 a report was requested asking that consideration be given to the relocation of the Registration Service to a more suitable location.
- 3.2 A detailed report was provided to the Finance and Policy Committee meeting held on 19 September 2013 in relation to accommodation requirements. A number of options were proposed for consideration as alternative locations for delivery of the Registration Service.
- 3.3 Based on the Asset Management portfolio, 4 buildings were considered including 2 town centre locations and 2 other most appropriate satellite locations. The venues considered were Civic Centre, Sir William Gray House, Borough Hall and Tanfield Offices. Each building was considered against a list of requirements with an area on Level 1 of the Civic Centre being the recommended venue and identified in the previous report as Option 2.

3.4 Members considered the proposed options and agreed that

- (i) That a further report be provided to the Finance and Policy Committee providing further details for Option 2 and the alternative option of relocating to the building previously used by the Registration Service in Raby Road, including costings to enable Members to make an informed decision on the preferred location for the Registration Service.
- (ii) That should Members consider it necessary, a visit to both locations be arranged in between the pre-agenda meeting and Committee meeting where this report was to be considered.

3.5 This report provides further information on the 2 proposals namely –

Level 1, Civic Centre – Option A  
The Willows, Raby Road – Option B

#### **4. PROPOSALS FOR ALTERNATIVE VENUES**

All costs for physical changes to buildings have been prepared by the Council's Building Design and Management Team.

##### **4.1 Option A – Level 1, Civic Centre**

- 4.1.1 The main advantage of delivering registration services at the Civic Centre is that it is a central location, easily accessible, available via public transport and is known to most residents. In addition it provides for increased resilience in the team and more broadly due to the proximity to other elements of the services and the ability to ensure that workloads can be distributed effectively whilst still maintaining a focus on the needs of the customer.
- 4.1.2 Within the building an area on Level 1 that is accessed via the North Entrance has been identified for the Registration Service and is currently used by the Emergency Planning Officer and part of the CEX Support Services team, particularly in relation to post and scanning activities. It is close in proximity to the previous location of the Registrars Service when it was in the Civic Centre.
- 4.1.3 Disabled car parking is available at the bottom of the bank near to the entrance and an external platform lift could be provided at the steps nearest to the boiler-house. Provision of a platform lift will ensure that less able-bodied customers and visitors have access to the building without having to use either of the sloped access roads and would ensure that this location meets the requirements of the Equality Act 2010.
- 4.1.4 It is possible to relocate the post and scanning team to Level 2 with the remainder of the Support Services team, which would allow additional interview rooms to be provided together with a reception office.

- 4.1.5 A reception office at the North Entrance would benefit staff visitors who arrive for meetings, particularly those who have booked a car parking space, as the relocation would mean that they could access the building and meet relevant officers at Level 1. The reception point could also be used as a central point for deliveries to the Civic Centre.
- 4.1.6 As more offices close and teams are relocated to the Civic Centre, eg Planning & BC service and Housing Options, the number of customers may increase. Visitors who arrive for meetings with staff could report to this separate entrance thus reducing the footfall to the customer service centre.
- 4.1.7 The provision of further interviewing facilities on Level 1 of the Civic Centre will ensure that whilst priority use of these rooms will remain with the Registration Service, particularly for birth and death registrations, they will also be available for use by staff in the Advice & Guidance Hub and Customer Service Centre.
- 4.1.8 The Emergency Planning Office will remain operational as it houses some specialist equipment that would be expensive to relocate. In addition, this is a small room that is not suitable for use as our main ceremony room. If this option is chosen, ceremonies would continue to be held in the Middlegate Room at the Borough Hall.
- 4.1.9 This location is in close proximity to the wider team, which will ensure that some resilience can be provided during periods of peak demand and/or staff absences. There would be no additional staffing costs for this option.

<b>Approximate Costs – Civic Centre</b>	<b>£</b>
Building works (internal)	28,250
Electrical Installation	15,800
Mechanical Installation	14,550
Platform Lift (external)	7,500
Mech & Elec Additional Building Wks	1,900
<b>TOTAL</b>	<b>£68,000</b>

## 4.2 Option B - The Willows, Raby Road

- 4.2.1 This building was used for delivery of the registration services from 1996 to 2010. In addition to undertaking the usual registrations and statutory notices, marriage and civil partnership ceremonies, with up to 40 guests, took place there. There are a small number of parking spaces available at the building.
- 4.2.2 As part of the Council's accommodation strategy, the Registration Service moved to the Civic Centre in April 2010 with staff from other Council buildings being relocated to the Willows. The teams that moved into the Willows were previously situated at various locations across the town and are collectively known as the Criminal Justice Integrated (CJI) Team. The Drug and Alcohol team has been co-located with staff from the Probation



and Police services into a single office that has enabled closer working which has helped to co-ordinate service provision for their users.

- 4.2.3 The nature of their service users meant that the existing layout of the reception area and large room that was used for ceremonies were not suitable and some alterations were needed. Additional office and interviewing facilities were required and the reception point needed to be enhanced to provide a more secure environment with additional CCTV provision and means of escape from the interview rooms.
- 4.2.4 Undertaking the above internal works to make the building fit for purpose will cost around £84,200. In addition, some external works will be required to bring the building up to an acceptable standard. The roof of the building has been problematic in the past and 'patch' repairs have been carried out. However, so that marriage and civil partnership ceremonies are not disrupted at short notice, the Property Services Section recommends that the roof be replaced. The external doors, windows and walls will also need to be painted. The cost of external repairs is estimated at £58,600.
- 4.2.5 If the Registration Service is to move back to the Willows, the CJI Team will need to be relocated to suitable, alternate accommodation. Any venue would need to provide the same, enhanced, secure environment as mentioned above and costs for altering another building would be around the same amount again, depending upon the building identified.
- 4.2.6 Having checked the Asset Register to identify vacant buildings, there is currently no accommodation available that meets the needs of this service area and their service users.

<b>Approximate Costs – The Willows</b>	<b>£</b>
Building works (internal)	54,500
Electrical Installation	17,000
Mechanical Installation	12,600
Renew Roof (external)	58,700
Additional Staffing Costs	33,000
<b>TOTAL</b>	<b>£175,800</b>

## 5. EQUALITY AND DIVERSITY CONSIDERATIONS

- 5.1 An Equality Impact Assessment has been undertaken for delivery of the Registration Service from the Civic Centre. This assessment would need to be reviewed and updated if a decision is made to relocate the team to another building. The Registration Service is provided to, and accessed by, a number of protected characteristics groups.

## **6. LEGAL CONSIDERATIONS**

- 6.1 As part of our partnership working arrangements with GRO, any change to the Register Office location will require approval to the alternative venue and register repository.

## **7. STAFF CONSIDERATIONS**

- 7.1 The majority of standard, straightforward enquiries are handled following statutory procedures by the customer service team. Delivering the straightforward enquiries via this team provides resilience and ensures that there are a number of officers who are trained and available to deal with the required number of customer enquiries.
- 7.2 Complex or non-standard queries are handled by more senior, specialist officers who are trained to deal with a wider range of registration activities and are able to recognise when the enquiry needs to be escalated to the Registration Service Manager for advice or resolution.
- 7.3 However, as death registration appointments must be available on a daily basis, the staffing levels need to be higher than is necessary for the number of registration appointments and it is anticipated that there will be a further reduction in death certification following the relocation of acute care services from Hartlepool to the University Hospital of North Tees. Currently staff undertake other customer activities that balances the team's workload and is based on the number of existing customer interactions that are undertaken each day.
- 7.4 Whilst the service is resilient at the Civic Centre by using additional, trained staff as and when needed, any move to alternative premises is likely to require extra staff. Also, the team that delivers registration services is integrated into the customer service team and they undertake other activities that will need to be reviewed prior to any relocation particularly if the team is moved to another venue.
- 7.5 Any proposed move away from the Civic Centre will require more dedicated registration staff to ensure that the service can continue to deliver to the required standard particularly during periods of peak demand and staff absences. Additional reception/support staff will be required to deal with customers, particularly on arrival. As this role will be needed throughout the whole of the working day and to provide some resilience, approximately 1.5 ftes would be required with salary costs being in the region of £33,000. However, no account has been taken of additional, casual staff that may be required to cover registrations.
- 7.6 Any staffing changes will need to follow the usual staff consultations and may result in protection arrangements applying.

## 8. FINANCIAL CONSIDERATIONS

- 8.1 Detailed below in Table 1 is a summary of the costs of relocating the service to each of the proposed venues together with approximate additional staffing costs.

<b>Table 1 - Costs</b>			
Venue	Approx Building	Approx Additional Staffing	Total
	£	£	£
Option A – Civic Centre Level 1	68,000	Nil	68,000
Option B – The Willows, Raby Rd	142,800	33,000	175,800

- 8.2 However, utilising more dedicated staff may require changes to job roles that will need to follow our standard restructure policies and procedures. This would include reviewing relevant activities and, if necessary, updating job descriptions and person specifications. The section is currently being reviewed as part of the Advice and Guidance project. Any revisions to job roles will need to be considered and agreed by the Job Evaluation team. If there are changes to job grades, the usual staff consultations will need to be undertaken and protection arrangements will apply if grades are reduced.
- 8.3 Whichever option is chosen, unless we retain the current method of delivery, there will be a capital cost for relocation and an ongoing revenue cost for Option B of £33,000. Currently there is no budget allocation for either the additional revenue costs or capital allocation for one-off capital costs.
- 8.4 In the event that Members adopt an option which incurs additional revenue costs these will need to be identified as budget pressures for 2014/15, which will increase the budget cuts which need to be identified.
- 8.5 In relation to the one-off capital costs these will need to be funded from either:
- Option 1 – Fund from Capital Receipts – this is not a viable option as all planned capital receipts over the next few years need to be allocated towards achieving the existing capital receipts target of £4.5m (£6.5m if the Brierton development is included). Previous Medium Term Financial Strategy Reports have advised Members of the risks of achieving these targets. An update on progress achieving the capital receipts target was reported to the Finance and Policy Committee on 18<sup>th</sup> October 2013 and advised Members that at the end of 2013/14 a capital receipts shortfall of £2.095m is anticipated. This shortfall will need to be funded from temporary Prudential Borrowing which it is planned can be repaid in 2014/15 when capital receipts should be achieved. It is therefore recommended that this risk is not increased by increasing the value of capital receipts which need to be achieved in a challenging financial environment;

- Option 2 – Fund from Prudential borrowing - this option is not recommended as there is no existing budget to fund the resulting loan repayment costs;
- Option 3 - Fund from 2013/14 Revenue Outturn – the Medium Term Financial Strategy (MTFS) Report submitted to your Committee on 31 May 2013 advised Members that an initial assessment of the forecast outturn has been prepared, based on a very early assessment of current spending and the forecast year end position for a range of corporate budget areas. The MTFS update recommended that the initial forecast outturn of £1.060m should be allocated to support specific one-off financial commitments in relation to managing the Business Rate Risk, developing the Local Council Tax Support scheme for 2014/15 to 2016/17, supporting the 2014/15 revenue budget and the Highways Maintenance Programme.

Details of Departmental forecast outturn were then reported to your Committee on 18 October 2013 and the report identified a net uncommitted underspend of between £807,000 and £1,482,000 (inclusive of the net resources identified from the reserves review). The range reflects the impact of seasonal and demand led budgets. It was recommended that this amount is not committed until the position is more certain for these areas. In addition, further work is needed to access 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.

At this stage of the financial year it would not be unreasonable, based on experience of managing the budget over the last few years, to allocate part of the forecast uncommitted departmental underspend to fund the one off capital costs of adopting one of these options.

## 9. RECOMMENDATIONS

### 9.1 It is recommended that

- (i) Option A, Level 1 of the Civic Centre is agreed as a proposed, alternative location;
- (ii) The one off capital costs are funded from the forecast 2013/14 Outturn (option 3 in Section 8.5) and seek Council approval to vire these funds.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 The Civic Centre is well-known and situated in the centre of the Borough. This venue is beneficial to Registration Service users as they will be familiar with the building location, transport arrangements and are able to undertake other transactions that are delivered at the Civic Centre in the same visit.
- 10.2 Maintaining the service within the Civic Centre provides the greatest opportunity to maximise the resilience of the service and ensure the most cost effective use of staff resources whilst providing accessible services as part of the broader provision of services.
- 10.3 Providing the Registration Service at an alternative venue will require additional funding for both building works and additional staffing.
- 10.4 Option A would be the most cost effective, alternative to the current location and would cause the least disruption to customers.

## **11. BACKGROUND PAPERS**

Scrutiny Co-ordinating Committee – 22 March 2013  
Finance and Policy Committee – 13 September 2013

## **12. CONTACT OFFICER**

Andrew Atkin  
Assistant Chief Executive  
Email: [andrew.atkin@hartlepool.gov.uk](mailto:andrew.atkin@hartlepool.gov.uk)  
Tel: 01429 523003

Graham Frankland  
Assistant Director (Resources)  
Email: [graham.frankland@hartlepool.gov.uk](mailto:graham.frankland@hartlepool.gov.uk)  
Tel: 01429 523211

Christine Armstrong  
Customer & Support Services Manager  
Email: [christine.armstrong@hartlepool.gov.uk](mailto:christine.armstrong@hartlepool.gov.uk)  
Tel: 01429 523016

# **FINANCE AND POLICY COMMITTEE**

**8 November 2013**



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

**Subject:** SAVINGS PROGRAMME 2014/15 – RESOURCES  
DIVISION OF REGENERATION AND  
NEIGHBOURHOODS DEPARTMENT

## **1. TYPE OF DECISION**

For information, members of the Committee are recommended to note the content of this report and formulate a response to be presented to Finance and Policy Committee on 29 November 2013.

## **2. PURPOSE OF REPORT**

- 2.1 The purpose of this report is to identify proposals for the delivery of savings in respect of the relevant areas of the Regeneration and Neighbourhoods Department for consideration as part of the 2014/15 budget process. The report builds on information already considered by the Committee at the meetings on 23<sup>rd</sup> August 2013 and 18<sup>th</sup> October 2013 (in relation to the Community Pool).

## **3. BACKGROUND INFORMATION**

- 3.1 As part of the 2014/15 Savings Programme, a number of service areas were identified where potential savings could be made. As part of the process for the budget for 2014/15 it has been agreed that individual Policy Committees will consider these savings proposals prior to consideration by Finance and Policy Committee and then Council.
- 3.2 Details are provided in this report in relation to the:-
- i) Proposals identified to make the savings;
  - ii) Risks associated with the proposed savings; and
  - iii) Financial considerations taken into account in developing the proposals.
- 3.3 In further developing the information provided to Members to assist them in consideration of budget proposals, experience gained through the

implementation of a Social Return on Investment (SROI) process by the Regeneration and Planning Services Scrutiny Forum is to be utilised. Key to the SROI process was the provision of additional information in relation to the aim and scope of the service, its service users and engagement, inputs, outputs and outcomes. On this basis, information in relation to the relevant services is also provided below.

### 3.3 Scope

3.2.1 The services under consideration as part of this report are as follows: -

3.2.2 **Logistics** – Stores, plant, equipment, depot management joiners shop and ancillary services.

3.3.3 **Strategic Procurement and Reprographics** – Corporate Procurement Team and Print Unit.

3.3.4 **Building Design and Management** – Architects, surveying, technical support, project management and compliance testing (mechanical, electrical, legionella).

3.3.5 **Estates and Property Management** – Centralised management of Council property, including building management and asset management.

3.3.6 **Facilities Management** – Building Maintenance, Building Cleaning, Function Catering, School Meals, Security Services and ancillary functions.

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

### 3.3.8 **Community Pool**

Category 1 – the provision of universal welfare benefits and advice.

Category 2 – the provision of universal credit union support

Category 3 – capacity and resource building in the voluntary and community sector

Category 4 – the provision of town wide specialist and support services

Category 5 – the provision of development/investment and emergency grants

### 3.4 **Service Users**

3.4.1 The range of services covered by this report are delivered across the whole of the borough as a support to internal customers within the Council and in providing commercial services to external organisations and schools via Service Level Agreements and contracts.

### 3.5 **Engagement**

3.5.1 Many of the services provided are primarily internal and with schools but with an increasing external customer base as income generation initiatives develop. The Community Pool links with the commissioning of providers and liaising with the voluntary and community sector.

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

- Satisfaction questionnaires
- Regular progress and liaison meetings with users and providers
- Attending user forums e.g. VCS Groups, Schools Forum

### 3.6 Inputs

3.6.1. The current cost to the Council of the relevant services is as follows: -

Service Area	2013/14 Gross Budget £'000	2013/14 Net Budget £'000
Community Pool	440	440
Asset Management	336	100
Building Design and Management	867	(125)
Facilities Management	10,238	990
Logistics	1,841	(54)
Procurement	187	107
Property Management	178	(82)
Reprographics	303	(37)
Strategic Management, Admin & Support Services	1,747	777
	<b>16,130</b>	<b>1,116</b>

3.6.2 The cost of these services to the Council, in line with many other service areas in the Council, reduced significantly over the last 4 years. In addition, many of the areas in question are “trading activities” and have, as an integral part of their budget, income generation requirements. Some areas, as can be seen from the table, are budgeted to make a surplus. These involve both professional and frontline services. Some areas do not have budgets and rely on fees and income.



### 3.7 **Outputs/Outcomes**

- Delivery of technical and support services to internal Council departments, external organisations and schools
- Property and facilities management to all of the Council's buildings, most schools and other customers
- Provision of a function catering operation from a number of outlets and a buffet service to internal and external customers
- A school meals service delivering over £1.3m meals per annum.

## 4. **SAVINGS TARGET**

- 4.1 The savings target for the Regeneration and Neighbourhoods Department is **£1.3m** for the financial year 2014/15. The approach taken within the Department has been not to apportion specific percentage targets to each Division/service, but to look at options emerging from across the department in a more structured manner in order to achieve the overall target.
- 4.2 The Finance & Policy Committee, 23<sup>rd</sup> August, 2013 considered the proposed savings and budget pressures for 2014/15. Members commented on the following proposed savings:-

### Community Pool

Members were supportive of an additional report coming back to the Finance and Policy Committee to look at the criteria for the Community Pool

### Security Services

Clarification was sought in relation to the proposed saving regarding Security services and whether the review of provision included the Civic Centre. It was confirmed that it was security in other buildings, not the Civic Centre

## 5. **SAVINGS PROPOSALS**

### 5.1 **Community Pool – £220K**

This was considered by the Committee at its meeting on 18<sup>th</sup> October 2013 where the criteria and priorities were reviewed with an agreement to a saving of £220,000 for 2014/15.

### 5.2 **Property Management - £83K**

A review of the centralised property management function including staffing structures and the releasing of surplus property. Has resulted in savings of £83K. This includes the voluntary redundancy of one member of staff.

### 5.3 **Estates and Asset Management - £125K**

The lease of Bryan Hanson House as part of the Council's ICT contract and the development by Northgate of a north-east business centre will achieve an income of £150K per annum in future years. A saving of £100k has already

been included in the MTFs in respect of this rental income. The additional saving of £125k reflects running costs savings for Bryan Hanson House and other buildings (which reflect office moves commenced in 2013 / 14 to provide savings from 2014 / 15 onwards).

**5.4 Building Design and Management /Facilities Management (building maintenance) - £80K**

A review and combination of construction – related teams and functions for 2014/15 will achieve a saving of £80K. There is likely to be redundancy implications in the proposal.

**5.5 Building Cleaning - £30K**

A review of the management structure and specification for some of the service area will produce a saving of £30K. This includes potential redundancies.

**5.6 Function Catering - £25K**

A number of outlets will be rationalised and overheads, including staff structures will be reviewed, together with the relinquishing of the general fund subsidy budget. The proposal will achieve a saving of £25K. This will include the potential redundancy of some staff.

**5.7 Security Services - £35K**

A review of the provision of security services has been undertaken with all users of the service. A revised and reduced specification has been agreed. The service is being re-tendered with an anticipated saving of £35K p.a. It is confirmed that security services to the Contact Centre area of the Civic Centre will not be affected. This was raised at the Committee's meeting on 23<sup>rd</sup> August 2013.

**5.8 Support Services - £100K**

A review of the structures and service provision across the reconfigured department will achieve a saving of £100K. This includes potential redundancies.

**5.9 Departmental Non-Pay Budget - £20K**

A review of the non-pay management account budgets across the department will achieve a saving of £20K.

**5.10 Budget Inflation Factor - £50K**

By not taking an inflationary increase on non-pay budgets a saving of £50K will be achieved.

## 6. OPTIONS ANALYSIS

- 6.1 Various options have been explored across all of the relevant service areas, including the following: -
- The School Meals Service has been reviewed with a report to the Committee on 23<sup>rd</sup> August 2013 confirming no rise in charges.
  - The Logistics Service which is a support to all of the operational areas was considered for reduction, however the team's income generation has increased and therefore the capacity needs to be maintained.
  - Reviewing the Print Unit – this was reviewed in the last two years and it is contributing positively.
  - Maintenance budgets generally were considered but there is a continuous pressure due to the condition of the current portfolio. This budget is reduced every time we dispose of a property.
  - Reducing further the capacity in the Corporate Procurement Team, however, this team was reduced by one staff member for 2013/14 and there would be a risk in not delivering procurement compliance for the Council.
  - Generally many of the services are “front-line” or income generators and reductions in some areas are not considered operationally appropriate or feasible. However, given the continuing financial challenges in future years these areas are likely to require re-consideration next year.

## 7. RISK IMPLICATIONS

- 7.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- Increased pressure on frontline staff and management
  - Potential for income generation – contribution and new opportunities
  - Balance of workload versus fee earning potential
  - Potential reduced effectiveness and quality of service
  - Loss of expertise and internal technical support generally and to key projects and programmes in particular
  - Health and Safety implications
  - Reduced flexibility of service and management capacity

## 8. FINANCIAL CONSIDERATIONS

8.1 It has been highlighted in previous reports that failure to take savings identified as part of the savings programme will result in the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

8.2 The proposals outlined will deliver the following savings:-

<b>Service</b>	<b>Proposed Savings</b>
Community Pool	£220,000
Property Management	£83,000
Estates and Asset Management	£125,000
Building Design and Management and Facilities Management (Building Maintenance)	£80,000
Building Cleaning	£30,000
Function Catering	£25,000
Security Services	£35,000
Support Services	£100,000
Departmental Non-Pay Budgets	£20,000
Budget Inflation Factor	£50,000
<b>Total Proposed Savings</b>	<b>£768,000</b>

8.3 The savings which have been identified include a number of staff changes including the potential for redundancy costs. The exact costs can't be determined until redeployment opportunities are fully explored and the relevant redundancy selection processes are undertaken. There are a number of voluntary redundancies also included in the proposals.

8.4 "Savings" made in trading activities may not relate directly to a reduced budget and may link to increased income or productivity. This can be a high risk strategy.

8.5 Some of the savings proposals included in this report involve Trading Accounts which do not have a General Fund Budget. Instead these services rely on fees and charges generated from services provided to clients to cover their operating costs. Where services are looking to reduce costs in these services the savings must be passed on to client budgets to ensure prices remain competitive and value for money is achieved. This often results in savings on client general fund budgets and trading services will continue to make these efficiencies wherever possible in order to support the Councils savings programme. In addition to reducing costs and passing on savings, some Trading accounts will attempt to generate additional income from new work which will contribute to overheads already funded by the service. This will result in many accounts budgeting to make a "surplus" which will come back to the Council and make a contribution towards the

General Fund budget available to run other services. Risks around any potential income are evaluated to ensure they are achievable in the current climate, and this risk will continue to be monitored and managed by the services as it is now. If circumstances change in the future the Department will identify alternative savings to avoid future pressures on the Councils General Fund budget.

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

- 9.1 An Impact Assessment has been undertaken for each service area to ensure impacts upon service users is minimised. The Impact Assessment form is included at **Appendix 1**. A separate Impact Assessment was considered for the Community Pool at the Finance and Policy Committee meeting on 18<sup>th</sup> October 2013 when the savings proposal was agreed.

## **10. STAFF CONSIDERATIONS**

- 10.1 Initially informal communication will be undertaken with Trade Unions and staff regarding the staffing implications as a consequence of these proposals being accepted. There is the potential of 8 expressions of interest in voluntary redundancy. Formal consultation with staff and Unions in line with Council policies.
- 10.2 It is anticipated that a total of 14 posts may be at risk of redundancy.

## **11. RECOMMENDATIONS**

- 11.1 It is recommended that Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 29<sup>th</sup> November 2013.

## **12. REASONS FOR RECOMMENDATIONS**

- 12.1 The review forms part of the 2014/15 Savings Programme, as set out in the Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee on 2<sup>nd</sup> August 2013.

## **13. BACKGROUND PAPERS**

- 13.1 The following background papers were used in the preparation of this report: -
- (i) Finance and Policy Committee – Medium Term Financial Strategy (MTFS) 2014/15 to 2016/17 – 2<sup>nd</sup> August 2013
  - (ii) Finance and Policy Committee – Regeneration and Neighbourhoods Savings Proposals – 23<sup>rd</sup> August 2013
  - (iii) Finance and Policy Committee – Community Pool Programme Allocation 2014/15 – 18<sup>th</sup> October 2013

#### 14. CONTACT OFFICERS

Denise Ogden  
Director of Regeneration and Neighbourhoods  
Level 3  
Civic Centre  
Hartlepool  
TS24 8AY  
Tel: (01429) 523300  
E-mail: [denise.ogden@hartlepool.gov.uk](mailto:denise.ogden@hartlepool.gov.uk)

Graham Frankland  
Assistant Director (Resources)  
Level 3  
Civic Centre  
Hartlepool  
TS24 8AY  
Tel: (01429) 523211  
E-mail: [graham.frankland@hartlepool.gov.uk](mailto:graham.frankland@hartlepool.gov.uk)

## Impact Assessment Form

Department	Division	Section	Owner/Officer
<i>Regeneration &amp; Neighbourhoods</i>	<i>Resources</i>	<i>Resources</i>	<i>Graham Frankland</i>
<b>Function/ Service</b>	<p><i>Resources</i></p> <p><i>Changes proposed to address the budget deficit and achieve targets set within the resources.</i></p> <p><b>Property Management</b> - Proposal to review management structure and dispose of surplus property (Brinkburn Youth Club) therefore saving in running costs.</p> <p><b>Estates and Asset Management</b> - Proposal to lease out Bryan Hanson House.</p> <p><b>Building Design and Management</b> - Proposal to combine Building Design and Management and Building Maintenance functions.</p> <p><b>Building Cleaning</b> - Proposal to review staffing structure and reduce specification in selected locations.</p> <p><b>Function Catering</b> - Proposal to give up subsidy from general fund and review management structure and rationalise outlets.</p> <p><b>Security Services</b> - Proposal to amend specification and re-tender.</p> <p><b>Support Services</b> - Proposals to review staffing structure, reduce non-pay budgets and not to take inflationary rise on some budget headings.</p>		
<b>Information Available</b>	<p><i>Information available that has been used to inform these proposed changes:</i></p> <ul style="list-style-type: none"> <li><i>Current structures and proposed structures.</i></li> <li><i>Staffing profiles across all areas.</i></li> <li><i>Established HR Procedures (Selection criteria is based on objective matters which are not related to any protected groups).</i></li> <li><i>Job Descriptions.</i></li> <li><i>Job evaluation process.</i></li> <li><i>Formal consultation process with staff and Unions.</i></li> <li><i>Information on service users.</i></li> </ul>		

<b>Relevance</b>  <i>Identify which strands are relevant to the area you are reviewing or changing</i>	<b>Age</b>	
	<b>Disability</b>	
	<b>Gender Re-assignment</b>	
	<b>Race</b>	
	<b>Religion</b>	
	<b>Sex</b>	
	<b>Sexual Orientation</b>	
	<b>Marriage &amp; Civil Partnership</b>	
	<b>Pregnancy &amp; Maternity</b>	
<b>Information Gaps</b>	<i>NONE</i>	
<b>What is the Impact</b>	<p><i>This Impact Assessment has been carried out at the formative stage and is an integral part of the development of the proposals. Careful consideration has been given to the financial proposals and they are not deemed likely to impact on equality for the workforce or service users. No adverse equality impact has been identified.</i></p> <p><i>The profile of affected staff is not significantly different from the overall profile of the service.</i></p> <p><i>Support mechanisms are in place to minimise impact on all staff including those identified as at risk and those with protected characteristics.</i></p> <p><i>The staff identified as being at risk have been defined by reference to service areas or particular job role and the process does not unfairly target individuals or discriminate against any protected groups. The selection criteria are based on objective matters which are not related to any protected groups.</i></p>	



<b>Aim 1: Eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the act.</b>			
<i>No impact</i>			
<b>Aim 2: Advance Equality of opportunity, between people who share protected characteristics and those who don't.</b>			
<i>No impact</i>			
<b>Aim 3: Foster good relations between people who share a protected characteristic and those who do not share it.</b>			
<i>No impact</i>			
<b>Addressing the impact</b>	<b>1. No Major Change</b> - <i>The Impact Assessment demonstrates that the proposed changes are robust and that there is no potential for discrimination or adverse impact on any protected group.</i>		
	<b>2. Adjust/Change</b>		
	<b>3. Continue as is</b>		
	<b>4. Stop/Remove</b>		
<b>Action identified</b>	<b>Responsible Officer</b>	<b>By When</b>	<b>How will this be evaluated?</b>
Date sent to Equality Rep for publishing		00/00/00	

# FINANCE AND POLICY COMMITTEE

8 November 2013



**Report of:** Chief Executive

**Subject:** SAVINGS PROGRAMME 2014/15 – CHIEF EXECUTIVES DEPARTMENT

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

For information, members of the Committee are recommended to note the content of this report and formulate a response to be presented to Finance and Policy Committee on 29 November 2013.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to identify proposals for the delivery of savings in respect of the Chief Executives Department for consideration as part of the 2014/15 budget process. This report builds on information already considered by the Committee at the meeting of 23<sup>rd</sup> August 2013.

## 3. BACKGROUND

- 3.1 As part of the 2014/15 Savings Programme, a number of service areas were identified where potential savings could be made. As part of the process for the budget for 2014/15 it has been agreed that individual Policy Committees will consider these savings proposals prior to consideration by Finance and Policy Committee and then Council.
- 3.2 Details are provided in this report in relation to the:-
- i) Proposals identified to make the savings;
  - ii) Risks associated with the proposed savings; and
  - iii) Financial considerations taken into account in developing the proposals.
- 3.3 In further developing the information provided to Members to assist them in consideration of budget proposals, experience gained through the implementation of a Social Return on Investment (SROI) process by the Regeneration and Planning Services Scrutiny Forum is to be utilised. Key to the SROI process was the provision of additional information in relation to the aim and scope of the service, its service users and engagement, inputs,

outputs and outcomes. On this basis, information in relation to the Chief Executives Department is also provided below.

### 3.4 Service Aims

- 3.4.1 The services under consideration are those delivered by the Chief Executives Department and in service planning terms are largely, though not exclusively encompassed within the council aim which relates to an effective organisation. Whilst these services are largely internally focussed around providing support services to the rest of the organisation this is not exclusively the case. A number of services are provided directly to the public including the Revenues and Benefits services and the Contact Centre. In providing the services encompassed within the department the aims are that they are provided effectively, that other departments are supported in the delivery of their service portfolios and that the governance of the Council is effectively managed and delivered. Those services which are delivered externally are, in effect, universally available services to all residents (and businesses within the town). Following changes to relocalise Business Rates and implement Local Council Tax Support (LCTS) schemes there has been a significant increase in workloads and customer contacts, particularly in relation to LCTS which has impacted on Revenues, Benefits and the Contact Centre. The Benefits Service has a fundamental role in implementing some of the government's Welfare Reforms including the under-occupancy "Bedroom Tax" deductions to Housing Benefit payments, administering the Department for Work and Pension's Discretionary Housing Payment scheme, applying the government's Benefit Cap and delivering a Local Welfare Support scheme. Integrated arrangements for communicating these reforms and supporting individuals with the impacts are in place.

### 3.5 Service Users

- 3.5.1 For a range of the services delivered by the department the services users are largely internal (although there are a range of the support services provided which are also utilised by external agencies such as the Fire Authority; a range of services are provided to schools; and some to other external bodies through Service Level Agreements (SLA). For those services which are delivered externally the services are available town wide and to all potential users (such as the Contact Centre, Revenues and Benefits, elections & electoral registration, local land searches.)

### 3.6 Engagement

- 3.6.1 The services provided are primarily internal. In assessing feedback and experience of utilising the service this is primarily, for internal services through regular liaison meetings with service departments to identify any issues for consideration in respect of the services provided. For those services which are delivered externally the mechanisms for collecting feedback are as follows (for electoral registration a customer feedback option is included as part of the annual canvass and during all elections, electors have the option to take participate in a satisfaction survey. For

Revenues and Benefits Services the public can provide feedback via the respective service generic e mail boxes. For the Contact Centre there are arrangements in place to assess the service provided at the point of use, with positive feedback received from the vast majority of users.

### 3.7 Inputs

#### 3.7.1 The current cost to the council of the services delivered by Chief Executives Department is as follows :

Service Area	2013/14 Gross Budget £'000
Finance	2,711
Assistant Chief Executive	2,883
Chief Solicitor	821
	6,415

The costs of these services to the Council have, in line with many other service areas in the council reduced significantly over the last 4 years. This reduction is reflected in the savings proposals for the 2014 / 15 budget where the savings proposed are in excess of the target established at the outset of this process.

### 3.8 Outcomes

#### 3.8.1 A summary of the outcomes from the services are outlined below

#### 3.8.2 Revenues and Benefits – Council Tax in year collection 97% in 2012/13 (national metropolitan and unitary council average was 96.8%). Business Rates in year collection 98% (national metropolitan and unitary council average was 97.1%). In 2012/13 Benefits new claims average processing times were 20.6 calendar days (placing Hartlepool 4<sup>th</sup> out of 12 North East councils in speed of processing) and Benefits changes in circumstances average processing times were 7.65 days (placing Hartlepool 6<sup>th</sup> out of 12 North East councils in speed of processing)..

#### 3.8.3 The Council awaits confirmation of Central Government funding to develop and implement IER and whether this will be on a 'formula' basis or incentivised through performance. On a 'dry run' of data systems the Council performed at a level (82.5%) comparable with other Tees Valley authorities. Similarly the canvass figures indicate a 95/96% response rate.

- 3.8.4 Customer & Support Services – The Contact Centre dealt with over 350,000 contacts in 2012/13 across all access channels and the introduction of the CRM reporting tool has improved the provision of management information for service managers. Customer contacts increased particularly around changes in welfare reform and with the introduction of the waste management route optimisation programme. In 2012/13, 99% of births and 97% of deaths were registered within target. As part of on-going service transfers and improvements across the team, a number of projects were completed including the introduction of a mobile solution for the Pest Control service, launch of the national Blue Badge Improvement Service and statutory changes to the CRB service to implement the new Disclosure and Barring Service.

#### 4. PROPOSALS

- 4.1 The savings target established at the outset of the budget process for Chief Executives department was £338K. As part of the considerations for the options to deliver these savings considerable thought has been given to how these may be delivered in the light of previously required savings. The proposals and options considered as part of the potential savings package have been set in the context of the financial challenges, the structural changes at a chief officer level, the savings targets for the division and the ongoing review of Advice and Guidance the implementation of which has been considered as part of these proposals but will need working through as part of the implementation plan agreed by Committee.

The proposals in respect of the services in the Chief Executives Department, as reported to this committee on 23<sup>rd</sup> August 2013 are as follows and are ordered by Division within the Chief Executives Department. These savings total £457k, which exceeds the initial target of £338k and reflects the overall approach adopted by the Corporate Management Team for identifying achievable savings, as part of an approach to protecting front line services.

#### 4.2 ASSISTANT CHIEF EXECUTIVE

- 4.2.1 In essence the division managed by the Assistant Chief Executive is a composite of the two former divisions (Corporate Strategy and Workforce Services).
- 4.2.2 At this stage the savings target for the division has been exceeded, as part of an approach to enable the protection of front line services but also to ensure that the support required to the rest of the authority can be maintained particularly through the significant staffing changes that the authority is ( and will continue to) face.

#### 4.2.3 E learning / corporate training / translation services £15.9k

The e learning provision has been retendered and the new provider offers the services required at a lower rate so this can be delivered as a reproced

service. In addition further slight reductions can be made in respect of the corporate training budget and the reprocurement of the translation services

Impact / Risk– there is limited impact of these changes.

#### **4.2.4 Overtime and other staffing budgets £30K**

Not filling temporary posts and 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 services.

Impact / Risk – The review of current resources and the profile of the age of apprentices has identified that these savings can be realised without reducing the number of apprenticeships or the service provided.

#### **4.2.5 Running costs £48K**

In bringing the divisions together 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 of £48K. This comprises a range of cost savings

Impact / Risk– there is not expected to be any significant impact on the operation of the services as a result of this

#### **4.2.6 Removal of vacant post / Changes in management arrangements £116.5K**

The post of Strategy and Performance Officer post 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 non critical work. In addition to the cessation of some potential elements of work the scaling back and or alternative delivery of some elements of work will be further considered. An example of this is the light touch approach to the review of the Sustainable Community Strategy agreed by Finance and Policy Committee in 13/14.

The further changes required to deliver the savings will be as a result of a review of the management structure with any changes delivering the net saving identified above. The review that has been undertaken has identified that whilst there are potential risks from this action that these risks can be managed in the context of the services to be delivered. This will require the reallocation of a range of tasks within the division and will enable the management arrangements to focus on the delivery of the core services. A review of the skills within the teams has identified that there is potential for

this to be delivered in a slightly different structure and it is important at this stage to keep a clear focus on these required changes. It is anticipated that these savings will be achieved through voluntary redundancies identified as part of the corporate sweep for such options.

In relation to the services pressures and national changes in respect of some aspects of the services encompassed by these changes it is proposed that these posts are deleted from the establishment from the end of March 2014 to maximise the ongoing savings available to the authority in the medium term but that temporary funding is made available for one of these posts ( to address national changes) for 6 months of the 2014/15 financial year to allow these issues to be progressed to their conclusion.

#### **4.2.7 Absorb lost schools income £25.5 K**

The Workforce services element of the division is heavily reliant on income from schools buyback. This is an increasingly difficult area and the movement to academies makes this an increasing risk for this and other areas of the authority. The funding for Workforce services is overly reliant on this due to a number of corporate decisions taken a number of years ago and this is an issue being considered corporately.

The lost schools income will be absorbed within the context of the savings proposals for the Division and is in part compensated for by an over delivery of savings across the division. Any future loss of schools income will be met by reductions in resources for those areas of the division delivering services to schools.

### **4.3 Chief Finance Officer**

- 4.3.1 Total gross savings of £213k have been identified within the Finance Division, as detailed in the following paragraphs. These saving exceed the General Fund saving target for this area by £64k as additional savings have been identified to offset an anticipated cut in the Housing Benefit Administration Grant.

#### **4.3.2 Removal of vacant posts/rostering arrangements £44.0k**

A number of posts have been held vacant and existing working arrangements and practices reassessed to ensure workload can be accommodated after the removal of these posts. These proposals will delete a vacant Benefit Fraud Investigator post (£29k saving) and a 0.4 FTE post in Shared Services (£10k). Changes to formalise existing rostering arrangements within the Cashiers service can be implemented without impacting on services and also accommodate the increase in payment workload arising from the implementation of the Local Council Tax Support scheme (£5k).

### 4.3.3 Running Costs £30.0k

Savings will be achieved from changing bulk printing and mailing requirements for Council Tax and Business rates (£15k), postage savings from increased usage of electronic remittance/correspondence and electronic payment of suppliers (£5k) and removal of the budget to fund the planned roll out of an external debt recovery support service which is now not possible as the Financial Industry will not share the necessary information to make this initiative work (£10k).

### 4.3.4 Summons Charges £60.0k

Increase in Summons Costs chargeable on non-payment of Council Tax from £70 to £80, with effective from 1<sup>st</sup> April 2014.

These costs have remained frozen since 1<sup>st</sup> April 2011 and are now in the lower quartile of Local Authority charges.

Implementation of these changes will 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. Recognition will also be given to 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.

This will need particularly carefully management for households in receipt of Local Council Tax Support.

### 4.3.5 Contract Negotiation £79.0k

Reassessment of the Payroll/HR system requirements and subsequent renegotiation of the contract will provide an ongoing revenue saving (£40k). Similarly, external insurance premiums savings will be achieved following contract negotiation (£39k).

## 4.4 Chief Solicitor

- 4.4.1 Total target savings of £38K were originally identified for the Legal Division. This figure was subsequently realigned in the light of structural changes to £75K following the transfer of Democratic & Scrutiny services to the Division, effective from 1<sup>st</sup> September, 2013. This realigned target has been exceeded with anticipated savings of £94k identified.

### 4.4.2 Removal of vacant posts £74.7K

The post of Senior Legal Assistant (Childcare) has been removed following the early retirement/redundancy of the post holder. The work of the section was reorganised amongst remaining members of staff, including a



reclassification of the Legal Support Clerk role and a resultant upgrade to Band 8. This was imperative given the work involved within the Childcare Team and to stabilise the support the Team provides in the safeguarding and protection of children within the Authority's area.

Following the Further Electoral Review and the reduction of councillors to 33, support arrangements for Members' Services was reviewed, with the result that the 0.5 vacant Councillors' Secretary can be removed.

The introduction of Governance arrangements and the revised role of scrutiny, together with vacancies left from staff leaving the authority, have enabled savings and has minimised the requirement for reduction in hours or compulsory redundancies.

Impact / Risk – whilst these changes will affect the capacity with the trimming back of resources, it is felt that with the consideration of members and officers, the impact should be limited.

#### **4.4.3 Staffing Savings £16.7K**

In addition to those savings identified above there is a need to identify further savings consideration will be given to identifying those areas of work where there has been some reduction in demand. As with all other required savings this is not without some degree of risk but is required as part of the overall consideration of savings.

#### **4.4.4 Non staffing budget savings £2.7K**

All budget headings have been robustly monitored and reviewed resulting in a reduction in various expense heads including travel and print.

#### **4.4.5 External Subscriptions £30.0K**

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.

### **5. Consideration of Options**

5.1 A number of options have been considered in respect of the savings proposed. A summary of these considerations is included below.

5.2 Not to take savings from vacant posts

5.2.1 Consideration was given to not taking those savings which are available through posts which had become vacant through the year. Whilst this option would provide for the continuation at the current level given the changes that members have agreed to in respect of the approach to some requirements in this service area, in conjunction with the ability to make a saving without the requirement for there to be any costs to the authority or the necessity for a

potential compulsory redundancy it was determined that this provided an effective solution for the authority

### 5.3 To maintain the current level of running costs

5.3.1 The bringing together of the former Corporate Strategy and Workforce services divisions has provided the opportunity to realise savings in the “running costs” of these divisions. In the light of the savings it is necessary to make it would not be appropriate to discount these savings from the proposals and they have therefore been incorporated to maximise the savings available which do not affect front line services.

### 5.4 Savings other than management structures

5.4.1 The scale of the savings required means that consideration was given to alternative staffing savings which do not relate directly to management structures. In considering the alternatives and the extent to which priorities and workloads could be effectively managed with the skills and competencies available it has been determined that these savings are the most sustainable to enable services to continue to be delivered. The savings in themselves, as has been identified are sustainable but not without their own difficulties. The overall assessment at this stage is that these are the most viable option but it will be necessary in future years, should the requirement for further budget reductions continue that alternatives will need to be considered. These considerations will take account of the service pressures and changes which are applicable at that time to ensure that core services can continue to be delivered.

### 5.5 Finance Division savings

5.5.1 The savings proposed for this area reflect consideration of current service demands, including the impact of Business Rates Re-localisation, the introduction of the Local Council Tax Support Scheme and the need to maintain adequate financial support services during a period of significant financial challenge and risk. The Welfare Reforms and Local Council Tax Support Scheme are generating significant workload issues. These workload demands are likely to continue into the foreseeable future and therefore in defining 2014/15 savings proposals reductions to key front line staffing capacity are not considered operationally appropriate or feasible. For 2014/15 these alternative savings would not be recommended. However, given the continuing financial challenges in future years these areas are likely to require re-consideration next year.

#### 5.5.2 Legal Division Savings

The savings proposed for the Legal Division reflect consideration of current service demands including:

- introduction of the new governance arrangements, which will require time to settle in and will be the subject of a further review in 2015/16;

- introduction of Individual Electoral Registration (IER) which is the most significant change since the universal franchise. It needs to be implemented carefully and in a way which maximises both accuracy and completeness of the electoral registers – and which puts the voter first. Local knowledge will be key to the success of this change.

Any alternative savings would involve further reduction in staff and compulsory redundancies, which due to the challenges facing local government in future years, is going to be a recurring feature and one which will require regular reconsideration.

- 5.6 The options which have been included in the report are recommended to the committee as they provide for a balance between protecting front line services, maximising savings to be taken from none staffing budgets or those posts which are currently vacant, the assessment of service delivery and receipt of voluntary redundancy requests is aligned and can be managed in the context of the continued delivery of services, the savings align to decisions taken by members in respect of the scaling back of activity in a number of areas.

## **6 RISK IMPLICATIONS**

- 6.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:
- 6.2 There are a number of risks in these changes, particularly taken in the context of previous savings which have been made. The assessments which have been undertaken ( and a summary of the conclusions from this are included in the sections above). The following however are deemed to be suitably high risk to repeat in the report. All others, in the context they have been described are viewed as being manageable but with there being a significant need to review workloads, priorities and for the potential scaling back of a number of current activities in line with the resources available.

## **7 FINANCIAL CONSIDERATIONS**

- 7.1 It has been highlighted in previous reports that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.
- 7.2 The savings that have been identified has been assessed for their sustainability. As with all others parts of the authority the sustainability of the savings required by the ongoing cuts which the authority faces becomes increasingly difficult as the compound affect of these savings impacts on services. It is not necessary to remind members of the level of savings which have been delivered in previous years or those which are likely to be required in future years. The savings have been identified as sustainable in

the light of the need to make ongoing changes to both what is delivered and the scaling back of some activity. One example identified in the report which has received the support of members is the changed approach to the Sustainable Community Strategy, further changes such as this are likely to be required in a number of areas as the cuts take affect. The principles that have been applied in determining the proposals for savings have been linked to protecting front line services, savings being realised in respect of vacant posts where this can be managed and services still delivered and reflecting the pressures, both internal and external that the authority needs to address to maintain effective governance arrangements.

7.3 The proposals deliver the following proposed savings:-

<b>Service</b>	<b>Proposed Savings (£K)</b>
<b>Assistant Chief Executive</b>	
E learning / corporate training / translation service	15.9
Overtime and other staffing budgets	30.0
Running Costs	48.0
Deletion of vacant post / Changes in Management Arrangements	116.5
Lost schools income	-25.5
<b>Chief Finance Officer</b>	
Removal of vacant posts/rostering arrangements	44.0
Running Costs	30.0
Summons Charges	60.0
Contract Negotiation	79.0
Forecast Housing Benefit Admin grant cut	-64.0
<b>Chief Solicitor</b>	
Removal of vacant posts	74.7
Non-Staffing Budget Savings	2.7
Staffing Savings	16.7
<b>Corporate Subscriptions</b>	30
<b>Total Proposed Savings</b>	<b>£458.0</b>

7.4 The savings which have been identified include a number of staffing changes. As has been stated earlier in this report a number of these changes relate to posts which have become vacant since the last budget round and which have been held vacant in preparation for this budget process. In addition a number of other proposed changes relate to the consideration of potential staffing changes as they relate to the corporate sweep for Voluntary redundancies and early retirements which was undertaken in preparation for this budget round ( as is the case each year).

## 8. EQUALITY CONSIDERATIONS

8.1 For each of the proposed saving areas, consideration has been given to whether there is likely to be any impact across each of the protected characteristic groups. Where there is likely to be a direct impact on customers/service users and/or staff, an Equality Impact Assessment has been undertaken.

8.2 More than 88% of the above savings will be made by reducing staffing levels (mainly from vacant posts and ER/VR applications), renegotiation of contracts and reducing day to day running costs. There will be a limited impact on customers and impact assessments in the following areas have been compiled –

Translation charges  
Summons charges  
Childcare staff reduction

8.3 These impact assessments are to be reviewed by the Corporate Equality Group and they will consider whether there is any Council-wide cumulative impact on protected groups from all saving proposals.

## 9. RECOMMENDATIONS

9.1 That Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 29<sup>th</sup> November 2013.

## 10. REASON FOR RECOMMENDATIONS

10.1 The proposals included in this report have been identified as being sustainable, wherever possible protecting frontline services and deliverable.

## 11. BACKGROUND PAPERS

11.1 The following background papers were used in the preparation of this report:-

- i. Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2014/15 to 2016/17 - 2<sup>nd</sup> August 2013
- ii. Finance and Policy Committee - Chief Executives Department Savings Proposals 23<sup>rd</sup> August 2013
- iii. Equality Impact Assessments for Translation Charges, Summons Charges and Childcare staff reduction

## 12. CONTACT OFFICERS

Dave Stubbs Chief Executive  
Hartlepool Borough Council  
Tel: 01429 523001  
Email: [Dave.Stubbs@hartlepool.gov.uk](mailto:Dave.Stubbs@hartlepool.gov.uk)

Andrew Atkin – Assistant Chief Executive  
Hartlepool Borough Council  
Tel: 01429 523001  
Email: [Andrew.Atkin@hartlepool.gov.uk](mailto:Andrew.Atkin@hartlepool.gov.uk)

Chris Little – Chief Finance Officer  
Hartlepool Borough Council  
Tel: 01429 523001  
Email: [Chris.Little@hartlepool.gov.uk](mailto:Chris.Little@hartlepool.gov.uk)

Peter Devlin – Chief Solicitor  
Hartlepool Borough Council  
Tel: 01429 523001  
Email: [Peter.Devlin@hartlepool.gov.uk](mailto:Peter.Devlin@hartlepool.gov.uk)