

CABINET AGENDA



Monday 10th October 2005

at 10:00 a.m.

in Committee Room 'B'

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Fortune, Hill, Jackson, Payne and R Waller

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Record of Decision in respect of the meeting held on 23rd September, 2005 (previously circulated)

4. BUDGET AND POLICY FRAMEWORK

- 4.1 Annual Library Plan – *Acting Director of Adult and Community Services*
4.2 Budget and Policy Framework Initial Consultation Proposals – *Chief Financial Officer*

5. KEY DECISIONS

- 5.1 Disaggregation of the Connexions Tees Valley Company – *Director of Children's Services*
5.2 Headland Town Square – Request for Funding Contribution – *Joint report of Director of Neighbourhood Services and Director of Regeneration and Planning*
5.3 New Financial Management System – *Chief Financial Officer*

6. OTHER ITEMS REQUIRING DECISION

6.1 Northgate Framework Arrangement – *Chief Financial Officer*

7. ITEMS FOR DISCUSSION

None

8. ITEMS FOR INFORMATION

None

9. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

None

CABINET REPORT

10th October 2005



Report of: Acting Director of Adult and Community Services

Subject: ANNUAL LIBRARY PLAN 2005-2006

SUMMARY

1. PURPOSE OF REPORT

To consider the draft Annual Library Plan for submission to Council on 27th October 2005

2. SUMMARY OF CONTENTS

There have been a number of developments in the performance management framework for libraries with the introduction of the revised Public Library Service Standards and Impact Measures. These have been incorporated into this year's plan and will be reported to government in 2006-7. There is a high compliance with the revised standards with nine out of ten being met or exceeded. Consultation this year concentrated on the Impact Measures, which relate to the agreed shared agenda between central and local government.

3. RELEVANCE TO CABINET

The Annual Library Plan is part of the Budget and Policy Framework proposed by the Executive Cabinet for approval by Council.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

As part of the Budget and Policy Framework the Annual Library Plan requires the involvement of scrutiny and approval by the full Council.

The Adult and Community Services and Health Scrutiny Forum considered the plan on 20th September 2005. This is the final report to Cabinet to consider the plan and scrutiny comments.

Full Council on 27th October 2005.

6. DECISION(S) REQUIRED

Consideration of draft Plan for submission to Council.

Report of: Acting Director of Adult and Community Services

Subject: ANNUAL LIBRARY PLAN 2005/06

1. PURPOSE OF REPORT

- 1.1 To consider the draft Annual Library Plan for submission to Council on 27th October 2005.

2. BACKGROUND

- 2.1 The Annual Library Plan is a key strategic document, which forms part of the Council's Budget and Policy Framework. The Cabinet considered the Draft Annual Library Plan on 22nd July. At this meeting Cabinet approved wide public consultation on the plan.
- 2.2 The plan is now submitted to the Cabinet for final approval/amendment before being submitted to the full Council on 27th October 2005.

3. ANNUAL LIBRARY PLAN

- 3.1 The Annual Library Plan for 2005-6 (See **APPENDIX 1**) is in four parts
- ▲ Corporate vision for the service and how the library feeds into the corporate objectives of the council and meets local needs
 - ▲ Standards and impact measures
 - ▲ Resources. An analysis of the adequacy of the resources within key areas, spaces, stock, staff and ICT
 - ▲ Action plan for 2005-8. The action plan is based on the themes within "Framework for the Future" the document published in 2003 by DCMS which has a vision for public libraries up to 2013..

4. CONSULTATION

- 4.1 Consultation was based on the Impact Measures. Library users, especially children and their parents, key stakeholders and other members of the public were consulted through the Neighbourhood Consultative Forums.

Results from the consultation are included. **APPENDIX 2.**

5. ADULT AND COMMUNITY SERVICES AND HEALTH SCRUTINY FORUM

- 5.1 The plan was considered by Adult and Community Services and Health Scrutiny Forum on 20th September 2005. Members of the forum had been provided with a copy of the draft Annual Library Plan and the record of consultation as available at that date. This process is recorded in the decision record of the meeting.
- 5.2 There was good support for the library service as a whole and for the high standard of service provided by front-line staff. There was also acknowledgement of the service's recently renewed Chartermark accreditation.

6. CONCLUSION

- 6.1 Matters raised during consultation and scrutiny have been considered and these will feed into how services are delivered. No changes to the draft Library Plan have been made.
- 6.2 The budget implications for 2006/7 are not yet clear, and so any consequences are not identified.

7. RECOMMENDATION

- 7.1 Members are requested to approve the current draft of the Annual Library Plan for submission to Council on 27th October 2005.

CONTACT OFFICER: Graham Jarritt, Acting Borough Librarian

Background Papers

1. Report to Cabinet on 22nd July 2005
2. Adult and Community and Health Scrutiny Forum – record 20th September 2005.
3. Framework for the Future, DCMS 2003.
4. Comprehensive, Efficient and Modern Public Libraries, DCMS 2001.
5. Public Libraries Standards Report 2004 Guidelines, DCMS 2004.

Hartlepool Borough Libraries

Annual Library Plan 2005-2006

Annual Library Plan 2005-6

Corporate Vision

Pg. 3

This shows how the library contributes to the corporate objectives of the Council and meets local needs.

Public Library Service Standards and Impact Measures Pg. 11

This illustrates the new Public Library Service Standards and Impact Measures, which are to be used to judge the quality of service delivery.

Resources

Pg. 16

This section gives an analysis of four key areas: - spaces, stock, staff and ICT and the adequacy of the resources to meet the priorities within each area.

Action plan 2005-8

Pg. 21

Three year action plan linking areas of work to the standards and impact measures.

Hartlepool Borough Libraries

1. Corporate Vision and Ambition for the public library service.

The Library Service in Hartlepool is a major community facility whose purpose is to enable and encourage individuals or groups of individuals to gain unbiased access to information, knowledge and works of creative imagination by the provision of books and computers, which will:

- Encourage their active participation in cultural, democratic and economic activities.
- Enable them to participate in educational development through formal and informal programmes.
- Assist them to make positive use of leisure time.
- Promote reading and literacy as basic skills necessary for active involvement in all areas of life.
- Encourage the use of information and an awareness of its value.

This vision for the service is supported through the Council's commitment to the extensive library network and the provision of the budget to maintain it.

As a leading partner in the Local Strategic Partnership, the Borough Council has adopted the aims of the Community Strategy, following extensive public consultation. The Council's own priorities and contributions have been defined.

The seven themes are: -

- Lifelong Learning and Skills
- Culture and Leisure
- Strengthening communities
- Jobs and the Economy
- Health and Care
- Environment and Housing
- Community Safety

The Library service contributes to each as explained below.

Lifelong Learning and Skills

Community Strategy Aim

- Help all individuals, groups and organisations realise their full potential, ensure the highest quality opportunities in education, lifelong learning and training, and raise standards of attainment.

Council's improvement priorities and contributions.

- Developing flexible and creative approaches to learning and curriculum.
- Investing in our people and growing our partnerships so that more learners are able to realise their potential.
- Improve the quality of life of all children and families, but particularly those at risk or in need by developing innovative services.
- Narrowing the attainment gap for disadvantaged groups and individuals.
- Improving learning environments and technology infrastructures to maximise educational opportunity.

Library roles and contributions.

- Learning and study support materials in printed and electronic format.
- Essential network of facilities to support post 16 learning.
- Bookstart schemes operated in partnership with Early Years Team and Health Visitors to deliver books to pre-school children in order to stimulate the ability to learn.
- Homework Help Clubs in every library during term time.
- Free open access ICT workstations.
- Private study facilities in the Reference Library.
- Access to Inter-library loans and British Library materials.
- Partnership agreement with HCFE for referral of users and joint working where appropriate.
- Member of INSPIRE project to give public access to academic libraries.
- Reader development activities including reading groups.
- Space for excluded and school phobic pupils to be tutored.
- First Choice collection targeted at adults seeking to raise reading abilities.
- Partnership with HCFE and Institute of Physics to promote science in libraries for Family Learning.
- Staff training programme to improve staff and service support to basic skills students.
- Joint support to school libraries through the School Resources Service run through Redcar and Cleveland Library Service.

Case Study

Informal learning is supported through the annual Summer Reading Scheme and related activities in all libraries. There are partnerships with New Deal for Communities, Hartlepool Youth Service and Connexions to provide out of school learning throughout the town.

Culture and Leisure

Community Strategy Aim

- Ensure a wide range of good quality, affordable and accessible leisure and cultural opportunities.

Council's improvement priorities and contributions.

- To increase participation in exercise particularly from disadvantaged groups.
- To develop major new leisure sports and leisure facilities
- To increase opportunities for participation in a wide range of cultural and leisure activities.
- To provide knowledge, information and contact points for the community through the network of libraries.

Library roles and contributions

- Ensures that everyone has access to the skills, knowledge and information needed to enable them to play a full part in society.
- Provision and promotion of literature and poetry.
- Provision of local and family history material to encourage research in these areas.
- Promotion of reading as a cultural pursuit, through the facilitation of reading groups and other promotional work.
- Access for all to library facilities through the Mobile Library, Bookbus and Home Library Service.
- Support for local writers and poets including the development of a writers' group.
- Contribution to regional literature festivals including Northern Children's Book Festival and Readers' Days.
- Partnership with and promotion of local and regional creative and artistic work within the community.
- Provision of free popular display area for exhibitions of local artists' work.
- The Portcities web-site with digitised images of local historical material is provided in partnership with the Museums Service and Teesside Archives. This web-site, maintained by library staff, is part of a web portal run by the National Maritime Museum.

Case Study

Funded through Northern Arts a Writers' Group meets monthly at Foggy Furze Library to discuss with published authors the writing process and to develop their own skills.

Strengthening communities

Community Strategy Aim

- Empower individuals, groups and communities, and increase the involvement of citizens in all decisions that affect their lives.

Council's improvement priorities and contributions

- Support and implement activities that will strengthen communities including those in neighbourhood consultative forum areas, disadvantaged neighbourhoods and thematic interests including business; improve consultation and reduce inequalities.

Library roles and contributions

- Free open access to knowledge and information is essential to the empowerment of individuals and communities and is a key element to underpinning democracy.
- Library service has nominated Social Inclusion Officer whose role is to work with those individuals and groups who are in danger of exclusion from services through a wide range of factors.
- Wide range of long opening hours including evenings, Saturdays and Sundays.
- Free public access to ICT at all sites with adaptations for those with physical and visual impairments.
- Staff help and expertise available to assist and advise.
- Consultation undertaken as part of planning process and more widely as appropriate.
- Community space for workshops and meetings for a wide variety of groups and associations.
- Stock and staff mentoring and advice supplied to the Annexe community library, which is maintained through the Wharton Terrace Trust.
- Links with Salaam Centre (Community Centre for Ethnic groups).
- Community Information database maintained and available through the Community Portal <http://www.hartlepoolnow.co.uk>
- Community Services contribution to the Community Portal co-ordinated through the library service
- Joint occupancy of community buildings at West View, Owton Manor and Headland.
- All libraries stock materials in different formats. There are extensive collections of large print books and spoken word material both on tape and CD, for those with visual impairments.

Case study

Library has been awarded the Charter Mark standard. This is the award for excellence in public service. It covers maintaining standards, public consultation, customer care and work within and for the community.

Jobs and the Economy

Community Strategy Aim.

- Develop a more enterprising, vigorous and diverse local economy that will attract investment, be globally competitive and create more employment opportunities for local people.

Council's improvement priorities and contributions.

- Support and implement activities that will develop the town, preserve existing jobs and create new jobs and businesses.

Library roles and contributions.

- Resources for job seekers, information both electronic and printed as well as ICT and print facilities and support for CV production.
- Careers information and resources including access to the IAG network.
- Business information including European to support SMEs and new businesses.
- Basic ICT skills training available, through partnership with Adult Education Department.
- Work experience and work placements for school children and supported work returners.

Case Study

Provision of specific collection for the Community and Youth work diploma in conjunction with University of Sunderland, NDC and Surestart to support the delivery of this developmental course for the people of Hartlepool.

Health and Care

Community Strategy aim

- Ensure access to the highest quality health, social care and support services, and improve health, life expectancy and well being of the community.

Council's improvement priorities and contributions.

Delivering the "Vision for Care" with our partners through: (amongst others)

- Maintain health and well-being through greater emphasis on preventative care options.
- Support people at risk of losing their independence with appropriate, high quality services.

Library roles and contributions.

- Health information service, providing patient orientated information in response to personal requests.
- Bookbus services to residential and care homes, day centres, sheltered accommodation.

Case Study

Home Library Service takes books and information to people in their own homes when they are unable, through illness or infirmity, to visit the library. Regular visits from the Home Library staff and the pleasure of reading can counteract some of the problems of isolation. The planned expansion of this service reached 514 users in 2004-5.

Environment and Housing

Community Strategy aim

- Secure a more attractive and sustainable environment that is safe, clean and tidy; a good infrastructure; and access to good quality and affordable housing.

Council's improvement priorities and contributions (among others)

- Provide a safe, clean green environment through: -increasing recycling, - the extension and development of the Clean Sweep initiative, -increasing environment enforcement activity.

Library roles and contributions

- High quality information in relation to environmental risks, toxic substances and health risks.
- Library ethos of sharing access to books and information is "green".
- Library network accessible without transport. 92% of population live within a mile of a library.
- Library provides redress to technological "have-nots" through the provision of the Peoples' Network. (Over 31% of computer users had no other access to ICT facilities.)

Case Study

A new mobile library was provided in December 2004. This service goes out to people in their own areas, especially in the villages and the outlying estates, preventing unnecessary journeys to borrow books or gain information.

Community Safety

Community Strategy aim

- Make Hartlepool a safer place by reducing crime, disorder and fear of crime.

Council's improvement priorities and contributions (among others)

- To reduce crime, anti-social behaviour and drugs misuse in our communities, thereby restoring residents' confidence in their neighbourhood by: -
- Ensuring all Council Services recognise the contribution they can make to crime reduction.
- Co-ordinating a problem solving approach to tackling anti-social behaviour.

Library roles and contributions

- Resolution of cases of anti-social behaviour, from enforcement to promotion of tolerance within libraries.
- Monitored and recorded CCTV within Central Library to act as a deterrent to crime and to aid identification of suspects.
- Good links with Community Wardens and Community Support Officers allowing transfer of information when appropriate and mutual support.

Case Study

Provision of diversionary activities for young people in partnership with Hartlepool NDC, and other partners in the Central Library. In the summer holidays 2004, 1949 attendances were recorded from children in the scheme.

Priority.

Libraries have a high priority within the Council as shown by:-

- Inclusion of Annual Library plan in the Budget and Policy Framework means that it requires full consultation and Council approval.
- Financial commitment to the staffing and maintenance of the library network.
- Mainstreaming of successful grant funded schemes i.e. Homework Help club and Sunday opening.
- Extensive opening hours maintained with evenings, Saturdays and Sundays at the Central Library resulting in high visitor figures and satisfaction rates.
- Support for the People's Network installation and on-costs to deliver the e-government agenda.
- In the 2004 review of corporate medium term priorities, The Way Forward, specific mention of the vital role of the library service was made in delivering the new agendas.

Capacity to meet the vision.

- The library service is delivered through the network of seven libraries, throughout the town.
- The Mobile library, Bookbus and Home Library Service reach outlying areas and people unable to visit static libraries.
- The staff are trained to provide the quality of service required, both technically and through Customer Care.
- The public ICT service provided through the People's Network allows for free and equal access to information and computing facilities for all. Purchased access to services such as Oxford on-line extend the range of information freely available to the public.
- The appointment of an ICT officer for libraries with responsibility for both the library management system and the People's Network will allow for focussed development in these areas.
- Partnerships with Hartlepool College of FE, local universities and Adult Education extend and develop learning opportunities for the public.
- Partnerships with SureStart, the Book Trust, New Deal for Communities, Youth Services and the voluntary sector provide children and young people with learning experiences as well as structured social interaction.
- Literature is promoted through Reading Groups and the development of a Writers' Group.
- The Reference service aims for accuracy and quality in the provision of information and supports the local database of community organisations delivered through the Community Portal.
- The stock of the library is wide ranging both in content and format to accommodate all types of user needs.

The service is therefore well placed to respond to the vision and continue to offer services at a high level to the people of Hartlepool.

External Evaluations.

A number of surveys and consultations show that the service is well liked and valued by the people of Hartlepool. They use the service in many different ways and are able to appreciate the recent developments in ICT. They are satisfied with the current service and do not want the opening hours to be changed. They give positive support for the service overall and for its contribution to the development of the town.

Satisfaction with service

- High satisfaction rates in particular staff helpfulness 96.9%, staff knowledge and expertise 95.2%. (2003 PLUS)
- Overall satisfaction 95.2% remaining 4.8% adequate. Only 0.2% thought poor. (2003 PLUS)
- 77% of population satisfied with libraries in 2003, up from 76% in 2000.
- 70.9% of children think library staff are Good with 25.3% saying Ok. Only 3.7% said bad. (2005 Children's PLUS)

Library usage

Users

- Over 70% of users come to borrow or return books.
- Almost 25% come for information and 10% to study or read.
- 20% come to read newspapers or magazines and 13% to use the Internet.
- Over half the respondents had used the computers with the most popular usage being the Internet. (40%).
- For over 31% the library is their only access to computer facilities.
- Over 87% of children come to use the computers with 35% borrowing a book.

Population

- 58% of respondents had visited or used the library service in last 12 months.
- 95% of those who answered thought books were in a good condition, but 27% said not enough choice.
- Over 300 respondents had used the lifelong learning facilities in last 12 months, e.g. books or computers to help with own or child's study.
- In addition 17% had used family history research facilities and 23% had used local history material.

Value of the service

- Almost 75% of all respondents thought computers to be a "Vital Service". This includes many non-users.
- People's Network is well supported with comments such as "has opened a new world of information for many people and myself".
- Very positive support for the principles on which the library rests, i.e. sharing and conserving resources and providing free and open access to information and culture. Comments included "priceless benefit to the area" and increased use of the Internet and self study will "increase contact and knowledge of different cultural groups which will help break down prejudices and promote partnerships and co-operation between culturally different sections of the community".

The Library renewed its Charter Mark award for Excellence in Public Service in March 2005. The Community Services Department as a whole holds the Investors in People Award.

II. Public Library Service Standards and Impact Measures

II.i Public Library Service Standards

The Public Library standards introduced in 2001 were successful in driving improvements across the country. The standards have been consolidated from twenty-six into ten Public Library Service Standards (PLSS). These have all been achieved in Hartlepool except for PLSS 8 User satisfaction of those under 16. The definition has recently been changed to include only those who stated the library service was "Good". The Public Library Users Survey for children undertaken in February 2005 did not contain this precise question so following the guidance our compliance has been calculated from three different questions. Many more young people considered the service to be "OK" and this could be interpreted as a reasonable response.

The survey is due to be undertaken again in 2007-8 when the question will have been further clarified.

The full range of the Public Library Service Standards is given in the chart below.

Compliance with Public Library Service Standards

| Standard no | Description | Target | 2004/5 | Standard met/not met |
|--------------------|---|-------------------|---------------|-----------------------------|
| PLSS1 | Proportion of households living within a specified distance of a static library. | 88% within 1 mile | 92% | Yes |
| PLSS2 | Aggregate scheduled opening hours per 1,000 population for all libraries. | 128 hours | 207 | Yes |
| PLSS3 | Percentage of static libraries (as defined by CIPFA) providing access to electronic resources connected to the Internet. | 100% | 100% | Yes |
| PLSS4 | Total number of electronic workstations with access to the internet and the libraries catalogue (available for public use through both static and mobile libraries, and other service outlets (as defined in PLSS1) available to users per 10,000 population. | 6 | 8 | Yes |

| Standard no | Description | Target | 2004/5 | Standard met/not met |
|--------------------|--|---|-------------------|-----------------------------|
| PLSS5 | Requests I. Percentage of request for books met within 7 days II. Percentage of books met within 15 days III. Percentage of requests for books met within 30 days | I. 50% II. 70% III. 85% | 53% 78% 89% | Yes |
| PLSS6 | Number of library visits per 1,000 population | 6,300 | 7128 | Yes |
| PLSS7 | % of library users 16 and over who view their library service as: I. very good II. good III. adequate IV. poor V. very poor | 94% rate library service as very good or good | 95.2% | Yes |
| PLSS8 | % of library users under 16 who view their library service as: I. good II. adequate III. bad | 77% rate library service as good. | 66% | Not met |
| PLSS9 | Annual items added through purchase per 1,000 population | 216 | 305 | Yes |
| PLSS10 | Time taken to replenish the lending stock on open access or available on loan. | 6.7 years | 6.4 years | Yes |

These standards are the key elements of a new Best Value Performance Indicator (No. 220), which replaces most previous library indicators and is to be reported on for the year 2005-6.

II.ii Public library standards –Local targets identified in “Comprehensive, efficient and modern public libraries”.

| Local targets for services to people with disabilities | Target 2004-5 | Actual 2004-5 | Target 2005-6 |
|---|----------------------|----------------------|----------------------|
| Number of Home Library Users | 420 | 514 | 480 |
| Number of Home Library visits delivering information | 3750 | 7085 | N/A |
| Number of new registrations as Visually Impaired | 45 | 100 | 60 |
| Provide collection of Audio described videos | 1 | Achieved | N/A |
| Provide stairlift at Foggy Furze Library | 1 | Achieved | N/A |
| Compliant buildings for DDA | 7 | 6 | 7 |

The Home Library service targets were part of the Local Public Service Agreement, which finished in March 2005. The target for registration of members as visually impaired included those registering with the Home Library Services, so was unusually inflated.

| Local targets for services to Children | Target 2004-5 | Actual 2004-5 | Target 2005-6 |
|---|---------------------------|----------------------|----------------------|
| Percentage of child population as active library users | 30% | 27% | 30% |
| Number of new child registrations as library members | 1550 | 1888 | 1550 |
| Number of new Under 5's registrations | 550 | 819 | 750 |
| Provide a collection for storytimes | 1 | 1 | N/A |
| Bookstart packs distributed to all newborns | 1000 Indicative figure | Achieved | 1000 |
| Number of Bookstart plus packs distributed in non-Surestart areas | 500 | 528 | 1000 |
| Number of Treasure Chest packs distributed. (New target) | N/A | N/A | 500 |
| Number of promotional events aimed at children | 6 | 10 | 10 |
| Number of Homework Clubs provided | 7 | 7 | 7 |

Target for Children's usage was not achieved, but the number of new registrations was very encouraging reflecting the work of the Children's and Young Persons' Librarian now in post.

| Local targets for services to socially excluded people | Target 2004-5 | Actual 2004-5 | Target 2005-6 |
|--|----------------------|----------------------|----------------------|
| Provide material for adults improving reading skills | 4 collections | 7 collections | 7 |
| Number of training courses (sessions) provided to adults | 36 | 112 Sessions | 120 Sessions |
| Number of teenage parent reading groups facilitated | 1 | 1 | N/A |
| Replacement of Mobile Library | Due Oct 04 | Delivered Dec | N/A |
| Number of staff trained in basic skills awareness and referral | 8 | Course cancelled | N/A |
| Number of readers' groups facilitated | 8 | 8 | 8 |
| Number of volunteers with special needs supported in library work (new target) | N/A | N/A | 3 |
| Register at level 1 for Reading and writing (RaW) with BBC (new target) | N/A | N/A | July 2005 |

Courses offered to adults largely at the Central Library are included under services for socially excluded people as it is in area of high deprivation. We make no distinction and do not record actual exclusion factors with these courses. The same comments apply to the reading groups. The number of training courses is better expressed as number of sessions as some courses can be one session and some ten.

| Local targets for services to ethnic minority communities | Target 2004-5 | Actual 2004-5 | Target 2005-6 |
|---|----------------------|----------------------|------------------------------|
| Provide multi-language dictionary collection for young people (New target) | N/A | N/A | May 2005 |
| Provide reading and craft activity in library for BME children (New target) | N/A | N/A | Summer 2005 |
| Consultation with Ethnic Minorities on Access and Social Inclusion policies | Dec 04 | Not achieved | To be dealt with corporately |

Consultation with the small, diverse, ethnic minority communities in Hartlepool has proved problematical for a number of services. This is being investigated corporately.

II.iii Public Library Service Impact Measures

The Government have selected a range of impact measures to demonstrate the value and impact the public library service has on people and communities. They show the contribution and difference libraries make to five of the seven shared priorities agreed by the government and the Local Government Association. These are shown in the chart below together with the Impact Measures, which relate to them.

| Shared priority | Activity and Impact Measures |
|---|--|
| Raising Standards across our schools | Bookstart <ul style="list-style-type: none">▪ Number of packs delivered to children as a % of the eligible population at all three stages.▪ Number of new library members from 0-4 as a% of the total population 0-4▪ Cost of providing a Bookstart service per new member 0-4 years |
| Raising Standards across our schools | Summer Reading Challenge <ul style="list-style-type: none">▪ %of eligible population 4-12 years who start the summer reading challenge.▪ % of boys participating in the scheme as a ratio of the percentage of boys in the population▪ % of starters who complete the scheme▪ Cost per head of starter▪ % of starters who also join the library. |
| Safer and Stronger communities | Access to ICT based services <ul style="list-style-type: none">▪ Percentage take up of available ICT time in libraries |
| Promoting the economic vitality of localities | Access to ICT based learning through learning sessions <ul style="list-style-type: none">▪ Adult learning session attendee hours per 10,000 population |

| Shared priority | Activity and Impact Measures |
|---|--|
| Improving the quality of life for children, young people, families at risk and older people | <p>At Home Library Service</p> <ul style="list-style-type: none"> ▪ Number of people receiving an “At Home” library service as a % of the total number of older people helped to live at home (BVPI54) ▪ % of users of the service classing the choice of materials received as very good or good. |
| Promoting healthier communities and narrowing health inequalities | <p>Provision and take up of health related stock - both children’s non fiction books and adult non fiction books.</p> <ul style="list-style-type: none"> ▪ Level of adult non fiction and children’s non fiction reference and lending stock of health related books as a% of the total reference and lending stock of adult non fiction and children’s non fiction book. Health books in languages other than English can also be included ▪ Number of issues per item of health related adult non fiction and children’s non fiction books |

These shared priorities can also be influenced by a range of library work and not just the activities, which have been chosen for measurement. This has been reflected in the action plan where other areas of work have been highlighted as relevant to the shared priorities as well as the measured work itself.

Section III Resources

III.i Spaces

Strengths

- 7 static libraries across the town.
- 3 recently refurbished and located within joint community facilities.
- Refurbishment programme for Central Library.
- Review of the usage of space within Central Library.
- Evening access to library for adult education purposes.
- Use of Café as second community room after hours.
- Revitalisation of Carnegie Building giving better management of closed stock.
- Own maintenance budget can be concentrated at particular area.
- Information from PLUS survey on what people are accessing gives reasons to plan for change of library layouts.
- Mobile library replaced in December 2004.
- Community library maintained by a trust supported through stock provision.

Constraints

- Age and condition of some the buildings
- Internal design of buildings.
- Limited space to exploit or adapt.
- Some structures not able to be adapted without major building work.
- Possible budget reductions.

Challenges

- Signage both outside and within libraries.
- Identify essential maintenance programme for each building in the medium term.
- Location and service review.
- Review of Café facilities and provision.
- External funding to develop buildings further.

Adequacy of Resources

Financial resources are currently adequate to achieve reasonable level of maintenance and modest amounts of refurbishment. However in order to adapt the Central Library to allow for self issue and better community space further resources may be needed.

Despite budget pressures the library service funding was maintained at the same level and the Sunday service mainstreamed with increasing spending as the grant from NDC decreases.

Timescale

Signage for the Central Library will be developed and installed within 2005-6. The Carnegie Building is due for completion late October 2005. The shelving at Seaton Library will be replaced in the adult section in 2005-6. The café facilities will be reviewed in 2006-7.

III.ii Stock

Strengths

- Existing stock wide ranging and well maintained.
- Regional working in collection development.
- Adequate budget position for stock fund.
- Talis Library Management System allows self reservation and renewal through the Internet and speeds up supply of reserved items.
- Talis automates circulation procedure to allow better use of stock across the borough.

Constraints

- Staff time to work with stock and interact with the public.
- Time taken to maintain stock i.e. check, withdraw or bind.
- Small stock team means that work is delegated to library assistants.
- Shelving needs to adapted for promotion – front on display.

Challenges

- Delivery of stock to diverse communities.
- Balancing the needs of the users in different services.
- Expense of Spoken Word material.
- Increase issues or stem decline.
- Logistics of stock circulation.
- Accuracy of the catalogue.

Adequacy of Resources

Financial resources for stock are adequate, although no inflation on the stock fund has been given for a number of years. However careful management and the negotiation of good discounts with suppliers have allowed volume of stock bought to remain high.

The people of Hartlepool are consistent in their request for more and newer book stock. This is reflected in the maintenance of the stock fund.

Timescale

By Dec. 2005 to have checked and removed old stock from all areas of Central library and improved accuracy of the catalogue.

III.iii Staffing

Strengths

- Management team small but largely stable for a number of years.
- Good range of experience and expertise.
- Rotation of non-professional staff ensures challenge and development.
- New management training available corporately.
- Career progression now clear and possible to a high level.
- Staff training plan develops staff to deliver new agendas.
- Regular team meetings both senior and service teams lead to growth in teamwork, focus and dynamism.
- Best practice disseminated and wasteful duplication eliminated.
- Use of electronic communications and shared files leads to efficient and timely information sharing.
- Good links with other providers who deliver services within the library to our specification.
- Community Services have the Investors in People Award so staff have planned training and appraisal processes.

Constraints

- Staff remit has widened to include ICT support, promotion of literacy and reading, social inclusion and lifelong learning so need to enhance their skills.
- Without extra financial resources a re-definition of job roles and processes is necessary to achieve new targets.

Challenges

- Develop practices and manage change so that a quality service can be delivered within a sustainable budget.
- Work more closely across Cultural Services.
- Recruit and retain younger staff with broad experience to attract a younger clientele.
- Succession planning for a number of key roles in the management team.
- Mainstream and integrate the Sunday staffing to give continuity of service.
- Mainstream activities currently grant funded e.g. out of school schemes.
- Job evaluation process needs to be handled to ensure that library staff's work is valued appropriately.

Adequacy of Resources

The pressure on the current library staff to deliver the changed agenda could be relieved by extra staffing. As this is most unlikely to be provided the streamlining of processes and outsourcing of tasks becomes paramount. The budget for staff has always been supported by the Council who appreciate that services to the public need adequately trained and suitably qualified people.

Timescale

Developing new practices and managing change has begun but needs to be continuous through the next couple of years. Succession planning is required within 2005-6 due to known changes in the management team. Sunday services is being mainstreamed over the next three years.

III.iv ICT

Strengths

- The Peoples' Network provides free access to the Internet and Office applications at all service points.
- Usage of the Network varies from 40-70%, with the highest usage being in the Central Library.
- Between April 2004 and March 2005 over 123,600 sessions were logged up from 88,000 in previous year
- The Pharos booking and print management system enables users to serve themselves by reserving a workstation or freeing up and paying for their own printing requirements.
- Training for members of the public in the use of ICT has been developed in partnership with the Adult Education Dept.
- The Talis Library Management System and Webopac give users the opportunity to access library information remotely. A user can renew books that they have on loan, or place reservations for books in stock outside normal library hours.
- The library maintains the directory of local organisations on the Community Portal liaising with community groups to provide accurate and timely data.
- On-line reference materials available within all libraries.

Constraints

- The technology is constantly developing and in need of upgrading.
- Staff need to be up-skilled to keep pace.
- Funding to keep pace is limited.
- Limited space for additional public access PCs.

Challenges

- To keep pace with a fast developing technology; both in terms of provision of up to date software and hard ware and staff skills and development.
- To develop a strategy for ICT service delivery and staff training for on-going improvements.
- To deliver remote access to library resources such as reference materials through TalisPrism and the Community Portal.
- To gain funding to develop the Portcities web-site.

Adequacy of resources.

The Peoples' Network of 63 PCs provides sufficient free public ICT access to meet the Public Library Standards. A further five PCs offering access only to the library catalogue have been added.

Financial resources for the maintenance and necessary upgrade of the PN computers has been agreed centrally as part of the contract with our strategic supplier for ICT, SX3. Due to the method of installation, 41 PCs have been paid for only until Mar 2007. From that date the desktop service on these PCs will need to be funded.

We have funding to provide some software to keep the offer fresh for the public but extensive upgrades would not be possible.

Timescale

Develop a strategy identifying needs and funding opportunities to maintain and develop the PN by Mar 2006.

Training strategy to include ICT induction training is already in hand. Advanced training sessions for existing staff are being delivered through Hartlepool College of Further Education.

TalisPrism, a new version of the public access catalogue, which will allow searching of other databases from one screen is to be available to the public by July 2005. TalisAlto, a web interface to the library management system to provide more efficient service is to be rolled out to all branches by the same date.

Conclusion

The library service is currently achieving to a high standard. Its relationship to the corporate priorities is wide ranging and comprehensive, supporting all seven themes with its work. This demonstrates the value of the service, which is recognised by the people of Hartlepool.

The high performance against the Public Library Service Standards also shows both the quality of the service and its usage. The consultation evidence again shows good satisfaction rates with the service both from users and non-users.

The analysis of strengths, constraints and challenges shows a service that has already changed, but which has scope to develop further to meet the modern agendas.

The libraries' response to new methods of judging the quality of the service through the Impact Measures will show the value of the service across the wider community.

In order to maintain these standards and continue to respond well to local demands and corporate agendas, the service will require adequate funding and support. In particular pressures arising from the extension of public ICT and greater involvement with users and the community both on staff and resources need to be recognised and considered.

Action plan 2005-2008

The following action plan has been developed to show the linkages between the work delivered and the performance management requirements.

This plan is divided into the three themes, which relate to the Framework for the Future, published by DCMS in 2003. This document showed central government's vision for the future of public libraries. The themes are "Books, reading and learning", "Access to digital skills and services including e-government" and "Measures to tackle social exclusion, build community and develop citizenship". A service-wide theme is also included to cover cross-cutting actions.

The final column of the plan relates to the new Public Library Service Standards and the Shared Priorities, showing which work strands will support and deliver the standards and contribute to the priority areas.

The responsible staff have been represented by initials which relate to the management teams job titles. These are: -

| | |
|--------------|--|
| BL | Borough Librarian |
| DSO | Direct Services Officer |
| RDO | Resources and Development Officer |
| ICTO | ICT Officer |
| SIO | Social Inclusion Officer |
| SLMTC | Senior Library Manager and Training Co-ordinator |
| RIO | Reference and Information Officer |
| SRDO | Stock and Reading Development Officer |
| CYPL | Children's and Young Persons' Librarian |
| RO | Resources Officer |
| LMANS | Library Managers |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO INCREASE READER DEVELOPMENT OPPORTUNITIES AND PROMOTE LITERACY TO ALL AGES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|---|-------------------------|-------------|---|
| Provide a dedicated member of senior staff team to lead on reader development and stock provision. | Costs within salaries budget | SRDO | June 2005 | Shared priority: Quality of Life |
| Draw up action plan for Reader and Literature development and promotion to deliver at least one event in 2005-6. | Staff time £2,000.00 | DSO, SRDO | March 2006 | Shared priority: Quality of Life |
| Facilitate existing reading groups and establish another by March 2006. Target is to establish one reading group a year until all branches are facilitating at least one group. | Costs for stock within bookfund - Staff time - £2,000.00. | DSO, SRDO, LMANS | March 2006 | Shared priority: Quality of Life |
| Work with schools to facilitate Children's Reading Groups and set up a Teenage Reading Group in libraries by March 2006. | Staff time - £1,000.00 Stock from within bookfund. | CYPL | March 2006 | Shared priority: Raising standards across schools |
| Take part in Adult Reader's Day in South Shields with other local authorities in the region. | Staff time £500.00 | DSO, SRDO, LMANS | Sept 2005 | Shared priority: Quality of Life |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO INCREASE READER DEVELOPMENT OPPORTUNITIES AND PROMOTE LITERACY TO ALL AGES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|--|-----------------------------|---|--|
| Sign up to the Reading and Writing (RaW) scheme offered by the BBC, including commitment to the Vital Link, Basic Skills scheme | Staff time £2,000.00 Stock £1,000.00 Training £500.00 | DSO , SRDO, LMANS | Commences summer 2005 ongoing through to2007 | Shared priority: Economic Vitality |
| In partnership with Hartlepool Surestart appoint a Bookstart Support Worker to facilitate Bookstart schemes throughout the town. | Costs from HSP | CYPL | Sept 2005 | Shared priority: Raise Standards across schools |
| Co-ordinate and distribute the Bookstart and Bookstart Plus packs throughout the Borough to all new babies in partnership with Health Visitors. Approx. 1,000 children born each year. Annual task. | Staff time £1,500.00 plus costs from HSP | CYPL | On going | Shared priority: Raise Standards across schools |
| Work with SureStart Hartlepool and SureStart Readers in Residence to promote literacy and library membership throughout the town, with the target of 1,550 new child members each year. Ongoing throughout 2005-2008. | Staff time £1,500.00 plus costs from HSP | CYPL | On going | Shared priority: Raise Standards across schools |
| Distribute Treasure Chest scheme in the Early Years settings throughout the town. Target 100% coverage. | Staff time £1,500.00 plus costs from HSP | CYPL | Commences Autumn 2005 | Shared priority: Raise Standards across schools |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO INCREASE READER DEVELOPMENT OPPORTUNITIES AND PROMOTE LITERACY TO ALL AGES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|---|----------------------|-----------------------|--|
| Work with other North East Library Authorities to deliver the Northern Children's Book Festival each November and look to hosting the Gala Day in November 2006 in partnership with Education Section. | Staff time £2,000.00 | CYPL | November each year | Shared priority: Raise Standards across schools |
| Co-ordinate holiday activities across the service and hold at least 4 promotional events with the aim of increasing child active membership in 2004/5 to 30% of the population. | Staff time £1,500.00 plus various grants | CYPL | Mar 2006 | Shared priority: Safer & Stronger Communities PLSS8: Under 16 user satisfaction Local target |
| Take part in Frontline training scheme when it is available for use. All staff to undertake scheme over next three years. | Staff time unknown until course becomes available | SLMTC | Jan 2006 to commence | Shared priority: Quality of Life PLSS7: User satisfaction |
| Take part in the summer reading scheme: The Reading Voyage 2005. To set baseline targets for future schemes | Staff time £2,000.00 | CYPL | July/ Aug 2005 | Shared priority: Raise Standards across schools |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO SUPPORT AND DEVELOP LIFELONG LEARNING IN LIBRARIES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|--|-------------------------|-------------------|---|
| Continue to provide and support Homework Helpers in all libraries throughout 2005-8. | Staffing budget | CYPL | On going | Shared priority: Raise Standards across Schools |
| Extend established partnership approach to the delivery of holiday activities in the Central Library with New Deal for Communities and other appropriate organisations to all branches. Target events in all branches in summer 2005. | External funding agreed. | DSO, CYPL, LMANS | July/ August 2005 | Shared priority: Safer & Stronger Communities PLSS8: Under 16 User satisfaction |
| Provide at least four special activity weekends in the Central Library each year to include Family Learning Weekend. | Staff time £1,000.00 | CYPL, RIO, LMANS | Mar 2006 | Shared priority: Raise Standards across Schools Shared priority: Economic Vitality |
| Provide sessions in ICT across libraries using the People's Network and Adult Education tutors. Staff and Adult Education tutors to deliver. Target number of sessions 55. | Staff time £1,000.00 & costs from Adult Ed. | ICTO, RIO, SIO | Mar 2006 | Shared priority: Economic Vitality |
| Continue partnerships with regional universities to offer special collections to support locally delivered courses and remote access to ICT courses. | Staff time £500.00 | BL | On going | Shared priority: Economic Vitality |
| Work with regional libraries to implement the INSPIRE project allowing public access to academic libraries for study and research. Launch Autumn 2005 | Staff time £500.00 | BL, RIO | Autumn 2005 | Shared priority: Economic Vitality |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO SUPPORT AND DEVELOP LIFELONG LEARNING IN LIBRARIES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|----------------------|-------------|---|
| Encourage school visits to libraries to meet targets for each branch. | Staff time £2,500.00 | CYPL , LMANS | Mar 2006 | Shared priority: raise Standards across Schools PLSS 6: Visitor numbers Local Targets |
| Facilitate a writers' group and assist them to produce a book and Launch event. | Grant funded and Staff time £1,000.00 | DSO , LMAN | Aug 2005 | Shared priority: Quality of Life |
| Explore with writers' group routes for self-sustainability. | Staff time £500.00 | DSO , LMAN | Sept 2005 | Shared priority: Quality of Life |
| Explore links with NHS libraries to extend range of stock available. | Staff time £1,000.00 | BL | Summer 2005 | Shared priority: Promoting Healthier Communities and Narrowing Health Inequalities. |
| Continue to develop partnership with Hartlepool College of Further Education to work towards better integration of systems and services. | Staff time £1,000.00 | BL , RIO | On-going | Shared priority: Economic Vitality |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO IMPROVE CHOICE AND EXPLOITATION OF STOCK IN LIBRARIES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|------------------------------------|----------------------|-------------|---|
| Continue the revision of the stock plan to take account of changed management structure and change in emphasis of stock purchase, circulation of stock and tighter buying policy. Plan to be complete by December 2005. | Staff time £1,000.00 | SRDO | Dec 2005 | PLSS 9: Items added to stock PLSS10: Stock replenishment rates |
| Evaluate and revise the fully automated stock rotation for adult loan stock using library van for logistical movement. | Staff time £1,000.00 | SRDO | On-going | PLSS7: User satisfaction |
| Establish rolling programme of stock usage, evaluation and replenishment requirements using management information from Talis Library Management System, to rationalise stock holdings. | Staff time £1,000.00 | SRDO, ICTO | Dec 2005 | PLSS7: User satisfaction PLSS 9: Items added to stock PLSS10: Stock replenishment rates |
| Install improved signage within central library to promote access to stock. | Fixtures and fittings £1,000.00 | DSO, RDO | June 2005 | PLSS7: User satisfaction PLSS6: Visitor numbers |
| Reorganise space and stock in Central reference area to maximise efficient use of space and improve public access to bookstock and other materials. | Staff time £1,000.00 | RIO | Dec 2005 | Shared priority: Economic Vitality PLSS7: User satisfaction |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO IMPROVE CHOICE AND EXPLOITATION OF STOCK IN LIBRARIES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|----------------------|-----------------------------|---|
| Continue the cataloguing of the local collection in the reference library following the strategy. | Staff time £2,000.00 | RIO | Mar 2008 | Shared priority: Safer & Stronger Communities. |
| Undertake the Stock Quality Health Check on a rolling basis to benchmark stock against national profile. Evaluate results and use to inform selection processes. | Staff time £500.00 with implications for stockfund | RDO | Annual task | PLSS 9: Items added to stock PLSS10: Stock replenishment rates |
| To work regionally to develop NEPO contract to take advantage of best terms, by streamlining servicing requirements and maximise spend available. | Staff time £1000.00 with implications for stockfund | BL, RDO | New contract due April 2006 | PLSS 9: Items added to stock PLSS10: Stock replenishment rates Efficiency Savings |
| To monitor the delivery of the NEPO book supply contract throughout 2006-9 to ensure consistency to the terms. | Staff time £500.00 with implications for stockfund | RDO | On going | PLSS 9: Items added to stock PLSS10: Stock replenishment rates Efficiency Savings |
| Move Health Information Collection to Central Library to allow better public access and linkages to information leaflets. | Staff time £1,000.00 | SIO | June 2005 | Shared priority: Promoting Healthier Communities and Narrowing Health Inequalities. |

ACTION PLAN FOR 2005-08

BOOKS READING AND LEARNING: TO IMPROVE CHOICE AND EXPLOITATION OF STOCK IN LIBRARIES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|-----------------------|----------------------|-------------|--|
| Promote Business Information through regional scheme to Economic Forum | Staff time £500.00 | RIO | Autumn 2005 | Shared priority: Economic Vitality |
| Develop a disaster plan for the safe storage and recovery of rare and valuable material especially local studies. | Staff time £500.00 | RIO | March 2006 | PLSS7: User satisfaction Efficiency savings |
| Look at alternative methods for disposal of old and worn out stock other than internal sales | Staff time £500.00 | RDO | Autumn 2005 | Efficiency savings |

ACTION PLAN FOR 2005-08

ACCESS TO DIGITAL SKILLS AND SERVICES INCLUDING E-GOVERNMENT: DEVELOP AND PROMOTE THE PEOPLE'S NETWORK FOR DELIVERY OF PUBLIC ICT SERVICES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|----------------------|----------------|---|
| Reconfigure management team to appoint an ICT Officer to take charge of all library ICT developments. | Costs within staffing budget | BL | July 2005 | Shared priority: Safer & Stronger Communities |
| Raise the profile of the adaptive technology available in all branches to appropriate user groups and staff. Two demonstrations to be held. | Staff time £500.00 | SIO, ICTO | Mar 2006 | Shared priority: Safer & Stronger Communities Shared priority: Quality of Life |
| Raise the future revenue and capital needs for the maintenance of the public ICT equipment as a budget pressure for 2006-2007 and 2007-2008 during the budget processes. | Approx £20,000.00 needed 2006-7 and a further £5,000.00 2007-8 | BL | Autumn 2005 | Shared priority: Safer & Stronger Communities |
| Continue programme of staff training in ICT following the need to deliver advice to the public using course developed with HCFE. 20 staff to be trained each year. Take part in further regional training in this area as appropriate. | £800.00 course costs plus staff time £2,000.00 | SLMTC | Mar 2006 | Shared priority: Safer & Stronger Communities |
| Work with Silver surfers during Adult Learners week to collect memories of their past and display the work on the Portcities website. | Staff time £500.00 | LMANS | May 2005 | Shared priority: Safer & Stronger Communities |

ACTION PLAN FOR 2005-08

ACCESS TO DIGITAL SKILLS AND SERVICES INCLUDING E-GOVERNMENT: DEVELOP AND PROMOTE THE PEOPLE'S NETWORK FOR DELIVERY OF PUBLIC ICT SERVICES

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|------------------------|-------------|---|
| Explore development and integration of Portcities website into social inclusion agenda including working with Museums and voluntary sector to gather reminiscence of WW2 to publish on the site. | Staff time unknown and may be funded through project | BL , DSO, LMANS | April 2006 | Shared priority: Safer & Stronger Communities |
| Consider joint subscription to Stories from the Web In partnership with neighbouring authorities. | Subscription C £2000.00. | CYPL | Summer 2005 | Shared priority: Raise Standards across Schools |

ACTION PLAN FOR 2005-08

ACCESS TO DIGITAL SKILLS AND SERVICES INCLUDING E-GOVERNMENT: ENSURE LIBRARY'S PARTICIPATION IN THE DELEVERY OF E-GOVERNMENT

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|---|----------------------|-------------|---|
| Maintain awareness of libraries and other community buildings in the delivery of the Contact Centre on the agenda. | Staff time £500.00 | BL , DSO, RDO | On-going | Shared priority: Safer & Stronger Communities |
| Raise the profile of the library as the delivery point of free public access to e-government agenda through meetings and promotional material. | Staff time £500.00 | BL , ICTO | On-going | Shared priority: Safer & Stronger Communities |
| Maintain and develop the database of community information, now on the Community Portal. | Part-time member of staff within staffing budget | ICTO | On going | Shared priority: Safer & Stronger Communities |
| Upgrade EDI messages in the book supply routines to include invoice messages. | Staff time £500.00 Savings to be made in efficiency | RDO , RO | Dec 2005 | Efficiency Saving |
| Work towards the integration of Talis with other ICT systems such as the financial system and CRM. (Possible replacement of CODA due April 2006). | Staff time £1000.00 with long term efficiency savings. | RDO , RO | 2006-7 | Efficiency Saving |

ACTION PLAN FOR 2005-08

ACCESS TO DIGITAL SKILLS AND SERVICES INCLUDING E-GOVERNMENT: CONTINUE TO DEVELOP THE LIBRARY MANAGEMENT SYSTEM AND OTHER ICT TOOLS TO IMPROVE SERVICE DELIVERY

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|-------------------------|----------------------|-------------|--|
| Install new OPAC, TalisPrism, to allow better access to library stock with 24 hour access. | Staff time £500.00 | RDO | July 2005 | PLSS4: Access to Internet and Catalogue |
| Install additional links to TalisPrism to allow remote searching of the purchased databases from home access. | Staff time £500.00 | ICTO | Dec 2005 | PLSS4: Access to Internet and Catalogue |
| Install TalisAlto (new interface to Talis) and train all staff in its use. Rolling programme of installation through all branches. | Staff time £2,000.00 | RDO, SLMTC | Autumn 2005 | Efficiency saving |
| Talis Database to be converted to Marc21 (latest version of cataloguing standards) and 13 digit ISBN provision made available. | Staff time £2,000.00 | ICTO | Dec 2005 | Upgrade to new national standards for ICT. |
| Install new version of Pharos to improve public access to printing and booking system for People's Network. | Cost £1,000.00 | ICTO | Sept 2005 | PLSS4: Access to Internet and Catalogue |

ACTION PLAN FOR 2005-08

MEASURES TO TACKLE SOCIAL EXCLUSION, BUILD COMMUNITY IDENTITY AND DEVELOP CITIZENSHIP: USE CONSULTATION TO ENCOURAGE PARTICIPATION IN SERVICE DEVELOPMENT AND MEET SERVICE STANDARDS

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|----------------------|----------------------------------|--|
| Consider the implications of the Children's PLUS results and develop action plan. Survey undertaken in March 2005 | Staff time £500.00 | CYPL | May 2005 | PLSS8: Under 16 User Satisfaction Local target active child users |
| Determine costs and resources necessary to deliver Community PLUS in partnership with Corporate Strategy. | Unknown | BL , DSO | Survey to be done in autumn 2005 | Recommended survey of non-users |
| Review the delivery of all vehicle services consulting with users and stakeholders as necessary and make recommendations for future. | Staff time £500.00 with long term future implications | DSO , SIO | Mar 2006 | Shared priority: Quality of Life PLSS6: Visitor numbers Efficiency |
| Undertake the PLUS survey in all branches following the three yearly cycle | £1,800.00 plus staff time £2,000.00 | DSO , LMANS | Autumn 2006 | PLSS7: User satisfaction |
| Undertake the Children's PLUS survey following the three yearly cycle | £1,800.00 plus staff time £2,000.00 | CYPL , LMANS | 2006-7 | PLSS8: Under 16 user satisfaction |
| Undertake survey of Home library users to determine quality of the service delivered | Staff time £1500.00 | SIO | 2006-7 | Shared priority: Quality of Life |

ACTION PLAN FOR 2005-08

MEASURES TO TACKLE SOCIAL EXCLUSION, BUILD COMMUNITY IDENTITY AND DEVELOP CITIZENSHIP: PROVIDE AND IMPROVE TARGETED SERVICES TO DISADVANTAGED GROUPS

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|---|----------------------|-------------|----------------------------------|
| Continue to deliver extended Home Library Service using LPSA reward grant 2005-8 and look for further funding beyond that period. | LPSA grant £107,000.00 due Dec 2005 | SIO | 2007-8 | Shared priority: Quality of Life |
| Continue to monitor and develop Home Library Service to meet new Shared priority. Current target for users is 480 p.a. | Staff time £2,000.00 | SIO | 2005-6 | Shared priority: Quality of Life |
| Continue to promote the usage of the collection of audio described videos for use by those with visual impairment in partnership with other Tees Valley Authorities. To increase usage by other authorities. | Staff time £500.00 | SIO | Mar 2006 | Shared priority: Quality of Life |
| Work with Looked After Children to develop artwork and poetry for event at the Sage using Grant from NEMLAC. | £1000.00 grant and Staff time £1000.00 | CYPL | August 2005 | Shared priority: Quality of Life |

ACTION PLAN FOR 2005-08

MEASURES TO TACKLE SOCIAL EXCLUSION, BUILD COMMUNITY IDENTITY AND DEVELOP CITIZENSHIP: SUPPORT COMMUNITIES AND DEVELOP CITIZENSHIP

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|---|-------------------------|-------------------------|-------------|---|
| Investigate membership procedures to enable greater ease of access for disadvantaged and excluded groups and make recommendations. | Staff time £1000.00 | DSO | Mar 06 | PLSS6: Visitor figures |
| In partnership with Youth Service deliver citizenship awareness course to young people in Central area. | Staff time £1,000.00 | CYPL | Summer 05 | Shared priority: Safer & Stronger Communities |
| In partnership with Teesside Archives provide local history events within the library. Two events in each year. | Staff time £500.00 | RIO | Mar 06 | Shared priority: Safer & Stronger Communities |
| Work with a variety of organisations to provide placements for volunteer work within libraries, including those with special needs. | Staff time £1,000.00 | SLMTC, LMANS | On going | Shared priority: Safer & Stronger Communities |

ACTION PLAN FOR 2005-08

MEASURES TO TACKLE SOCIAL EXCLUSION, BUILD COMMUNITY IDENTITY AND DEVELOP CITIZENSHIP: MAINTAIN AND DEVELOP THE LIBRARY PREMISES TO REQUIRED HIGH STANDARDS

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|------------------------------------|-------------------------|-------------|--|
| Work with corporate team to redevelop the Carnegie Building as the base for the Special Clients and Resources Departments | Major Capital scheme | RDO, SIO | Oct 05 | Development necessary due to Council Restructure |
| Work with structured maintenance plan for all library buildings including repair and redecoration, provision of extra facilities such as seating and refreshments. | Costs within maintenance budget | RDO, SLMT, LMANS | On going | PLSS6: Visitor numbers |
| Upgrade the Central Library shelving with the provision of end panels to allow better guiding and display | Fixtures and fittings £2,000.00 | RDO, DSO | Summer 2005 | PLSS6: Visitor numbers |
| Upgrade ventilation system at Central Library to provide a more comfortable environment in the summer. | Invest to save budget. | RDO | June 2005 | PLSS6: Visitor numbers |
| Prepare costed plans for upgrading the facilities within the Central Library and look for funding opportunities | Staff time £1,000.00 | RDO | Mar 2006 | PLSS6: Visitor numbers |
| Ensure all libraries meet Gold Standard for No Smoking | Signage costs £300.00 | RDO | Aug 2005 | PLSS6: Visitor numbers Corporate initiative |

ACTION PLAN FOR 2005-08

SERVICEWIDE ISSUES AND TASKS: PROVIDE MANAGEMENT AND STAFFING STRUCTURE APPROPRIATE TO THE SERVICE

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|------------------------------|--------------------------|-------------|--|
| Develop new working models within new department, Adult and Community Services, and maintain links with other sections especially Children's Services. | Within staff time | BL , ALL officers | On going | Development necessary due to Council Restructure |
| Take part in the job evaluation process as required briefing staff and closely monitoring process to ensure accuracy of the data | Staff time £4,000.00 | BL , all managers | April 2007 | Overall Council Policy |
| Continue the mainstreaming of Sunday Service staff to integrate the posts with the rest of the staff to ensure better continuity of service. | Costs within staff budget | DSO | April 2007 | PLSS2: Opening hours |
| Encourage staff professional development through suitable training as it arises. Two opportunities for each person per year. | Training budget £3,500.00 | SLMTC | April 2006 | To comply with IIP |
| Develop modular induction training package to cover all areas of work including ICT, Customer Care, anti-social behaviour and statutory requirements | Staff time £500.00 | SLMTC | Sept 2005 | PLSS7: User satisfaction rates |
| Arrange delivery of on-going training for frontline staff in Customer Care, Manual Handling and Reference work to agreed schedule | Training Budget £2,500.00 | SLMTC | April 2006 | PLSS7: User satisfaction rates |

ACTION PLAN FOR 2005-08

SERVICEWIDE ISSUES AND TASKS: PROVIDE MANAGEMENT AND STAFFING STRUCTURE APPROPRIATE TO THE SERVICE

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|--|----------------------|---------------------|------------------------|
| Continue programme for NVQ level 3 for library assistants in consortium with Northern Public Libraries Assessment Centre and HCFE. 3 to complete 2005-6, 3 to complete 2006-7 and 3 new candidates 2006-7. | £130.00 per candidate plus staff time as required. | SLMTC | On-going programme. | To comply with IIP |
| Provide suitable developmental training for Library Managers. Course available through Gateshead College. | £500.00 per candidate. | SLMTC | June 2007 | To comply with IIP |
| Provide developmental in - house training for all 8 Homework Help staff. | Staff time £1,000.00 | CYPL | On-going | To comply with IIP |
| Develop advocacy strategy to further raise awareness amongst key stakeholders of the value of library service | Staff time £1,000.00 | BL, DSO, RDO | Mar 2006 | Overall Council Policy |

ACTION PLAN FOR 2005-8

SERVICEWIDE ISSUES AND TASKS: IMPROVE THE LIBRARY'S STANDARD OF SERVICE EXCELLENCE

| KEY ACTION | COST | RESPONSIBLE OFFICERS | TARGET DATE | RATIONALE |
|--|------------------------|----------------------|-----------------------------------|---|
| Continue quarterly monitoring system for library plans and target indicators throughout 2005-2008 | Staff time £500.00 | BL | On going | Good practice |
| Undertake developmental actions recommended by Chartermark assessor and prepare for Surveillance review | Staff time £1000.00 | BL | Surveillance review March 2006 | National Standard of Excellence in Public Service |
| Prepare base line return for Impact Measures and continue to collect and monitor appropriate statistics. | Staff time £2000.00 | BL, DSO, RDO | Autumn 2005 | National Requirement |
| Return new Public Library Service Standards with CIPFA actuals. | Staff time £1000.00 | BL, DSO, RDO | Summer 2005 | National Requirement |
| Reconsider Benchmarking Clubs as method of comparison with other authorities. | Staff time £500.00 | BL, DSO, RDO | 2006-7 | National Comparators |
| Investigate Community Legal Service Quality Mark and make recommendations | Staff time £500.00 | BL, RIO | 2005-6 | Award scheme for legal information |
| Investigate Matrix Award for Information Advice and Guidance and make recommendations | Staff time £500.00 | BL, RIO | 2006-7 | Award scheme for Information on careers and courses |

APPENDIX 2

| Branch | Health books used | Helpful | Classes held | Suggestions | Requested facilities | | | | Suggestions | No. rating 4-5 | Lowest rating | Total No of replies |
|------------------------|-------------------|---------|--------------|--|----------------------|----------------|------------|----------|---|----------------|---------------|---------------------|
| | | | | | More Seats | Coffee machine | Paper/pens | Bookshop | | | | |
| West View | 17 | 17 | 28 | Family History Genealogy Crafts Reading classes IT Something for over 60s *2 | 15 | 10 | 10 | 15 | More Oxford Reading Tree More books Photocopier*3 WaterCooler*2 DVDs More books on rockstars Sell old magazines | 36 | 3 | 39 |
| Owton Manor | 7 | 7 | 8 | Alternative medicine (2 comments on lack of space for classes) | 0 | 8 | 4 | 5 | No comments received | 19 | 4 | 19 |
| Throston Grange | 11 | 10 | 37 | Healthy eating Crafts*2 Health Reading classes for children Computer | 14 | 14 | 6 | 12 | More westerns | 47 | 3 | 48 |

| | | | | | | | | | | | | |
|---------------------|----|----|----|---|----|----|----|----|---|----|---|----|
| | | | | Digital camera with computer Using the web and email | | | | | | | | |
| Seaton Carew | 17 | 17 | 30 | Sign language Computer Guest Speakers on useful topics Flower arranging Healthy recipes Conflict resolution Watercolour painting Photography Website design Help for adults with their children's homework | 22 | 19 | 18 | 20 | Access to the catalogue Ordering books to buy Cheaper photocopies Toilets *2 More new books Refurbishment of outside*2 | 44 | 2 | 46 |

| | | | | | | | | | | | | |
|------------------------|----|----|-----|--|----|----|----|----|--|-----|---|-----|
| Headland | 6 | 6 | 18 | Genealogy Photoshop Slimming Computer*2 Languages First aid | 13 | 8 | 7 | 9 | More books 2 more PCs for children Larger fiction selection More space | 22 | 1 | 24 |
| Foggy Furze | 8 | 8 | 13 | Genealogy Languages Computing | 9 | 5 | 6 | 4 | Water cooler Equality of male and female authors | 16 | 4 | 16 |
| Central | 4 | 4 | 18 | Dancing *2 The Book of Life Food *2 Computer Computer literacy | 14 | 11 | 11 | 15 | Quiet building Magazines for sale More things to do *2 Football pitch More computers Cola machine Tape recorder | 18 | 3 | 27 |
| Totals | 70 | 69 | 152 | | 87 | 75 | 62 | 80 | | 202 | 1 | 219 |

Read and Rhyme Talk Back Analysis

Children need to be confident communicators in order to lead happy, fulfilled and successful lives. There is evidence of high levels of speech and language communication difficulties amongst young children, and the negative effects this has on children's socio-emotional development.

'My son is very noisy but we are never made to feel unwelcome'

Literacy begins with speaking and listening. Hartlepool libraries extended their programme of story times in May 2005 to include rhymes and song. Speech and language development comes through speaking to young children through conversation and story telling which is reinforced through rhyme. 92% of people surveyed enjoyed the Read and Rhyme sessions in Hartlepool Libraries. Improvement in the number of spaces available was suggested.

'This is the first time Jessica and I have been to a Read and Rhyme, however she thoroughly enjoyed herself and I will bring her again'



Rhymes and repetition reinforce the language of the stories and make learning a fun activity. It also removes perceived barriers of libraries as a place of silence and encourages a family friendly atmosphere.

'Cheerful staff and good facilities'

In partnership with Booktrust and Surestart, Hartlepool libraries are at the forefront of delivery of the national Bookstart scheme, which enrolls children in the library from birth, ensuring active library participation by invitation through a Freepost scheme, of those surveyed 84% had some knowledge of the Bookstart scheme.

Increasingly more complex book bags are given free at 8 months, eighteen months and from October 3 years. 71% of children had received their Bookstart bags of those surveyed.. The

appointment of a Bookstart Support Worker from September 2005 should increase this percentage and further raise awareness of the importance of reading and literacy from an early age.

'The staff are very friendly and remember the children's names. They are always happy to help'

Throughout the summer of 2005 Read and Rhyme sessions have been linked to The Reading Agency Summer Reading Challenge of the Reading Voyage. Each session has involved not only the under 5's but siblings too who have supported their younger brothers and sisters in learning about other cultures through story, rhyme and craft.

'I came with others from the women's refuge. The children enjoyed making the headdresses and will have fun playing with them'

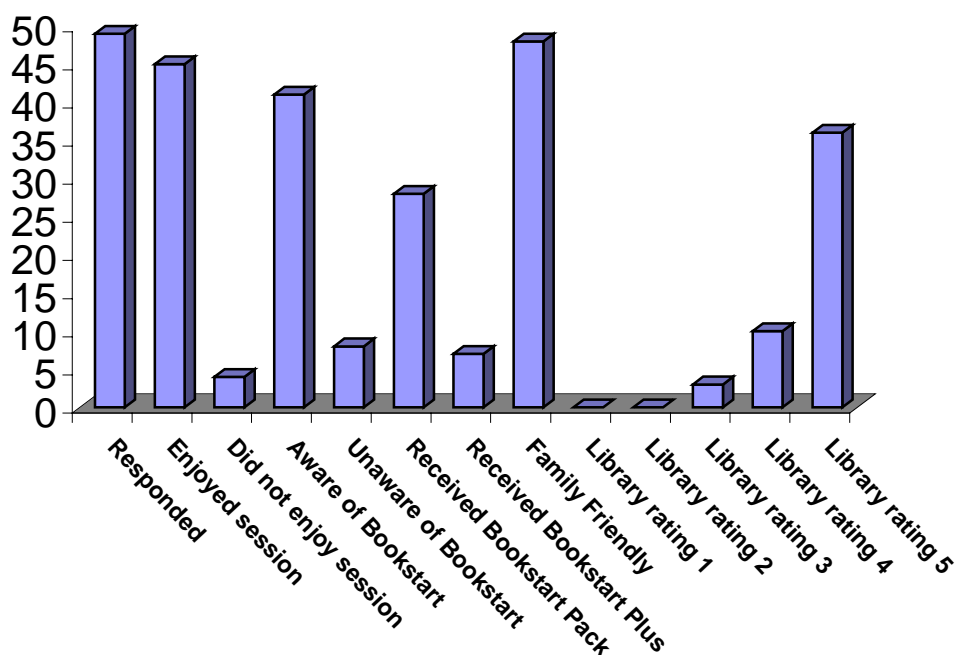
Start with the Child states 'A successful library service for children and young people needs safe and welcoming environments with spaces which support diverse activities and provide a haven for users of different ages'. 1201 children have attended summer reading activity sessions in Hartlepool libraries and the number will rise once all figures are available. 98% of people surveyed through the Read and Rhyme sessions thought Hartlepool Libraries were family friendly.



'They've really enjoyed the sessions. It has encouraged them to learn more about different countries'

49 people took the time to complete evaluation forms showing a 93% very good or excellent rating for their local library.

Read & Rhyme Talk Back



CABINET REPORT

10th October 2005



Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2006/07

SUMMARY

1. PURPOSE OF REPORT

To provide the Executive with a comprehensive report on the issues surrounding the initial Budget and Policy Framework proposals for 2006/07.

2. SUMMARY OF CONTENTS

The report provides a detailed overview of the financial issues affecting the Council in relation to:

- the development of the 2005/06 Outturn Strategy;
- Capital expenditure issues;
- The development of the 2006/07 Budget and Policy Framework.

3. RELEVANCE TO CABINET

The report enables Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

4. TYPE OF DECISION

Key

5. DECISION MAKING ROUTE

Cabinet, Scrutiny Co-ordinating Committee, Scrutiny Forums, Council.

6. DECISION(S) REQUIRED

Cabinet is required to determine its proposals.

Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2006/2007

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

2. BACKGROUND

- 2.1 It has previously been recognised that the budget process needed to become more policy orientated. To achieve this a Zero Based Budget Review (ZBBR) was commenced last year. It was anticipated that this would take two years to complete and therefore the full impact would not occur until 2007/2008. The work last year began the move to more closely incorporate the budget strategy with the Council's policy aims. Last year the financial strategy reflected two key "strands" that underpin the aims of the Council: -

- People issues;
- Liveability issues.

- 2.2 These strands are closely inter-linked and need to be addressed in an holistic way if the Council is to achieve its overall aim "to continue the revitalisation of Hartlepool life and secure a better future for Hartlepool People".

- 2.3 However, the Council has limited resources and therefore needs to prioritise how these resources will be targeted. Last year priority was given to "people issues" and significant additional resources were provided for the Education Service and Children's Social Services.

- 2.4 The final 2005/2006 budget report indicated that even after allowing for an anticipated 6% Council Tax increase the Council is likely to face a 2006/2007 budget deficit in the order of £1.5m to £2.5m.

- 2.5 This report will consider a number of issues that affect the development of the budget as follows:

- Outturn Strategy 2005/2006;
- Capital
- General Fund and Council Tax

3. OUTTURN STRATEGY 2005/2006

- 3.1 A detailed budget monitoring report for the first six months is being prepared and will be submitted to your meeting on 7th November, 2005. The report will include the first forecast outturn for the current year's budget. These forecasts will then enable a comprehensive outturn strategy to be developed. This strategy will then be included in the formal Budget and Policy Framework proposal which Cabinet will consider in December.
- 3.2 On the basis of the initial work undertaken a number of issues will need to be addressed in the detailed outturn strategy, as outlined in the following paragraphs. At this stage Members are asked to note these issues, as further work needs to be undertaken to assess these issues more accurately.

i) Optimistic Factors

- Centralised Estimates

Net expenditure on the Council's Centralised Estimates will be less than expected when the budget was set. This position largely reflects the increase in reserves at 31st March 2005, following the favourable cash outturns for 2004/2005 which resulted in flows of future income being received earlier than anticipated. Although these resources are committed for future expenditure, including supporting the ongoing revenue budget, they can be invested on a short-term basis to provide a benefit in the current year.

- Backdated Population Grant

As indicated in previous reports the Council will benefit from the use of the revised population figures in the grant distribution formula. As a result the Council will receive backdated population grant for 2003/2004 and 2004/2005. These amounts will be paid in 2005/2006 and 2006/2007. The amount payable in 2006/2007 will not be known until later in the year when details of next years grant allocations are made by the Government. It has previously been determined not to commit these amounts as the Council also faced a number of unbudgeted commitments and budget deficits in 2006/2007 and future years.

ii) Pessimistic Factors

- Equal Pay Phase 1 Payments – Tax and National Insurance Liability

At a national level the Inland Revenue has recently determined that Equal Pay settlements are subject to Income Tax and National Insurance (NI). They have also stated that the determination of the actual tax and NI liability is a matter for each authority and their local tax office.

At a local level we have previously made provision for 80% of the payments being liable for Tax and NI. The national Inland Revenue decision means that a 100% of these payments are taxable, which potentially increases the Council's liability. However, the second part of the ruling is potentially beneficial as it allows the Council to seek to apportion the one off Equal Pay settlement over the individual tax years the payment covers. This potentially reduces the overall tax liability as it reduces the number of payments, which will be subject tax and NI. It should also reduce the rate at which tax and NI will be paid.

In order to assess the impact of this ruling a detailed analysis of the payments made and individual's tax and NI status for the six years of the Phase 1 settlement needs to be undertaken. At this stage it is hoped that the final tax and NI liability will not exceed the provision that has been set aside.

- Phase 2 Equal Pay Costs

These payments cover the three years 2004/2005 to 2006/2007 and will be paid a year in arrears commencing 2005/2006. The total cost of this settlement was estimated to be £2.3m (including an 80% tax and NI liability).

As part of the approved 2004/2005 Outturn Strategy it was determined to fund half of these costs from the Pension Equalisation Reserve. This reserve was established to meet future potential costs arising from increases in the employers pension contribution rates over the next six years. The latest Pension Fund Valuation determined the Employers Pension rates for 2005/2006 and the following two years. Based on these rates this reserve will not be needed to support the budget in the three years commencing 2005/2006. Therefore, these resources were re-allocated to fund the 2005/2006 Phase 2 Equal Pay costs. It was noted that this proposal will mean that any future increases in the employers pension contributions will need to be addressed as part of the overall budget strategy.

The 2004/2005 Outturn Strategy also proposed that funding for the remaining payments of £1.15m, which will be paid in 2006/2007 and 2007/2008, be delayed until the Inland Revenue made a decision on the taxation treatment of these payments. A favourable decision would have released all, or part, of the resources previously set-aside for potential tax and national insurance liabilities. Following the recent national decision by the Inland Revenue that these payments are liable for tax and national insurance it is increasingly unlikely that these resources can be released to meet the costs in 2006/2007 and 2007/2008. Therefore, these costs will need to be funded from a further detailed review of the Balance Sheet to

determine if any additional resources can be released. If this review cannot identify sufficient resources the shortfall will have to be a first call on any underspends in the current year.

In addition, to the above issues the actual costs of the Phase 2 settlements will be £0.6m greater than initially estimated. The initial estimates were based on data agreed for the Phase 1 payments. Changes in the hours worked have increased the payments made to individuals. These additional costs will also need to be funded from a review of the Balance Sheet and/or underspends in the current year.

- 3.3 In addition to the above factors work on next years budget has identified a number of one-off pressures, which it is suggested be funded from the 2005/2006 outturn strategy if resources are available. These items are detailed below:

£'000

Invest to Save Proposals

- Young People's Services 30

This additional resource will achieve a greater range of in-house placements. This will reduce the use of more expensive external placements.

- Access to Learning (A2L) 51

This investment will increase capacity within the A2L, which will reduce the need to use more expensive external placements.

One-Off Pressures

- Broad Band Implementation 90

This provision is needed to cover the implementation of Broad Band within schools not covered by buy back arrangements. Further investigation needs to be undertaken to determine an accurate cost and at this stage it is suggested that a provision of £90,000 be set aside.

3.4 In relation to the forecast capital outturn there are three issues to bring to Members attention:

- Capital Receipts

Following the recent decision not to allocate the whole of the Briarfields site for Housing development the Council will not now achieve the anticipated receipt. These monies had been allocated to fund the existing Capital Programme and in particular, the cost of the Phase 1 Equal Pay Settlement. The loss of this capital receipt increases the current year's capital over-programming by £1.5m. This amount will therefore need to be funded from other resources, either Prudential Borrowing or capital receipt.

If necessary it is anticipated that this expenditure can be accommodated within existing Prudential limits. However, if Prudential Borrowing needs to be used there will be an additional revenue pressure in 2006/2007 and future years.

The Council's ability to generate additional capital receipts is extremely limited as most large land holdings have now been sold. The one remaining major land holding is the site of the former Stranton House and York Road flats. Negotiations are ongoing to sell this site to the PCT. It is hoped that this sale will be completed before the end of the current financial year. This amount had not previously been committed owing to the uncertainty on the timing of the sale. It had been hoped that this sale would have provided resources for new capital schemes in 2006/2007. This will now not be possible as this amount needs to be earmarked to replace the loss of Briarfields. Any resulting shortfall will need to be funded from Prudential Borrowing.

- Town Square Improvements £0.12m

The estimated cost of this scheme is £1.5m and funding of £1.38m has been secured; £0.9m from SRB, £0.225 from the Single Programme and £0.255 from European Funding. Cabinet is requested to consider funding the shortfall of £0.12m to enable the scheme to proceed and to secure the European Funding, which must be spent by the end of the calendar year. It is suggested that this amount be funded from Prudential Borrowing in 2006/2007. If Members accept this proposal the resulting repayment costs of £12,000 p.a., will need to be funded from 2007/2008.

- Anhydrite Mine Investigation

Officers are investigating the various issues in relation to the Anhydrite Mine. A detailed report on this issue will be submitted to Cabinet in the near future. In the event that more detailed investigations are needed this report will assess the options available to the Council. These options will include the practicality of the Council funding these works

from unsupported Prudential Borrowing and the impact this would have on next year's budget position.

4. CAPITAL STRATEGY 2006/2007 TO 2008/2009

- 4.1 The development of a Capital Strategy will continue to be affected by the level of supported capital allocations provided by the Government. These allocations take the form of specific capital grants, or increasingly supported prudential borrowing allocations, which must be repaid from the Council's revenue budget. These allocations cover key Government priorities, which are closely aligned to the Council's own priorities and objectives. As these areas account for the majority of available capital resources Members need to reaffirm their commitment to using these allocations as summarised in the following table. This will then form the basis for updating the Capital Strategy and the development of the revenue budget.

Table 1 – Summary of Capital Expenditure Funded from Government Allocations

| | 2006/2007 Forecast Allocation | |
|----------------------|-------------------------------|------------------------------|
| | Grant £'000 | Supported Borrowing £'000 |
| Housing | | 2,219 |
| Local Transport Plan | | 2,400 |
| Education | 2,215 | 409 |
| Social Services | | 61 |
| Total | 2,215 | 5,089 |

- 4.2 The Capital Strategy will also be affected by the use the Council makes of the Prudential Borrowing regime, particularly the value of unsupported borrowing funded from the overall revenue budget. Members have previously restricted unsupported borrowing to the following initiatives and Cabinet needs to reaffirm their commitment to these initiatives: -

Table 2 – Summary of Capital Expenditure Funded from Unsupported Prudential Borrowing

| Scheme | Community Scrutiny Aim and Contribution | Actual | Proposed Allocation | |
|-----------------------------|---|------------------|---------------------|------------------|
| | | 2005/06 £'000 | 2006/07 £'000 | 2007/08 £'000 |
| Community Safety Initiative | <u>Community Safety</u> Programme of Works to address Community Safety issues identified by Community Safety Partnership | 150 | 150 | 150 |

| | | | | |
|--|--|-------|-------|-----|
| Disabled Access Adaptation | <u>Strengthening Communities</u> Programme of Works to ensure compliance with DDA legislation | 50 | 50 | 50 |
| Neighbourhood Forum Minor Works Allocation | <u>Environment and Housing</u> Resources enable residents to address local priorities to improve their environment/address local priorities which would not be funded from mainstream funding | 156 | 156 | 156 |
| Replacement of Mill House | <u>Culture and Leisure</u> As part of 2004/2005 budget it was agreed to make annual provision of £1m commencing 2004/2005 towards the replacement of the Mill House Leisure Centre. The 2004/2005 provision has been rephased to 2005/2006. | 2,000 | 1,000 | 0 |

5. GENERAL FUND AND COUNCIL TAX 2006/2007

5.1 This section covers the following areas:

- Background
- Formula Grant Distribution – Consultation
- Initial Budget Forecasts 2006/2007
- New Budget Issues 2006/2007
- Revised Budget Forecasts 2006/2007
- Strategy for Bridging Forecast Gap
- Role of Balances in the Budget Strategy

5.2 Background

5.3 The previous budget strategy covered the three years 2005/2006 to 2007/2008. This strategy indicated that, despite the ongoing use of around £2m of balances per year, and anticipated increases in Council Tax of 6%, the Council would face significant budget deficits in 2006/2007 and 2007/2008.

5.4 The use of £2m of balances per year equates to a Council Tax increase of 8%, or a cut in gross expenditure of 2.6%. The actual cut in net expenditure would be greater as many areas of the budget cannot be reduced in the short-term.

- 5.5 The budget forecasts anticipated that Members will wish to continue to provide increases in Education and Social Services resource allocations in line with the local increases in Formula Funding Shares (FSS's). This position is becoming untenable, as it does not clearly link policy aims with budget allocations. Therefore, Members need to consider alternative approaches for determining resource allocations which more clearly link policy objectives and budget allocations. These changes may not affect the final allocations, but will improve the policy and budget linkages.
- 5.6 The forecasts also include provision to increase resource allocations for other areas by 3%.
- 5.7 The strategy does not provide resources for additional budget priorities, pressures or service development. Any such costs will need to be funded from efficiencies or the prioritisation of services within the overall budget limit.
- 5.8 **Formula Grant Distribution – Consultation**
- 5.9 The Government has indicated that there will be significant changes to Local Government funding next year. Over the summer the Government have issued a number of consultation documents setting out their proposals. The key issues are highlighted in the following paragraphs. As the consultation is extremely complex and raises significant issues, it is suggested that Cabinet authorises me to respond on behalf of the Council.
- 5.10 **Introduction of New Funding Arrangements for Schools**
- 5.11 One of the most significant changes is the introduction of a new ring fenced grant for schools – the Dedicated Schools Grant (DSG). At a national level the DSG will be fully funded from a transfer from Revenue Support Grant (RSG). This is a fundamental change as it will mean that school's are no longer partly funded from Council Tax and Business Rates. As part of this change the Government will also allocate the remaining RSG and redistributed Business Rates on the same basis
- 5.12 This change also means that the amount of national support for the remaining services will be significantly lower. On a practical basis this change should have a neutral impact on the budget, although the mix of funding will change. In addition the change should be neutral for Council Tax, although the Council Tax will be paying for a different "basket" of locally funded services.
- 5.13 The Government has not yet determined the total value of the DSG as this issue is not straightforward and has implications for all authorities. This is because at a national level local authorities spend more than the value of the Education Formula Spending Share by approximately £200m. Therefore, if the Government decide to set DSG at the aggregate value of school funding provided through the FSS, plus the aggregate "top up" provided by Local

Authorities they will take more money out of the system than they currently put in.

- 5.14 At a local level if the DSG is set at a level including the £200M the Council will lose around £13,000. Whilst, this amount is marginal, it is inequitable that the Government are considering taking more from the system than they currently put in. Therefore, it is suggested that when responding to the consultation paper the Council express the view that it would be inequitable to include these resources in the new DSG.
- 5.15 The Government are also considering changes to specific Education grant regimes such as the Standards Fund. These changes will incorporate these grants within the new DSG. The position in relation to these changes is unclear. There is a concern that these changes may not be neutral and resources may transfer from the LEA to schools. These concerns will be included in the response to the Consultation Paper.
- 5.16 **Introduction of Three-year Grant Settlement and Changes to Formula Spending Shares (FSS)**
- 5.17 The Government also proposes introducing three-year grant settlements for Local Authorities. Although the first three-year settlement will only cover two years starting 2006/07, because of the timing of the Governments own three-year planning cycle. Whilst, this change is welcomed and will provide greater certainty in future years there are a number of issues that need careful consideration.
- 5.18 The consultation paper also proposes a range of options for changing the grant distribution system and supporting FSS's. These proposals are necessary as the current three-year formula freeze came to an end with the current years grant settlement.
- 5.19 The Government's stated aim of this review is "to produce a robust and fair system for the distribution of grant that will be fit for use in the context of three year settlements". The Government also recognises "that any system based on formulae cannot reflect all possible circumstances, so there will inevitably be an element of rough justice". More importantly the consultation paper suggests that the grant distribution system should not include notional measures of spending and council tax. This is a major shift as these figures have been included in the grant system for at least twenty years. At this stage it is difficult to assess whether this change will have a detrimental or beneficial impact.
- 5.20 The consultation paper provides details of a range of options for changing the various service specific FSS factors, as detailed at Appendix A. These changes could potentially increase the Council's total FSS by between £0.79m and £8.8m. On a practical basis the final mix of changes to FSS's is unlikely to have a major impact on next years grant allocation as any increase will be capped, probably at around 4% to 5%. Therefore, whilst changes in FSS may better reflect local spending needs they will not help

the budget problem. In some instances the changes in FSS simply mean that the FSS is catching up with reality following the end of the three-year freeze.

- 5.21 Whilst, the FSS changes will not affect the budget position it is important that the Council responds to the consultation to argue its case for the options which best reflect Hartlepool's needs. These views will be included in the response to the consultation.

5.22 Introduction of National Changes to Concessionary Fares Schemes

- 5.23 The Chancellor's Budget Statement announced the introduction of free off peak local bus travel for disabled people and those over 60 from April, 2006. The ODPM and Treasury have estimated that the total cost of this initiative will be £350m and are consulting on how these resources should be distributed.

- 5.24 At a local level the Council already has a half fare scheme. It is estimated that extending this scheme to a full fare scheme will cost in the region of £0.5m. At this stage it is unclear whether the Council's share of the national resources provided by the Government for this initiative will cover this additional cost.

- 5.25 If as expected the additional £350m is allocated through the FSS System there is a risk that the additional resources will be subsumed within the overall grant ceiling. Therefore, assuming that the Council's overall grant increase will be limited by the ceiling it would be prudent to make provision for this additional cost in the revised budget forecast. This commitment is reflected in the budget pressures identified later in the report.

5.26 Initial Budget Forecasts 2006/2007

- 5.27 The initial budget forecasts reflect the following key factors:

- Increase in Education Resource allocation 6.3%. Based on the 2005/2006 settlement this will be made up of a 6.6% increase for schools and 3.4% for LEA services;
- Increase in aggregate Children's and Adult Social Services of 6%. Based on anticipated national increases for 2006/2007 this equates to around 7.5% for Children's Social Services and 4% for Adult Social Services;
- Increase in other service resource allocations of 3%;
- Provision of £0.695m to meet the year 2 costs of 2005/2006 Prioritised budget pressures, this includes £0.5m for Single Status;
- The use of £2.4m from reserves;
- A grant increase of between 4% and 5%;
- An assumed Council Tax increase of 6%.

- 5.28 On the basis of the above factors it was previously reported that the budget gap for 2006/2007 would be in the order of £1.5m to £2.5m.

- 5.29 As indicated earlier in the report Members need to consider an alternative basis for determining resource allocations for Children's Services and Adult Social Services. Previously, these allocations have simply been based on passporting local FSS increases. However, this does not adequately link policy aims and budget allocations. Therefore, it is suggested that the initial budget allocations for all areas be calculated by applying a 3% inflation uplift. These base resource allocations will then be topped up for specific expenditure priorities identified through the budget and service planning process. As all areas will start from the same base line any additional resources provided through the budget process will be clearly identified with service priorities.
- 5.30 On a practical basis this change will reduce the initial budget gap. However, additional resources will probably be required for Children's Services and Adult Social Services. Therefore, there is unlikely to be any change in the Council's overall budget gap.
- 5.31 **New Budget Issues 2006/2007**
- 5.32 An initial assessment of the new budget issues facing the Council for 2006/2007 has been undertaken. This work is based on the detailed work undertaken last year. Further work will be needed over the next few months to refine these issues. At this stage Members need to develop a provisional strategy for addressing these new budget issues. This plan can then be firmed up when more information is available. These issues fall into two broad categories:
- Budget Pressures

These items represent budget pressures in relation to the continued provision of existing services. In many cases these pressures cannot be avoided. In other cases the pressure can only be avoided by reducing the current level of service, which in some areas would not be without risk. These items are summarised in Appendix B and further details are provided in Appendix C.
 - Budget Priorities

These items are similar to budget pressures, but relate to areas where the Council has a greater choice. However, in some instances these priorities are closely aligned to the continuation of existing services and/or the achievement of the Council's overall aims. These items are also included in Appendices B and C.
- 5.33 In addition to the above items Members need to be aware that the Government are considering changing a range of grant regimes by either terminating grants or mainstreaming. As previously reported when grants are mainstreamed the basis of allocating funds to individual authorities changes. Therefore, whilst the change is neutral at a national level it can

produce “winners and losers” at an individual authority level. Once a grant is mainstreamed the Council needs to determine whether to continue to provide the service and at what level, as local conditions may require a different level of spending than required by the grant regime.

- 5.34 At this stage it is difficult to access which grants will be mainstreamed and how this may affect the Council’s overall grant allocation. One area where it has been indicated that the Government may mainstream grant funding is in relation to grant paid to various voluntary organisations. This would be a significant change and the Council’s need to lobby the Government to ensure this change in budget neutral. Further details will be reported when they become available. In the meantime, Members views on the continuation of the following regimes, should these grants be mainstreamed, are requested:

| | <u>Value</u> <u>Grant</u> <u>£'000</u> |
|---|--|
| i) <u>Children’s Services</u> | |
| • Teenage Pregnancy | 200 |
| • Safeguarding Children | 184 |
| • Adoption Support | 65 |
| • Choice Products | 115 |
| ii) <u>Culture, Housing & Transportation</u> | |
| • Peoples Network Computer Grant | 28 |
| iii) <u>Regeneration and Liveability</u> | |
| • Economic Development | 400 |
| iv) <u>Adult Service</u> | |
| • Residential Allowances | 501 |
| • Supporting People – changes will be phased. It is hoped this can be managed using Supporting People Reserves and maintaining base budget commitments. | |

5.34 **Revised Budget Forecasts 2006/2007**

- 5.35 The factors identified in the previous section generally have a detrimental impact on the forecast budget gap, as summarised below:

| | <u>Revised Budget Gap Range</u> | |
|---|---------------------------------|--------------------|
| | <u>Optimistic</u> | <u>Pessimistic</u> |
| | <u>£'000</u> | <u>£'000</u> |
| Gross Gap (forecast February, 2005) | 4,700 | 4,700 |
| Less – Increase in Council Tax Base | (300) | (300) |
| Less – 6% Council Tax Increase | (1,900) | (1,900) |
| Less – Additional Grant Increase from 5% Grant Increase | <u>(1,000)</u> | <u>0</u> |
| | 1,500 | 2,500 |
| Add – Reduction in Grant from lower Grant Floors and Ceilings | 1,000 | 1,000 |
| Add – Budget Pressures | 3,127 | 3,727 |
| Add – Budget Priorities (the optimistic figures assumes Members determine not to fund these issues). | 0 | 1,466 |
| Less – Income from Local Authority Business Growth Incentive (LABGI) Scheme | (200) | (200) |
| Less – 2004/2005 Backdated Population Grant Revised Gap | <u>(700)</u> | <u>(500)</u> |
| Revised Budget Gap | <u>4,727</u> | <u>7,993</u> |

5.37 **Strategy for Bridging Forecast Gap**

- 5.38 On the basis of the information currently available the Council faces a significant budget deficit for 2006/2007. The position will not become certain until details of the actual grant allocation is known in late November/early December. However, given the size of the forecast Budget Gap Cabinet needs to develop a strategy to deal with this position. Therefore, Cabinet needs to determine its views on the following factors:

i) Efficiency Strategy

The introduction of the Gershon Efficiency Review means that the Council needs to meet an annual efficiency target of £2.2m. £1.1m from cashable savings and a further £1.1m of non-cashable savings.

The cashable savings can be used to reduce the Budget Gap. It is anticipated that this target should be achievable.

Cabinet may wish to explore whether the whole of the required efficiencies can be achieved as cashable savings to assist address the

Budget Gap. However, given the short lead in time for 2006/2007 it is suggested that the cashable efficiency target be set at £1.1m.

ii) Council Tax Increase

The budget forecasts are based on a 6% Council Tax increase. Cabinet needs to determine if they wish to consider a different increase to assist address the Budget Gap. A 1% change in Council Tax equates to £300,000.

iii) Budget Pressures

Cabinet needs to determine if they wish to fund the budget pressures identified in Appendix B.

iv) Budget Priorities

Cabinet need to determine if they wish to fund the budget priorities identified in Appendix B.

v) Savings Target

Owing to the uncertainty of the budget forecast it is suggested that Cabinet examines the impact of a range of budget cuts, say 3%, 5% and 7%. This will ensure a package of cuts can be referred for formal scrutiny when details of the actual grant for 2006/2007 are known. These cuts will need to be identified and prioritised on the basis of the Council's policy and service objectives.

5.39 Role of Balances in the Budget Strategy

5.40 The current three-year budget strategy commits £6.7m of the Council's balances to support the budget over three years 2005/2006 to 2007/2008. These resources arose from the one-off benefits of the Housing transfer. Therefore, the current annual support of the revenue budget from balances is not sustainable in the medium term. These resources will begin to tail off from 2008/2009. At this stage it is anticipated that the Council will lose £1m of support in 2008/2009 and the remaining £1m in 2009/2010.

5.41 A detailed review of the Council's balances is currently being undertaken by Scrutiny Co-ordinating Committee. A report on this review will be submitted to Cabinet on 9th December, 2005.

5.42 In view of this ongoing review of balances it is suggested that Cabinet awaits this report before determining whether it wishes to review the existing strategy for using balances. It is also suggested, without wishing to pre-empt the Scrutiny Co-ordinating Committee review, that should the review identify any uncommitted balances that Cabinet consider allocating these resources to meet one-off "budget reduction" costs. The one-off "budget reduction" costs will cover temporary staffing costs pending redeployment

and associated training and where redeployment is not possible, redundancy costs.

5.43 **LPSA 1 (Local Public Service Agreement) Reward Grant**

- 5.44 As part of the agreement with the Government the Council will be eligible to a LPSA 1 Performance Reward Grant. The value of the grant will depend upon actual performance against individual targets. Half of the grant will be paid as revenue grant and half as a capital grant. The grant will be paid in two equal instalments, the first in 2005/2006 and the second in 2006/2007. At this stage it is anticipated that the Council will achieve a reward grant of £1.5m, as detailed below, against a maximum of £2.08m.

| | Revenue £'000 | Capital £'000 | Total £'000 |
|---------------------------|--------------------------|--------------------------|------------------------|
| Anticipated Reward Grant: | | | |
| 2005/2006 | 375 | 375 | 750 |
| 2006/2007 | <u>375</u> | <u>375</u> | <u>750</u> |
| | <u>750</u> | <u>750</u> | <u>1,500</u> |

- 5.45 The following strategy for using the reward grant was approved within current years budget and policy framework proposals:

- 100% of Capital Reward Grant is earmarked for corporate priorities – details to be identified and approved by Cabinet;
- 100% of Revenue Reward Grant is allocated to the department achieving the service improvement and earmark for one-off expenditure that will contribute to the ongoing achievement of LPSA 1 targets or the achievement of LPSA 2 targets.

- 5.46 Individual Portfolio holders need to develop detailed strategies for using these monies over the next few months. These proposals will then be included in the draft budget and policy proposals to be submitted to Cabinet in December.

6. **CONCLUSION**

- 6.1 At this stage the sustainability of the Council's budget and existing services is subject to significant risks. The key risks fall into two broad categories - local risks and national risks.
- 6.2 At a local level the risks relate to national budget pressures.
- 6.3 The national issues affecting the Council relate to the overall value of Government support for Councils, the basis for distributing this funding and the implications of mainstreaming grants.

- 6.4 It is clear that at a national level 2006/2007 will be a tough financial settlement for local authorities. This position is not unexpected and largely arises from the withdrawal of the additional one-off funding the Government is providing in the current year.
- 6.5 At a local level it is hoped that the changes to the grant formula will be relatively beneficial. However, at best the Council is likely to receive a grant increase of only 3% to 4%. As a result it is currently anticipated that the Council will face a significant budget deficit.
- 6.6 The position will not become certain until the announcement of the provisional 2006/2007 settlement, which will be issued late November/early December. However, given the potential size of the budget deficit facing the Council, Cabinet cannot wait for this certainty to develop its detailed strategy for dealing with this position. Therefore, over the next two months a detailed contingency strategy needs to be developed. This will enable Cabinet to quickly develop its final budget proposals once details of next years grant allocation and related issues are known. This action will also ensure that detailed budget proposals can be considered within the time constraints of the overall budget timetable which is governed by both constitutional and statutory deadlines. Details of the budget timetable are set out in Appendix D.
- 6.7 At this stage Cabinet needs to determine the specific proposals it wishes to refer for Scrutiny in relation to the following items:

2005/2006 Provisional Outturn Strategy

- Do Cabinet wish to support the proposed issues affecting the development of the 2005/2006 outturn strategy and to refer these items for consultation? (paragraphs 3.2 and 3.3).
- Do Cabinet wish to propose that the Council provides £120,000 towards the Town Square Scheme in 2006/2007? (paragraph 3.4) (if Cabinet wish to support this proposal this issue will need to be referred to Council on 29th October, 2006 to secure the European Funding allocated to this scheme).

2006/2007 Capital Budget Proposals

- Do Cabinet wish to maintain service based capital expenditure at the level of Government allocations and to refer these proposals for consultation? (Paragraph 4.1).
- Do Cabinet wish to continue to support the locally funded Prudential Borrowing projects at current level and refer these proposals for consultation? (Paragraph 4.2).

2006/2007 Grant Fund and Council Tax Proposals

- Do Cabinet wish to implement a flat 3% budget increase for all areas, with additional resources being provided for specific pressures and policy objectives? (Paragraph 5.29).
- Which budget pressures do Cabinet wish to support? (Appendix B).
- Which Budget Priorities do Cabinet wish to support? (Appendix B).
- Do Cabinet wish to set a cashable efficiency target of £1.1m, or a higher target? (Paragraph 5.38).
- Do Cabinet wish to allocate the LABGI income and backdate population grant to support the 2006/2007 budget? (Paragraph 5.38).
- Do Cabinet wish to consider a Council Tax increase other than 6%? (Paragraph 5.38).
- Do Cabinet wish to investigate the impact of cuts of 3%, 5% and 7%?
- Do Cabinet approve the proposal to await the outcome of Scrutiny's review of reserves and should any uncommitted balances be identified to earmark these reserves to meet one-off costs which will achieve to permanent budget savings? (Paragraph 5.42).
- Do Cabinet wish to refer the above proposals for consultation?

7. RECOMMENDATION

- 7.1 It is recommended that Cabinet determines their views on the issues identified in paragraph 6.7 and the initial budget proposals to be referred for consultation.

APPENDIX A**SUMMARY OF PROPOSED CHANGES FOR FORMULA SPENDING SHARES (FSS)**

| | Number consultation options | Increase/(Decrease) in FSS 2005/06 | | Detailed options for increasing/(decreasing) FSS | | | | |
|--|-----------------------------|------------------------------------|----------------------|--|-------------------|-------------------|-------------------|-------------------|
| | | Minimum Impact £'000 | Maximum Impact £'000 | Option 1 £'000 | Option 2 £'000 | Option 3 £'000 | Option 4 £'000 | Option 5 £'000 |
| Children's Personal Social Services | 3 | (17) | 2,227 | 2,227 | (17) | 88 | n/a | n/a |
| Older People Personal Social Services | 5 | (164) | 92 | 268 Note 1 | (164) | 92 | 6 | 0 |
| Younger Adults Personal Social Services | 2 | 1,224 | 2,197 | 1,224 | 2,197 | n/a | n/a | n/a |
| Highways Maintenance | 3 | (1) | 0 | (1) | (1) | 0 | n/a | n/a |
| Environmental, Protective and Cultural Services (ECPS) | 4 | (520) | 1,172 | (520) | 1,172 | (3) | 6 | n/a |
| Capital Financing | 3 | 365 | 2,117 | 2,117 | 365 | 772 | n/a | n/a |
| Area Cost Adjustment | 5 | (95) | 1,039 | 49 | 240 | 73 | 1,039 | (95) |
| | | 792 | 8844 | | | | | |
| | | | | | | | | |

Note

1) This option was included in the initial consultation but has subsequently been withdraw as ODPM have determined that data used is not robust.

SUMMARY OF 2006/07 BUDGET PRESSURES AND PRIORITIES

| | Budget Pressures | | Budget Priorities | |
|--|------------------|------------------|-------------------|------------------|
| | Minimum £'000 | Maximum £'000 | Minimum £'000 | Maximum £'000 |
| Adult Services Portfolio | | | | |
| Assessment & Care Management | 150 | 150 | | |
| Learning Disabilities Purchasing | 420 | 520 | | |
| Learning Disabilities Support | 70 | 70 | | |
| Older People Purchasing | 900 | 900 | | |
| Physical Disabilities | 120 | 120 | | |
| Consumer Services | 5 | 5 | 28 | 28 |
| Env Standards | | | 10 | 15 |
| Sub Total | 1665 | 1765 | 38 | 43 |
| Culture, Housing & Transportation Portfolio | | | | |
| Archaeology | | | 2 | 2 |
| Arts, Events & Museums | 20 | 20 | | |
| Countryside | 10 | 10 | | |
| Libraries | | | 14 | 14 |
| Housing Retained Services | | | 60 | 60 |
| Highways & Transportation | | | 60 | 60 |
| Highways Services | 35 | 35 | | |
| Transport Services | 0 | 500 | | |
| Sub Total | 65 | 565 | 136 | 136 |
| Finance Portfolio | | | | |
| Municipal Elections | 30 | 30 | | |
| Sub Total | 30 | 30 | 0 | 0 |
| Performance Management | | | | |
| Estates Management - War Memorial | | | 40 | 40 |
| Accommodation - Energy Costs | 200 | 200 | | |
| Contact Centre | 50 | 50 | | |
| Corp Strategy & Public Consultation | 8 | 8 | 28 | 28 |
| Public Relations | | | 17 | 17 |
| Personnel Health & Safety | | | 20 | 20 |
| Training & Equality | | | 20 | 20 |
| Sub Total | 258 | 258 | 125 | 125 |
| Regeneration & Liveability Portfolio | | | | |
| Community Safety | | | 15 | 15 |
| Economic Development | | | 380 | 480 |
| Landscape & Conservation | | | 50 | 50 |
| Environment | 130 | 130 | | |
| Environment - Bulky Waste | 20 | 20 | 100 | 100 |
| Environment - Navigation Point | | | 30 | 30 |
| Town Care Management | | | 37 | 37 |
| Sub Total | 150 | 150 | 612 | 712 |
| Children's Services Portfolio | | | | |
| Admissions | 12 | 12 | | |
| Home to School Transport | 180 | 180 | | |
| Children with Disabilities | 30 | 30 | | |
| Young People's Service | 210 | 210 | | |
| Youth Justice Team | 30 | 30 | | |
| Raising Educational Achievement | 80 | 80 | | |
| Special Needs Services | 162 | 162 | | |
| A2L | 40 | 40 | | |
| Youth Service | 45 | 45 | | |
| Use of Education Reserves | 140 | 140 | | |
| NRF | | | 450 | 450 |
| Community Facilities on School Sites | 30 | 30 | | |
| Sub Total | 959 | 959 | 450 | 450 |
| Total | 3127 | 3727 | 1361 | 1466 |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO

APPENDIX C

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------|---|--|---|--|--|
| Adult & Community Services Department | | | | | | |
| Adult Education | 0 | R (Specific Grant Funding) | None | Determined by Central Government/LSC policies | Possible risks to Learning Disability care provision whilst carrying out educational activities | Some possible cost shunting of care to Adult Social Care Consumes own smoke on educational activities |
| Assessment & Care Management (Inc Occupational Therapy & Duty Team) | 3,183 | S (Duty Team and OT cover Children's services, OT level of provision Discretionary) Assessment of equipment is not discretionary. | Hand – held tablets – likely to absorb demographic increases (2008) | Review Eligibility criteria for OT issues with view to increase from current moderate banding to substantial – possible to affect in the region of 1500 users who whilst receiving assessment and advice will not receive equipment £50,000-£70,000 06/07 | | Historic pressure of approx. £150,000 aids & adaptations. Ongoing demographic demand, and more people supported at home |
| Home Care (In House, short term) | 1,449 | SD (Discretion can only be exercised through agreed changes to eligibility | Development around Care Pathways to reduce morbidity. Likely efficiencies on overall budget estimated £150,000 07/08 | Review Eligibility criteria with view to increase from current moderate banding to substantial – unlikely to produce any significant savings as packages are High Dependency linked to Hospital discharges and other duties to cooperate. | Delayed Hospital Discharges Fines - £100 per day per person. Increased admission to residential/nursing care | |
| Learning Disabilities | 2,084 | SD | | Review Eligibility criteria | Removal of moderate services | Fees increases likely % |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

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|---|--------------------------|---|--|--|--|--|
| Purchasing (inc. Residential, Personal Care, Independent living) | | (Elements ring fenced under resettlement from Health) (Discretion can only be exercised through agreed changes to eligibility) | | with view to increase from current moderate banding to substantial. Unlikely to be many service users excluded from this group. | may result in escalation of need to substantial and critical. Causing distress to carers/service users. | under new contracts from April 06. Early estimates £120,000 06/07, plus additional £120,000 07/08 Demographic pressures 8-10 users per year for next 10 years. £300-400,000 06/07 onwards. Also College Transport? |
| Learning Disabilities Support (inc A&CM and Day Services) | 1,521 | SD (Discretion can only be exercised through agreed changes to eligibility) | | Review Day Care charging policy increase non assessed charges by additional £1.00 per week £5,000. Review Eligibility criteria with view to increase from current moderate banding to substantial. Estimate that 15 service users would receive less or no service - estimated saving £15,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES | Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users. | Pressure over next 10-15 years as numbers increase. Pressure of £70,000 06/07 for increased assessment activity. Plus Transport – general? |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|--|--------------------------------|---|---|---|--|--|
| Mental Health (inc. A & CM, Community Support, Residential care and Personal care) | 1,271 | SD (Discretion can only be exercised through agreed changes to eligibility) | | Review Eligibility criteria with view to increase from current moderate banding to substantial. Estimate that 15 service users would receive less or no service - estimated saving £15,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES Removal of Preventative Services – 06/07 £20,000. | Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users and possible risk to themselves and the general public | |
| Older People Purchasing | 6,357 | SD (Discretion can only be exercised through agreed changes to eligibility) | | Review Day Care charging policy increase non assessed charges by additional £1 per week will lead to £10,000 additional income. Additional Fairer Charging income 50,000 (final year of phasing) – raising level of charges for homecare in line with Fairer Charging Policy. Review Eligibility criteria - increase from moderate | Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users. Withdrawal of preventative services may tip currently | Fees increases likely under new contracts from 06/0. Also general demography increases 2% annually. Early estimates £900,000 06/07, plus additional £900,000 07/08. Loss of specific grant for Residential Allowance £501,000 06/07 (mainstreamed into FSS) |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------|--|---|--|--|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | | | banding to substantial. 100 Service Users – estimated saving £100,000 (07/08). THESE FIGURES ARE AN ESTIMATE AND EACH CASE WOULD NEED TO BE INDIVIDUALLY ASSESSED WHICH MAY GENERATE CONSIDERABLE DIFFERENCES. Subsidised Frozen Meals £25,000. Day Services £50,000. Community Support £60,000. | unknown users into needs framework. Service users may unnecessarily lose independence. | |
| Intermediate Care (Swinburne – covers all hospital discharges) | 328 | | Service now non-residential, with increase in cases supported. (non cashable). Relocation of services (2008?) – site savings?. | | | |
| Physical Disabilities (Incorporates A&CM, Day services, placements) | 1,271 | SD (Discretion can only be exercised through agreed changes to | Reprovision of day services (2010?) – site savings? | Review Eligibility criteria with view to increase from current moderate banding to substantial. | Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users. | Fees increases likely under new contracts from April 06, and demographic pressures. Early estimates £120,000 |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
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| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|--|--------------------------------|--|---|---|--|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | eligibility | | | | 06/07, plus additional £120,000 07/08 |
| Support Services (Finance, IT, Commissioning etc) | 1,557 | SD (Discretionary relating to set up) | New FMS system from 06/07 (corporate saving). | | Not able to meet statutory return deadlines. Risks around budgetary control | |
| Sensory Loss £ | 251 | SD (Discretion can only be exercised through agreed changes to eligibility) | | Review Eligibility criteria with view to increase from current moderate banding to substantial. | Removal of moderate services may result in escalation of need to substantial and critical. Causing distress to carers/service users. | |
| Service Strategy and Regulation (Director & PA) | 140 | S | None - Already in lower quartile for VFM on this area. | | | |
| Sub Total | 19,412 | | 07/08 £150,000 | 06/07 £280,000 07/08 £130,000 | | 06/07 £2,211,000 07/08 £1,490,000 |

FORM 1 - BUDGET ANALYSIS 2006/2007 – ADULT SERVICES PORTFOLIO
APPENDIX C

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------------|--|---|---|--------------|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |

| | | | | | | |
|--|--------|------------|--|--|--|--|
| Neighbourhood Services Department | | | | | Risk of Public Health incident and legal case against Council | Climate Change Strategy £5k |
| Consumer Services | 820 | SD | None | None | Impact on BVPI 166 which is a key indicator in the CPA Env Block | |
| Env Standards | 285 | SD (65/35) | Increased responsibilities arising from the Gaming Act will be met from existing resources. (non cashable efficiency). | Increase income, markets and cems & crems. | | Healthy food initiative, 2*FTE's £28k loss of grant funding (Priority) Cems drainage £10k + £15k (Priority) |
| Sub Total | 1,133 | | | | | |
| Total | 20,517 | | | | | |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|--|--------------------------|--|--|---|--|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Adult & Community Services Department | | | | | | |
| Allotments | 53 | S | | Increase rents by 50% £14,000 (07/08). Rent increase requires one years notice. | Seeks to increase to regional average. | Reduces allotment take up. Recommend all rental income re-invested in maintenance. |
| Archaeology | 27 | S – 60% D – 40% | None | Partnership with former Cleveland unitaries - Hartlepool lead authority. | Recharges from partners based on population, if this is unilaterally amended, service standards will differ by area. | £2,000 (Priority) Public archaeology will be affected if not met. |
| Arts, Events & Museums (Inc Historic Quay, Town Hall Theatre, Art Gallery & Museums) | 1,049 | D | | <p>Increase charges by 25% for community usage of Theatre/Borough Hall £9,000 (Hire rates £114 increase equates to £28.50 per hire).</p> <p>Town Hall - Hire rates are failing to recoup basic costs of premises. Realistic hire costs required for the Town's only performing arts venue. Usage close to capacity - 80% community based.</p> <p>Increased usage is creating additional income. Private hire booking dependent.</p> | <p>Potential impact on hire groups however balanced by replacement groups.</p> <p>Bookings can be variable however current facilities are much sought after.</p> | |
| | | | Additional income from Borough Hall bar £20,000 | | | |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|--|--------------------------|--|--|---|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | | Investigating closer working relationship with HMS Trimcomalee and potential for site savings.(2007?). | <p>Sports centre/Fitness training extension due to complete Dec 05 this will further increase capacity and use of the 'Headland Resource Centre'.</p> <p>Historic Quay – admissions income continues to fail to meet current targets. Investigate use 'front of house' workforce.</p> | Two organisations fail to agree – combined ticket fails to deliver increased income. | £20,000 income gap Historic Quay |
| Community Support (Community centres and Community grant pool) | 744 | D | | Community Grants £ 380,000 Cease allocation of Community pool – major impact on the voluntary and community sector. | <p>26 groups directly affected may assist others e.g. HVDA, therefore knock on effect. CAB provides advice for benefits, which increase payment s to the most vulnerable.</p> <p>Many groups would close; many groups would reduce scale of operations. Independent studies demonstrate LA support has a multiplier effect of 700%.</p> | |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|--|--|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | | | Close Community Centre £42,000 | Regional ESF funds and existing lottery support grants cease in 2006 adding further pressure. 2005/06 bids of £565,000 received against pool of £380,000. | |
| Countryside | 364 | D (S – Public Rights of Way) | | Close summer evening openings at Summerhill £5,000 Limited public use made of the visitor centre – no effect on organised courses. Countryside Access Team Withdrawal of NACRO maintenance teams announced from October 2005. | Little public impact as site remains open for usual use – close centre at 5.30p.m. Increase in repair delays of public footpaths and countryside furniture. Increase in cost provision identified as a potential maintenance pressure. BVPI at risk. | £10,000 for contractor payments to replace NACRO input. |
| Foreshore | 155 | D | None | Service in place for two years. Lifeguard service provided to | Provision of service requires current commitment (all or | |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|---|--|---|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | | | three most popular beach areas for specific spring/summer timetable. | nothing). Public confidence in beach safety in life guarded areas. | |
| Libraries | 1,768 | SD | <p>Review Vehicle Delivery Service potential £23,000 (07/08)</p> <p>Regional Book Tender ability to save inflation approximately £5,500 (06/07)</p> | <p>£60K Library closure + capital receipt.</p> <p>Changing service standards with reduced need for the Bookbus provision – review underway to identify ability of the mobile library and Home delivery service to cover.</p> <p>The introduction of the Peoples Network – pc based web access at all public libraries. Was an immense improvement in the ability of the library and information service to serve the public.</p> | <p>Public satisfaction levels in libraries BVPI may be affected.</p> <p>Reduces capacity to service daycare and residential care homes – however usage levels warrant a review.</p> <p>Service cannot be withdrawn without being a retrograde step. Service contract now required from November 2006.</p> | <p>Current benefit of the grant aided Peoples Network computer system due to end Nov 06 Cost £28K (full year) Part year 06/07 £14K (Priority).</p> |
| Maintenance | 224 | D | None - Current budget insufficient | | Any further reduction would simply endanger ability to provide services and add to risk managed backlogs. | |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|----------------------------|--------------------------------|--|---|---|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Parks | 410 | D | Current budget simply sufficient to maintain current standards of ground maintenance. | | Any reduction would result in closure of one of the towns four parks. | |
| Playgrounds | 48 | D | None | Hartlepool has one of the lowest playgrounds per head of population nationally. Play Strategy seeks to improve existing playgrounds in priority order. | Current revenue budget only allows routine maintenance, not renewal. | |
| Renaissance in the Regions | 0 | R – grant self funding | | Hartlepool Museums included in the NE Hub grant support to Hartlepool and Tees Valley Museums. Currently employ 17 people all 100% grant funded. | Approved until 2008. | |
| Reserve Movements | (60) | Adjustment for shortfall at Historic Quay from TDC Sea Defence reserves interest | | | | Pressure on Historic Quay budgets if this contribution is lost. |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------------|--|---|--|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Sports & Physical Recreation (Inc Mill House, Eldon Grove, Sports Grounds) | 1,320 | D | Mill House Leisure Centre £22,000 Health Suite Reduce staffing of suite within Mill House. Staff savings achieved via monitoring staffing levels elsewhere | . Centre Closure - Option 1 – Close centre and save £50,000 net budget, potential for capital receipt. Option 2 – Close centre and develop enhanced service provision with Brierton ??. Building costs saving potential but full business case needs to be worked up in conjunction with Children's Services/Brierton. Capital receipt potential retained. | Risk assessment required, comparable management regime to commercial sector operations. All daytime sport and leisure courses may be affected by lack of access to Brierton during school term hours. Courses/facilities bespoke to Centre may be permanently affected. | |
| Sub Total | 6,102 | | £47,500 06/07 £23,000 07/08 | £560,000 06/07 (£50,000 on business case). | | £46,000 06/07 |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|--|---|--------------|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |

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|--|-------|------------|--|--|---|--|
| Neighbourhood Services Department | | | | | | |
| Engineers | 414 | SD (70/30) | Potential JVC or other partnership | 2007/8 | Risk of serious incidents in respect of coastal protection, anhydrite mine and flooding increases if resources reduced. | |
| Highways and Transportation | 566 | SD (33/67) | Potential JVC or other partnership | None | Failure to attract funding through LTP and bidding opportunities | Travel planning – possible loss of funding. £60k (Priority). |
| Highways Services | 3,205 | SD | None | The level to which the highway is maintained can be adjusted but increasingly we will be judged by the National code of practice and the Govt monitors highway condition as a KPI. | Increase in long term maintenance backlog. Highway condition Pis are key indicators in the CPA Env Block. | Additional condition survey necessary for BVPI £35k. |
| Traffic & Road Safety | (263) | SD (20/80) | Potential JVC or other partnership | | More member/public complaints. Reducing KSI BVPIs are key indicators in the CPA Env Block. | ? |
| Transport Services | 980 | SD (56/44) | Part of Transport Review – Impact 07/8-08/09 | Council has some discretion over the level of subsidised buses. | Risk of legal challenge if Council does not adequately support non-commercial services. | Concessionary fares £0.5M. |

BUDGET ANALYSIS 2006/2007 – CULTURE, HOUSING & TRANSPORTATION PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
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| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Housing Ret Services | 485 | SD (90/10) | None | None | Risk of serious incident in homeless service. More member/public complaints. | New Management Arrangements £60k. |
| Supporting People | 28 | S | None | None | Risk of serious incident and loss of grant to fund key support services | Change to grant allocation is a changing position. Impact not yet known. |
| Sub Total | 5,415 | | | | | |
| Total | 11,517 | | | | | |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------------|---|---|--|--------------|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Chief Executive's Department | | | | | | |
| Car Loans | (83) | Discretionary | None | None | None | Current portfolio of loans is not achieving income level in base budget. Level of new loans has reduced owing to increased competitiveness of garage finance. Ongoing pressure 2006/07 (anticipate can offset this from interest earned on cashflow). |
| Central Admin Recharges | (1,971) | Budget represents charges of central support functions. The costs of these functions are considered elsewhere on this sheet and the sheets for the Performance Portfolio. | | | | |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
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| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Shopping Centre | (795) | Discretionary | None | Income comes from the Council's share of rental income from the Shopping Centre. This income stream could be sold to achieve a capital receipt, which would need to be used to offset the lost revenue stream. | Capital receipt will not to produce equivalent income stream. Would also loose potential for future growth in share rental income. | |
| Financial Mgt | 87 | Statutory requirement to have CFO (Local Gov't Act 1972, S151, Local Gov't Act 2003) | None | None | None | |
| Municipal Elections | 64 | Statutory | | | | Possible change from household to individual registration, estimated cost £30K, but timing uncertain. |
| Registration of Electors | 74 | Statutory | | | | |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|----------------|--------------------------|--|--|---|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Accountancy | 808 | SD – section supports CFO to discharge statutory responsibilities. | None | Service is largely labour intensive and scope for savings from economies of scale is limited. Service could be contracted out to private sector, or provided in collaboration with another authority. Lead in time 18 to 24 months, therefore earliest change could be achieved is 2008/09. | Council would still need to retain “intelligent” client. Therefore, unlikely outsourcing will produce significant savings. Impact on CPA. Service may not be sustainable during interim period from decision to outsource to commencement of contract as Council is likely to lose qualified staff during this period. | |
| Internal Audit | 293 | As above | None | As above | As Above | As Above |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|---|--|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Benefits | 210 | SD - service delivered in accordance with statutory regulations determined by the Dept for Work and Pensions and National Performance Standards. | £200,000 of efficiency savings from the introduction of mobile working included in 2005/6 budget. | Partnership/Regionalisation options. The Council is currently engaging with Northgate on the development of a Framework Agreement covering Benefits Processing which will probably take 18 months to 2 years to evolve. Benefit Service is currently achieving a score of 4 for CPA purposes and national benchmarking shows the Council's costs of delivering Benefits are 11% lower than average. Further reductions in the service will impact on the CPA score for this service. | Council is accountable to the DWP and would still need to maintain a client function if outsourcing was to be adopted. Level of current operating costs and planned service changes limit scope for further savings. | None, but could change if DWP changed responsibilities and standards. |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|--|---|--------------|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |

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|---------------|-----|---|--|--|---|------|
| Payments Unit | 186 | Discretionary with some specific statutory responsibilities on taxation | Transfer of all employees to monthly pay. Future developments through e - procurement, new FM System and EDRMS with workflow will yield some efficiency opportunities but realistically they will only emerge 2007/8 onwards. Some potential efficiencies from shared service centre concept involving Personnel but not yet evaluated. | Alternative arrangements for the delivery of payroll and creditor payment services exist. The Council however provides these services to Cleveland Fire Authority and a payroll service to Housing Hartlepool. These arrangements provide economies of scale. Historical benchmarking information indicates unit operating costs are competitive, minimising the scope to realise savings from contracting to an alternative provider. | Alternative delivery arrangements may impact adversely on relationships with CFA and Housing Hartlepool and consultation would be necessary. Being viewed as an effective provider of these services will assist in any steps to in-source work from PCT or others. | None |
|---------------|-----|---|--|--|---|------|

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|--|--|---|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Revenues | 1,033 | SD - service delivered within a framework of statutory regulations. | None | The Council is currently working with Northgate under an Incremental Partnering Arrangement which could be extended into some Revenue activities. However, primary focus of Northgate Arrangement in short term is on Benefits activity. Council is in top quartile for NNDR collection and has been in the 20 improving Councils for its Council Tax collection for the last 2 years. Long term collection rates are significantly higher than average. | Council would still need to maintain a client function under any partnering / outsource arrangement. Revenues service effectiveness impacts on corporate financial health and the Council's financial strategies and collection levels are sensitive to the effectiveness of billing and recovery administration. | None immediately, although implementation of any future changes to Council Tax from April 2007 may have an impact. |

BUDGET ANALYSIS 2006/2007 – FINANCE PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|----------------|--------------------------|--|---|---|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Fraud | 168 | SD - service delivered in accordance with statutory regulations determined by the Dept for Work and Pensions and National Performance Standards. | None | None | Unlikely outsourcing would yield any significant savings. | 2005/6 and previous year workload levels indicate need for additional Investigation resources. To be addressed from structural review of Revenues and Benefits. |
| Legal Services | 489 | Statutory requirement to have Monitoring Officer (MO) and for Authority to provide MO with necessary resources to discharge statutory responsibilities | Increased use of electronic registration, part of Phase 1 EDRMS. Impact not yet quantified. Investigate with other LA's legal departments opportunities for joint working | | None | |
| Total | 563 | | | | | 30 |

| | | | | | | |
|-------------------------------------|------|---|--|---|---|--|
| Chief Executive's Department | | | | | | |
| Estates Management | (19) | SD | Rationalise Properties including consideration of Victoria Park. Sale of Briarfields Building. | New ways of working. | Loss of long term development asset in Victoria Park v HUFC needs Briarfields buildings are a security liability . War memorials are in need of urgent attention with no budgets available. | War Memorials £40k (Priority) |
| Accommodation | 758 | SD | <ul style="list-style-type: none"> • Rationalise properties • Invest-to-save in building maintenance and particularly energy | <ul style="list-style-type: none"> • New ways of working • The level to which buildings are maintained can be adjusted but we have a backlog of £11m. | <ul style="list-style-type: none"> • Increase in long term maintenance backlog • Health and safety risks • Key line of enquiry in CPA 2005 value for money • Access to buildings BVPI is poor performer | <ul style="list-style-type: none"> • Energy cost increase of approx £200k (an existing usage) • Access funding ends in 2006/7 (Priority) |
| Corp Mgt Running Exp | 359 | SD – budget covers cost of Chief Executive, CE PA and elements of Corporate Strategy supporting CE. | None | None | None | |
| Central Council Exp | 79 | Discretionary – budget covers annual subscriptions to organisations such as LGA. | None | None | None | |
| Contact Centre | 251 | Discretionary | Potential income generation 07/08 | Roll-out. Invest to save. | Customer Service BPR - efficiency | Staffing - £50k |
| Trade Union Rep | 40 | Discretionary | | | Industrial relations delay in progressing implications for staffing. | |

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|----------------------------------|-------|---|--|---|--|--|
| Long Service Awards | 3 | Discretionary | | Rewards & recognition strategy in draft. | | |
| Democratic | 249 | Statutory with Discretion | £5 K (07/08) In addition a non cashable efficiency has been achieved, licensing changes and servicing within current resources. | Reductions in printing runs for committee papers with greater use of email / internet. | No major risk | None |
| Corp Strat & Public Consultation | 549 | Discretionary with some statutory Includes Perf Mgt, Risk Mgt, Consultation, ICT, Complaints, BVPP, Scrutiny, CPA, LPSA, | £3-£5K (07/08) £5 K (08/09) | More effective performance management reporting using ict system (non cashable saving). Reduced supplies due to increased ICT usage for consultation. | CPA rating and Audit Commission – view of Council . | £28K (06/07) – scrutiny (Priority) £8.5K (08/09) – consultation e software licensing (Pressure) |
| Support to Members | 163 | Statutory with discretion | Saving Paper through member ICT use. | Member Development requires further work & investment. Member ICT Improve access & Take up. | CPA negative assessment | Awaiting feedback and plan from member ICT event. |
| Other Office Services | (173) | Discretionary | | | No major risk. | |
| Printing | 61 | Discretionary | Income generation. Provide services to external partners. Reduction in external spend by departments. | Improved equipment will lead to faster turnaround. Quality & finish choice increased. | Failure to invest puts service at risk of higher printing costs from departments | |
| Public Relations | 124 | Discretionary | Potential for revisions to service level given pressure identified for (07/08 – SRB funding | Provision of service is key to managing the Council's reputation. Potential changes to provision (levels of service | Reputation | £17K (07/08) srb funding ceases (Priority) |

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| | | | ceases). Consideration to increased use of Hartbeat supplements and revisions to cost base for Hartbeat. | may negatively affect this). | | |
|--|--|--|--|------------------------------|--|--|

| | | | | | | |
|------------------------------------|-------|---------------|---|---|--------------------------------------|--------------------------------|
| Purchasing | 14 | | £14k to be covered from Procurement savings. | | | |
| Registration Services | 91 | Statutory | There may be an opportunity to review provision given national changes to Registrars service. Review may highlight negative position for Council (06/07). | | | None identified at this stage. |
| Personnel & Health & Safety | 728 | | BPR e-recruitment Department advertising spend £60K | | | Invest to save £20K (Priority) |
| Training & Equality | 309 | Discretionary | | Develop corporate WFD strategy and departmental strategies including childrens workforce Development Strategy, Together Project, Leadership & Management Development Programme. | Unable to deliver council priorities | £20K (Priority) |
| Legionella Inspection Costs | 64 | S | None | None | Health and Safety risk | |
| Sub Total | 3,650 | | | | | |

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|--|-------|------------|---|--|--|---|
| Neighbourhood Services Department | | | | | | |
| Property Services | 404 | SD | Potential JVC or other partnership | If the operation is reduced by reducing the staff then fewer central and dept overheads are covered and the service still has to be bought in. | Financial risk of not addressing changing workload Increased risk of a serious incident if resources are reduced. | Possible pressure if workload continues to decline. |
| Building Cleaning | 227 | SD (40/60) | None | The level of cleaning can be adjusted. | H&S implications. Staff moral due standards of cleanliness. | Potential Impact of JE 2007/8 – amount of pressure unknown. |
| DSO | 181 | D | This budget covers increased Pension and NI costs across various Trading Activities. This amount needs to be allocated to the relevant Client budget to meet increased contract charges arising from changes in Pension costs and NI. The detailed work to reallocate this budget has not yet been completed. | | | |
| Contribution to NS Deficit | 51 | D | This could be paid off from balances and the budget given as a saving | | | |
| Sub Total | 863 | | | | | |
| Total | 4,513 | | | | | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------|--|---|--|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Regeneration and Planning Services Building Control | 170 | SD The Building Control service is predominantly statutory but the pre application advice element could be deemed as discretionary. The Access advisory role within the service enables the council to pursue its statutory responsibilities under the Disability Discrimination Acts. | Private sector provides competition to this service. Developments in ICT over the last 2 years have contributed to improving efficiency. This is shown in the increasing numbers of applications that have been dealt with without extra staff resources (2002/03 – 622, 2003/4 – 704, 2004/05 746). The future introduction of EDRMS (expected 2006/7) should further improve efficiency. | The cost of providing pre-application advice (approx 10% of service cost) could potentially be stopped or reduced. Fees are set in accord with LGA advice and market conditions as service is in competition with the private sector. A relatively small amount of additional income above target is expected to be generated in 2005/6 through efficiencies and increased charges. Some repeat of this may occur in 2006/07. Income must not exceed expenditure over a period. | There is a high risk in stopping the pre- application advice that many developers would make inappropriate submissions creating more statutory work in plan checking etc. It is likely also to result in unauthorised work being carried out without permission and therefore could, in some cases, potentially create a health and safety risk to users of buildings. As a demand led service there is a risk that application numbers may dip at some point and that current fee income levels would not be sustained. | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|------------------|--------------------------|--|---|---|---|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Community Safety | 685 | <p>SD</p> <p>S – Safer Hartlepool Partnership support, CCTV, security contract and anti-social behaviour unit. D – administrative support to police</p> <p>Government Floor targets for crime reduction and prevention tackled through partnership working.</p> <p>Community safety issues are high priority for residents and community generally</p> | <p>Specification to retender security contract for buildings, parks, Stranton cemetery etc currently being developed. New working arrangements are being explored, which will improve effectiveness and efficiency. Implementation from 2006/07.</p> <p>Non cashable efficiency possible within existing budget. Possible cashable savings being identified through specification development currently underway.</p> | <p>Development of strategy for CCTV during 05/06 will lead to a more effective town-wide system when it is implemented during 2006/07.</p> | <p>Each camera site will be assessed during implementation of CCTV strategy.</p> <p>Vandalism and other damage to Council assets could result from a changed security contract specification.</p> | <p>Replace admin support to police provided in partnership to enable more operational activity – funding of £15,000 to maintain hours of 2 staff at 37hrs rather than a reduced level of 22.5 hrs per week . Currently funded from grant, which ceases in 05/06. Priority.</p> |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

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|---------------------|--------------------------|--|--|---|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | (SIMALTO) Priority policy area where significant need to narrow gap to improve outcomes to meet Government floor targets. | | | | |
| Development Control | 353 | SD Predominantly statutory but the pre application advice element of the service could be deemed as discretionary. It should be noted that planning service performance levels are seen as a high priority by ODPM, with | Developments in ICT in the last 2 years have contributed to improving efficiency. Increasing numbers of applications have been dealt with without additional staffing resources (2003/4 – 836, 2004/05 884). The introduction of a Public Access Portal along with the introduction of EDRMS (scheduled for 2005/6) is expected to further improve efficiency. | The cost of providing pre-application advice (approx 20% of service cost) is non statutory and could potentially be stopped or reduced. The recent Audit Commission VFM exercise confirmed this service to be relatively low cost and high quality in comparison to other planning authorities. The pre application service is seen as an essential element in achieving this good performance. | There is a high risk that stopping the pre application service would lead to low quality development being implemented with consequent adverse environmental impacts. Workload pressures within the statutory elements of the service would increase (e.g. dealing with poor applications, enforcement etc). It would also run counter to the Government's objective, that Local Planning Authorities provide informal advice & impact on KPIs and CPA. As a demand led service there is a risk that application numbers may dip at | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

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|---|--------------------------|---|---|---|---|--|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | service funding being performance related. | | Fees set by Government. Some additional income above target is expected to be generated in 2005/6 through efficiencies and increased fee charges. Some repeat of this may occur in 2006/07. | some point and that current fee income levels would not be sustained. | |
| Economic Development (Business Support, Hartlepool Working Solutions (people into work and training) European Programmes and tourism). | 1,033 | D Approximate split of budget: 50% staffing and section running costs, 35% council contribution to regional/sub regional bodies 11% business grants 4% marketing | Double three star Best Value Review and excellent service (assessed in independent evaluation by ERS) Economic needs relatively extreme eg VAT registrations 9 th , over 50s employment rate 7 th , self employment rate 5 th worst of all 88 neighbourhood renewal local authorities. True employment rate highest in Tees Valley 16.9% of | The majority of the service funded through general fund could in theory be stopped or reduced. As well as the specific risks shown, the loss of service would compound the decrease in service levels likely as a result of reducing external match funding available to the council. The following budgets are held by the department but passported directly to the organisations shown: | Risk to priority policy area where there is significant need to narrow gap to improve outcomes to meet Government floor targets. Economic situation in worst quartile of NRF areas. Up to 2/3 rds of excellent double 3 star service/ Council capacity to contribute to Community Strategy theme at risk. Withdrawal of financial contributions to regional/sub regional organisations would leave the council marginalised, isolated and lacking access to | The need to address withdrawal of 2/3 of long term external funding into this service is a major priority. The potential shortfall in 2006/7 depends on the outcome of external funding applications over the remainder of 2005/6. There is a potential shortfall of up to £1.1m in 2006-07 although anticipated new external funding should |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

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|---|--------------------------|--|--|--|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | and other | working age pop. | Joint Strategy Unit (JSU) £224k Tees Valley Regeneration (Inward Investment) £80k Cadcam Centre £48k Area tourism partnership delivery £12k | strategic expertise and support. Reduced support for businesses through the grants packages would be detrimental to employment prospects. | reduce this. To maintain a reduced but still viable service to residents and businesses would require a shortfall of £300-£400k to be addressed. Increasing recognition of the need to market Hartlepool to tourism and business sectors and potential public sector funders/ partners £80k. |
| Hartlepool Partnership / Community Strategy (Community Strategy, Local Strategic Partnership, Neighbourhood Renewal, Sustainable Development) | 228 | SD This is a largely statutory service under the Local Government Act 2000. Increasing agenda LSP, NRF £5m programme, Performance Management, | Despite a significant increase in workload, the area has the same small team and resource levels as when it was set up in 2001. In recent years, more has been achieved with the same resources, but opportunities for further efficiencies are extremely limited. | It is anticipated that the signing of a Local Area Agreement (LAA) in March 2006 will further join up service delivery and performance reporting from 2006-2007. However, this will be in addition to current arrangements for the Hartlepool Partnership performance reporting that are | Initial discussions with Government Office for the North East suggest that there will be an increase in performance reporting requirements during 2005/2006 and 2006/2007 before joint performance reporting is bedded in. | The service unit is responsible for corporate Sustainable Development Policy but to date has not had capacity to develop this service area. The recent publication of an updated UK Government Sustainable Development Strategy |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

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|--|--------------------------|--|--|---|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | Local Area Agreements, Sustainable Development, Review of Community Strategy and Neighbourhood Renewal Strategy. | The Service Unit is currently required to bring in £5k annually from partners to balance the budget. Requests to partners last year for core cost funding only brought in £3k. | annual – the LAA will require 6 month updates. | | places new requirements on Local Authorities that are not currently being met and which are a priority. |
| Landscape & Conservation (Aboriculture, ecology, conservation etc) | 278 | SD Specialist services feed into statutory planning etc. Elements of discretion are the graphic support service and environmental education. These are mainly staffing costs. | This is a group of individual specialists. Little opportunity exists for efficiencies. A review of charging for the graphics service could take place and potentially deliver a small additional income to the service. However income would largely be derived from other areas within the Council. | The discretionary service areas could be stopped or reduced. Virtually the entire budget is for staffing and there would therefore be the associated redundancy/ redeployment issues arising. | These services would still be required by the council. Previous reviews (including BVR 2002) have concluded that externalisation would lessen the effectiveness of the service and that no significant savings are likely to be achieved. Best practice assessment favours in house provision. | The servicing of new conservation area committee would cost the department approximately £2-3k per annum. Priority to provide conservation grants scheme. Cost say £50k. |
| Planning Policy & Regeneration (Development Planning, | 391 | SD Approx 50% of | Hartlepool 14 th most disadvantaged district - | The Regeneration service is in part, a direct response to the high levels of disadvantage | The risk of significantly reducing staffing numbers or financial contributions to major | Pressure for continued funding for the TVR Victoria Harbour project |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------|--|--|--|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Housing Market Renewal, Regeneration Programmes & Neighbourhood Action Plans NAPs, Strengthening Communities).l | | <p>the service relates to planning policy and housing market renewal (HMR). Planning Policy covers the preparation, monitoring and review of the Hartlepool Local Plan and the new Local Development Framework introduced under the Planning and Compulsory Purchase Act 2000. The HMR agenda is also a major and expanding area of work.</p> <p>The other 50% of the service relates to discretionary</p> | Index of Multiple Deprivation. Significant workload with new statutory Local Development Framework system, major regeneration programmes, Neighbourhood Action Plans NAPs, Strengthening Communities and Housing Market Renewal. | <p>within Hartlepool. It has been instrumental in attracting over £450m of public sector investment into the Borough in the past two decades as well as over £300m worth of private sector investment.</p> <p>Significant reductions or cessation of this service will in the short term have an immediate serious impact upon the council's ability to secure current & future external resources.</p> <p>Longer term, a reduction in costs could arguably be possible if regeneration activities and/or external funding opportunities decline, although the reality is more likely to be the need for more council investment if service performance is to be maintained in an era of far more competitive bidding.</p> | <p>regeneration schemes would potentially include the loss of investment into the Borough many times greater.</p> <p>The risk of reducing the £100k budget currently earmarked for Victoria Harbour is that once planning permission is granted and the implementation of the TVR masterplan for the area gathers momentum, council resources will be required to ensure the project progresses as planned.</p> | <p>delivery team.</p> <p>Priority for HMR activity.</p> |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|---|--------------------------|--|--|---|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | regeneration work involving bidding for regeneration funding and managing and implementing approved projects. It includes strong links with the SRB and NDC programmes. The service also develops and maintains strong regional and sub regional relationships within planning and regeneration. | | | | |
| Regeneration & Planning Services - Salary Abatement | (60) | SD | | An increased target through delaying filling vacancies could in theory be proposed. | The impact on services would be random depending on who left the authority. Pressures on remaining staff to maintain services would inevitably increase. Higher sickness or loss of morale could follow in under resourced services. | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------------------|--------------------------|--|--|---|---|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| Youth Offending Service | 287 | S Significant match funding secured. Grant funding from Youth Justice Board of £229k in 05/06 , plus income from statutory partners of approx. £57k increases gross budget to £573k | | Adjusting level of service may lead to pro-rata reduction in match funding of grant received from Youth Justice Board and income/contribution from statutory partners (ie Police, PCT, Probation) | YOS provides statutory service to one group of vulnerable young people (offenders). YOS performance measures contribute to the Children's Services Annual Performance Assessment, so any reduction in service effectiveness could affect this rating and significant match funding. | |
| Sub Total | 3,365 | | | | | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|-------------|--------------------------|--|--|---|--------------|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |

| | | | | | | |
|---|-------|-------------------------------|---|---|---|--|
| Neighbourhood Services Department | | | | | | |
| Environment Waste Disposal Household waste recycle Recycling scheme Refuse Collection | 5,753 | R SD SD SD SD | Increase in Trade Waste Income £30k | Bulky Waste collection Mayor priority 2006/7 | - Cleansing standards and customer satisfaction - Recycling targets are key indicators in the CPA Env Block EPA – requires statutory targets are met | Bulky Waste collection £20K Pressure and £100K (Priority) Recycling pressure arising from introduction of Town wide AWCs £100k Shuttle service £30k Navigation point £30k (Marina maintenance) (Priority) |
| Street Cleansing | | D | | | | |
| Public Cons. Grounds Maintenance | | SD | | | | |
| Environment Action | 293 | SD | Integrated approach to Neighbourhood Policing (06/07 – 08/09) | The level of service can be adjusted by the number of people carrying out enforcement. The pressure is to have more people on the streets | Community Safety –Public confidence would fall | |
| Town Care Management | 119 | D | None | Neighbourhood teams and the | Failure to meet Govt's NM | |

BUDGET ANALYSIS 2006/2007 – REGENERATION & LIVEABILITY PORTFOLIO

| Budget Area | Net Budget 2005/06 £'000 | Statutory Basis | Potential Efficiencies (including year efficiency can be achieved) | Description of Potential Changes in Service Quality/Standards, including Identification of Services that could be stopped/reduced (including year change can be achieved) | Risks Impact | Budget Pressures (including year pressure will arise) |
|------------------|--------------------------------|--|---|--|--|---|
| | | R = Ring-fenced S = Statutory D = Discretionary SD = Statutory service with some discretion | | | | |
| | | | | level of neighbourhood engagement is discretionary but clearly it is a developing govt theme | aspirations More Member and ward issues causing tensions | Increase in Neighbourhood Activity £37K (Priority) |
| Sub Total | 6,165 | | | | | |

BUDGET ANALYSIS 2006/2007 – CHILDREN’S SERVICES PORTFOLIO

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures/Priorities |
|-------------------------------------|------------|-----------------|--|--|---|--|
| <u>ACCESS</u> Admissions | 141 | SD | Postage/ printing | Statutory requirement to introduce On-line admissions – but no reduction in service/staffing as applications still require to be processed and appeals prepared and presented by Admissions Authority officer. | Failure to meet statutory duties. More errors in application process | PRESSURE £36k over the next three years (£12k per year) |
| Planning School Places | } | SD | None | No requirement to produce a separate School Organisation Plan, but must form part of Children and Young People’s Plan. Review impact of housing programmes. | Unable to secure sufficient school places within Hartlepool for Hartlepool Children (statutory duty). | None specific |
| Asset Management Planning | } 305 | SD | Improve/streamline monitoring process | Impact of: New school build for Jesmond Road; BSF (Building Schools for the Future) including producing education vision for schools buildings; PSF (Primary Schools for the Future). | Increased workload as a result of future government initiatives. | Individual adjustments will be required within the overall budget. Longer term the project management role/budget will need to be strengthened for BSF/PSF |
| Home to School Transport | 1,308 | S | Introduction of Independent travel. Postage and printing. Review of arrangements via corporate transport review. | Independent travel training – would reduce the number of SEN pupils requiring door-to-door transport and would increase use of public transport. However, a recent DfES ruling suggests this may not be legally possible. Link to possible contract savings on Corporate Transport Review. On line applications would still require to be processed but would reduce printing and postage costs. Initial increase in expenditure to establish training scheme. Technology required for on line applications | Could not meet statutory duties and children possibly at risk if appropriate transport not provided. | Predicted pressure for 2005/06 is £180k and ongoing 2006/07. |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|-------------|------------|-----------------|------------------------|---|-------------|------------------|
|-------------|------------|-----------------|------------------------|---|-------------|------------------|

| | | | | | | |
|--|-----|-----|--|--|--|--|
| <u>ACCESS</u> | | | | | | |
| Student Support | 126 | SD | Participation in DfES pilot scheme. Staff Salary/ overheads | DfES piloting move towards centralisation of service. | None Specific | None Specific |
| Attendance & Behaviour | 474 | S/D | Increased use of ICT to monitor attendance in school – 2007/08 | <p>Reduce number of attendance officers and target intervention and support to a limited number of schools</p> <p>Remove support for schools managing exclusions</p> | <ul style="list-style-type: none"> • BVPI / APA performance indicators include attendance and exclusions. • Removing support to schools in reducing exclusions is likely to lead to a rise in fixed and permanent exclusions. • Reducing attendance officers could mean attendance rate across schools falls. Government targets not achieved triggering DfES intervention. • Law in relation to attendance cannot be enforced. • Development and progress of children who are employed at risk. • Vulnerable groups, e.g. travellers, asylum seekers, etc are not adequately supported. | Possible ICT costs (costs not yet known) |
| <u>CENTRAL SUPPORT SERVICES</u> | 883 | | Budget relates to recharges of Central Support Services which are considered on the Finance and Performance Management sheets. | | | |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|---|--|-----------------|---|--|---|--|
| <u>CHILDREN AND FAMILIES</u> Family Support Teams – incl. Resource Teams | 1,835 | S | Restructuring of the current Resource Teams linked to reduction in buildings and BV Review. Will accommodate increase in number of children within existing staffing levels. This will produce a non cashable efficiency. | Numbers of LAC pupils have increased by 10 per year. Accommodate increase in number of children within existing workloads. | All children looked after & children on CPR (Child Protection Register) must have a social worker. Inability to allocate all LAC (Looked After Children); CPR & CP (Child Protection) investigations are high risk. | None |
| Children with Disabilities & Exmoor Grove | 758 (Original net budget 1,008) (£250k) Vired | SD | Review of whole service provision, including current NHS investments. | | Dissatisfaction of parents and staff about lack of development of the service. Success will depend on gaining service user support. | Staffing ratio problems in current year means budget pressure of £25k for 2006/07. Financial pressures to increase direct payments 2006/07 onwards. Key APA Target. £5K pressure for increasing direct payments. |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|--|---|----------------------------|---|---|--|---|
| Young People's Service – incl. Placement Team & Flint Walk Allowances i) Foster Carers ii) Residence Order iii) Adoption Order iv) Special Guardianship | 1,801 689 123 110 0 | S S SD S S | More value for money placements through increasing in-house range and capacity. | | Significant financial risk is attached to insufficient foster placements. | 10 additional placements for 2006/07. Budget pressure of £70k Insufficient funding for Residence Orders in 2005/06. Pressure of £70k in year plus increased demand for 2006/07 total £105k Special Guardianship allowances to be introduced in 2006/07. Estimate £35k budget pressure |
| Leaving Care | 400 | S | | | Young People leaving care are a priority. The Council is responsible through Corporate Parenting for supporting these young people into adulthood. | Lack of accommodation is a real pressure. (See Youth Justice comments below) |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|-------------|------------|-----------------|------------------------|---|-------------|------------------|
|-------------|------------|-----------------|------------------------|---|-------------|------------------|

| | | | | | | |
|-----------------------------|---|----|---|--|---|---|
| Other Miscellaneous Budgets | 53 | | | | | |
| Independent Placements | 2,571 (Original 2,321) (250k vired) | S | More value for money placements through increasing in-house range and capacity. | This budget needs to be reduced. Action plans are in place to reduce reliance on external providers. | | None |
| i) Residential | (1,823) | SD | Contract price reduction and vfm audit | | | |
| ii) Family Placement | (498) | SD | | | | |
| Safeguarding & Review | 252 | SR | Increased quality assurance activity via in-house audits etc. | | All children on CPR and all LAC are subject to statutory reviews. 100% compliance is standard. Deterioration in performance will affect APA & CPA rating. | No immediate pressures provided Safeguarding Grant (£184k) is mainstreamed in 2006/07 |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|---|---|---|---|---|-------------|---|
| Youth Justice Team | 284 | S | | | | Pressures for 2006/07 are linked to placement & accommodation needs. Budget pressure of £30k |
| <u>CHILDREN'S FUND PARTNERSHIP</u> | 0 | R Central Government Grant | Efficiencies build into programme over 3 year period | All services commissioned until March 2008 | | Budget pressure 2008/2009 onwards |
| <u>EARLY YEARS</u> | 360 <small>(Breakdown of above figure = NEG 235 Early Years 130)</small> | S Nursery Education Grant – Ringfenced S + SD Early Years Grant SD Area SENCO | None Statutory Duty on LA to provide free early education place for 3 & 4 yr olds (private settings). None Early Years – statutory duty to deliver retained functions registration Ofsted protocols, information and guidance. Review support for SEN – link to Children's Centre development. Efficiency would be made over 2006/07. Possibly fund Area Senco (£20k) from grant not mainstream budget. Need to ensure support available for settings but it is up to us to decide how that is delivered. | | | None None SEN child not being identified and not receiving appropriate support. |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|---------------------------------------|------------|-----------------|---|---|---|------------------|
| <u>EARLY YEARS</u> | | SD | Qualified teacher involvement for the Children's Centres. Children's Centre grant paying for majority of salaries. £10,000 is contribution to salaries as guidance still states we need to be offering support to settings outside Children's Centre areas. This will change once all Hartlepool is covered by a Children's Centre – therefore efficiency made 2006/07. Need to ensure support available for settings but it is up to us to decide how it is delivered. | The new model based around Children's Centres should raise standards in all settings therefore quality should not be affected. Possible to fund £10k from grant, not mainstream budget. | Settings not receiving support therefore standards fall. Ofsted inspections indicating weaknesses and ultimately failing (APA judgement). | |
| ISB / CENTRALLY RETAINED COSTS | 30 | | None | | | None |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|--|------------|------------------------|---|--|---|---|
| <u>PLAY AND CARE</u> | 131 | D (becoming statutory) | <p>Funding pays for:</p> <ul style="list-style-type: none"> Playschemes / Play opportunities Grant to voluntary sector (Play opps) Out of school and holiday care <p>Efficiencies could be made by reducing number of play schemes.</p> <p>(However, there will be a duty placed on LAs in 2007 to ensure childcare places are available for all – this includes Out of school provision.)</p> | <p>Reduction in number of play opportunities for children</p> <p>Reduction in number of childcare places.</p> <p>Possible impact on youth offending.</p> | LA not fulfilling duty to provide sufficient childcare places (2007) | <p>2005 – 2006 Transport costs</p> <p>Changes in licence regulations – drivers needed to go through training.</p> |
| <u>RAISING EDUCATIONAL ACHIEVEMENT</u> School Improvement | 2,300 | SD | | <p>Outsource school adviser function</p> <p>Commission delivery of national strategies from alternate sources e.g. private sector</p> | <p>Increase in the number of schools failing Ofsted inspections (APA indicator) leading to increased costs of intervention and support commissioned from other sources</p> <p>Targets/BVPIs not achieved</p> <p>Standards of attainment fall (APA indicators)</p> | <p>Budget pressure £60k: from 06/07 grants from DfES do not include salary inflation.</p> |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|---|------------|--|------------------------|---|--|--|
| <p>Performance Data Management</p> <p>Curriculum Enrichment</p> | 181 | <p>SD</p> <p>D</p> <p>R</p> <p>S/R</p> | None | <p>Introduction of School Improvement Partner element of the New Relationship with Schools (DfES 5 Year Strategy)</p> <p>Stop non-statutory services to schools and the department</p> <p>Closure of Carlton and withdrawal from arrangement to contribute to Lanehead</p> <p>Withdrawal from out of hours learning e.g. collaborative activity such as Playing for Success with Hartlepool United and support to schools to develop extended services</p> <p>Remove support to schools for work related learning and gifted and talented education</p> | <p>School Improvement team unable to undertake the statutory element of their duty to support and challenge schools</p> <p>Increased burden on schools to obtain data to monitor school and pupil performance. Impact on school results and BVPI targets.</p> <p>Hartlepool children and young people are denied a low cost high quality residential opportunity</p> <p>Only those who can afford it will access outdoor activities via the private sector or other organisations</p> <p>DfES /PfS grant is lost to Hartlepool Targeted groups do not receive additional support to improve standards Targets/BVPIs at risk</p> <p>Statutory requirement to provide high quality WRL and enterprise education is not met in some secondary schools. Quality of provision falls</p> | Shortfall in funding SIP (School Improvement Partner) function (£20k in 2006/07) |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|--------------------------------------|------------|-----------------|--|---|--|---|
| | | | | | Co-ordination and provision of vocational learning opportunities is lost. Curriculum offer to young people narrows rather than broadens Targeted challenge for GAT students stops resulting in underachievement at the highest levels. Fall in numbers going into further and higher education Overall risk is that the 'enjoy' element of ECM Outcome 3 (Enjoying and Achieving) is not addressed | |
| <u>SPECIAL NEEDS SERVICES</u> | 2,430 | SD | None: statementing efficiencies (non cashable) already delivered | Reduction in staffing levels with consequent reduction in level of service which can be provided in relation to SEN and Child Protection. | Adverse impact on education of SEN pupils. Failure to identify SEN. Failure to meet statutory deadlines. Poor performance on BVPI/APA. Child Protection procedures improperly followed by schools. Reduction in therapeutic support available across the town (EPs and specialist SWs). | £70K loss of income from reduction in use of HBC service by other LEAs. |
| | | S | | Pupil with statement and residential provision moved into Hartlepool. No older pupils leaving system. | | 06/07 Independent school fees £66k |
| | | S | Longer term savings of £100k pa | Invest to save scheme to bring Copelaw placements in-house. | | EBD staff for A2L £81k (PRIORITY) |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|------------------------------------|------------|-----------------|------------------------|---|---|--|
| | | S | | Increased service demand and response to specific children's needs | Failure to meet identified individual pupil need | Grange health care assistant £14K Hearing Impaired £7k Visually Impaired £7k |
| Home and hospital teaching | 99 | S | None | Not an option to stop service. Budget is essentially cost of 2 staff members which is at minimum level to deliver service. | Impact on Ofsted inspection. Failure to deliver statutory requirements. | None |
| A2L | 793 | S | £13K | Not an option to stop the service. The EBD provision will continue to grow as more pupils are admitted. Improved re-integration of excluded pupils, however, it is anticipated that there will be continuing pressure on KS4 provision over the next two years. | Impact on Ofsted inspection. Failure to deliver statutory requirements. | £5k capitation for EBD Groups. £35k to meet increased costs of provision of vocational training at KS4. Impact of the staffing review is an unknown factor, particularly TLRs. |
| Behaviour Support Plan | 48 | S/D | None | Could be reviewed as part of service integration in later years. | | None |
| Social Inclusion | 82 | S/D | None | | | None |
| Information Sharing and Assessment | 72 | S/D | Partnership | Could be adjusted, but expenditure patterns are difficult to predict | Impact upon the Be healthy and Staying safe outcomes. | None |

| Budget Area | Net Budget | Statutory Basis | Potential Efficiencies | Description of Potential Changes in Service | Risk Impact | Budget Pressures |
|---|---------------|-----------------|---|---|---|---|
| <u>STRATEGIC MANAGEMENT</u> | 981 | S/D | | Covers staff salaries at strategic level and the strategic elements of all managers work includes management team, financial management, Data Team, ICT etc. | Failure to deliver services required of Children's Services department | |
| Information Management | | SD | None | Service likely to increase to meet the department's challenges posed by the Every Child Matters agenda | If service stopped/reduced the department would be unable to fulfil its statutory duties. | None specific Broadband Budget Pressure £92k. |
| <u>YOUTH SERVICE</u> | 948 | S/D | Develop service to operate within existing staffing levels. | New front-line posts established but need management support. Youth Green Paper likely to prescribe statutory minimum entitlement for local authority "youth offer". | Failure to secure appropriate standard of service delivery. Failure to meet statutory duties. Young People potentially at risk because of inadequate supervision. | Connexions disaggregation £45k Youth Service Green Paper. |
| <u>USE OF EDUCATION RESERVES</u> | (138) | | | Last year, reserves were used to balance the Education budget. | Shortfall on statutory service costs | £140k |
| <u>NRF</u> | 0 | | | Loss of NRF grant which supports school-based and centrally-driven achievement projects e.g. key skills/employability, literacy and numeracy intervention, mentoring, targeted support for vulnerable groups etc. | School results. Possible redundancies in school and centrally | £450,000 (PRIORITY) |
| <u>COMMUNITY FACILITIES ON SCHOOL SITES E.G. BRIERTON, LYNNFIELD, STRANTON</u> | 0 | D | | Shortfalls on revenue budgets – cannot be supported from school budgets | Loss of high profile community facilities and loss of specialist status at Brierton. | £30k |
| TOTAL | 67,146 | | | | | |

APPENDIX D

PROPOSED BUDGET TIMETABLE

| | Cabinet | Other (as detailed) |
|--|--|--|
| <u>Stage 1</u> Cabinet considers initial Budget and Policy Framework Proposals to be referred for Scrutiny Cabinets initial Budget and Policy Framework Proposals issued for Consultation | End Sept/early Oct | Scrutiny Cttee (Oct to Nov) |
| <u>Stage 2</u> Development of strategy/options to bridge potential budget gaps (outcome of this task will feed into draft Budget and Policy Framework report to be submitted to Cabinet on 19/12/05) Government release 2006/07 provisional Local Government Finance Settlement Cabinet briefed on impact of provisional 2006/07 Local Government Finance Settlement Scrutiny report back to Cabinet Cabinet Finalise Draft Budget and Policy Framework Proposals Draft Budget and Policy Framework proposals referred to Scrutiny Committee and Scrutiny report back to Cabinet (Scrutiny to be given at least 6 weeks to consider Cabinets proposals). | Oct/Nov Early Dec 09/12/2005 19/12/05 (Special) | ODPM (Late Nov/early Dec) Scrutiny Cttee 10/02/2006 |
| <u>Stage 3</u> Government release 2006/07 final Local Government Finance Settlement Cabinet Finalise Budget and Hartlepool Council Tax Proposals Council considers Cabinet Budget and HBC Council Tax Proposals Council considers overall Council Tax Level (including Fire and Police precepts) Council Tax Bills produced (including determination of current benefit entitlements). Completion of packaging and distribution of Council Tax Bills (achievement of this deadline enables first instalment to be collected on 1st April, 2005). | 10/02/2006 | ODPM (Late Jan 2006) Council - 16/2/06 Council - 23/02/06 Finance Department 25/02/2006 Finance Department 17/03/2006 |

CABINET REPORT

10th October 2005



Report of: Director of Children's Services

Subject: DISAGGREGATION OF THE CONNEXIONS
TEES VALLEY COMPANY

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To seek approval for the disaggregation of the Connexions Tees Valley Company into five local authority managed services from 31st March 2007.

2. SUMMARY OF CONTENTS

- 2.1 The report provides background to the proposal to disaggregate the Connexions Tees Valley Company, including drivers for the proposed change and the decision of the Connexions Tees Valley Board, made on 27th July 2005, to propose the disaggregation of the Company.
- 2.2 Information is provided on the financial and legal implications for the Borough Council if the disaggregation takes place. There is also an assessment of risks to the Council; this focuses on assets, human resources and continuity of service delivery and performance.

3. RELEVANCE TO CABINET

- 3.1 As the Connexions Tees Valley Company is wholly owned by the five Tees Valley local authorities, it is important to protect the interests of both the Borough Council and Hartlepool's users of the service, principally young people aged 13-19.

4. TYPE OF DECISION

- 4.1 Key tests (i) and (ii) apply.

5. DECISION MAKING ROUTE

- 5.1 Cabinet.

6. DECISION(S) REQUIRED

- 6.1 That Cabinet approves the recommendation of the Connexions Tees Valley Board, to work towards the disaggregation of the Connexions Tees Valley Company to five local authority areas by 31st March 2007.
- 6.2 That Cabinet authorises the Director of Children's Services (or her representative), in consultation with the Lead Member for Children's Services, to work with representatives from the four other Tees Valley authorities in the preparation of local authority based plans that meet the approval of the Government Office for the North East, each plan being first approved by its own local authority.
- 6.3 That Cabinet authorises progress in accordance with 6.2 above provided that if, during the work on the preparation of the project plan, significant risks/concerns for Hartlepool are identified, the matter would be brought back to Cabinet for further discussion.
- 6.4 That the Connexions Tees Valley Board is informed of the decision of the Hartlepool Cabinet.

Report of: Director of Children's Services

Subject: DISAGGREGATION OF THE CONNEXIONS TEES VALLEY COMPANY

1. PURPOSE OF REPORT

- 1.1 To seek approval for the disaggregation of the Connexions Tees Valley Company into five local authority managed services from 31st March 2007.

2. BACKGROUND

- 2.1 Connexions Tees Valley was established in September 2002. It is a company limited by guarantee and is wholly owned by the five Tees Valley local authorities that comprise the former Cleveland County Council.
- 2.2 Connexions is a nationwide service for young people aged 13-19. The core business of Connexions is to provide information, advice and guidance to young people as they make the transition from leaving school into education, training and work. The current Connexions service is funded from the Department for Education and Skills (DfES) via the Government Office for the North East to the Connexions Tees Valley Company.
- 2.3 An essential aspect of the Connexions Service is the entitlement for every young person aged 13-19 to have a Personal Adviser (PA) to assist them in their personal development and transition into further education, employment or training. PAs work in schools, colleges and other appropriate venues. Some young people clearly need more intensive support during this key transitional period than others and this is reflected in the way PA time is allocated across the broad range of young people in Hartlepool.
- 2.4 The headline performance indicator for Connexions is the reduction of young people aged 16-19 who are Not in Education, Employment or Training (NEET). A secondary target is a reduction in the number of young people aged 16-19 whose education, employment or training destination after leaving school is identified as "not known".
- 2.5 Tees Valley Connexions has been very successful in reaching its targets and was rated well in a recent OFSTED inspection. The company has done well in meeting its overall objectives in the relatively short time since its inception.

3. DRIVERS FOR CHANGE

- 3.1 **The Children Act 2004.** The Children Act 2004 required local authorities to form Children's Trusts, bringing together all services in support of children and young people into an integrated whole. This agenda is driving change in the way Connexions is delivered in the Tees Valley, requiring the planning and delivery of Connexions services to be undertaken at local level rather than, as at present, at sub-regional level. Within the Tees Valley, each of the local authorities is at a different stage in respect of establishing its Children's Trust, although all five are making progress in their arrangements for the integration of all services for children and young people within their administrative boundaries.
- 3.2 **Decision of the owners.** A meeting of Tees Valley Chief Executives, Members and Elected Mayors resolved that the local authorities in the Tees Valley area should make preparations to disaggregate the company in a united way.
- 3.3 **Local Area Agreement – Stockton Borough Council.** Stockton Council was invited, as a consequence of its participation in a Local Area Agreement, to be part of a Migration Pilot in 2005/06 for the local delivery of the Connexions Service in Stockton. This would have involved aligning and pooling the Connexions budget at local level to avoid duplication of planning and commissioning services for young people. Whilst declining to participate in the pilot for 2005/06, Stockton Local Authority identified, in its Local Area Agreement, its intention to plan from 1st April 2006 to commission its own Connexions Service and to integrate it as part of its Children's Trust. This development in Stockton had significant implications for the other four authorities in the Tees Valley in respect of the delivery of Connexions services and the future of the Connexions Tees Valley Company, becoming a significant driver for change.
- 3.4 **The VAT Issue.** Unlike a local authority, the Connexions Company is liable to pay VAT on supplies and services. Although declining as a proportion of the budget, the loss of a significant sum of money in VAT repayments provided a further incentive to seek ways to maximise the funding available for delivering front-line services in the boroughs.
- 3.5 **The Youth Green Paper.** In July 2005 the Government published a Green Paper entitled 'Youth Matters'. This Green Paper affirmed the direction of travel and continued to develop the theme of local authority based services, explored in 'Every Child Matters' and confirmed by the Children Act 2004.
- 3.6 **Changes to Funding.** Finally, from September 2008, funding for Connexions services will be routed through local authorities. This will make an eventual change to the current arrangements inevitable.

4. CONNEXIONS BOARD MEETING – 27TH JULY 2005

4.1 The Connexions Tees Valley Company has a Board of Directors. As well as the five elected member representatives on the Board and their respective Directors of Children's Services (or representatives), other partners such as the Youth Offending Service and the Learning and Skills Council are also represented. Hartlepool is represented on the Board by the Lead Member for Children's Services and the Director of Children's Services.

4.2 An options paper was presented to the Board meeting held on 27th July 2005. The paper had been prepared by representatives of

- the Connexions Tees Valley Company,
- the five local authorities
- the Government Office for the North East.

The options presented were:

- a) A five way disaggregation
- b) A less than five way disaggregation
- c) A confederation model
- d) An outsourcing model
- e) A host authority model

A potential timescale for the disaggregation was also identified. A copy of the options paper is attached to this report as **Appendix 1**.

4.3 The Connexions Board was also apprised of the general direction of travel indicated by the Green Paper, 'Youth Matters'.

4.4 The Board concluded unanimously that the first option, a five way disaggregation, made the most practical sense and agreed the timescale for disaggregation by 31st March 2007.

4.5 As a consequence of the Connexions Tees Valley Board meeting of 27th July, all five local authorities are now seeking the necessary authority to progress this matter within a common timescale.

4.6 It is anticipated that, if members approve the recommendation to disaggregate the Connexions Tees Valley Company from April 2007, further reports will be presented, seeking approval to detailed business plans and new contractual agreements with the Government Office for the North East.

4.7 This report has concentrated on the main and core contract of Connexions Tees Valley to deliver a holistic service to young people. In addition to this core contract amounting to approximately £7.5million, there are a range of other contracts that the company has secured that are specific to the Connexions Tees Valley Company. The future of these contracts will need to be considered as an outcome of the recommendations in this report.

5. FUNDING ARRANGEMENTS

- 5.1 The current core budget of the Company is approximately £7.5million. It is anticipated that the Government Office for the North East would allocate a notional budget to each Local Authority based on a formula related to the total 13-19 population and the NEET population (recognising both volume and need), in order to ensure the continued delivery of a viable Connexions service by each local authority.

6. OVERSIGHT OF THE DISAGGREGATION PROCESS

- 6.1 A Planning group, comprising a representative from each authority, a representative from the Government Office for the North East and the Acting Chief Executive of Connexions, has been established to oversee the disaggregation process. This group has established sub groups of key expert personnel to focus on particular issues such as personnel, legal and financial/resources.

7. FINANCIAL AND LEGAL IMPLICATIONS OF DISAGGREGATION

- 7.1 There is no additional funding from the Government Office for the North East to fund the disaggregation of the Connexions company. However, linked to its Local Area Agreement, Stockton Borough Council has secured a sum of £25,000 to facilitate a migration pilot on behalf of all five authorities. It is planned that any additional costs of the disaggregation process will be met by a combination of current Connexions resources or from the migration pilot budget. Where neither of these resources can be used, it will be necessary to look to local authorities for funding.
- 7.2 The potential legal implications of this report have been considered by the Chief Solicitor, in accordance with the Council's approved procedures. Owing to the potential impact of disaggregation of the Connexions Tees Valley Company on Hartlepool Borough Council, the Chief Solicitor believes that it is appropriate that this report be brought before Cabinet, in unison with the other constituent authorities. As the issues are progressed, timely reports will be brought before the Cabinet or Portfolio Holder as appropriate, covering issues involved with the disaggregation process. The advice of the Chief Solicitor will be offered on subsequent reports.

8. RISK ASSESSMENT

- 8.1 There are clearly potential risks to local authorities in proceeding towards disaggregation by 31st March 2007. The principal risks are detailed below.
- 8.2 **Company Assets.** The existing Connexions Company has outstanding lease arrangements in each of the five local authority areas. These include five locality offices, a head office in Stockton and a part of Erimus House in Middlesbrough. The Board had already taken an earlier decision to invoke a break clause at the Stockton head office from April 2006 and has given the

necessary notice on Erimus House. Further consideration will need to be given to the appropriateness of transferring locality offices to individual local authorities. The Company also has two single decker buses that are used as mobile Connexions Centres. These are of particular use in East Cleveland, but could be disposed of if necessary.

- 8.3 **Human Resources.** The principal resource of the Company is its staff. If all five local authorities agree to a five way disaggregation, each area would then be allocated a budget and be required to devise a delivery plan for approval by the Government Office for the North East. This plan would involve a staffing complement. If all local authorities are to have plans approved by an agreed time, it is envisaged that a co-ordinated deployment plan would be put in place, thus enabling the Connexions Company to manage the risk of any potential redundancies to existing staff. The current Connexions Tees Valley Company has a significant number of employees who are members of the Tees Valley Pension Fund and discussions would need to be held with the Pension Fund managers. Employees of the Connexions Company who transfer to the employment of the Borough Council would do so on their existing terms and conditions of employment, under TUPE arrangements.
- 8.4 **Continuity of Service Delivery and Performance.** It is important that, in disaggregating the Company, there is no risk to the quality of service currently delivered to young people, nor detriment in respect of the achievement of service targets. This will be a key focus for the management arrangements put in place for the disaggregation of the company.
- 8.5 **Identification of Potential Financial Risks particular to Hartlepool Borough Council.** Until further work is undertaken, if authorised by Cabinet, it is not possible to be certain whether there are any financial risks particular to Hartlepool that would arise from the disaggregation of the Connexions Tees Valley Company. As a small Authority, in comparison to some other constituent local authorities in the Tees Valley area, there could potentially be an issue around diseconomies of scale in terms of providing a viable service. This is largely due to the fact that the budget for the service is formula driven, based on the 13-19 population and the proportion of the population not in employment, education or training (NEET). Early indications are that this will not be a significant issue although financial implications can not be quantified at this time as we do not yet have an indication of future allocations from the Government Office for the North East.
- 9. CONSULTATION**
- 9.1 Formal consultation with staff and trade unions will need to commence if Cabinet approves the recommendations.
- 9.2 A team of Hartlepool Borough Council officers has been identified, from Central Finance, Legal Services and Human Resources. They will work

with relevant colleagues from other Tees Valley local authorities, to appraise and advise on the proposed disaggregation process.

10. REASON FOR RECOMMENDED OPTION

- 10.1 The principal reason for supporting the recommended option (a five way disaggregation) is so that Hartlepool Borough Council, along with the other four Tees Valley local authorities, can enable changes in future funding arrangements to be reflected appropriately in the delivery of Connexions services to the young people of Hartlepool. A similar report will be going to the Cabinets of each of the Tees Valley authorities.

11. RECOMMENDATIONS

- 11.1 That Cabinet approves the recommendation of the Connexions Tees Valley Board, to work towards the disaggregation of the Connexions Tees Valley Company to five local authority areas by 31st March 2007.
- 11.2 That Cabinet authorises the Director of Children's Services (or her representative), in consultation with the Lead Member for Children's Services, to work with representatives from the four other Tees Valley authorities in the preparation of local authority based plans that meet the approval of the Government Office for the North East, each plan being first approved by its own local authority.
- 11.3 That Cabinet authorises progress in accordance with 11.2 above provided that if, during the work on the preparation of the project plan, significant risks/ concerns for Hartlepool are identified, the matter would be brought back to Cabinet for further discussion.
- 11.4 That the Connexions Tees Valley Board is informed of the decision of the Hartlepool Cabinet.

Contact Officer: Adrienne Simcock,
Director of Children's Services



Report of the Planning Group

Special Board Meeting 27th July 2005

1. PURPOSE OF REPORT

- 1.1 To further explore alternative models for the Connexions Service in the Tees Valley previously outlined by the Planning Group in their report to the Board meeting of 8th June 2005.

2 BACKGROUND

- 2.1 Members will recall the Report to the Board on 8th June 2005 which outlined the implications for the Connexions Service of Government policy on the development of Children's Trusts in Local Authorities (LAs). That Report also drew to Members' attention the consequent decisions of the LA Chief Executives, in collaboration with Council Leaders and Elected Mayors, namely that Stockton LA establish a cross-LA Planning Group to:
- Work towards the disaggregation of the Connexions Service by 31.03.06;
 - Enable the LAs to move together to achieve change;
 - Make recommendations to progress this proposal.
- 2.2 The only condition set on the work of the Planning Group was that the status quo is not an option.
- 2.3 Members will also recall that the drivers for this change to a high performing company emanated from the Government's Children Act which seeks to bring together in local Children's Trusts all of the services (public and private sector) for young people from pre-birth to 19. LAs across the Tees Valley are at different stages of development but all now have in post Directors of Children's Services and all are working actively on the change for children agenda. In Stockton LA there will be a Children's Trust from 01.04.06.
- 2.4 In addition Stockton was invited, as a consequence of its participation in the Local Area Agreement (LAA), to be part of a Migration pilot in 2005/06 which would have involved aligning and pooling the Connexions budget to avoid duplication of planning and commissioning services for young people. Whilst declining to participate in the pilot for 2005/06, Stockton LA identified in its LAA its intention to plan from 01.04.06 to commission its own Connexions Service and to integrate it as part of its Children's Trust. Its vision is of seamless provision, bringing together all services to support young people (including Council services, the voluntary sector, the Youth Offending Service, Connexions, schools

and colleges) delivered in an integrated way across geographical areas of the Borough.

- 2.5 A further and not insignificant driver for change relates to finance. Simply put, a key issue for the implementation of the Children Act is that there is no new money; what is required of us all is to configure services for young people to make better use of existing resources. This requires us to address issues over the central management costs of Connexions and also the continuing VAT issue which, although of a lesser magnitude than in previous years, still represents a loss of funding which could be used to deploy additional front-line staff to assist in meeting the challenging NEET targets.
- 2.6 Following a lengthy debate at the Board meeting of 8th June 2005 on the Report the Planning Group was tasked with providing more information regarding the impact of alternative models for the Connexions Service if disaggregation took place on 31.03.06. Although these models are treated as separate, it is possible to create hybrids which may be more fit for purpose.

3 OPTIONS

The strengths and weaknesses attached to each of the options are based on an April 2006 implementation timescale. These would of course change should a later start date be considered.

3.1 Five – Way Disaggregation

This option provides for each of the five local authorities to manage its own service. This option would require: the dissolution of the Connexions Tees Valley Company; the agreement of Government Office to fund each Local Authority separately; and, the agreement of each Local Authority to undertake this role.

| Strengths | Weaknesses |
|---|---|
| Avoids payment of VAT | Hartlepool and Darlington potentially financially disadvantaged by budget disaggregation. |
| Enables Local Authorities to integrate service delivery according to local need in overall Children's Trust provision | Timescale: limited time to resolve key HR, finance and planning issues. |
| Economy of scale: core services (i.e. HR, Finance), provided 'in house' by existing LA services or contractors. | Creates pressure to decide upon the immediate future of non-DfES core contracts and programmes. |
| Enables the management structure to be reviewed and reorganised if necessary. | No Tees Valley-wide co-ordination, possibility of inconsistent delivery across the Tees Valley, loss of valuable MI function. |
| | Requires inter-authority agreements to be developed for extra district services, i.e. the cross border migration of young people. |

3.2 Partnership arrangement less one partner & variations (ie. less 2, 3, or 4 partners)

This option has similar effects as the disaggregation model but could enable remaining partners, less Stockton, to continue as a four-way partnership or variations of this model.

| Strengths | Weaknesses |
|---|---|
| More time for remaining partners to plan for the delivery of integrated children's services. | Tees Valley entity is lost. – all partners not moving together at the same pace. |
| Planning at partners' own speed. | May impede the effective running of the organisation, including complicating HR issues. The fewer LAs, the more difficult it will be for any of them subsequently to withdraw leaving a viable company. |
| Removes the pressure to make urgent decisions about non-DfES core contracts contracts and programmes. | Danger that a further withdrawal by a partner would render the model unworkable, e.g, uneconomic central support costs, disparate geographical split |
| | Would require financial restructuring to compensate for decreased funding for any central services. |
| | VAT position would remain unchanged for Connexions Tees Valley Company and Boroughs that continue to be served by it. |

3.3 Confederation Model

This option, also as in Option 1, requires the agreement from Government Office to fund each Local Authority separately which would then, in turn, commission a small partnership support service on a pan-Tees Valley basis. This would also require: the scaling down of the Tees Valley company; an agreement by Local Authorities regarding the type and size of the central function required; and, a mechanism by which local partners continue to meet those pan-Tees Valley functions required by Government Office.

| Strengths | Weaknesses |
|---|---|
| Stakeholder alignment: retains a Tees Valley entity. | |
| Reduces central management costs and allows devolution to the local level aligned to Children's Trusts. | Management time for the inter-authority agreements to be developed for extra district services, i.e. the cross border migration of young people. |
| Enables links to be maintained with Tees Valley partners. Continues to enable bids to be made on a pan-Tees Valley basis, using staff time for match funding purposes, and also enables pan-Tees Valley | Possibility of inconsistent delivery and meeting targets across the Tees Valley. A retained central unit could impact on differing focus of services in individual LAs which would as a result of being part of Children's Trusts be more accurately focused on local need. |

| | |
|--|---|
| contracts to continue to be awarded | |
| Builds upon the excellent reputation of the current company | Hartlepool & Darlington potentially financially disadvantaged by disaggregated budgets. |
| Avoids payment of VAT (only possible exception could be for element relating to central service depending on how its configured) | |

Other issues:

This model requires that the central service demonstrates value for money.

3.4 Outsourcing Model

This arrangement provides for the contracting out of agreed functions to an external body. It was not seen as a viable option by the Planning Group. However in the context of Option 1 it would provide a route for the maintenance of specific central functions, e.g. MI which all LAs agreed needed to be retained.

3.5 Host Authority Model

This model was not considered viable by Local Authority partners since no authority wishes to be host given the timescale or the agenda for integrated children's services.

4 TIMESCALE

4.1 The Tees Valley LAs regularly meet together at Member and officer level; they have published a common vision for the regeneration of the area, and they have a proud tradition of working together for the common good of the sub-region. The continuing deliberations of the Connexions Planning Group have reflected this, and its members are continuing to seek ways to move together at the same pace. It is anticipated that we will be able to up-date Board Members orally at the July meeting on progress towards all LAs moving together to an agreed timescale of 31.03.07 at the very latest, and on progress in drawing up a Project Plan to secure a smooth transition. An extended timescale would alleviate some of the weaknesses identified in Options 1-3.

5. Recommendations

- 5.1 The Board commends to LAs Option 3.1 coupled with a revised deadline of 31.03.07.
- 5.2. The Board is requested to note that a Project Plan is being drawn up and will be presented to them at its September meeting.

CABINET REPORT

10th October 2005



Joint Report of: Director of Neighbourhood Services and Director of Regeneration & Planning

Subject: HEADLAND TOWN SQUARE – REQUEST FOR FUNDING CONTRIBUTION

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To draw to the Cabinet's attention a request from the North Hartlepool Partnership for the Council to consider making a capital contribution to the overall projected cost of the proposed Town Square scheme on the Headland.

2. SUMMARY OF CONTENTS

- 2.1 The report provides background to the identification of the Town Square as a key project within the North Hartlepool Partnership's overall regeneration programme. Details of the existing approved funding, comprising approximately £1.4m in total from SRB, Single Programme and Interreg sources, are provided. The design approach and the extensive public consultation programme have resulted in an overall estimated costing which initially was some £190,000 in excess of the approved budget. Savings already identified have reduced that excess to £105,000, but as the report indicates, further savings can only be achieved by significantly compromising the overall scheme design and/or reducing facilities for residents and visitors to the Headland. Enquiries have established that there is no prospect of increased funding from any of the existing sources. The report sets out the benefits of the scheme as currently proposed and the timing and financial implications.
- 2.2 It is pointed out that this matter needs to be considered in the context of the overall Council budget position, but that an early decision is needed, given the existing funding arrangements.

3. RELEVANCE TO CABINET

- 3.1 The proposed scheme has relevance to the Regeneration and Liveability and the Housing, Culture and Transport Portfolios in that it contributes to the Headland's continuing regeneration. The financial issues raised need to be considered in the context of the Council's overall budget.

4. TYPE OF DECISION

- 4.1 Key decision – test (i) applies.

5. DECISION MAKING ROUTE

- 5.1 Cabinet on 10th October; if Cabinet wishes to support this request for funding, Council on 27th October.

6. DECISION(S) REQUIRED

- 6.1 The Cabinet is requested to consider the request for funding to enable the Town Square scheme to proceed as proposed, in the light of the overall budget position and, if appropriate, the Council to approve capital funding of £105,000 in 2006-07.

Joint report of: Director of Neighbourhood Services and
Director of Regeneration & Planning

Subject: HEADLAND TOWN SQUARE
REQUEST FOR FUNDING CONTRIBUTION

1. PURPOSE

To advise the Cabinet of a request from the North Hartlepool Partnership for the Council to contribute funding towards the proposed Headland Town Square scheme, in the light of the estimated cost of the preferred scheme exceeding the currently available budget.

2. BACKGROUND

2.1 As Cabinet members will be aware, the North Hartlepool Partnership and its constituent partners have sought to adopt a strategic approach to the regeneration of the Headland area of Hartlepool. This approach is seeing the implementation of improvements to the physical infrastructure, enhancements to the built environment and the development of key visitor attraction projects. All of these initiatives and the mixed use remodelling of the adjacent 300 acre Victoria Harbour site are designed to add to the overall tourist offer whilst providing support to existing local business and new employment opportunities. The overall £25.4m SRB programme for North Hartlepool is projected to lever a total of nearly £32 million other public sector and private sector investment into North Hartlepool over its lifetime.

2.2 The Headland Environmental Improvement and Public Art Strategy, prepared for the North Hartlepool Partnership to inform its approach to a programme of environmental improvements, identified the "Town Square," the area adjacent to the Borough Buildings in Middlegate, as a key location for improvement. This identification reflected the area's location at the heart of the Headland, the proximity of a number of key buildings and community facilities, the linkages to the Victoria Harbour site and the sense that the area as existing has scope for significant environmental improvement to capitalise on its potential. A Steering Group of representatives of the North Hartlepool Partnership, the Headland Parish Council and the Borough Council was established to progress the scheme's development.

3. FUNDING

3.1 Based on indicative costings, funding for the projects has been assembled via a combination of successful applications to secure SRB, Single Programme and Interreg contributions over the period 2004-07, as set out below:

| | 2004-5 (£) | 2005-6 (£) | 2006-7 (£) | Total (£) |
|------------------|------------|------------|------------|-----------|
| SRB | 51,137 | 664,474 | 300,000 | 1,015,611 |
| Single Programme | 225,379 | - | - | 225,379 |
| Interreg | 19,214 | 128,312 | 43,000 | 190,526 |
| <hr/> | | | | |
| Total | 295,730 | 792,786 | 343,000 | 1,431,516 |
| <hr/> | | | | |

- 3.2 Members will note the significant expenditure defrayed in 2004-05, largely relating to the advance purchase of agreed materials, so as to utilise fully the funding allocated for that financial year, rather than lose at least some of it.

4. DESIGN APPROACH

- 4.1 In 2004 a design competition was held to identify designers to lead in producing proposals to give “a sense of arrival and a distinctive new heart for this unique place” (to quote the competition brief). Following an extensive process of consideration of competition entries, including public consultation, Ferguson Mclveen were appointed as the design consultants for the scheme.
- 4.2 The winning design featured a remodelled square in front of the Borough Buildings, the removal of the bus station and toilet block and their replacement with a new formal landscaped “History Garden” and relocated toilet block. Whilst such proposals were seen as being the limit which could be achieved as a first phase, having regard to the anticipated budget availability, Ferguson Mclveen also showed possible longer term proposals for environmental improvement and new build development in adjacent areas, as indications of the overall potential of the area. Such works, however, would require further public sector funding and private investment, together with extensive further consultation and development work.
- 4.3 Phase One of the winning competition design was then taken to public consultation on 1 February. Local residents, businesses and other interested parties were given the opportunity to express preferences for the various materials and general design to be incorporated in the Town Square development. In the light of that exercise the North Hartlepool Partnership and the relevant Council Portfolio Holders approved a range of materials for purchase in 2004-05.
- 4.4 Incorporating the consultation feedback, and their initial competition designs, Ferguson Mclveen commenced with detailed designs.
- 4.5 In February 2005, after a formal interview process, Seymour Civil Engineering was appointed as contractor for the scheme.

- 4.6 After ongoing consultation with the Headland Town Square Steering Group, Ferguson McIlveen presented the proposed final design to public consultation in August 2005, the results of which are set out below:

Headland Town Square Consultation Event 12th and 13th August 2005.

Feedback

Do you like the developed proposal ?

| | |
|----------|-------------------|
| Yes | 100 people (80%) |
| No | 2 people (1.6%) |
| Not sure | 14 people (11.2%) |
| No reply | 9 people (7.2%) |

(A copy of the proposed design will be available at the meeting).

- 4.7 Due to the ongoing evolution of this design, fixed costings could not be established prior to the public consultation in August 2005. Finalised costings were established soon after the consultation and a shortfall of £190,000 was identified, in comparison with the available budget.
- 4.8 Ferguson McIlveen and Seymour have already carried out significant cost saving exercises, and have identified various cheaper materials suppliers, without compromising quality. These savings have consequently lowered the potential over spend from the initial £190,000 to £105,000 (including a small contingency of £25,000).
- 4.9 The desire of both the North Hartlepool Partnership and the Headland Town Square Steering Group was that the design and quality should not, if possible, be compromised, and that the scheme delivered should reflect the design at the final public consultation.

5. POSSIBLE OPTIONS

- 5.1 As indicated, the detailed costing exercise and subsequent review to seek savings has resulted in an identified shortfall in funding of £105,000. In those circumstances, officers have instructed Ferguson McIlveen and Seymour to examine the scope for further savings and have also explored the prospects for additional external funding.
- 5.2 In terms of potential savings, four areas have been identified, but all present difficulties:
- (a) changing paving treatments in certain locations – projected saving of £6,000. The three locations in question – in front of the Borough Buildings, as a central feature of the History Garden and on the Northgate frontage – are all prominent and changes would have a significant visual impact on the scheme as a whole.

- (b) omitting the "Timeline" interpretation art work across the History Garden - £26,000. This element has attracted much favourable comment in consultation and is the most obvious reflection of the Headland's local history and character. Loss of this element would remove probably the most distinctive component of the whole scheme.
- (c) omitting the above-ground construction of the toilet block - £173,000. The loss of toilet facilities in this location would run counter to the Partnership's and the Council's stated aims of promoting the Headland's tourism role as well, obviously, as removing a local facility. The option of a cheaper, more utilitarian toilet block has been raised with the designers but their view is that the building scale and design are integral to the overall scheme design, which would be compromised by such a change; they also feel that, taking account of the potential costs of not only a new smaller building but also additional paving costs, the scope for savings is limited.
- (d) omitting the clock to the toilet block - £4,000. Whilst probably the least damaging omission of these possible options for savings, the clock would be a fitting feature of the Square.

In summary, only the last of these, the omission of the clock, could be removed without compromising the overall design approach and reducing facilities for residents and visitors. In effect, the scheme as now presented is an entity in itself which has been based on feedback from extensive consultation with residents and other interested parties. Given the nature of the proposals, the history of the scheme design and the necessary advance purchase of materials to avoid loss of funding in 2004-05, the scope for further savings beyond those already made, as mentioned in 4.8 above, is severely limited.

- 5.3 Officers have also explored the prospects for any additional funding from the three existing sources. The SRB contribution has already been increased from an initial budget allocation of £500,000 in recognition of the scale and nature of impact required from the Town Square scheme; discussions with One North East have indicated that they would be unwilling to support any additional SRB contribution, given the level of SRB input already approved. The Tees Valley Single Programme is already heavily over-programmed and is increasingly focussing on schemes giving direct employment outputs; as such there is no realistic prospect of securing further funding from that source. Finally the Interreg contribution was from a specific fixed term initiative and there is no scope for any further funding towards this scheme.

6. FINANCIAL AND TIMING IMPLICATIONS

- 6.1 The scheme is programmed to straddle the two financial years, 2005-07 with the additional funding referred to in this report being needed in 2006-07. There is an urgent need, however, to confirm the scheme design and funding arrangements, so as to ensure an early start on site, which is essential to securing the Interreg funding. This year's contribution from that source, £128,312 must be defrayed, along with a matching amount of SRB spend, by 31st December 2005. Any significant delays relating to any additional design and consultation work around changes to the scheme will threaten the availability of that Interreg funding. In addition, any slippage of SRB funding from 2005-06 to 2006-07 as a result of delays will require One North East's agreement.

7. SUMMARY

- 7.1 The design approach and extensive programme of consultation on the Town Square scheme have led to the development of a proposed scheme which would provide a new high quality public space at "the heart" of the Headland, a fitting setting for the nearby listed buildings, community facilities and visitor attractions. The scheme would incorporate new public toilets (responding to expressed needs from local residents and visitors) and feature robust materials, sympathetic to the Conservation Area setting, resistant to misuse and vandalism and with long-term maintenance benefits. As such the scheme would contribute significantly to the growing momentum of the Headland's regeneration and to the Headland's (and Hartlepool's) tourism offer.
- 7.2 The detailed scheme costings, however, exceed the budget availability. A detailed review of the scheme has identified savings of approximately £85,000 but there remains a potential £105,000 over-spend on the approved budget (i.e. 7.3%). Whilst possible further savings have been identified (as at 5.2), these would significantly compromise the overall design, which has been well-received within the public consultation, and would reduce facilities for residents and visitors. The North Hartlepool Partnership has accordingly asked the Council to consider contributing funding to meet the shortfall.
- 7.3 Whilst the requested funding would not be required until 2006-07, an early decision is needed to enable the scheme to be finalised and started on site. Failure to achieve an early start puts the Interreg funding for 2005 (of up to £128,312) at risk; failure to achieve the total scheme and investment may lead to the Single Programme contribution being subject to partial clawback. Such reductions obviously would compound the problems in delivering the desired scheme.
- 7.4 The Cabinet is, therefore, requested to consider the case for the Council to contribute the £105,000 required to enable the scheme as developed to proceed, giving the benefits referred to in 7.1 and avoiding the risk of loss of funding referred to in 7.3. The Cabinet will wish to consider this

matter in the context of the overall 2006-07 budget position referred to in the Chief Financial Officer's report elsewhere on the meeting agenda. Should the Cabinet decide to support the preferred scheme, the matter will need to be considered by the Council as this matter affects the budget and policy framework.

8. RECOMMENDATION

That the Cabinet considers the request for funding to enable the Town Square scheme to proceed as proposed, in the light of the overall budget position and, if appropriate, recommends the Council to approve capital funding of £105,000 in 2006-07.

CABINET REPORT

10th October 2005



Report of: Chief Financial Officer

Subject: New Financial Management System

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to secure approval for the acquisition of a new financial management system. The new system will support the changes necessary to move the authority forward, improve the way the Council delivers services and assist in the achievement of future efficiency savings.

2. SUMMARY OF CONTENTS

- 2.1. The report provides details of the linkages of this development to the challenges faced by the Council, the future Budget Strategy, Gershon Efficiency Savings, the Council's ICT Strategy, the Council's e-Procurement Strategy and The Way Forward. It also demonstrates how this development will assist in the delivery of the service transformation and process re-engineering that the Council is committed to achieving.

3. RELEVANCE TO CABINET

- 3.1. Cabinet received a report of the Chief Financial Officer on 6th June 2005 which set out the budget strategy and linkages to other strategies and work programmes. This was supplemented by an Integrated ICT Strategy reported to Cabinet on 6th July which outlined the ICT developments that would be necessary to deliver the challenges of improved customer service, more efficient administrative arrangements and more flexible working practices.

4. TYPE OF DECISION

- 4.1. Key decision.

5. DECISION MAKING ROUTE

- 5.1. The decision will be made by Cabinet.

Report of: Chief Financial Officer

Subject: New Financial Management System.

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to inform Cabinet of the result of a competitive market testing process to identify the most appropriate financial management system to meet the Council's corporate requirements. The report seeks approval to the acquisition of a financial management system to support the changes necessary to move the authority forward, improve the way the Council delivers services and assist in the achievement of future efficiency savings.

2. FINANCIAL MANAGEMENT SYSTEM LINKAGES TO OTHER STRATEGIES

- 2.1. The Council's budget strategy requires the balancing of the Council's policy objectives within the constraint of likely available resources. Current forecasts indicate a significant funding gap for 2006/7 which will necessitate a review of priorities, taking account of information derived from the consultation exercises completed last year and taking forward the Zero Based Budget review process.
- 2.2. The Gershon Review means the Council has to meet an annual efficiency target of £1.1m p.a. of cashable savings and £1.1m p.a. of non cashable savings. Whilst the Council is satisfied it can deliver the required efficiency savings in the current year, Cabinet has already been acquainted with the need to have a robust Efficiency Strategy to ensure the achievement of efficiency targets for 2006/7 and 2007/8.
- 2.3. The Way Forward report to Cabinet in March 2004, outlined the key challenges facing the Council and stressed that an integrated and resourced ICT Strategy was needed to underpin the future development of the authority. ICT investment and the re-engineering of working practices and processes are central to the delivery of efficiencies required by Gershon and to assist in future budget setting. The ICT Strategy reported to Cabinet in July this year outlined how ICT will;
- support changes in working practices,
 - affect how the Council interacts with its customers,
 - determine where and how staff are able to carry out their duties, and,
 - influence what the Council's future accommodation requirements will be.
- 2.4. The replacement of the Financial Management System (FMS) will enable the achievement of e-procurement process efficiencies, improve information management processes, facilitate home working, support contact centre operations, provide the opportunity to deliver substantial efficiency gains through the re-engineering of front and back office operations, and the replacement of multiple systems within one integrated product. A business case

has reviewed this area and anticipates realistic achievable savings in excess of £3 million over a five year period.

3 BUSINESS ISSUES FACED BY THE COUNCIL

- 3.1. The Council is faced with a number of issues and challenges, ranging from the recommendations of the Gershon Report, compliance with legislative requirements, meeting e-Government targets, the pursuit of improved service delivery in a more efficient way and meeting targets set by key performance indicators.
- 3.2. The Gershon Report highlighted the need for local authorities to adopt more effective information management practices so as to deliver tangible cost and efficiency savings. The FMS project in conjunction with Business Process Re-engineering (BPR) will facilitate significant business improvements and savings. These are primarily in the areas of e-procurement process efficiencies, improved information management processes, debt collection and payment processes, and integrated project costing.
- 3.3. The Council's e-Procurement strategy identifies improvements to the way the Council buys goods and services as a key factor in meeting the modernising agenda facing local government. The FMS project is integral to this by;
 - Improving the efficiency and effectiveness of procurement activity by standardising procedures and implementing e-Procurement systems.
 - Supporting the delivery of customer services.
 - Improving interaction with businesses.
- 3.4. Process efficiencies will be achieved through the automation of the order to pay process, enhanced requisition ordering processes and the automated matching of invoices and supplier payments. This will be integrated with the EDRM System to replace the circulation of paper invoices with electronic images, thereby improving invoice payment performance monitored by Statutory Performance Indicator BVPI8. It will also support the introduction of e-ordering and e-invoicing procedures.
- 3.5. Improved information management processes will be provided by linkages to both the Corporate EDRMS and Workflow system, and also from utilising the embedded workflow resident within the FMS system. This will enable greater process transparency together with improved productivity from implementing automated alerts and notifications to prompt actions, for example order or invoice authorisation. In addition improved budgeting and reporting functions will enhance management information and the reporting and analysis capabilities.

4 PROJECT BENEFITS

- 4.1. In delivering a corporate FMS system, the community will benefit in a number of ways.

Citizen Benefits

- Support the Council's approach to electronic service delivery and the delivery of information electronically to the public
- Improve responsiveness and quality of services provided to local people
- Provide the delivery of accurate and up to date information and improve the use of information in service planning
- Enable and enhance partnership working
- Improve ways of communicating and consulting with local people

4.2. The financial management system will also provide organisational and staff benefits:

Organisational benefits:

- Support the Council's drive to internal efficiency
- Improve financial transparency and accountability
- Enhance budgetary control processes
- Improve statutory BVPI performance
- Standardise procurement processes
- Improve remote access to information
- Integrate the routing of electronic documents and records
- Improve integration of existing processes
- Consolidate of IT systems
- Reduce corporately the volume of paper processed

Staff Benefits:

- Assist staff to maintain the Council's service standards in the face of increasing demands for activity and information
- Facilitate remote and home-working
- Enhance employee empowerment

5 FINANCIAL MANAGEMENT SYSTEM PROCUREMENT

- 5.1. The Council approached Northgate Information Solutions (NIS) to undertake a procurement exercise to meet its current and future long-term requirements for a corporate financial management system. NIS have completed a formal competitive market test and tender process to select the most suitable solution.
- 5.2. In determining the preferred supplier for the FMS, a cross-departmental officer team has worked closely with Northgate. This joint group was responsible for firstly determining the five short-listed companies and then for subsequently evaluating responses to the Invitation to Tender document, supplier product presentations and the undertaking of other Council reference site visits to establish the preferred solution.
- 5.3. The project is split into 3 distinct phases. Phase 1, with a planned go-live date of 1st April 2006, will involve the implementation of the following core modules:
- General Ledger
 - Accounts Payable
 - Accounts Receivable

- Purchasing
- Integrated Reporting
- Bank Reconciliation and Cashbook

- 5.4. Phase 2 involves the implementation of e-procurement and is scheduled to go-live on 1st October 2006. This phase will also provide for integration with the Contact Centre and enable supplier and customer portal access to their balances.
- 5.5. Phase 3 involves the implementation of job costing and stores modules within the integrated system and is scheduled to go-live on 1st April 2007. This will enable the Council to cease using the current job costing system (Uniclass) and will provide direct savings of circa £40,000 p.a. in addition to productivity benefits.

6 COSTS AND FUNDING

- 6.1. The overall cost of the project is estimated at £962,000. This estimate is provided by the Council's IT provider, Northgate, who are in the process of finalising these costs with the preferred supplier, iBSolutions. This figure at present excludes the cost of interfaces and data migration which are still being assessed. These overall project costs have been processed within a business case and indicate 5-year savings of in excess of £3million. Funding for the project is proposed from a mixture of departmental balances (£140,000), the Northgate Investment Fund (£100,000), technology refreshes, with the remainder coming from grant funding and The Way Forward Reserve. At this stage the balance to be funded as technology refresh is subject to further investigation and negotiation with Northgate.
- 6.2. Formal Partnership Board approval of this project has not yet been granted as the details as identified above have not yet been finalised. However because the implementation date of 1st April 2006, Cabinet approval is required in advance of Partnership Board approval to enable an immediate start on both hardware and software acquisition. This is a less than satisfactory position but given the critical path for the project it is necessary if the Council is to be able to achieve the efficiency targets required. In these circumstances it is requested that Cabinet grant approval to the necessary funding arrangements, subject to approval by the Mayor within maximum costs, as set out in this report.

7 RECOMMENDATION

- 7.1. Members are requested to:

- Approve the acquisition of a new FMS and the proposed source of funding subject to the Mayor's approval of the final details; and
- Authorise the Chief Financial Officer and the Assistant Chief Executive to conclude the necessary funding and contractual arrangements.

CABINET REPORT

10th October 2005



Report of: Chief Financial Officer

Subject: NORTHGATE FRAMEWORK ARRANGEMENT

SUMMARY

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to inform members of the development by Northgate Information Solutions, the Council's current IT supplier, of a processing centre facility within Hartlepool which will initially focus on the administration of housing and council tax benefit claims.

2. SUMMARY OF CONTENTS

- 2.1. The report provides details of Northgate's business strategy in developing the Centre, what the centre is, the marketplace for its services and the potential phasing of the development. The report also outlines some of the income generation / cost sharing opportunities for the Council.

3. RELEVANCE TO CABINET

- 3.1. Whilst the Centre is to be developed by Northgate, given the context of the ICT partnering arrangement and the regeneration implications it is of strategic significance to the Council.

4. TYPE OF DECISION

- 4.1. Non Key decision.

5. DECISION MAKING ROUTE

- 5.1. The decision will be made by Cabinet.

Report of: Chief Financial Officer

Subject: NORTHGATE FRAMEWORK ARRANGEMENT

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to inform members of the development by Northgate Information Solutions, the Council's IT supplier, of a processing centre (the Centre) within Hartlepool which will initially focus on the administration of housing and council tax benefit claims, but can potentially be expanded into other activities.

2. PROCESSING CENTRE

- 2.1 When the Council transferred the delivery of its IT services to SX3 in October 2001, a provision within the contract between the Council and the company required the company to seek to establish a resource centre within the borough. Northgate Information Solutions acquired SX3 earlier this year and all contractual responsibilities novated to the new IT contractor to the Council.
- 2.2 Northgate recognised this contractual commitment and in addition are of the view that a commercially viable centre can be operated within the borough to provide a remote processing facility for the administration of benefits new claims and changes in circumstances workload. The Centre will, via secure IT links, undertake benefits administration for local authorities using each authorities electronic scanned records.
- 2.3 Following the Gershon Review, local authorities have been issued by central government with savings targets both "cashable savings" and "non cashable savings". One of the ways in which councils are responding to the savings targets challenge is to review their transactional services arrangements and embrace partnering arrangements. In the south east of England and in particular the London Boroughs, the staffing costs associated with delivering benefits services are relatively high, reflecting the typically higher salary costs necessary to recruit and retain staff but also their increasingly high dependency on expensive temporary and agency staff.
- 2.4 In response to these problems Council's are evaluating the potential to reduce their service costs and ensure consistently high standards by seeking to externalise some of their activity to a remote processing centre.
- 2.5 Northgate have undertaken a business case analysis and they are satisfied that a processing centre in Hartlepool can deliver cost savings for client local

authorities whilst enabling themselves to generate an adequate commercial margin and return on their investment.

- 2.6 Northgate's target marketplace for the Centre's services extends to also offering a temporary support service to those Councils whose benefits services may be performing poorly or where large backlogs have built up, for example following their implementation of new IT systems.
- 2.7 Northgate are to lease from the Council the accommodation formerly occupied by Housing Hartlepool at the Middleton Grange Shopping Centre to establish the Centre. However they have indicated that should the venture prove a success with adequate demand for its services they will probably need to relocate in future to larger premises.
- 2.8 The first phase of the development will be completed by November 2005 and will involve the appointment of 14 assessment staff covering two benefit assessment teams. A second planned phase will involve the creation of a third assessment team involving another 7 staff by March 2006. Further expansion will be dependent upon Northgate's success in marketing and securing sufficient workload.

3 OPPORTUNITIES FOR THE COUNCIL AND THE BOROUGH

- 3.1 As part of the Centre development, Northgate will be operating a dedicated training room facility where "hands on" computer training and training on benefit regulations will be delivered to its staff and this service will also be offered to other local authorities. The Council has ongoing training and development needs for its benefits staff and with the level of IT implementations being undertaken by the Council's Finance Division Support Services Team, this team will increasingly find a lack of capacity to undertake such training. Northgate will be able to assist with this challenge by providing some of the Council's IT training needs via its training facility. Northgate have suggested that the Council could reciprocate and provide training support on Revenues administration to Northgate staff and to other Council's through the Centre training facility. Northgate have given a commitment that were the Council to source its training from them, the level of charges will be substantially discounted to reflect the partnering framework in place.
- 3.2 Northgate have indicated they are keen to establish, at a future date, with the Council and Hartlepool College, a partnership "Joint Academy", offering a training and development programme for local youngsters linked to the Institute of Revenues Rating and Valuation NVQ scheme. This will generate a pool of trained and developed staff, to service the needs of the Centre and also for the Council's Benefits service.
- 3.3 During each financial year the Council's benefits service will face peaks in its workload and the service may also face staff resource shortfalls through periods of annual leave, maternity and sick leave. To ensure that service standards do not suffer, the Council has historically considered sourcing

temporary contract staff to assist, but this solution can be costly. Northgate acknowledge that there may be occasions when the Centre may not have the capacity to undertake all the work it has contracted to carry out. In these types of circumstances, a two way partnering arrangement is envisaged, that subject to there being the available capacity, one partner will help out the other in return for an agreed sum. This arrangement will provide not only a convenient contingency support but will also be cheaper than for either organisation seeking to source contract staff to resolve.

4 **RECOMMENDATION**

- 4.1 Members are requested to note this report and authorise the Chief Financial Officer to explore a Framework agreement with Northgate.