

# FINANCE AND POLICY COMMITTEE AGENDA



**Friday 30 January 2015**

**at 11.00 am**

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

MEMBERS: FINANCE AND POLICY COMMITTEE:

Councillors C Akers-Belcher, Barclay, Dawkins, Hind, James, Loynes, Payne, Richardson, Riddle, Simmons plus one vacancy.

**1. APOLOGIES FOR ABSENCE**

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

**3. MINUTES**

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 22 December 2014 (*for information as previously circulated and published*).
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 1 December 2014.

**4. KEY DECISIONS**

- 4.1 HME/NMRM/HMS Trincomalee Review – *Director of Regeneration and Neighbourhoods*
- 4.2 Workforce Arrangements – *Chief Executive*

**5. BUDGET AND POLICY FRAMEWORK ITEMS**

- 5.1 Medium Term Financial Strategy (MTFS) 2015/16 to 2018/19 – Update – *Corporate Management Team*



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

- 6.1 Catering Options for Hartlepool Art Gallery – *Director of Regeneration and Neighbourhoods*
- 6.2 The Transfer of the Commissioning Responsibilities to Local Authorities of Public Health Services for 0-5 year olds – *Director of Public Health and Director of Child and Adult Services*
- 6.3 Housing Benefit Fraud and Error Reduction Incentive Scheme – *Chief Finance Officer*
- 6.4 Benefit Fraud Investigation Arrangements – *Chief Finance Officer*
- 6.5 Strategic Financial Management Report – as at 31 December 2014 – *Chief Finance Officer*

## **7. ITEMS FOR INFORMATION**

- 7.1 Delegated Powers Property Transactions Quarterly Report – 2014 (Q3) – *Director of Regeneration and Neighbourhoods*

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

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

### **EXEMPT ITEMS**

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

## **10.1 OTHER ITEMS REQUIRING DECISION**

- 10.1 Seaton Carew Masterplan – Proposed CPO Acquisition of Longscar Hall – *Director of Regeneration and Neighbourhoods (para 3)*

## **ITEMS FOR INFORMATION**

**Date of next meeting – 23 February 2015 at 9.30am in the Civic Centre, Hartlepool**



## **FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD**

22 December 2014

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

**Present:**

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Allan Barclay, Marjorie James, Carl Richardson, David Riddle and Chris Simmons.

Officers: Dave Stubbs, Chief Executive  
Andrew Atkin, Assistant Chief Executive  
Peter Devlin, Chief Solicitor  
Chris Little, Chief Finance Officer  
Denise Ogden, Director of Regeneration and Neighbourhoods  
John Morton, Assistant Chief Finance Officer  
Steve Hilton, Public Relations Officer  
Angela Armstrong, Principal Democratic Services Officer

### **98. Apologies for Absence**

Apologies for absence were received from Councillor Brenda Loynes and Robbie Payne.

### **99. Declarations of Interest**

None.

### **100. Minutes**

- (i) The minutes of the meeting of the Finance and Policy Committee held on 24 November 2014 – Received.
- (ii) The minutes of the meeting of the Health and Wellbeing Board held on 20 October 2014 – Received.

### **101. Council Tax Base 2015/16** *(Chief Finance Officer)*

**Type of decision**

Non key.

### **Purpose of report**

To seek Member approval as required by statutory regulations to a calculated Council Tax Base for 2015/16 which will be used for Council Tax billing purposes.

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

The report provided the background to the calculation of the Council Tax Base for the forthcoming year. As part of the Government's welfare reforms, there is a requirement to adjust the Council Tax Base to reflect the impact of the Local Council Tax Support Scheme which has recently been approved to involve a cut of 12%. The proposals for the Council Tax Base were included within Appendices 1-9.

It was highlighted that the level of in year Council Tax for 2013/14 was positive with Hartlepool having the second highest collection level in the Tees Valley at 96.1% which was also slightly higher than the national average. It was therefore recommended to maintain the overall non collection level at 1.5% was prudent and appropriate.

The recommendations were agreed unanimously.

### **Decision**

- (1) That a Hartlepool BC Council Tax Base for 2015/16 of 22,298.9 as set out in Appendix 1 was approved.
- (2) That a Council Tax Base for 2015/16 for Parishes who intend to levy a precept upon the Council's General Fund as set out in Appendices 2 to 9 be approved:

Dalton Piercy	103.2	Elwick	461.3
Greatham	574.3	Hart	286.3
Newton Bewley	30.6	Headland	723.4
Brierton	12.2	Claxton	15.6

## **102. Irrecoverable Debts – Sundry Debts and Housing Benefit Overpayments** *(Chief Finance Officer)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek Member approval to write out a number of debts considered

irrecoverable. The Council's financial procedure rules provide that any debt due to the Council of £1,000 or more can only be written-out with the express permission of Members.

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

Each year the Council issues sundry debtor invoices totally around £23m. The Council continues to sustain a high level of recovery performance with the level of sundry debt arrears over 3 months old being maintained at about £0.5m as shown in the report. Furthermore over 99% of sundry debts raised are fully recovered within two years. Whilst every effort was made to collect debts due to the Council, certain debts become irrecoverable and attached at Appendix B and confidential Appendix A were the sundry debts that were now considered irrecoverable and were recommended for write out.

The Council annually awards £48m of Housing Benefit but the claimant sometimes delays or fails to tell the Council of changes in their financial circumstances resulting in overpayments of benefit. These overpayments are repayable but collection of this debt is challenging and the report seeks approval to write out of the accounts a number of housing benefit overpayments now considered irrecoverable as listed at confidential Appendix C.

**Appendices A and C contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006 namely information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3.**

The following recommendations were agreed unanimously.

### **Decision**

The write out of irrecoverable sundry debts totalling £8,493.42 and irrecoverable housing benefit overpayments totalling £32,960.40 was approved.

## **103. Unit 4, Brierton Lane** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Non key.

### **Purpose of report**

To consider the options in relation to the potential disposal of Unit 4, Brierton Lane at less than best value.

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

The report provided the detailed background history to the potential disposal of Unit 4 Brierton Lane. The purchasers intend to use the property for Southbrooke Community Project (SCP) purposes which is an Incorporated Charitable Organisation and intends to use the property for alternative education and community services. The proposed arrangement protects the Council's interests in that the property will be retained for use in conjunction with the Southbrooke Project therefore benefiting from the social, economic and wellbeing benefits this provides.

It was proposed that the Council honour the terms as agreed in 2006 which require a sale of land and extension at £2,000 which was £10,000 less than the assessed current value. The proposed purchasers had agreed that a restrictive covenant be incorporated within the sale to restrict the use to non-profit educational, community and youth work purposes for 10 years. Should they wish to dispose of the property earlier than this, the Council would receive the remaining proportion of the £10,000 on the basis of a reducing amount of £1,000 for each year the property was operated in accordance with the user covenant. A number of options for the disposal/use of the property were outlined in the report.

The following were agreed unanimously.

### **Decision**

That the disposal at less than best value subject to safeguarding the Council's interest as set out in the terms and conditions within Confidential Appendix 5 was approved. **This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial or business affairs of any particular person , including the authority holding that information.**

## **104. New Clarence House** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek consent for the variation of the long lease to the rear access road and the release of a restrictive covenant affecting the property.

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

The report provided the background and history to the use of the building since it was built in the 1990's. It was noted that Johnston Press had given board approval to progress with this lease proposal, the terms of which were set out in confidential Appendix 2. **This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial or business affairs of any particular person, including the authority holding that information.**

It was proposed to proceed with the variation of the user clause in the lease to allow unrestricted use of the demised land and to release the restrictive covenant to allow any use of the freehold property on the terms set out in confidential Appendix 2. The proposal would result in a capital receipt from the transaction which will contribute to the £6.5m Capital Receipts target included within the Medium Term Financial Strategy.

The Chair commented that it would be very good to have this building occupied and utilised fully.

The following was agreed unanimously.

### **Decision**

That the Council proceed with the release of the restrictive covenant and variation of the user clause in the lease on the terms outlined within confidential Appendix 2.

## **105. Staff Lottery Scheme** *(Assistant Director, Neighbourhoods)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek approval from Members to introduce a staff lottery scheme.

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

The report provided the background to the introduction of staff lottery schemes in a number of public sector organisations. The scheme for Hartlepool had been developed after reviewing some of the schemes already in operation.

It was proposed that the scheme would be available to all employee of the Council on a voluntary basis with the fees collected by a deduction from their salary. Take up is important to ensure that sufficient funds were collected to offer attractive prizes with an example of the make up of prizes outlined in the report. The prize fund which would be used to support various projects including good causes and staff events. A Staff Lottery Committee would be established to consider all applications to the fund. The Chair of the Staff Lottery Committee would be the link between the Committee and the Corporate Management Team. Further detail of the proposed membership of the Committee was outlined in the report.

In response to a request for clarification from a Member, the Director of Regeneration and Neighbourhoods confirmed that the scheme would be a voluntary scheme and would be open for all staff to participate. The Director congratulated the Assistant Director (Neighbourhoods) for all his hard work developing this proposal. The Chair requested that a letter of thanks be forwarded to the Assistant Director (Neighbourhoods) for the development of such a good scheme.

The following were agreed unanimously.

### **Decision**

- (1) That the introduction of a Staff Lottery Scheme as outlined in Section 4 of the report be approved.
- (2) That a letter of thanks be forwarded to the Assistant Director (Neighbourhoods) for developing such a good scheme.

## **106. Treasury Management Strategy** (*Chief Finance Officer*)

### **Type of decision**

For information.

### **Purpose of report**

To provide an overview of the recommended 2015/16 Treasury Management Strategy considered by the Audit and Governance Committee on 13 November 2014 before it was referred to full Council for approval.



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

The report provided the background to the development and reporting of the Treasury Management Strategy. Further detail was provided on the economic environment and outlook for interest rates including:

- The Global Economy;
- The UK Economy; and
- Interest Rates Forecasts.

It was highlighted that borrowing strategies were required for the Core Borrowing Requirement and the Borrowing Requirement related to specific business cases this was outlined in the report.

It was concluded that the borrowing decisions to be taken over the next 12-24 months would be particularly challenging owing to the expectation of increases in the current historically low Base Rate. The Council's core borrowing requirement was forecast to reduce from £80.4m at 31 March 2014 to £47.1m at 31 March 2026 which reduces the impact of higher interest rates over this period owing to annual reductions in the borrowing requirement.

The report outlined a strategy for managing interest rate risks with the aim of ensuring the borrowing requirement could be funded from the available revenues budget and use of the Treasury Management Reserve if necessary.

### **Decision**

- (1) The report was noted.
- (2) It was noted that following scrutiny of the recommended Treasury Management Strategy by the Audit and Governance Committee on 11 December 2014, it will be referred to Council for approval and consideration of any recommendations made by the Audit and Governance Committee.

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

None.

The meeting concluded at 9.41 am

**P J DEVLIN**  
**CHIEF SOLICITOR**  
**PUBLICATION DATE: 6 January 2015**

# HEALTH AND WELLBEING BOARD

## MINUTES AND DECISION RECORD

1 December 2014

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

### **Present:**

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

### **Prescribed Members:**

Elected Member, Hartlepool Borough Council – Councillor Carl Richardson  
Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning Group – Dr Schock and Alison Wilson  
Director of Public Health, Hartlepool Borough Council - Louise Wallace  
Representative of Healthwatch – Ruby Marshall

### **Other Members:**

Chief Executive, Hartlepool Borough Council – Dave Stubbs  
Representative of the NHS England, Ben Clark as substitute for Caroline Thurlbeck  
Representative of Hartlepool Voluntary and Community Sector – Tracy Woodhall  
Representative of Tees Esk and Wear Valley NHS Trust – David Brown as substitute for Martin Barkley

Also in attendance:-

L Allison, J Gray, S Johnson, G Johnson and S Thomas, HealthWatch

Officers: Neil Harrison, Head of Service, Hartlepool Borough Council  
Amanda Whitaker, Democratic Services Team, Hartlepool Borough Council

## **27. Apologies for Absence**

Elected Member, Hartlepool Borough Council – Councillor Simmons  
Representative of NHS England – Caroline Thurlbeck  
Representative of Tees Esk and Wear Valley NHS Trust – Martin Barkley  
Representative of North Tees and Hartlepool NHS Foundation Trust – Alan Foster  
Representative of Audit and Governance Committee – Councillor Springer

## 28. Declarations of interest by Members

Councillor Christopher Akers-Belcher reiterated the declaration he had made at a previous meeting of the Board (minute 3 refers) that in accordance with the Council's Code of Conduct, he declared a personal interest as Manager for the Local HealthWatch, as a body exercising functions of a public nature, including responsibility for engaging in consultation exercises that could come before the Health and Wellbeing Board. He had advised that where such consultation takes place (or where there is any connection with his employer), as a matter of good corporate governance, he would ensure that he left the meeting for the consideration of such an item to ensure there was no assertion of any conflict of interest. Councillor Christopher Akers-Belcher informed the Board that he would, therefore, vacate the Chair during consideration of the item relating to HealthWatch Work Programme 2014/15.

## 29. Minutes

The minutes of the meeting held on 20 October 2014 were confirmed. There were no matters arising from the minutes.

With reference to minute 28, Councillor Christopher Akers-Belcher vacated the Chair for consideration of minute 30

**Dr Schock In the Chair**

## 30. HealthWatch Work Programme 2014/15 (*HealthWatch Hartlepool*)

Steve Thomas, HealthWatch Development Officer, presented HealthWatch Hartlepool's agreed work plan together with their Communication and Engagement proposal. The Board was informed of the background to the compilation of the work plan and salient issues were highlighted. With regard to the provision of Out of Hours Services in Hartlepool, the Board was informed that whilst it was considered that there had not been a deterioration of that service, there had also not been the improvements which had been anticipated. The Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group advised that the Clinical Commissioning Group shared some of the concerns which had been expressed. The Chief Officer provided details of improvements which had been made together with further improvements to be made arising from the future commissioning of an integrated service. It was noted that work undertaken by HealthWatch would inform that specification. The Chief Officer commented also on issues identified in relation to dementia in the context of General Practice and ongoing discussions with North East Ambulance Service particularly since the recent appointment of a new Chief Executive of the Ambulance Service. The HealthWatch Development Officer advised the Board that he was encouraged by the outcome of the Board's discussions. The Director of Public Health congratulated HealthWatch on their achievements the previous year and highlighted the work being undertaken by the Audit and Governance

Committee on dementia particularly in the context of the opportunity for more research into lifestyle determinants.

### **Decision**

The Board noted the HealthWatch Hartlepool work plan 2014/15.

### **Councillor Christopher Akers-Belcher In the Chair**

## **31. Health Performance Framework Proposal** (*Director of Child and Adult Services and Director of Public Health*)

The report sought endorsement of the proposed health performance framework, the key principles of which were set out in the report: It was aimed to develop a representative number of Performance Indicators into a framework that was understood and agreed by all partners. It would be based, therefore, on the outcomes of the Health & Wellbeing Strategy. The proposal also sought to ensure that the Performance Indicators provided a relevant and recent picture of the Borough and enabled the Board to react in a timely manner to areas of concern. Therefore it was proposed to have two levels of performance reporting as detailed in the report. The proposed Performance Indicators for inclusion in the reporting framework were set out by outcome in an appendix to the report.

It was proposed that trend and benchmarking information be provided annually where available as set out in report. The presentation of the information would build upon the variety of ways that health information is currently presented including that demonstrated in the Ward Health Profiles and north east health & wellbeing heat maps (appended to the report). There would also be an annual performance meeting when performance information and potential future priorities would be considered.

### **Decision**

- (i) The Health and Wellbeing Board endorsed the proposed health performance framework.
- (ii) It was agreed that the Performance Indicators be reported to all Councillors on an annual basis by way of a Members' Seminar.

## **32. Joint Health and Social Care Learning Disability Annual Self Assessment Framework** (*Director of Child and Adult Services*)

The report updated the Board on the results of the eighth annual learning disability performance and self assessment framework (SAF). The issues raised by the Hartlepool Learning Disability Partnership Board in completion of the SAF were highlighted to the Board. The Head of Service made a

presentation which highlighted issues arising from the document. The Board was informed of background information, core themes, identification of priorities and a summary of findings. The role of the board was highlighted with particular reference to the NHS England publication 'A practical guide for Health and Wellbeing Boards – leading local response to Winterbourne View'. A copy of that publication was appended to the report together with the Quality Assurance report for Hartlepool. The Board discussed issues arising from the presentation and the Service Manager agreed to examine the viability of 'quality checkers' as a result of impending staff changes. In response to assurances sought from Board Members, the Service Manager referred to the significant progress which had been made including improved sharing of information with the Foundation Trust and enhanced robustness of data. Improvements referred to by the Service Manager were supported by the representative of Tees Esk and Wear Valley NHS Trust. Reference was made to the work in the mental health and learning disabilities workstream and the Board discussed the improvement in dementia diagnosis in GP registers.

### **Decision**

- (i) The Board noted the content of the report and the progress made;
- (ii) The Board agreed the key priorities for improvement for 2014/15; and
- (iii) The Board considered the challenges and constraints in respect of completion of the SAF for 2014/15 and considered how the process could be better supported.

## **33. Due North – Report of the Inquiry on Health Equity for the North** (*Director of Public Health*)

The report introduced a presentation regarding Due North: the Report of the Independent Inquiry on Health Equity for the North which had been published on 15<sup>th</sup> September 2014. A presentation made by the Director of Public Health informed the Board that Due North was the report of an independent inquiry, commissioned by Public Health England. Its aim was to provide further evidence on the socio-economic determinants of health and additional insights into health inequalities for the North of England (covering the North East, North West and Yorkshire and the Humber regions). The report built on the Marmot Review and focused on the three themes of a fair start for children, the economy and welfare and democratic and community empowerment. The report provided additional evidence on what actions were needed to tackle the underlying determinants of health on the scale needed to make a difference. It also set out challenges to local areas, communities, businesses, councils, the health sector and national political leaders about potential actions they could deliver which could disrupt these persistent health inequalities. The report set out four high level recommendations, as follows:

- tackle poverty and economic inequality within the North and between the North of England and the rest of England
- promote healthy development in early childhood
- share power over resources across the North and increase the influence that the public has on how resources are used to improve the determinants of health
- strengthen the role of the health sector in promoting health equity

The Director of Public Health's presentation highlighted that the recommendations and underpinning supporting actions were aimed at policy makers and practitioners working within agencies in the North of England and secondly, to central government.

Board Members expressed disappointment that health inequalities continued to exist despite ongoing efforts of partner agencies to improve the situation. The Board highlighted that changes to the funding regime had resulted in reduced resources which had prevented further progress in narrowing the health inequality gap.

### Decision

- (i) The content of the presentation was noted and the Board considered how to work with organisations such as Public Health England to implement the recommendations.
- (ii) The Board agreed that a response should be send to Public Health England which highlights action which has been taken and the implications of the funding regime which has prevented further progress being made.

### **34. Better Care Fund Update** (*Director of Child and Adult Services and Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group*)

The report provided the Board with an update regarding the assurance process for the Better Care Fund (BCF) and the outcome for Hartlepool, as well as an update on progress in relation to implementation. It was noted that the outcome of the assurance process had been announced on 30 October 2014. Hartlepool's plan had been assessed as 'approved with support'. Work was underway to provide the additional evidence required in order to have the plan fully approved. This included further detail in relation to risk sharing and contingency arrangements, agreement of a patient experience metric and some additional detail demonstrating how the various elements of the plan contributed to the delivery of the agreed outcomes. An action plan had been drafted and information had been gathered and submitted to the Area Team by the deadline of 28 November 2014.

Work had continued in parallel to the assurance process to ensure that the plan could be implemented from April 2015. A number of the developments in relation to low level support and improved dementia pathways had already been progressed. Further work has been undertaken in relation to the

intermediate care element of the plan, including a range of clinical audits and a review of community nursing and the outcomes of this work would be considered in detail at a planned event on 27 November 2014 to further develop the model for an integrated intermediate care service. It was noted that there would be a further progress update provided to the Health & Wellbeing Board in January.

As a consequence of discussion at the meeting, the Board was informed of details of intermediate care and continuing care provision with particular reference to quality assurance issues and ongoing discussions with providers. The Board discussed issues associated with ensuring consistent quality of service. It was highlighted that carers required support and concerns were expressed regarding delays in accessing day care due to alleged delays in social care assessments. It was agreed that it was essential to ensure services were considered across the area to ensure community services were appropriate. It was suggested that a report be submitted to the Board addressing the range of care packages which were available.

### **Decision**

The Board noted the outcome of the assurance process and the further work undertaken to implement the plan and agreed to receive further updates as detailed plans are developed.

## **35. The NHS Five Year Forward View** *(Director of Public Health, Director of Child and Adult Services, Chief Officer, Hartlepool and Stockton on Tees Clinical Commissioning Group and Director of Operations and Delivery, NHS England)*

The representative of NHS England, Ben Clark introduced the document summarising the key issues in the NHS Five Year Forward View (5YFV) which had been published on 23<sup>rd</sup> October 2014. The document described the collective view of NHS England, Public Health England, Monitor, the NHS Trust Development Authority, the Care Quality Commission and Health Education England on why change in the NHS was needed, what that change might look like and how it could be achieved. The paper outlined the potential implications for the Durham, Darlington and Tees Area Team and the NHS organisations within that geographical footprint. The report covered issues relating to public health and prevention, greater patient control, new models of care, enabling work, the financial perspective and local implications.

The Chief Officer, Hartlepool and Stockton on Tees Clinical Commissioning Group, addressed the local context and referred to discussions earlier in the meeting. Board Members noted that it was intended that a report on development of scenario planning to be submitted to the next meeting of the Board. The Chair proposed that communication and engagement should be developed also by working with the Public Relations Officers.

**Decision**

The Board noted the content of the report.

Meeting concluded at 11.30 a.m.

CHAIR



# FINANCE AND POLICY COMMITTEE

30 January 2015



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

**Subject:** HME/NMRN/HMS TRINCOMALEE REVIEW

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i)/(ii)). Forward Plan Reference No. RN 26/13.

## 2. PURPOSE OF REPORT

2.1 To seek Member approval for the implementation of a single site operation at Hartlepool Maritime Experience (HME) managed and run by the National Museum of the Royal Navy (NMRN) in partnership with the Council and the Trincomalee Trust (TT).

## 3. BACKGROUND

3.1 Recognising that the HME site (including HMS Trincomalee) represents Hartlepool's key visitor attraction, the Council and TT agreed that it was timely to review the site, particularly given the general poor economic conditions and a fiercely competitive market which have impacted negatively on the attraction and indeed similar regional attractions across the UK. The site review encompassed the Quay, Hartlepool's Museum, Wingfield Castle, HMS Trincomalee and the surrounding car park and servicing area. A site plan is attached in **Appendix 1**.

3.2 The purpose of the review was to achieve a more integrated, value – added and sustainable business which is able to attract increasing numbers of visitors, especially paying visitors and at the same time increasing spend per head.

3.3 The scope of the project included:

- Strategic management and governance
- Operational management
- All operational activity on site
- All staff and budget resources related to the site
- A review of the future use of the site, over and above the current operations as a mechanism to enhance the attractiveness to visitors

- A review of the overall site in terms of asset value/potential optimization. This can include for example, new exhibition space, temporary and permanent exhibits, existing lease arrangements, concessions, use of all space – internal and external, etc
- A review of the marketing strategy including product development to ensure it supports the new organisational structure
- Interrelationships with TT, NMRN and the Council
- Compliance with Museum Accreditation Standards for the Museum of Hartlepool
- Existing commercial tenants

3.4 It was originally planned that any strategic changes to the way the site is operated should be agreed by all partners involved and that such changes should be in place by 1st April 2014. However during the review the NMRN expressed a desire to fully affiliate TT into the NMRN structures and at the same time expressed a strong interest in the site becoming a key northern NMRN facility. TT is now a subsidiary of the NMRN and HMS Trincomalee is part of the NMRN collection. Consequently a new programme of work was implemented involving all three key parties and a range of work streams were set up. At the same time the development of Hartlepool's Vision began to take shape and the Water Front site offered great potential to drive forward Hartlepool's quality of place agenda and stimulate further visitor numbers and act as an anchor development for the site which will encourage further private sector investment in the locality. This will assist in bringing critical mass to the visitor and tourism economy, thus strengthening Hartlepool's position in an increasingly competitive market.

## 4. OPTION ANALYSIS

4.1 A range of options for the future of HME have been explored by the HME Review group and have included the following:

- Do nothing – The site has slowly declined over the years in terms of investment, marketing and visitor numbers. The option to do nothing is clearly unacceptable and unsustainable, not only for the site itself but also the impact a failing attraction will have on the waterfront area, which has been identified as one of Hartlepool's key regeneration areas. In addition, the reputational damage to the town would be very significant and could deter potential future developers and investors. Significant damage to the visitor economy would also be a consequence of doing nothing.
- HMS Trincomalee could be moved to Portsmouth - This would likely spell the end of the attraction. Technical and cost issues would be significant to move the ship, but it is technically feasible. The damage to the reputation of the town will be highly significant and would deter future investors and developers and at the same time it will effectively destroy Hartlepool's visitor market.

- Work with TT to drive up investment and visitors. This option will be difficult to achieve without the expertise, resources, international branding and the extensive collection of the NMRN. The site will still require substantial investment of a similar order recommended in this report and therefore offers no advantage of the site becoming a key NMRN northern facility. Indeed there will be significant disadvantages accruing as the site will not benefit from the technical and professional expertise of the NMRN and most importantly the site will not be able to take advantage of the NMRN's world class collection and its international and national branding and therefore exposure to key markets for attracting more visitors.
- Work in collaboration with the TT and the NMRN to set up a single site operation under a new governance structure headed by the NMRN who would operate the site, manage all on site staff, provide much needed capital investment into the existing and new assets, and market the site as part of the National Museum of the Royal Navy branding under a legal agreement on a profit share basis with the Council.

## 5. PROPOSALS

- 5.1 The proposals and subsequent sections are contained in the confidential **Appendix 2 and 3. These appendices contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 5.2 The proposals recommend that HME becomes a major national facility within the umbrella of the NMRN, who will commit significant technical and professional expertise to the development of HME. The NMRN will also commit to appropriate investment in the site which will include extensive additional exhibits sourced from the NMRN world class collection.
- 5.3 The potential town-wide economic impact of increased visitor numbers is significant, and the table below details the economic impact of various levels of paying visitor numbers to HME, utilising the Scarborough Tourism Activity Monitor (STEAM) model the current number of paying visitors is 45,000 per annum.

Visitors pa	Day Spend £	Stay Spend £	Total Spend £
80,000	2,200,000	530,000	2,730,000
100,000	2,700,000	700,000	3,400,000
150,000	4,000,000	1,000,000	5,000,000

- 5.4 The above figures are based on current ratio for day and stay visitors, however there is a real opportunity for HME to attract larger numbers of stay

visitors given the NMRN's national and international market exposure, therefore the above figures represent the minimum likely economic impact of the proposals.

## **6. RISK IMPLICATIONS**

- 6.1 Whilst any new operation carries some level of risk, the rationalisation of management and operational structures will provide a more coherent approach to the site and overhead reductions will be achieved which will enhance the customer experience and educational objectives.
- 6.2 The involvement of the NMRN will also bring a number of significant benefits which will greatly reduce future risks, not least the international and national branding but also through business expertise and resources
- 6.3 The current proposed timetable to establish the new operation by 1<sup>st</sup> April 2015 allows the integration of organisations over the winter period, reducing impact on customers, although the exact timing of the launch of the new operation may change as needs determine.
- 6.4 The legal agreement with the NMRN makes provision for the continuation of Hartlepool's Museum as a free entry facility and will therefore continue to serve the residents of Hartlepool as an educational, cultural and leisure facility. The curatorial services and collection will remain the responsibility of the Council.

## **7. LEGAL CONSIDERATIONS**

- 7.1 Subject to approval by Members, the Heads of Terms will form the basis for the appropriate legal agreements with NMRN and respective solicitors will be instructed accordingly.
- 7.2 The main legal consideration relates to the formation of a new company, however a number of vehicles exist which are easily constituted and this will not be an impediment to the timetable for the implementation of a single site operation.
- 7.3 There will also be a requirement to enter into formal legal agreements with the NMRN and TT. A great deal of due diligence has already been completed and respective legal teams will be instructed in good time to achieve the timetable.

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

- 8.1 The Museum of Hartlepool will continue to be a free entry facility and the curatorial services will be delivered by the Council ensuring appropriate educational, cultural and leisure provision is maintained for local residents

and visitors alike. In addition educational objectives at the Quay will be maintained and enhanced.

## 9. RECOMMENDATIONS

- 9.1 It is recommended that HME is operated under a single site operation, through the implementation of a new not for profit distribution company. Board representation will comprise the Council, NMRN and TT. The single site operation will include one combined staffing structure to achieve overhead reductions and more efficient working and operational practices.
- 9.2 That approval be granted for a lease to NMRN on the terms as set out in confidential Appendix 2 and 3. **These appendices contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, para 3, information relating to the financial or business affairs of any particular person (including the authority holding that information)** to include for the payment of an increased annual subsidy during the first 5 years in addition to phased expenditure to resolve outstanding dilapidations. The NMRN will become responsible for all repairs & maintenance of the property on a full repairing & insuring basis.
- 9.3 It is recommended that Members:
- i) Note that proposals for funding the potential commitment to the NMRN are detailed in the MTFS update report elsewhere on the agenda.
  - ii) Note that the NMRN will commit to ongoing investment as detailed in Section 1.7 of **Appendix 2 and 3. These appendices contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, para 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 9.4 A further report will be submitted to the Regeneration Services and Finance and Policy Committee's detailing the proposed schedule of works, associated costs and timescales, prior to the NMRN taking responsibility for repairs and maintenance.
- 9.5 That the site operates as a NMRN branded Northern Museum, becoming a key facility within NMRN's national organisational structure.

## 10. REASONS FOR RECOMMENDATIONS

- 10.1 The development of a single site operation will achieve efficiencies that cannot be made with two separate teams at HME. In addition significant operational improvements can be achieved by a single site operation that will

improve the customer experience and educational objectives and provide a much more coordinated approach to business development.

- 10.2 The branding of HME as a key NMRN northern facility will achieve much greater market exposure both internationally and nationally which will greatly increase potential markets and opportunities. This will drive visitor figures upwards and this will have a major direct impact on the site but also significant indirect impacts, being a catalyst for a range of downstream and complementary investment and development.
- 10.3 The NMRN will provide professional support in key business areas such as marketing, product development, dynamic interactive displays and access to a world class modern and historic collection.
- 10.4 That the NMRN will commit to ongoing investment with a major development proposed in year 5/6. The site will be subject to significant levels of product development and marketing in years 1/4.

## **11. BACKGROUND PAPERS**

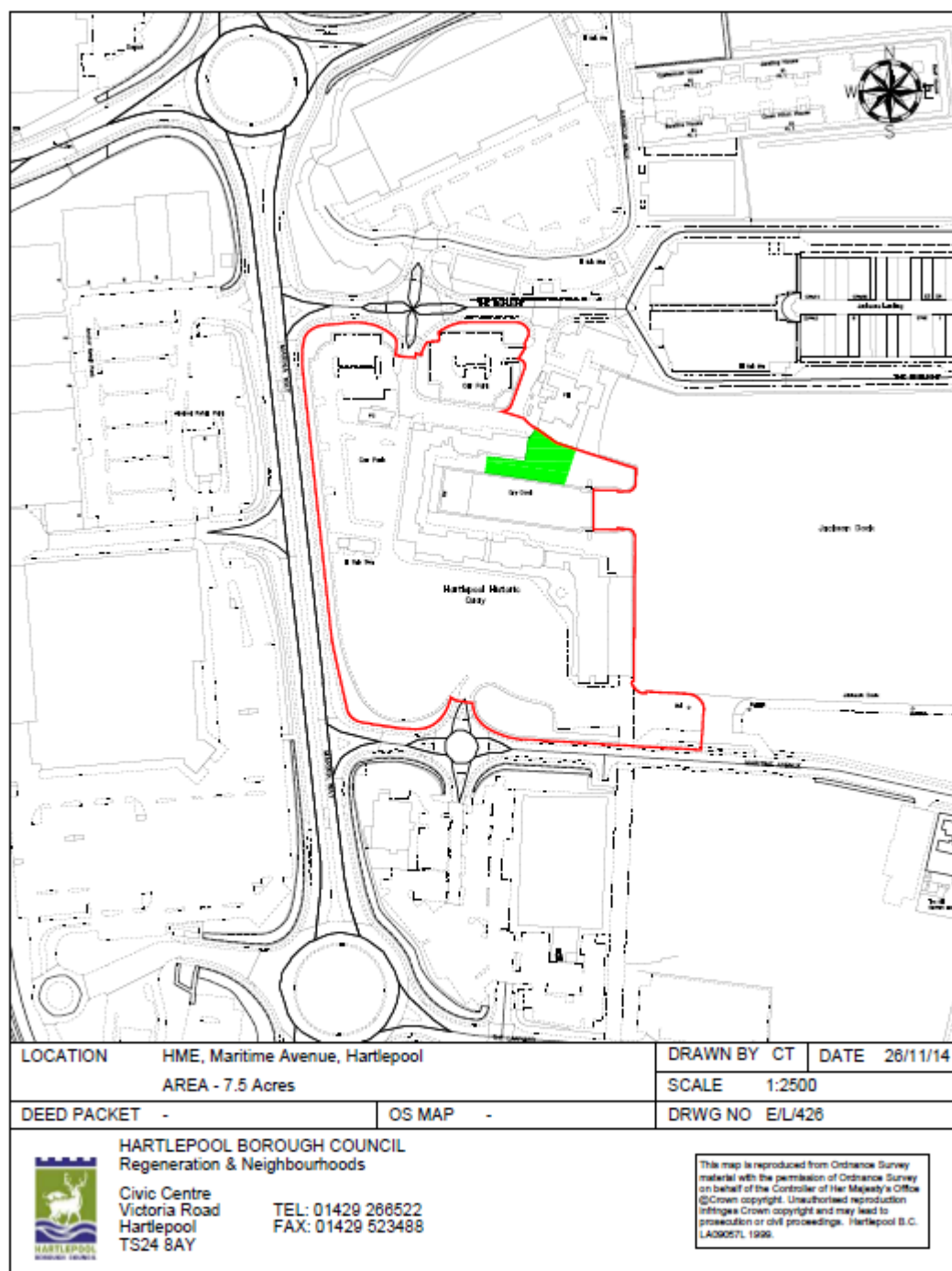
- 11.1 None

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# FINANCE AND POLICY COMMITTEE

30 January 2015



**Report of:** Chief Executive

**Subject:** WORKFORCE ARRANGEMENTS

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision (test (i)). Forward Plan Reference No - CE64/14 - Workforce Arrangements.

## 2. PURPOSE OF REPORT

- 2.1 To advise Finance and Policy Committee where changes to employees conditions of service may be made and the process to be followed.

## 3. BACKGROUND

- 3.1 An update of the Medium Term Financial Strategy (MTFS) was submitted to Finance and Policy Committee on 24<sup>th</sup> November 2014 and detailed 2015/16 budget proposals were approved by Council on 18<sup>th</sup> December 2014 including £200k from changes in employee's terms and conditions. The report advised Members of the proposals to balance the 2015/16 budget and the further cuts of £14.8m which will need to be made over the period 2016/17 to 2018/19. These further cuts equate to 17%. The level of cuts could be higher if the actual grant cuts exceed the current planning forecasts. The report indicated that even more difficult decisions will need to be implemented from 2016/17 to balance the budget. If these measures are not achieved alternative savings/cuts will need to be implemented.
- 3.2 The Single Status Agreement (agreed in 2008 but backdated to 1 April 2007) was the last time significant consideration was given to employees conditions of service (including overtime enhancements, weekend enhancements, protection arrangements etc). The financial outlook was different at that time and a key objective for the Single Status Agreement was to address the significant equal pay risks associated with pay. It was important that the workforce supported the changes to the pay arrangements and it was not appropriate to make significant changes to the other terms and conditions. All schools and academies have adopted the Single Status Agreement. By law, Community schools have to pay their employees in accordance with the Council's pay and grading structure, although this does not apply to academies and Aided and Foundation schools.



- 3.3 The Council introduced a Hartlepool Living Wage of £7.26 per hour (equivalent to spinal column point 10) by merging Bands 1-3 into a single pay band in September 2013 and this is the lowest hourly rate paid to Council employees on Council conditions of service. All schools and some of the academies in Hartlepool are also paying the Hartlepool Living Wage. This contributed to the Council's Anti Poverty Strategy.
- 3.4 After 3 years of pay restraint a 1% pay rise was agreed for employees on NJC for Local Government Services (Green Book) conditions of service with effect from 1 April 2013. A further pay award of 2.32% for spinal column point 10 and 2.2% for all other spinal column points applies for the period 1 January 2015 and 31 March 2016. As a result the Hartlepool Living Wage (and SCP10) is currently of £7.43 per hour.
- 3.5 The national minimum wage for those aged 21 and over is £6.50 and is reviewed each October. The national Living Wage is currently £7.85 per hour and is reviewed each November. Accredited Living Wage employers have six months from November each year to implement the new national Living Wage rate. In addition, accredited employers are required to ensure contracted workers over 18 (but excluding apprentices) are paid the national Living Wage where the worker is on the employer's premises for two or more hours per week, for eight or more consecutive weeks in the year. There is no requirement for the Living Wage to apply in other contracts.
- 3.6 In an European Court of Justice decision and, late last year high profile Employment Appeal Tribunal (EAT) decisions on holiday pay it has been established that non guaranteed overtime (i.e. overtime which does not have to be provided by employees but which the employee contractually has to work if it is offered) should be reflected in holiday pay.
- 3.7 Unison are urging Council's to sign up to their ethical care charter for care workers (attached at Appendix A) which includes the following demands
- Time allocated to visits should match client needs.
  - Visits should be scheduled so home care staff do not have to rush time with clients or leave early.
  - Staff should be paid for travel time.
  - Staff should have permanent contracts not zero-hour contracts.
  - Staff should be paid at least the living wage.
  - Staff should receive regular training and the opportunity to meet colleagues to share best practice and limit isolation.

#### 4. PROPOSALS

- 4.1 A package of proposed changes to current terms and conditions has been developed affecting the following;

- Car allowances
- Unsocial working enhancements
- Overtime enhancements
- Protection
- Living Wage
- Annual leave
- Travel
- Subsistence
- Holiday pay
- Standby
- Transport
- Cancellation of requirement to work at short notice
- Unison Ethical Care Charter

4.2 Further details of the proposed changes, can be found in the exempt Appendix B. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.**

4.3 As detailed in the November 2014 MTFS report funding for potential one-off protection costs arising from the achievement of permanent 2015/16 savings from the Terms and Conditions review has been identified from a combination of reviewing reserves and the 2014/15 outturn. These proposal formed part of the Council's multi-year financial strategy which aims to provide the best possible financial position for managing the impact on sustained cuts in Government funding and to manage other one off financial risks.

4.4 The Hartlepool Joint Trade Union Committee and Head Teachers of all Hartlepool schools and academies have been consulted on the proposed changes. The Trade Unions have indicated that they will need to obtain approval from their national colleagues and have forwarded details of the proposals to them. Headteachers are due to consider the proposals at the Director of Child and Adult Services Meeting on 21 January 2015. The views of headteachers and the Trade Unions, if received, will be reported at your meeting (and be circulated in advance if time permits).

## 5. NEXT STEPS

5.1 Assuming Members approval, in principle, to the package of changes is given it will be necessary to brief the workforce (expected to be during February) and the Trade Unions are expected to undertake a ballot of their Members (expected to be in March, subject to agreement from their national colleagues)) to determine whether they have a mandate to agree the proposed changes. It is anticipated that Finance and Policy Committee will

make a final decision at its meeting on 23 March 2015, with employees being given 12 weeks notice of the changes prior to 8 April 2015. Providing the above timetable is adhered to, any changes will be implemented from 1 July 2015.

## **6. RECOMMENDATIONS**

- 6.1 That Members note the report, including the intention to provide the views of headteachers and the Trade Unions at your meeting (and be circulated in advance if time permits) and consider the detailed recommendations in the exempt Appendix B.

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 To update Members.

## **8. BACKGROUND PAPERS**

Finance and Policy Committee report 23 August 2013

Finance and Policy Committee report 18 October 2013

Finance and Policy Committee report 24 November 2014

## **9. CONTACT OFFICER**

Dave Stubbs

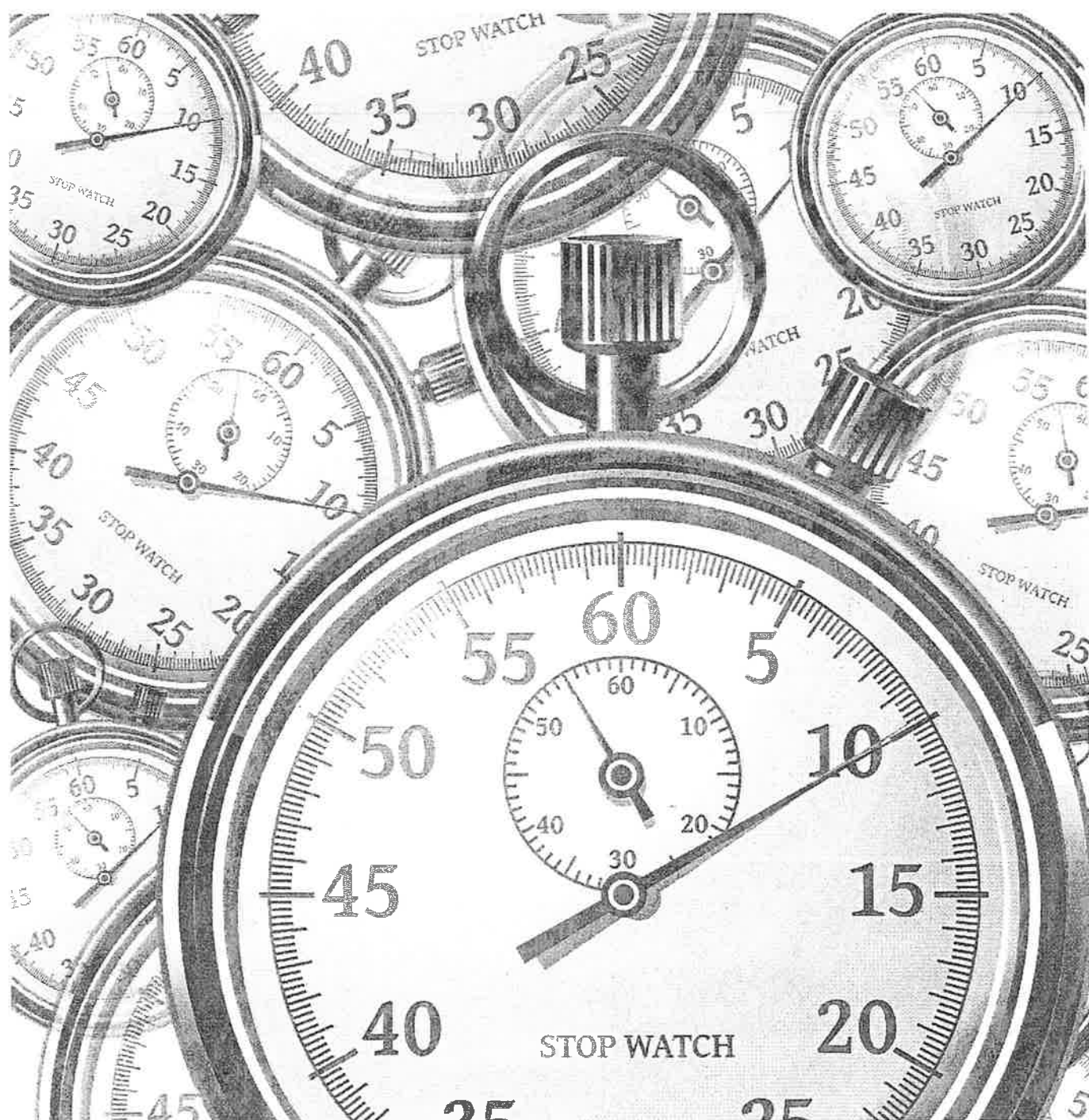
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# UNISON's ethical care charter



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# Introduction

A number of reports from client organisations, consumer groups, and homecare providers have recently been produced which have been highly critical of the state of homecare services in the UK. Little consideration however has been given to the views of homecare workers themselves as to why there are so many problems in this sector.

UNISON, the largest public service union, conducted a survey of homecare workers entitled “Time to Care” to help address this imbalance and to illustrate the reality of homecare work. The online survey which was open to homecare workers who were either UNISON members or non-members attracted 431 responses between June and July of 2012.

The responses showed a committed but poorly paid and treated workforce which is doing its best to maintain good levels of quality care in a system that is in crisis. The report highlights how poor terms and conditions for workers can help contribute towards lower standards of care for people in receipt of homecare services.

## Key findings

- 79.1% of respondents reported that their work schedule is arranged in such a way that they either have to rush their work or leave a client early to get to their next visit on time. This practice of 'call cramming', where homecare workers are routinely given too many visits too close together, means clients can find themselves not getting the service they are entitled to. Homecare workers are often forced to rush their work or leave early. Those workers who refuse to leave early and stay to provide the level of care they believe is necessary, also lose out as it means they end up working for free in their own time.
  - 56% of respondents received between the national minimum wage of £6.08 an hour at the time of the survey and £8 an hour. The majority of respondents did not receive set wages making it hard to plan and budget. Very low pay means a high level of staff turnover as workers cannot afford to stay in the sector. Clients therefore have to suffer a succession of new care staff.
  - 57.8% of respondents were not paid for their travelling time between visits. As well as being potentially a breach of the minimum wage law, this practice eats away at homecare workers' already low pay.
  - Over half the respondents reported that their terms and conditions had worsened over the last year, providing further evidence of the race to the bottom mentality in the provision of homecare services.
  - 56.1% – had their pay made worse
  - 59.7% – had their hours adversely changed
  - 52.1% – had been given more duties
  - 36.7% of respondents reported that they were often allocated different clients affecting care continuity and the ability of clients to form relationships with their care workers. This is crucial, especially for people with such conditions as dementia.
  - Whilst the vast majority of respondents had a clearly defined way of reporting concerns about their clients' wellbeing, 52.3% reported that these concerns were only sometimes acted on, highlighting a major potential safeguarding problem.
  - Only 43.7% of respondents see fellow homecare workers on a daily basis at work. This isolation is not good for morale and impacts on the ability to learn and develop in the role.
  - 41.1% are not given specialist training to deal with their clients specific medical needs, such as dementia and stroke related conditions.
- The written responses to our survey paint a disturbing picture of a system in which the ability to provide some companionship and conversation to often lonely and isolated clients is being stripped away. Some recounted the shame of providing rushed and insufficient levels of care because of the terms and conditions of their job, whilst many detailed insufficient levels of training that they had been given to carry out the role. Others made the point that rushed visits are a false economy leading to a greater likelihood of falls, medication errors and deterioration through loneliness.

However the survey also showed the selflessness and bravery of homecare workers who, to their own personal cost, refused to accept the imposition of outrageously short visits and worked in their own time to ensure that their clients received good levels of care. Some homecare workers were doing tasks and errands for their clients in their spare time, despite the seemingly best efforts of the current care model to strip away any sense of personal warmth or humanity.

Homecare workers are personally propping up a deteriorating system of adult social care, but they are being pushed to breaking point. That they are still willing to deliver good levels of care in spite of the system is nothing short of heroic. For the system to work it needs to be underpinned by adequate funding and a workforce whose terms and conditions reflect the respect and value they deserve. Crucially they must be given the time to care.

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**“ I never seem to have enough time for the human contact and care that these people deserve. ”**

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**“ A lot of the people I care for, are old and lonely, they are not only in need of physical support, but they are also in need of company and someone to talk to. The times given to these people are the bare minimum to get the job done, no time for a chat, just in and out. ”**

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**“ People are being failed by a system which does not recognise importance of person centred care. ”**

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**“ We are poorly paid and undervalued except by the people we care for! ”**

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**“ I have worked as homecare worker for 15 years. Things have to change but not at the expensive of clients. It's appalling the care they receive now. ”**

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# Ethical care councils

In light of UNISON's findings, we are calling for councils to commit to becoming Ethical Care Councils by commissioning homecare services which adhere our Ethical Care Charter.

The over-riding objective behind the Charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which a) do not routinely short-change clients and b) ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels. Rather than councils seeking to achieve savings by driving down the pay and conditions that have been the norm for council – employed staff, they should be using these as a benchmark against which to level up.

Councils will be asked to sign up to the Charter and UNISON will regularly publish the names of councils who do.

# Ethical care charter for the commissioning of homecare services

## Stage 1

- › The starting point for commissioning of visits will be client need and not minutes or tasks. Workers will have the freedom to provide appropriate care and will be given time to talk to their clients
- › The time allocated to visits will match the needs of the clients. In general, 15-minute visits will not be used as they undermine the dignity of the clients
- › Homecare workers will be paid for their travel time, their travel costs and other necessary expenses such as mobile phones
- › Visits will be scheduled so that homecare workers are not forced to rush their time with clients or leave their clients early to get to the next one on time
- › Those homecare workers who are eligible must be paid statutory sick pay

## Stage 2

- › Clients will be allocated the same homecare worker(s) wherever possible
- › Zero hour contracts will not be used in place of permanent contracts
- › Providers will have a clear and accountable procedure for following up staff concerns about their clients' wellbeing

- › All homecare workers will be regularly trained to the necessary standard to provide a good service (at no cost to themselves and in work time)
- › Homecare workers will be given the opportunity to regularly meet co-workers to share best practice and limit their isolation

## Stage 3

- › All homecare workers will be paid at least the Living Wage (as of November 2013 it is currently £7.65 an hour for the whole of the UK apart from London. For London it is £8.80 an hour. The Living Wage will be calculated again in November 2014 and in each subsequent November). If Council employed homecare workers paid above this rate are outsourced it should be on the basis that the provider is required, and is funded, to maintain these pay levels throughout the contract
- › All homecare workers will be covered by an occupational sick pay scheme to ensure that staff do not feel pressurised to work when they are ill in order to protect the welfare of their vulnerable clients.



## Guidance for councils and other providers on adopting the charter

### Seeking agreements with existing providers

1. Convene a review group with representation from providers, local NHS and UNISON reps to work on a plan for adopting the charter – with an immediate commitment to stage 1 and a plan for adopting stages 2 & 3
2. Start by securing agreement for a review of all visits which are under 30 minutes. The review will include getting views of the homecare workers and client (and/or their family) on how long the client actually needs for a visit and what their care package should be

### Looking for savings

3. Are providers' rostering efficiently – for example are there cases of workers travelling long distances to clients when there are more local workers who could take over these calls?
4. How much is staff turnover costing providers in recruitment and training costs?
5. How much are falls and hospital admissions amongst homecare clients costing the NHS and could some of these be prevented by longer calls and higher quality care?

6. Are there opportunities for economies of scale by providers collaborating around the delivery of training and networking/mentoring for workers?
7. Are there opportunities for collaboration between providers to achieve savings on procurement of mobile phones, uniforms and equipment for workers?

### The commissioning process

1. UNISON's evidence, along with that of other bodies such as the UKHCA, shows that working conditions are intrinsically bound up with the quality of care.
2. When councils are conducting service reviews and drawing up service improvement plans, the Charter will provide a helpful benchmark for ensuring service quality – whether for an improved in-house service or in relation to externally commissioned services.
3. Where a decision has been taken to commission homecare externally, identify how the elements of the charter will be included as service delivery processes, contract conditions or corporate objectives in the invitation to tender documents. It must explain how these are material to the quality of the service and achieving best value.

### **Service monitoring**

1. Work with providers and trade unions to agree how service quality will be monitored and compliance with the Charter assured
2. Build regular surveys of homecare workers into this process to gain their views and consider establishing a homecare workers panel from across local providers who can provide feedback and ideas on care delivery

**The provisions of this charter constitute minimum and not maximum standards. This charter should not be used to prevent providers of homecare services from exceeding these standards.**



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# **FINANCE AND POLICY COMMITTEE**

## **30 JANUARY 2015**



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

**Subject:** CATERING OPTIONS FOR HARTLEPOOL ART GALLERY

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

1.1 This report is for a non-key decision.

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

2.1 The purpose of this report is to inform Members of an approach received by Catcote School to provide a catering facility at Hartlepool Art Gallery.

### **3. BACKGROUND**

3.1 Until December 2013 Hartlepool Art Gallery provided a café facility via the Council's in-house catering services. This service ceased as it was not considered economically viable. Visitor figures for the Art Gallery for the period March-June 2013 were 23,690 compared with 18,978 in 2014 when no café facility was available, over a 20% decrease. This variable could be a result of the attractiveness of the different exhibitions on offer; however it could also be linked to the closure of the café facility.

### **4. CHRISTCHURCH**

4.1 Members will recall vending machines were to be introduced within the Art Gallery to replace the café facilities, however due to low demand experienced with vending machines elsewhere, eg the Central Library this has not been progressed.

4.2 Since the decision was taken to close the café facility in the art gallery in December 2013, Catcote Special School has approached the Council with an offer to operate the Art Gallery café at no cost to the Council. The benefits of this option are that this will be supporting adults with special needs to gain

valuable work experience and could provide a Fair Trade option. The risks are that the opening times would be limited to 10.30am-2.30pm.

## **5. EQUALITY AND DIVERSITY**

- 5.1 There are no equality or diversity implications.

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

- 6.1 There are no implications under Section 17.

## **7. RECOMMENDATIONS**

- 7.1 That Catcote Special School are offered an initial twelve month contract to operate the café at Hartlepool Art Gallery. During this twelve month period the success of this option should be assessed and alternative long-term solutions considered in line with the vision for Church Square.

## **8. REASONS FOR RECOMMENDATIONS**

- 8.1 The reason for the recommendation in 7.1 is that this decision would support local adults with learning difficulties to gain genuine work-based experience whilst providing a much-needed café facility for the Art Gallery.

## **9. CONTACT OFFICER**

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# FINANCE AND POLICY COMMITTEE

30 January 2015



**Report of:** Director of Public Health, Director of Child and Adult Services

**Subject:** THE TRANSFER OF THE COMMISSIONING RESPONSIBILITIES TO LOCAL AUTHORITIES OF PUBLIC HEALTH SERVICES FOR 0-5 YEAR OLDS

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to update the Finance and Policy Committee of the progress regarding the transfer of children's 0-5 public health services from NHS England Area Team to Hartlepool Borough Council from 1<sup>st</sup> October 2015.

## 3. BACKGROUND

- 3.1 In 2014, the Government confirmed the responsibility for the commissioning of children's 0-5 public health services (The Healthy Child Programme 0-5) will transfer from NHS England to local authorities on 1<sup>st</sup> October 2015. This service is delivered by health visiting services and Family Nurse Partnerships (FNP) which provide targeted support for teenage mothers.
- 3.2 The Healthy Child Programme (HCP) is a national public health programme, based on best knowledge and evidence to achieve good outcomes for all children. The transfer of the commissioning responsibilities for the 0-5 healthy child programme (HCP) and Family Nurse Partnerships will join-up the commissioning already carried out by Local Authorities for public health services for children and young people 5-19, (and up to age 25 for young people with Special Educational Needs and Disability (SEND.) This will enable integrated commissioning and delivery of public health services for children and young people aged between 0 and 19 years and provide an opportunity for integration with other children and young people's services.



- 3.3 Transition to parenthood and the first 1001 days from conception to age 2, is widely recognised as a crucial period, impacting and influencing the rest of the life course. Health visitors have a crucial role in the early years of a child's development providing ongoing support for all children and families; they lead the delivery of the HCP during pregnancy and the early years of life. They also have key roles in developing communities, in early help and contributing to more complex care.
- 3.4 To support the HCP evidence based universal programme in improving health outcomes for children and young people, six *Early Years High Impact Areas (HIA)*<sup>j</sup> documents have been developed. Furthermore, *Conception to age 2 – the age of opportunity*<sup>j</sup> contains recommendations that guide both national and local decision-makers and commissioners in reducing the causes of disadvantage at the earliest and most effective point in life.

#### 4. TRANSFER OF CHILDREN'S 0-5 PUBLIC HEALTH COMMISSIONING

##### 4.1 Mandated Services

- 4.1.1 Subject to parliamentary approval, the Government intends to mandate the five universal checks within the 0-5 HCP namely: antenatal health promoting visits; new baby review; 6-8 week assessment; 1 year assessment and 2-2½ year review. Regulations will also include a sunset clause at 18 months and a review involving Public Health England after 12 months.
- 4.1.2 Research evidence shows that these are key times to ensure that parents are supported to give their baby/child the best start in life, and to identify early, those families who need extra help (early interventions). These elements are delivered by health visitors or (less often) through the Family Nurse Partnership (FNP) as part of an ongoing relationship with families and communities.

##### 4.2. Key milestones

- 4.2.1 The responsibility for the commissioning of children's 0-5 public health services will transfer from NHS England to local authorities on 1<sup>st</sup> October 2015. NHS England Area Teams and Local Authorities submitted a financial return on 12 September 2014.
- 4.2.2 The Department of Health has used the financial return to establish provisional Local Authority baselines and changes to NHS England funding. The Local Authority baselines were published for consultation in December 2014. Hartlepool's share for half year October 2015 – March 2016 is £761,000.00. The consultation period ends on 16<sup>th</sup> January 2015, baselines will be finalised by the Department of Health and confirmed with local authorities shortly afterwards.
- 4.2.3 Subject to Parliamentary approval, it is anticipated that full national guidance and regulations will be in place by May 2015. This guidance will outline in

more detail key milestones for service review, contract extensions and future arrangements for the service.

#### 4.3 Financial information

- 4.3.1 For 2015/16, the transfer of commissioning responsibilities is in effect a 'lift and shift' arrangement where the commissioning responsibility will transfer to the local authority and the existing service provider will continue to be responsible for the service delivery. For Hartlepool, the service is currently delivered by North Tees & Hartlepool NHS Foundation Trust and covers two local authority areas, Hartlepool and Stockton-on-Tees.
- 4.3.2 Following the transfer of the commissioning responsibility in October 2015, the funding for the service will be added to existing public health grant allocations to form an overall public health grant allocation. The public health grant allocation formula will be amended to take account of the transfer of commissioning responsibility for the 0-5 Healthy child programme and the Family Nurse Partnership (FNP) and the Secretary of State has written to the Chair of the Advisory Committee on Resource Allocation to include this in their work programme.
- 4.3.3 The Department of Health has agreed a minimum floor for local authorities such that no local authority is funded to a level below an adjusted spend per head (0-5) of £160. This is a first step to support local authorities whilst the Department work towards a needs based solution for the public health grant from 2016-17 to help local authorities to deliver the best possible outcomes for children.
- 4.3.4 Hartlepool Borough Council's public health team is working closely with the NHS England Durham, Darlington and Tees Area Team to ensure there is a seamless transition of the service. The NHS England Area team shared the full details of their first return and further meetings were held with the local authority to reflect "open book accounting" on all matters related to the transfer. The second financial return was jointly signed off by Area Teams and the local authority to demonstrate that local agreement was reached and the process was clear and transparent.
- 4.3.5 As part of the return that was submitted to NHS England the Director of Public Health endorsed a letter submitted on behalf of all Tees Directors of Public Health highlighting a number of concerns and areas where further guidance will be required as part of managing the transition. These areas were:
- The need for Hartlepool Borough Council to be involved in the contract negotiations and planning process for 2015/16 between the current commissioner and the service provider. These discussions will need to include agreement on the type and length of contract, jointly agreeing contract extensions and ensuring alignment with the council's plans, policies and procedures;

- The final allocation for this service which will need to take into account back office functions and overheads associated with managing the contract and service delivery. This will need to include service overheads and costs associated with commissioning and contract management. The amount indicated in the baseline financial return will not sufficiently cover all the support functions;
- Further clarity will be required on the future arrangements for the NHS' commissioning for quality and innovation (CQUIN) incentive scheme and how this will be funded;
- Further discussions and clarity on whether the financial information cited above and included in the financial return to NHS England takes into account pay progression in line with the NHS agenda for change framework (which will apply to the health visiting and Family Nurse Partnership staff).
- The potential impact of any future changes to the public health grant on the commissioning of these services.

4.3.6 The Department of Health have undertaken a baseline agreement exercise and in December 2014 published the proposed funding allocations for Local Authority for the 6 month period October 2015 – March 2016. The table below demonstrates the allocations for the Darlington, Durham and Tees Area Team.

<b>Local Authority</b>	<b>12/9/14 Return</b>	<b>Proposed Allocation 1/10/15-31/03/16</b>
County Durham	4,686.000	4,894.000
Darlington	1,152.000	1,215.000
Hartlepool	717.000	761.000
Middlesbrough	1,329.000	1,398.000
Redcar and Cleveland	1,058.000	1,117.000
Stockton	1,333.000	1,403.000

#### 4.4. Progressing the Transfer

- 4.4.1 Work continues between Hartlepool Borough Council and Stockton Borough Council and NHS England Area Team to develop plans for a smooth transfer of the commissioning responsibilities. A North of Tees transition board is being established with key partners to ensure a smooth transfer happens in October 2015.
- 4.4.2 At a national level, the Department of Health, NHS England and Public Health England are working with key partners, including the Local Government Association (LGA), Society of Local Authority Chief Executives (SOLACE), the Association of Directors of Public Health (ADPH), ADPH. Regulations will be

drawn up and partners will have an opportunity to comment ahead of these being laid before Parliament.

- 4.4.3 Work is ongoing with the Area team, as the outgoing commissioner, to put in place new contracts with existing providers which ensure services are available to patients throughout the transition year. Service continuity and stability are a key principle of safe transfer.
- 4.4.4 Two alternative approaches can be taken to this, depending on local circumstances they are.
- **Option 1.** The Area Team can put in place a single contract for the full-year of 2015/16, with a deed of novation being approved by the relevant local authority at the same time as the contract is signed, confirming that the contract will transfer to the local authority on 1 October 2015.
  - **Option 2.** The Area Team can put in place a six-month NHS England contract with the provider for the period from April to September 2015 and can help the local authority put in place a similar, but separate, contract with the provider for the period from October 2015 to March 2016. It would be very desirable for both contracts to be signed before the start of the 2015/16 financial year.
- 4.4.5 Discussions have taken place with the Tees Directors of Public Health and Option 2 is the preferred option for the new contract.

## 5 RISK IMPLICATIONS

- 5.1 A risk register will be developed as part of managing the public health transition.

## 6. FINANCIAL CONSIDERATIONS

- 6.1 Work needs to be carried out jointly with the NHS Area Team to ensure the full cost of commissioning and delivering the service transfer to Hartlepool Borough Council. There are long term implications on the impact of the proposed future reductions in the public health ring fenced grant particularly given the mandation elements of this service.

## 7. LEGAL CONSIDERATIONS

- 7.1 The commissioning of a 0-5 Healthy Child Programme and the Family Nurse Partnership will from 1 October 2015 become a local authority responsibility with elements of the programme being mandated public health services.

## 8. RECOMMENDATIONS

- 8.1 That the Finance and Policy Committee notes the progress towards the transfer of commissioning responsibilities and the key issues outlined in the report.

- 8.2 That the proposal to form a North of Tees Transition Board to oversee the transfer and manage the associated risks is endorsed.
- 8.3 To agree that option 2 is the preferred option for the transfer of the contract from October 2015.

## 9. REASONS FOR RECOMMENDATIONS

- 9.1 To ensure the seam less transition of the 0-5 Healthy Child Programme and Family Nurse Partnership commissioning responsibilities from NHS England Durham, Darlington and Tees Area Team to Hartlepool Borough Council.

## 10. CONTACT OFFICER

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<sup>i</sup> Description of the 6 high impact areas and more information is available at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/326888/Early\\_Years\\_Impact\\_Overview.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/326888/Early_Years_Impact_Overview.pdf).

<sup>ii</sup> WAVE trust's 'Conception to age 2 – the age of opportunity' available: <http://www.wabetrust.org/our-work/publications/reports/conception-age-2-age-opportunity>

# Finance and Policy Committee

30 January 2015



**Report of:** Chief Finance Officer

**Subject:** Housing Benefit Fraud and Error Reduction Incentive Scheme

## 1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non key decision.

## 2. PURPOSE OF REPORT

2.1 The report sets out for information the Council's response to the Department for Work and Pensions (DWP's) Fraud and Error Reduction Incentive Scheme (FERIS) initiative.

## 3. BACKGROUND

3.1 The DWP is committed to reducing the volumes and values of losses associated with Housing Benefit (HB) claimant fraud and error. The DWP's FERIS scheme was launched on 24<sup>th</sup> November 2014 and is planned to run through to 31<sup>st</sup> March 2016. FERIS will offer financial rewards to Council's which deploy initiatives to tackle Fraud and Error in their Housing Benefit caseload.

3.2 Housing Benefit is an income based means tested support that relies on the claimant informing the Council as their financial circumstances change, so that the level of their awards can be adjusted. Regrettably claimants sometimes fail to notify the Council of changes in their circumstances resulting in their awards being incorrect.

3.3 FERIS will offer a financial reward to any Council that identifies reductions to HB entitlement above a threshold set by the DWP. FERIS will not prescribe how Councils should pursue identifying incorrect HB awards. Councils can develop and deploy their own arrangements for identifying incorrect awards including risk assessing their HB caseload and targeting claims with particular characteristics.

3.4 The objectives of FERIS are to:

- encourage Councils to find more incorrect and fraudulent HB claims and adjust entitlements to the correct value;

- encourage Councils to get claimants to come forward with their changes;
- reduce the national monetary value of fraud and error in Housing Benefit in 2014/15, 2015/16 and beyond.

#### **4. FERIS FUNDING**

##### **4.1 The FERIS scheme has 3 elements:**

- Start Up Fund / Maintenance Fund
- Rewards Fund
- Bid Fund

##### Start up Fund / Maintenance Fund

4.2 The national FERIS Start up Fund for 2014/15 is £6.2m and this has been apportioned across Councils on the basis of their 2014/15 Benefits Administration allocations from the DWP. Hartlepool's Start up Fund allocation that it can apply for is up to £14,024. Applications must be made by 30<sup>th</sup> January 2015 including details of the proposed initiatives and their costs.

4.3 A FERIS Maintenance Fund (£9.4m nationally) will be available in 2015/16, to which Councils can apply, to financially sustain their local fraud and error reduction initiatives. Funding allocations to Councils from the Maintenance Fund will be made on a similar basis to the Start Up Fund. Hartlepool's allocation for 2015/16 is estimated to be £21,200 as it will be for a full financial year.

##### Rewards Fund

4.4 FERIS rewards payments will be received by the Council where the Council achieves reductions in weekly entitlements to Housing Benefit which exceed a DWP threshold. Separate lower and upper thresholds will be set by the DWP for each monitoring period. The monitoring periods will be 1<sup>st</sup> December 2014 to 31<sup>st</sup> March 2015 (4 months) and then each quarter in 2015/16.

4.5 The thresholds for each quarter will be set by the DWP using historical data. The Council will only receive Rewards Funding when actual performance exceeds the lower threshold and rewards funding will be capped at the upper threshold level. Illustrative analysis by the DWP shows the range of potential rewards for Hartlepool:

Monitoring Period	Actual Performance	Estimated FERIS rewards payment
2014/15	Lower Threshold	£13,500
(Dec14 to March15)	Upper Threshold	£27,000
2015/16	Lower Threshold	£9,700
Each Quarter 1 to 4	Upper Threshold	£19,500

- 4.6 The achievement of the upper threshold level will be extremely challenging particularly so in Quarters 3 and 4 in 2015/16 as the thresholds for these quarters will be set after the impacts of earlier proactive exercises

#### Bid Fund

- 4.7 The FERIS Bid Fund (£3m) is an Innovation Fund to which Councils can bid for new and innovative ideas. such as marketing campaigns, joint working arrangements or IT solutions which will provide a return on investment in terms of improving levels of fraud and error identified and corrected.
- 4.8 The Hartlepool FERIS Bid Fund proposals will be focused on the costs associated with the generation of IT programs to apply to the Housing Benefit Caseload database to identify high risk claims. ie those claims where the Council would have expected a report of a change in financial circumstances but where no information has been received from the claimant. The Council will also submit a bid for the cost of developing and populating new template letters for issue to the FERIS high risk claims. Once developed these IT programs can be deployed again and again.

## **5. HARTLEPOOL CONTEXT**

- 5.1 As part of the Council's governance arrangements covering the Housing Benefit and Local Council Tax Support schemes, proactive reviews / challenges of high risks claims are already undertaken. However, FERIS will enable the Council to extend the scope and frequency of these proactive checks.
- 5.2 Participation in FERIS, will assist the Council to demonstrate the effectiveness of its arrangements for protecting the public purse and safeguarding resources.

## **6. FINANCIAL CONSIDERATIONS**

- 6.1 Any FERIS Start Up / Maintenance and Bid Fund monies received by the Council will re-imburse the Council for those costs incurred associated with participation in the FERIS initiative and will therefore be budget neutral. However, FERIS Rewards monies will be uncommitted and are an incentive performance based initiative.



- 6.2 The Benefits Service has suffered cuts of 26% (£312,000) in its administration grant from central government since 2010/11. The administration grant cut for 2015/16 is £83,722 which is being addressed by reductions in the Benefits Service establishment from the approval of one early retirement / voluntary redundancy application and the deletion of 2 vacant posts.
- 6.3 Future administration grant cuts are anticipated for 2016/17 onwards and the Benefits Service will increasingly be unable to sustain performance levels if actual grant cuts are as forecast. As a measure to sustain performance as far as possible, it is proposed that any FERIS Rewards monies are earmarked to minimise the impact of future Benefits administration grant cuts in 2016/17 onwards on service levels to the public.
- 6.4 A further financial benefit of participating in FERIS is that when reductions are made to Housing Benefit awards there will usually be a corresponding reduction made to the amount of a claimant's Local Council Tax Support LCTS award. These LCTS reductions will reduce the cost of operating the LCTS scheme and assist in securing its future sustainability.

## **7. CONCLUSIONS**

- 7.1 FERIS is an initiative that seeks to reduce the levels of claimant fraud and error in the Housing Benefit system. Participation in FERIS will enable the Council to demonstrate that it has effective arrangements for safeguarding public funds. Furthermore FERIS will potentially generate performance Rewards monies which can be used to offset future reductions in DWP administration grant for delivering Benefits services.
- 7.2 For those benefit claims where FERIS results in a reduction in the level of housing benefit award there will normally also be a reduction in the level of Local Council Tax Support scheme costs.

## **8. RECOMMENDATIONS**

- 8.1 Members are requested to:
- note the Councils participation in the DWP's Fraud and Error Reduction Scheme (FERIS)
  - approve the earmarking of any FERIS Reward grant to address 2016/17 DWP Housing Benefit administration grant cuts to mitigate impacts on benefit service standards.

## **9. REASON FOR RECOMMENDATION**

- 9.1 To inform Members of the FERIS scheme and a proposed basis for accounting for any related rewards monies.

## **10. BACKGROUND PAPERS**

10.1 No background papers.

## **11. CONTACT OFFICER**

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# Finance and Policy Committee

30<sup>th</sup> January 2015



**Report of:** Chief Finance Officer

**Subject:** Benefit Fraud Investigation Arrangements

## 1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non key decision.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to set out:

- i) details of the DWP's Single Fraud Investigation Service (SFIS) programme;
- ii) the business case for the retention within the Council of Benefits Investigation expertise to address potential abuses of the Council's Local Council Tax Support scheme and provide appropriate capacity to service the Council's ongoing responsibilities to SFIS.

## 3. BACKGROUND

3.1 The Council is committed to supporting vulnerable households and ensuring they access the Welfare Benefits they are entitled to receive. This approach is underpinned by a range of initiatives, including:

- The phased implementation of Local Council Tax Support Scheme reductions over a number of years;
- Funding arrangements for sustaining Local Welfare Support arrangements; and
- Continued funding for Advice and Guidance services.

3.2 The majority of claims for Welfare Benefits are legitimate and cover financial support that people are entitled to receive. However, given the complexity of the claims process, the various eligibility criteria and the responsibilities of claimants to report changes in their circumstances, there are incidents of error and fraud within the Welfare Benefits system.

3.3 Therefore, to address these issues the Council's Benefits Investigation Team currently undertakes investigations into Housing and Council Tax Benefit and Local Council Tax Support (LCTS) claims in accordance with their remit to detect and prevent fraud. These activities are undertaken in line with the Council's commitment to deliver good governance as

described in the Code of Corporate Governance and Anti- Fraud and Corruption Strategy and the Council's responsibilities to the Department for Work and Pensions (DWP) as part of its administration of Housing Benefit.

- 3.4 The Government is taking action to reduce fraud and error in the tax and benefits systems. As part of this initiative, the Government is implementing a Single Fraud Investigation Service (SFIS) to investigate fraud across the whole of the welfare system covering benefits and tax credits. SFIS is being implemented nationally on a phased basis from October 2014 – March 2016. The Council will however need to ensure that it retains appropriate in house counter fraud investigation capacity and resilience to minimise and prevent abuses of the Local Council Tax Support Scheme, which will not be covered by SFIS.
- 3.5 The DWP have confirmed that for Hartlepool, the investigation of Housing Benefit Fraud and residual Council Tax Benefit Fraud will transfer to SFIS on 1<sup>ST</sup> July 2015. Furthermore, the DWP have stated that Council employees assigned solely or primarily to this activity should be identified as a potential transfer to SFIS. On this basis, for Hartlepool, 2 Benefit Investigation Officer posts are potentially in scope. The Benefit Compliance/Administration Support Officer, who assisted with investigations work, has secured a position within the Finance Division and is now unavailable for transfer to SFIS.
- 3.6 The DWP have determined that the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) do not apply to any staff transferring from local authorities. This view is not agreed by the Trade Unions, however the DWP have indicated that the principles of TUPE should be followed as far as possible.
- 3.7 The DWP have set out that in early 2015 they will approach the Council for details of any staff that are to be transferred. Before then, the Council needs to determine its own future investigation resource requirements for LCTS and ensure any relevant staff are transferred internally into their new roles within the Council.
- 3.8 The two members of staff set out in section 3.5. as potentially in scope to transfer to SFIS, have a range of concerns about their future roles/ employment arrangements within SFIS / DWP. At a national level, the DWP have endeavoured to provide reassurances and have provided some clarifications regarding local authority staff transferring to SFIS. However there remains a number of insecurities and uncertainties for any staff that would be listed for transfer e.g. future job location, role etc.

#### **4. CURRENT BENEFIT FRAUD INVESTIGATION ARRANGEMENTS**

- 4.1 The Council's Benefits Investigation Team currently investigates potential fraud cases within Housing Benefits awards (£47.7m pa), Local Council Tax Support awards (£11.7m pa) and historical cases of former Council Tax Benefit Fraud. In the financial year 2013/14, the Team investigated 511 cases. Details of the Investigation Team outcomes in 2013/14 are set out below:

Number of Cautions	28
Number of Penalties / Fines.	7
Number of Prosecutions	8
Value of Fraud Overpayments identified (Housing Benefit, Council Tax Benefit, LCTS)	£418,000

- 4.2 Referrals of cases for investigation can come from a variety of sources including the public, benefit assessment staff, irregularities from DWP computer data matching and Audit Commission National Fraud Initiative data matching exercises. The Council's two Benefit Investigation Officers are fully trained to national investigation standards (each having the relevant PINS qualification) and have significant expertise and experience in fraud investigations activity.
- 4.3 In addition, the Benefits Investigators provide statements for the Police and are qualified to interview under caution in accordance with the Police and Criminal Evidence Act (PACE). They have in depth knowledge of legislation / benefit regulations and are PINS accredited giving them wide ranging powers to request information direct from banks, utilities, pension providers and employers.

## 5. FUTURE BENEFIT INVESTIGATION ARRANGEMENTS

- 5.1 From July 2015, although the Council will continue to award Housing Benefit, the investigation of all Housing Benefit Fraud and historical Council Tax Benefit fraud will transfer to the DWP.
- 5.2 As part of the new SFIS arrangements, the Council will have an ongoing role in supporting SFIS investigations. Specific details as to these responsibilities are not yet available but it is anticipated there will be a Service Level Agreement requiring the Council to:
- supply copies of historical housing benefit / council tax benefit claim forms/ supporting documentation
  - calculate the value of any housing / council tax benefit overpayments
  - prepare witness statements
  - attend court for SFIS prosecutions
  - continue to deal with those fraud cases where SFIS choose not to prosecute / apply a sanction.

Under New Burdens principles, the DWP have indicated that they will provide annual funding linked to this SFIS Service Level Agreement.

- 5.3 Importantly, the Council will retain responsibility for ensuring effective governance of its own Local Council Tax Support scheme (which

involves annual awards of £11.7m covering 14,500 households) and for the effective investigation of any potential abuses of the LCTS scheme. To perform this responsibility the Council will need to have in house an appropriate level of suitably trained and experienced officers.

- 5.4 An integral part of the Council's responsibility for the effective stewardship of public funds is to ensure there are adequate arrangements for safeguarding the LCTS scheme. A visible and active in house staff resource for investigating LCTS abuses will act as a positive fraud deterrent.
- 5.5 Furthermore, the Council is participating in the DWP's Fraud and Error Reduction Incentive Scheme (FERIS) covering Housing Benefit administration. The retention of in house fraud investigation officer expertise will assist the Council to undertake FERIS initiatives which it is anticipated will deliver FERIS rewards performance payments.
- 5.6 To ensure adequate capacity and resilience to effectively investigate abuses of the LCTS scheme and discharge the other ongoing fraud related responsibilities it is proposed to retain the two current benefits fraud investigators. The appropriate unions have been consulted and are supportive of the proposal.

## **6. FINANCIAL ISSUES**

- 6.1 The Council's LCTS scheme provides important financial support to 1 in 3 households within the Borough. LCTS is a complex means tested scheme that delivers £11.7m of financial support and the Council must ensure that it has adequate safeguards covering this scheme.
- 6.2 In 2015/16, the Council will not have any reduction in its Housing Benefit administration grant associated with SFIS. However, the DWP have indicated there will be a £83,000 reduction in the Council's 2016/17 grant allocation.
- 6.3 The Council will in future receive New Burdens Funding associated with the new SFIS support responsibilities as set out in section 5.2, estimated at £10,000 p.a. Furthermore, the Council currently uses an external software solution to manage its fraud investigation caseload and produce statistics for the DWP. It is envisaged that for the future, an internal database can be developed allowing the Council to secure an annual saving of £5,000 from termination of the existing software agreement.
- 6.4 Where fraud is proven within the Council's Local Council Tax Support scheme any overpaid LCTS is written back to the Council Tax Account and is subject to normal Council Tax recovery processes. Analysis indicates that in a typical year £85,000 of LCTS type overpayments would be created. Recovery of these overpayment amounts is high typically with £44,000 being collected in year and after 2 years £62,000 being recovered.

- 6.5 In addition, the Council has the legal authority to apply financial penalties (fines) in proven fraud cases as an alternative to a caution or a prosecution. In 2013/14 £2,500 of penalties were levied which can be set off against the cost of maintaining an in house Investigations Team.
- 6.6 In summary, the financial business case for retaining a LCTS Benefits Investigation Team is set out below, based on a break even and the best case basis:

	Break Even	Best Case Basis
	£	£
Staffing costs **	59,000	59,000
SFIS New Burdens Funding	(10,000)	(10,000)
Software Saving	(5,000)	(5,000)
LCTS Fraud identified / recovered	(41,500)	(62,000)
LCTS Penalties / fines	(2,500)	(2,500)
Surplus	0	20,500

\*\* Cost of 2 Benefit Fraud Investigation Officers

## 7. CONCLUSIONS

- 7.1 The Council is committed to supporting vulnerable households access Welfare Benefits they are entitled to receive. Equally, the Council is committed to preventing fraudulent claims and protecting public resources. The Government's proposals to create the SFIS will impact on the Council's ability to prevent and investigate LCTS fraud.
- 7.2 Given the high annual value (£11.7m) and number of LCTS recipients (14,500) the Council must maintain effective fraud deterrent and fraud investigation arrangements to counter potential abuses of the scheme. If the current investigation staff were to transfer to SFIS, given the necessary skills and accreditation standards to effectively perform the investigator role, the Council would have no resource for detecting and preventing fraud in the Council's own Local Council Tax Support Scheme. This position would create a risk of reputational criticism and could potentially lead to an increase in fraudulent activity against the LCTS scheme.
- 7.3 The proposals in the report to retain locally based Benefits Investigatory capacity is anticipated to be financially budget neutral. The revised arrangements will be an integral component of the Council's arrangements for demonstrating effective stewardship of financial resources.
- 7.4 Moving forward, the Benefit Fraud Investigator's can also assist the Council to deliver the DWP's FERIS initiative and thereby generate performance rewards payments for the Council.

## **8. RECOMMENDATIONS**

- 8.1 Members are requested to approve the proposed arrangements for safeguarding the Council's Local Council Tax Support scheme including the business case for the retention of Local Counter Fraud Capacity.

## **9. REASON FOR RECOMMENDATION**

- 9.1 To inform Members of the DWP's Single Fraud Investigation Service programme and the proposals to retain staff to support the delivery of the Council's responsibilities.

## **10. BACKGROUND PAPERS**

- 10.1 No background papers.

## **11. CONTACT OFFICER**

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# FINANCE AND POLICY COMMITTEE

30<sup>th</sup> January 2015



**Report of:** Corporate Management Team

**Subject:** STRATEGIC FINANCIAL MANAGEMENT REPORT -  
AS AT 31<sup>st</sup> DECEMBER 2014

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

## 2. PURPOSE OF REPORT

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

- i) 2014/15 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2014/15 Capital Programme Monitoring.

## 3. BACKGROUND AND REPORTING ARRANGEMENTS 2014/15

3.1 The availability and reporting of accurate and up to date financial information will become increasingly important as future budget cuts are implemented and one-off resources are used up.

3.2 This Committee will continue to receive regular reports which will provide a comprehensive analysis of departmental and corporate forecast outturns, including an explanation of the significant budget variances. This will enable the Committee to approve a strategy for addressing the financial issues and challenges facing the Council.

3.3 To enable a wider number of Members to understand the financial position of the Council and their service specific areas each Policy Committee will receive a separate report providing:

- a brief summary of the overall financial position of the Council as reported to the Finance and Policy Committee;
- the specific budget areas for their Committee; and
- the total departmental budget where this is split across more than one Committee. This information will ensure Members can see the whole position for the departmental budget.

#### **4. MTFS CONSIDERATIONS**

- 4.1 The Medium Term Financial Strategy Report considered by this Committee on 24th November 2014 included details of the forecast outturn based on information available at the time. These proposals committed the majority of one-off funding available from the 2014/15 forecast outturn and reserves review to fund one off commitments. These proposals included:
- a one-off contribution to the Budget Support Fund of £1.457m, which will help phase annual budget cuts more evenly over the period 2016/17 to 2018/19;
  - a one-off contribution of £33,000 to maintain the 2015/16 Ward Member budgets at £4,000, the same level as 2014/15.

#### **5. 2014/15 FORECAST GENERAL FUND OUTTURN (INCLUDING RESERVES REVIEW)**

- 5.1 After reflecting the above commitments the forecast uncommitted outturn was £52,000. As this amount is dependent upon achieving the higher forecast outturn and the impact of seasonal factors it was recommended that this amount is not committed until the final outturn is known.
- 5.2 The forecast outturn has been reviewed to reflect actual expenditure/income as at 31st December and an update of the forecast expenditure for the remaining months of the financial year. This has previously been reported as a range (best case and worst case). However, as we are now approaching the financial year end forecast outturn can be predicted with a greater degree of certainty therefore only one forecast figure has been provided.
- 5.3 In relation to Departmental budgets no significant changes are anticipated to the previous forecast, although a number of key areas will be affected by seasonal factors and will continue to be monitored closely over the winter months. However, the Council is responsible for new secure accommodation costs which it is anticipated will run for a minimum period of 26 weeks and potentially up to 52 weeks. There is no budget provision for this type of situation, although £100,000 can be funded from an existing Youth Offending risk reserve. This would leave a residual cost of between £92,000 and £284,000. The majority of the higher financial cost will be incurred in 2015/16. However, it is recommended that provision for this cost be met within the 2014/15 outturn to avoid carrying forward an unfunded financial commitment. In the event that this amount is not all needed the uncommitted resources can be taken into account as part of the 2016/17 budget
- 5.4 The position in relation to Corporate budgets has also been reviewed and there will be additional under spends on the following areas:
- Investment income – additional under spend of £0.12m which reflects continued positive cash flows and interest earned on these temporary monies;

- ICT Costs – additional under spend of £0.3m which reflects the settlement of historic costs under the previous contract at a lower level than provided for at the end of 2013/14 and the achievement in 2014/15 of savings built into the 2015/16 base budget.

5.5 After reflecting the above factors the latest forecast year end under spend is £188,000, which equates to 0.2% of the net annual budget. This position is still dependant on the outturn for seasonal budgets, such as winter maintenance and elderly care services. As Members will be aware the NHS is already experiencing significant demand pressures, which may impact on Council services over the remaining months, particularly if more normal winter conditions occur. Therefore, at this stage it is recommended that this amount is not committed. Assuming this forecast underspend is achieved a strategy for using this amount can be developed as part of the 2016/17 budget process.

5.6 The above factors are summarised below:

Latest Forecast Outturn

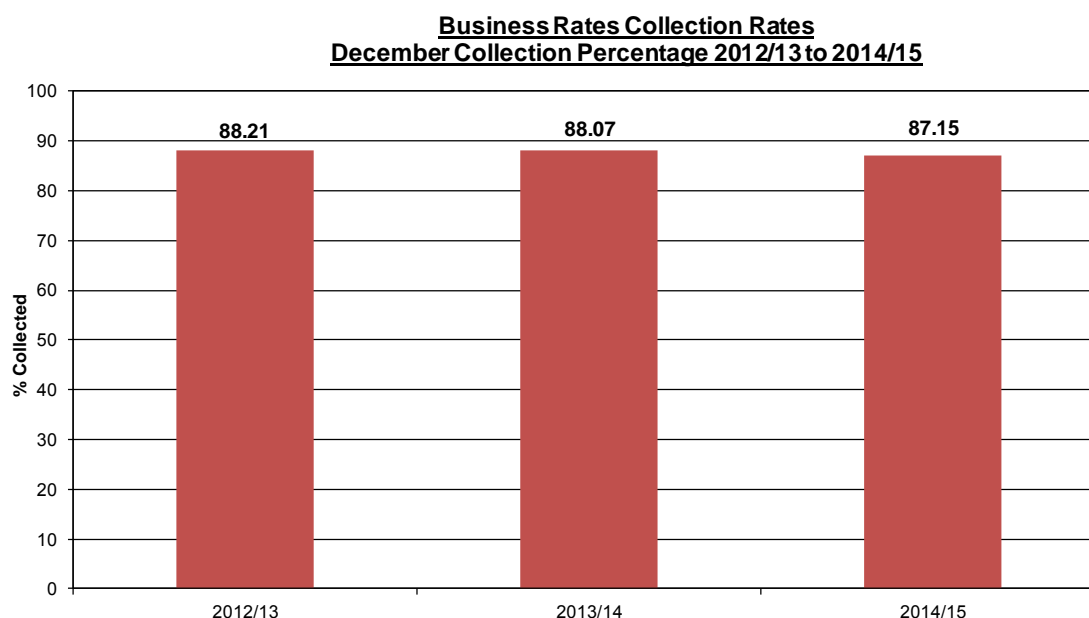
	Underspend /(cost) £'000
Forecast Outturn reported 24.11.14 (net of additional funding of £33,000 for 2015/16 Ward Member budgets)	52
Secure Accommodation costs	(284)
Investment income	120
ICT costs	300
Forecast Uncommitted Outturn	188

## 6. CORPORATE INCOME COLLECTION PERFORMANCE

6.1 The 2013/14 Medium Term Financial Strategy report advised Members that significant changes were implemented with effect from 1<sup>st</sup> April 2013 to re-localise Business Rates and implement Local Council Tax Support schemes. As a result of these changes approximately 45% (i.e. £44 million) of the net General Fund budget is funded from a combination of Business Rates and Council Tax collected locally. The following paragraphs provide more information on the impact of these changes and also progress in collecting Sundry debts.

## 6.2 Business Rates Income

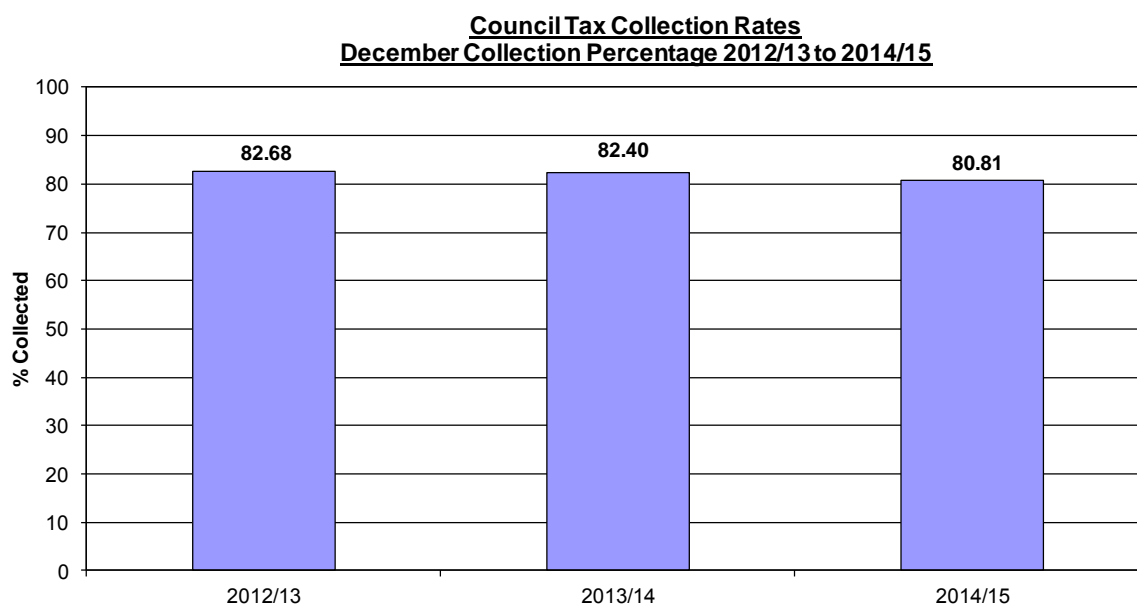
- 6.3 The re-localisation of Business Rates is a significant additional financial risk for Local Authorities to manage - 50% of any shortfall arising from either non payment by businesses, or reductions arising from the Valuation Office re-assessing rateable values, falls on individual authorities. A 'safety net' system is in operation, although this only compensates authorities for any shortfalls above 7.5% of the safety net figure. Prior to 2013/14 any shortfall in Business Rates collected was funded at a national level from the overall Business Rates pool.
- 6.4 Collecting Business Rates has always been an important responsibility, and the Council collected 98.5% in 2013/14 (national average 97.25% for unitary and metropolitan councils). The changes associated with localisation of business rates make this an even more important issue for the Council.
- 6.5 At the 31st December 2014 the Council had collected 87.15% of the 2014/15 liability, down by 0.92% compared to the same period last year, as summarised in the graph below. However, 0.74% of this drop relates to one business which had a new substantially higher rateable value applied by the Valuation Office Agency in Quarter 3. The Council is currently engaging with the business on a payment plan and the business has indicated they are considering an appeal against the Valuation Office determination. It is anticipated that the annual target of 98% collection will still be achieved.



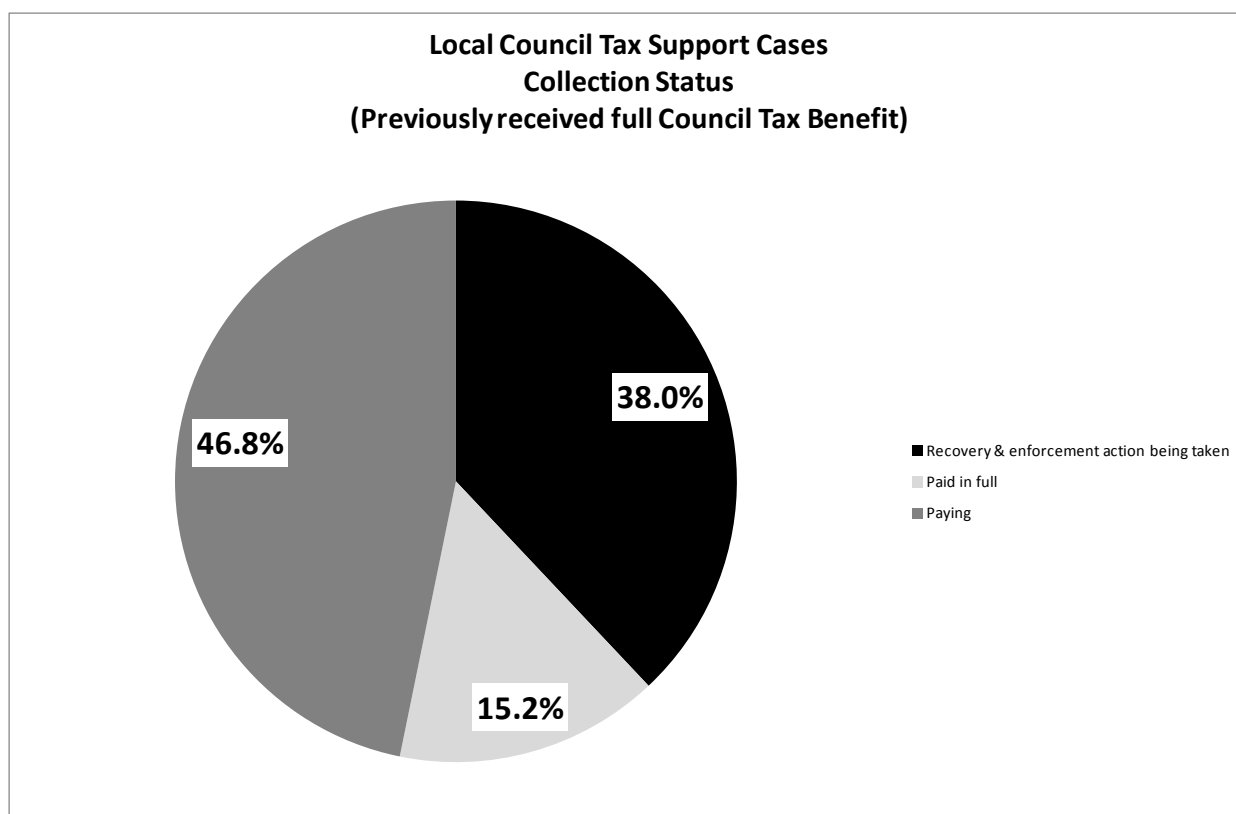
## 6.6 Council Tax

- 6.7 The overall Council Tax collection rate at 31<sup>st</sup> December 2014 was 80.81% compared to 82.40% for the same period last year, down by 1.59%, as

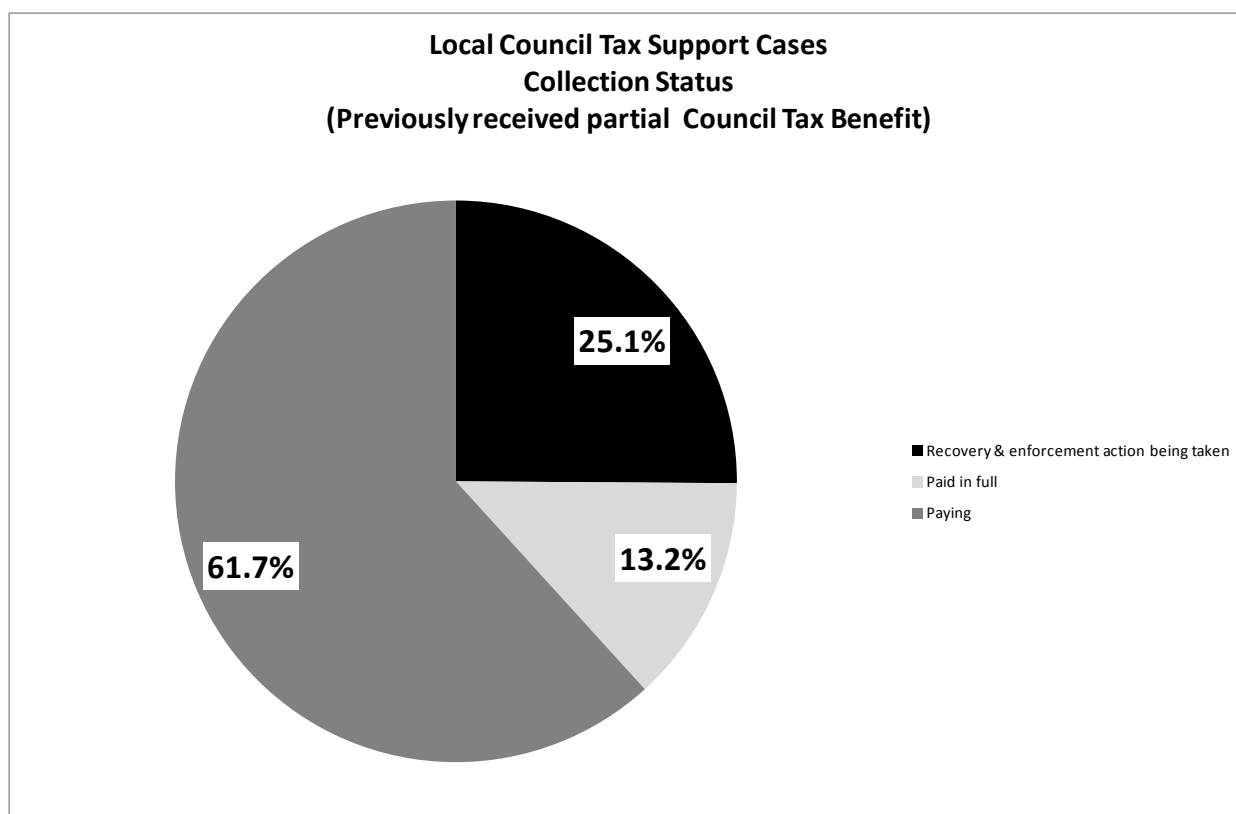
summarised in the graph below. This position largely reflects the ongoing impact of the Local Council Tax Support (LCTS) Scheme.



- 6.8 Of the 6,000 households affected by the Council's LCTS Scheme (that previously received full Council Tax Benefit), the chart overleaf shows that 15.2% have paid their 2014/15 Council Tax in full and a further 46.8% of households are paying regularly. This position reflects the Council's arrangements for making payment as convenient and flexible as possible.
- 6.9 Recovery action is progressing against the remaining households who have not made arrangements to pay.



- 6.10 Of the 2,400 working age households that were previously only entitled to partial Council Tax Benefit under the former system, the chart overleaf shows that approximately 75% of these households have either paid or are paying regularly.
- 6.11 The chart shows 25% (600) of these households are currently the subject of standard recovery procedures, including court action.

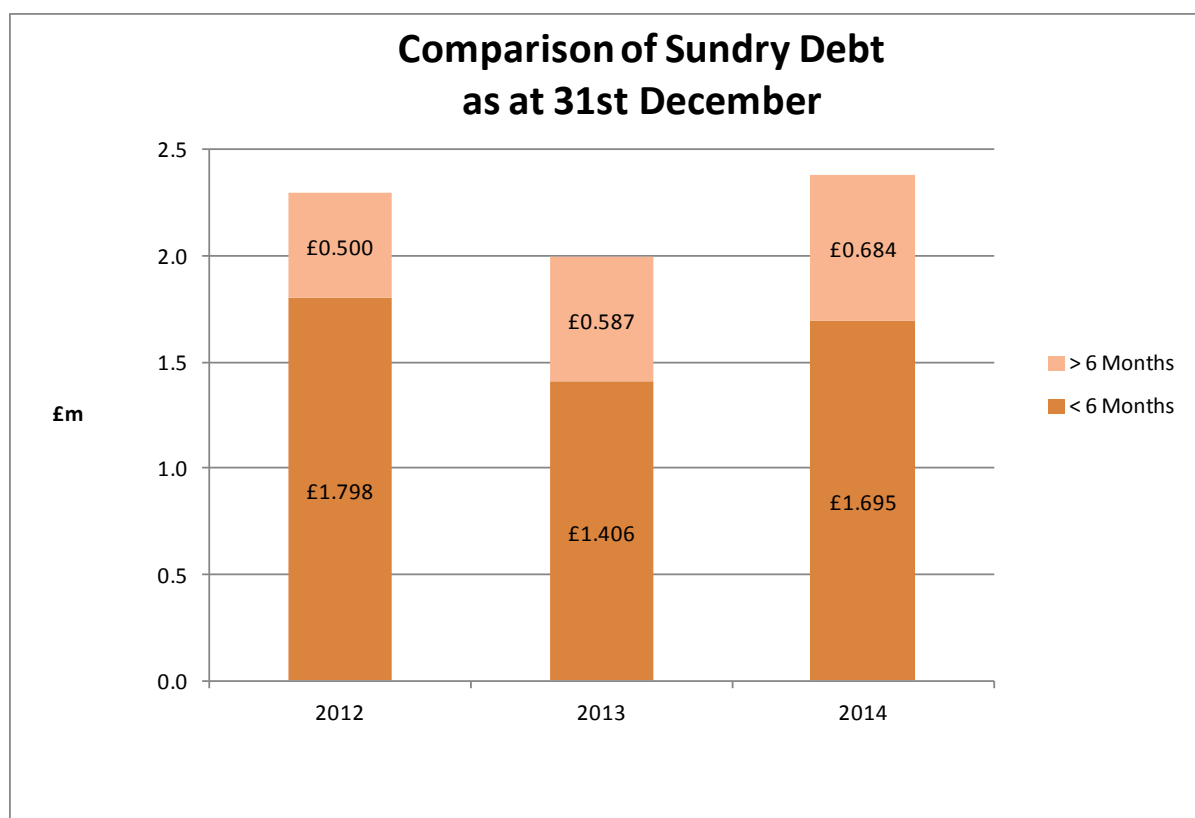


6.12 At the end of December collection of Council Tax from Local Council Tax Support (LCTS) households is within the financial planning parameters that underpin the 2014/15 LCTS scheme.

### 6.13 Sundry Debts

6.14 The Council also collects significant Sundry Debts income for the payment of services provided by the Council. In total £14.826m of sundry debts have been raised in the first nine months of 2014/15. As at 31<sup>st</sup> December 2014, £12.952m (87.36%) of this amount had been collected.

6.15 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 31<sup>st</sup> December for the last three years for long term debt and current debt which has been outstanding for less than six months.



6.16 Debtors totalled £2.379m as at 31<sup>st</sup> December 2014, of which £1.695m (70.99%) relates to current debts (less than 6 months old).

6.17 Debts greater than 6 months old total £0.684m. 95.91% of this amount is under recovery action and 4.09% (£0.028m) is now considered unrecoverable and will be reported to Members for write off in March 2015.

## **7. PROGRESS IN ACHIEVING THE CAPITAL RECEIPTS TARGET OF £6.5M (INCLUDING £2M FOR BRIERTON DEVELOPMENTS)**

7.1 A comprehensive review of capital receipts has been undertaken and was included in the MTFs reported to Council on 18<sup>th</sup> December 2014. In summary as at 31<sup>st</sup> March 2014 a total of £2.1m had been achieved leaving £4.4m to be achieved to meet forecast expenditure commitments. Owing to the phasing of expenditure compared to the phasing of capital receipts there was a temporary shortfall of £1.128m in 2013/14 that was funded by temporary Prudential Borrowing. The cost of using Prudential Borrowing was accommodated within existing budgets.

7.2 It is anticipated that a further £2m will be achieved in 2014/15 towards the remaining target of £4.4m.

7.3 An analysis of expenditure phasing in relation to the Housing Market Renewal scheme and Brierton Developments funded by capital receipts has been undertaken and it is expected that the combined expenditure of the two capital schemes will total £2.120m in 2014/15 and £1.127m in 2015/16. The position is summarised below:



	2014/15 £m	2015/16 £m	Total £m
Forecast capital expenditure commitments	2.120	1.127	3.247
Temporary Prudential Borrowing from 2013/14	1.128	0.000	1.128
Forecast capital receipt	(2.027)	(2.348)	(4.375)
<b>(Funding shortfall funded from temporary Prudential Borrowing)/Repayment of Prudential Borrowing</b>	<b>(1.221)</b>	<b>1.221</b>	<b>0.000</b>
Shortfall in funding	0.000	0.000	0.000

7.4 The table demonstrates the anticipated capital receipt is not sufficient to fund in-year capital expenditure and to repay the temporary borrowing incurred in previous years resulting in a total temporary funding shortfall of £1.221m (i.e. a further £0.093m in addition to the £1.128m shortfall in 2013/14).

7.5 It was recommended that members approve additional prudential borrowing of £0.093m increasing the total temporary borrowing in relation to the phasing of capital receipts to £1.221m. It is expected that this will be repaid in 2015/16.

7.6 This Committee will continue to be updated on the progress against the capital receipts target for the remainder of the year.

## 8. 2014/15 CAPITAL PROGRAMME MONITORING

8.1 Capital Expenditure for all departments to the 30<sup>th</sup> November, 2014 is summarised in the table below.

Department	BUDGET		EXPENDITURE IN CURRENT YEAR				
	A	B	C	D	E	F	G
	2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000
Chief Executives	173	173	30	143	0	173	0
Child and Adult Services	12,791	7,054	3,091	2,393	1,570	7,054	0
Corporate	1,687	1,687	469	750	468	1,687	0
Public Health	997	927	377	520	30	927	0
Regeneration and Neighbourhood Services	38,848	16,334	5,736	10,131	467	16,334	0
<b>Total Capital Expenditure</b>	<b>54,496</b>	<b>26,175</b>	<b>9,703</b>	<b>13,937</b>	<b>2,535</b>	<b>26,175</b>	<b>0</b>

8.2 The table above shows the overall capital budget for 2014/15 and future years, and the capital budget specific to 2014/15.

8.3 Actual expenditure to 30<sup>th</sup> November 2014 was £9.703m, compared to a 2014/15 budget of £26.175m, leaving £13.937m to be spent in 2014/15. At this stage anticipated expenditure and resources of £2.535m will be re-phased into 2015/16.

8.4 The majority of expenditure rephased into 2015/16 relates to the Child & Adult Services department (£1.570m); £1.202m of this relates to schemes currently on hold pending the outcome of the Priority School Building Programme Phase 2.

8.5 Detailed financial information on the capital programme for individual Departments by Committee is provided in Appendices G to K.

8.6 **Council Capital Fund (CCF) Unallocated £57k**

8.7 The CCF exists to fund local capital priorities which cannot be funded from external capital funding. An annual programme of work is approved as part of the overall MTFS by Council, which reflects the prioritisation of schemes.

8.8 Small residual budgets on the following schemes are no longer required; Underground Car Park Electrical Works £0.002m, Historic Quay Replace Floor Track Lighting £0.010m, and Brougham Enterprise Centre Boiler Replacement £0.014m. It is therefore recommended that these budgets are transferred into the unallocated CCF, resulting in a balance of £0.083m.

8.9 **Corporate Planned Maintenance (CPM) Unallocated £29k**

8.10 Residual budgets on Brinkburn Youth Centre Boiler £0.005m and the Historic Quay Office Suite Boiler £0.005m are no longer required. It is therefore recommended that these budgets are transferred into the unallocated CPM, resulting in a balance of £0.039m.

9. **CONCLUSIONS**

9.1 The Council will need to make significant additional budget cuts over the next 4 years (i.e. 2015/16 to 2018/19) and will continue to face significant financial risks, particularly in relation to Business Rates.

9.2 The MTFS report underlines the continued importance of having a multi-year approach to managing the Council's resources and financial risks. This approach includes achieving managed budget underspends in the current year and it is recommended that part of these resources are allocated to fund one-off risks, as detailed in Appendix A.

9.3 The latest forecast outturn is £1.645m. As part of the MTFS this Committee agreed a contribution of £1.457m to the Budget Support fund to help phase budgets cuts more evenly over the period 2016/17 to 2018/19. It is recommended that the remaining balance of £0.188m is uncommitted and a strategy for using this amount is developed as part of the 2016/17 budget process.

9.4 In relation to collection of Business Rates and Council Tax these issues are impacted by the significant changes implemented in April 2013 and the ongoing difficult economic climate. At the 31<sup>st</sup> December 2014 collection rates for the current year are lower than the same period last year, as summarised below. Robust recovery action will continue to be pursued over the remainder of the financial year to maximise in-year collection rates.

	<b>31.12.12</b>	<b>31.12.13</b>	<b>31.12.14</b>
<b>Business Rates Collected</b>	88.21%	88.07%	87.15%
<b>Council Tax Collected</b>	82.68%	82.40%	80.81%

## 10. RECOMMENDATIONS

10.1 It is recommended that Members:

- i) Note the report;
- ii) Note that a strategy for using forecast uncommitted resources of £0.188m is developed as part of the 2016/17 budget process.
- iii) Approve the transfer of £0.026m into the unallocated Council Capital Fund, as detailed in paragraph 8.8.
- iv) Approve the transfer of £0.010m into unallocated Corporate Planned Maintenance, as detailed in paragraph 8.10.

## 11. REASONS FOR RECOMMENDATIONS

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

## 12. BACKGROUND PAPERS

Medium Term Financial Strategy Report approved by Council on 4<sup>th</sup> February 2014.

Strategic Financial Management Report as at 30<sup>th</sup> September considered by the Finance and Policy Committee 24<sup>th</sup> November 2014.

Review of Reserves Report considered by the Finance and Policy Committee 15<sup>th</sup> September 2014.

## 13. CONTACT OFFICER

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 Chief Finance Officer  
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 01429 523003

## APPENDIX A - TABLE 1

**Table 1 - Summary of Forecast Outturn 2014/15**  
**(details provided in table 2)**

Reported Previously			
Worst Case £'000	Best Case £'000		Latest Forecast £'000
(1,527)	(2,047)	Departmental Budgets	(1,945)
(1,303)	(1,203)	Corporate Budgets	(1,723)
(1,420)	(1,420)	Lower Core Grant reduction/Business Rates income	(1,420)
(1,870)	(1,870)	Reserves Review	(1,870)
(1,465)	(1,695)	Departmental Ring-fenced Grants	(1,775)
(240)	(240)	Departmental Business Case	(200)
(7,825)	(8,475)	Sub Total to be shown in Statement of Accounts	(8,933)
6,368	6,933	Recommended Reserves (details table 4)	7,288
(1,457)	(1,542)	<b>Recommended 2017/18 Budget Support Fund Contribution</b>	<b>(1,645)</b>

## APPENDIX A - TABLE 2

Table 2 - Detailed Forecast Outturn 2014/15

Reported Previously			Latest Forecast £'000
Worst Case £'000	Best Case £'000		
		<b>Departmental Budgets</b>	
(290)	(290)	Chief Executive's Dept	(429)
(300)	(575)	Child and Adult Services	(606)
98	98	Public Health General Fund	125
(1,035)	(1,280)	Regeneration and Neighbourhoods	(1,035)
(1,527)	(2,047)		(1,945)
(1,070)	(1,070)	<b>Non Departmental issues</b>	(1,490)
		<b>Corporate Budgets</b> - This underspend mainly consists of reduced capital financing costs and lower employee pensions costs. These items have been included as permanent savings in the 2014/15 MTFS.	
60	60	Property Running Costs	60
(328)	(328)	<b>Local Council Tax Support Scheme (LCTS)</b> - the pressure included in the 2014/15 budget to partly fund the cost of the scheme will not be needed as the cost is forecast to be lower than initially anticipated. As detailed in the LCTS report elsewhere on the agenda it is recommended that this amount is carried forward to support the LCTS scheme in future years to reduce cuts in support for low income working age households.	(328)
(105)	(105)	<b>Section 31 Grant</b> - funding allocated to Councils to support increase Council Tax collection workloads/costs arising from implementation of Local Council Tax Support schemes. Strategy for using these resources approved by Finance and Policy Committee 15.09.14, alongside reserves review.	(105)
140	240	<b>Provision for Planning appeal costs</b> - estimated cost of potential costs if Planning appeals are successful.	140
(2,830)	(3,250)	<b>Sub Total - General Fund</b>	(3,668)
(890)	(890)	<b>Lower Core Grant reduction</b> - detailed explanation provided in section 5 of report.	(890)
(530)	(530)	<b>Business Rates - Section 31 grants</b> - this grant compensates the Council for reduced Business Rate income arising from Relief Schemes implemented by the Government, which could not be quantified when the 2014/15 budget was approved. Where this income will continue in 2015/16 it has been built into the MTFS.	(530)
(1,870)	(1,870)	<b>Reserves Review</b> - As reported to the Finance and Policy Committee this amount has been released following a review of existing reserves and financial risks. This amount is earmarked to avoid specific cuts in 2015/16, to provide funding for potential protection costs arising from the implement of Terms and Conditions savings and to support the MTFS.	(1,870)
		<b>Departmental Ring fenced Grants</b>	
(375)	(375)	Local Welfare Support Grant	(375)
(720)	(950)	Public Health	(780)
0	0	CCG Grant Income	(70)
0	0	Care Act	(50)
(370)	(370)	Troubled Families	(500)
		<b>Departmental Business Case</b>	
(240)	(240)	Social Housing	(200)
(7,825)	(8,475)	<b>Sub Total to be shown in Statement of Accounts</b>	(8,933)
6,368	6,933	Recommended Departmental reserves as detailed in Table 4	7,288
(1,457)	(1,542)	<b>Recommended 2017/18 Budget Support Fund Contribution</b>	(1,645)
1,457	1,457	Approved Contribution to Budget Support Fund 2017/18	1,457
0	(85)	<b>Uncommitted Outturn</b>	(188)

## APPENDIX A - TABLE 3

**Table 3 - Contribution to Reserves (includes impact of Reserves Review reported 15.09.14)  
(details provided in table 4)**

Reported Previously			Latest Forecast £'000
Worst Case £'000	Best Case £'000		
1,465	1,695	Ring-fenced Grant Reserves	1,655
240	240	Business Case Reserves	200
4,663	4,998	General Fund Budget Reserves	4,789
0	0	Reserves to be Approved	644
<b>6,368</b>	<b>6,933</b>	<b>TOTAL</b>	<b>7,288</b>

Table 4 - Detailed Contributions to Reserves (includes impact of Reserves Review reported 15.09.14)

Reported Previously			Latest Forecast
Worst Case	Best Case		
£'000	£'000		
Ring-fenced Grant Reserves			
375	375	<b>Children's - Local Welfare Support Grants</b> This creation of this reserve was included in the MTFS and approved by full Council on 4th February 2014 to use the balance of grant funding and the existing reserve to continue provision through to 2017/18.	375
720	950	<b>Public Health Ring-fenced Grant</b> Reserve created in line with grant conditions for repayment or use as initially intended.	780
370	370	<b>Troubled Families Grant</b> Reserve created to continue services in 2015/16	500
Business Case Reserves			
240	240	<b>Social Housing - Creation of Reserve</b> Contribution to the Major Repairs Fund in line with the approved business model for the Empty Homes Project.	200
General Fund Budget Reserves			
190	190	<b>CCTV Relocation Reserve</b> One-off funding required to fund the relocation of the CCTV service following the closure of Greenbank as reported to the Finance and Policy on 18.08.14.	190
25	25	<b>NEPO Rebates Reserve</b> Reserve created to manage the risk that income from NEPO rebates will reduce in future years following the introduction of a new recharge methodology.	25
1,065	1,065	<b>Depot Relocation</b> Reserve created to part fund relocation of depot costs to enable Hartlepool College of Art and Design to build on this site.	1,065
0	275	<b>Looked after Children Risk Reserve</b> Reserve created to manage increased costs of Looked after Children and to avoid an in-year budget pressure in 2015/16, pending implementation a strategy to reduce costs	76
300	300	<b>High Needs Risk Reserve</b> Reserves created to manage in-year risks of high educational needs placements exceeding base budget, which will avoid an in-year budget pressure in 2015/16.	300
840	900	<b>Power Station</b> As indicated in the updated MTFS report it is recommended that the reduction in Business Rates arising from the closure in 2014 and subsequent operation at reduced capacity is funded from the 2014/15 outturn. This will maintain the existing risk reserve which will be needed in 2015/16 to fund the continued impact of the power station operating at reduced capacity and this ongoing risk in future years.	840
328	328	<b>2017/18 Local Council Tax Support Scheme Reserve</b> Reserves created to reduce forecast 2017/18 LCTS cut of 35%	328
105	105	<b>Section 31 (Local Council Tax Support Scheme) Reserve</b> Part of grant (£55k) allocated to support Advice & Guidance contract in 2015/16 and balance (£50k) to provide increased Council recovery capacity for 18 months up to 31.03.16 to deal with LCTS impacts.	105
24	24	<b>Health and Safety Reserve</b> Reserve created to manage the risk that increased income from Health and Safety may reduce in future years if contracts not retained.	24
50	50	<b>Hartlepool Connect Capital</b> Reserve created to fund works to support online access in relation to Universal Credit and other new developments as part of the provision through the Contact Centre.	100
99	99	<b>2015/16 Ward Member Budget</b> Reserve Reserve created to provide Ward Member budget of £3,000 per Member in 2015/16.	99
30	30	<b>2015/16 Community Centres Reserve</b> Reserve created to retain Community Centres in 2015/16 to provide a longer lead time to develop alternative funding/operational arrangements	30
100	100	<b>2015/16 Pay Costs Reserve</b> To fund impact of higher pay award than forecast.	100
25	25	<b>2015/16 Jacksons Landing Reserve</b> Provision to fund part year interest costs in 2015/16 of using Prudential Borrowing to repay interest free Growing Places loan if sale / redevelopment is not achieved by October 2014, when the interest free loan is repayable.	25
40	40	<b>2015/16 Apprenticeship Reserve</b> Reserve funded from Strike Day saving and proposal from Trade Unions to use these one off resources to continue the existing Apprenticeship scheme.	40
220	220	<b>Support 2015/16 budget</b> Reserve to offset clarification of Better Care funding regime	220
27	27	<b>Support Free Swims 2014</b> Contingency provision pending receipt of Domes monies	27
445	445	<b>Support 2015/16 budget</b> Covers deferment of Advice and Guidance (£55k), School Crossing Patrols (£240k) and Lifeguard services proposed savings (£150k).	445
750	750	<b>Protection Costs Reserve</b> Provision to fund protection costs arising from implementation of changes to Terms and Conditions.	750
Reserves to be approved			
0	0	<b>Direct Payment Support Services - Contingency Reserve</b> Reserve created from 'contingency' funds previously held by the external provider. Will be retained to continue to provide funding for contingencies.	250
0	0	<b>CCG Grant Income</b> This relates to grant income received from the CCG to form a contingency budget for winter pressures.	70
0	0	<b>Secure Accommodation Reserve</b> To cover the costs of secure accommodation in 2015/16.	264
0	0	<b>Care Act Reserve</b> The balance remaining on the Care Act Implementation Grant will be carried forward to 2015/16 to continue support in implementing the Act.	50
0	0	<b>Public Relations Reserve</b> Contribution towards a post in the PR Section.	10
6,368	6,933	<b>TOTAL</b>	7,288

## GENERAL FUND - FORECAST OUTTURN SUMMARY BY COMMITTEE

Budget £'000	Description of Expenditure	December Projected Outturn Adverse/ (Favourable) Latest Forecast £'000	Comments
30,494	Adult Committee - Core Services	(234)	The favourable variance mainly relates to Direct Payments Support Services contingency funding, CCG income and Care Act grant for which reserves are to be created. In addition there are underspends within various supplies and services budgets, increased grant income and incremental drift within pay budgets.
-	Adult Committee - Projected Deprivation of Liberty Safeguard (DoLS) Pressure	300	These are the unbudgeted costs of implementing the DoLS implications following the recent Supreme Court judgement.
-	Adult Committee - Use of Reserves to Partly Offset DoLS Pressure	(436)	The unbudgeted DoLS costs are forecast between £200k and £300k this financial year with Members approving a combination of departmental reserves and departmental outturn to fund these costs in 2014/15. This reflects the balance of the costs which are to be funded from departmental reserves.
30,494	Sub-Total Adult Committee	(370)	
19,683	Children's Committee	(1,231)	The favourable outturn variance mainly relates to the Local Welfare Support Grant, Troubled Families Programme and High Needs services for which specific reserves are to be created.
<b>50,177</b>	<b>Total Child &amp; Adult</b>	<b>(1,601)</b>	
2,698	Finance & Policy Committee	(135)	Includes a favourable variance of up to £200k on Logistics/Depot which reflects a managed underspend relating to deferred repairs expenditure and increased external income generation. A favourable variance on NEPO rebates is expected of £25k and it is proposed to create a reserve to fund potential volatility in this area owing to changes in the volume of goods purchased via NEPO contracts in future years.
3,683	Regeneration Committee - Core Services	(200)	Favourable variance includes a £220k favourable variance on Planning Income and a £50k underspend on the final account for CADCAM (Aurora Court). These are partly off-set by a £50k adverse variance in relation to Hartlepool Maritime Experience income.
0	Regeneration Committee - Social Housing	(200)	Favourable variance of £200k relates to the planned contribution to the Major Repairs Reserve on Social Housing as identified in the business case.
15,588	Neighbourhoods Committee	(700)	Adverse variance on Car Parking £105k including additional running costs £85k and a projected shortfall on income relating to the free car parking at Christmas initiative. Favourable variance of £120k on Passenger Transport relating to an underspend on demand led services and a surplus on Trading activities. Favourable variance of £125k relating S38 income which reflects an underspend in previous years on costs associated with Developments for schemes completed this year. Favourable variance on Fleet £300k which includes a significant element of one-off savings on borrowing costs as replacements are deferred, as well as permanent savings generated from efficiencies in vehicle usage overall. Favourable variance of £300k relating to an underspend on the Coastal protection budget as a result of ongoing major capital investments.
<b>21,969</b>	<b>Total Regeneration &amp; Neighbourhoods</b>	<b>(1,235)</b>	
4,228	Finance & Policy Committee	(534)	This favourable variance is mainly owing to vacant posts which are being held in advance of 2015/16 savings.
<b>4,228</b>	<b>Total Chief Executive</b>	<b>(534)</b>	
613	Finance & Policy Committee	(780)	The expected favourable variance is a result of a proposed increase on the school nursing contract not expected to come into fruition and reduced placements within substance misuse. Substance misuse supports vulnerable individuals and it is difficult to accurately forecast placement costs. The range highlighted reflects this. Also included within this favourable variance is a contingency amount £345k set aside to fund any potential outbreak of communicable disease. Should this be required the corresponding contribution to reserves below would be reduced.
575	Regeneration Committee	125	The Public Health Grant is ring-fenced and any underspend will be transferred into a ringfenced reserve in line with the grant conditions. Please see creation of reserves section. The expected adverse variance relates to income pressures at the Borough Hall and Outdoor Markets as previously reported to Members.
<b>1,188</b>	<b>Total Public Health</b>	<b>(655)</b>	
<b>77,562</b>	<b>Sub-Total Departmental Budgets</b>	<b>(4,025)</b>	



## GENERAL FUND - FORECAST OUTTURN SUMMARY BY COMMITTEE

Budget	Description of Expenditure	December Projected Outturn Adverse/ (Favourable) Latest Forecast	Comments
£'000		£'000	
77,562	<b>Sub-Total Brought Forward</b>	<b>(4,025)</b>	
2,921	Property Running Costs	60	Worst case scenario reflects demand led and seasonal budget fluctuations.
7,222	Corporate Budgets	(2,818)	The favourable variance is owing to reduced capital financing costs.
10,143	<b>Total Corporate</b>	<b>(2,758)</b>	
87,705	<b>Sub-Total Corporate &amp; Departmental</b>	<b>(6,783)</b>	
	Reserve Review	(1,870)	
	Provision for Planning Appeals	140	
	Reserves Already Approved - Ring-fenced Grants	1,595	
	Reserves Already Approved - Business Cases	200	
	Reserves Already Approved - Core Budget	4,762	
	Additional Recommended Reserves - Ring-fenced Grant	130	
	Additional Recommended Reserves - Core Budget	250	
87,705	<b>Net uncommitted forecast outturn</b>	<b>(1,576)</b>	

## CHILD &amp; ADULT SERVICES

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2014/15 as at 31st December, 2014

Approved 2014/2015 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Latest Forecast  £'000	Director's Explanation of Variance
<b>Adult Committee</b>			
(65)	Carers & Assistive Technology	30	
3,901	Commissioning & Adults General	(515)	This relates to an element of Better Care Fund being transferred in 2014/15, the one-off Care Act Implementation Grant of £125k being made available in year and some 'one-off' CCG grant funding (£70k). This additional one off funding has resulted in underspends in year in areas that will contribute to 2015/16 savings. In addition, there are also underspends against various supplies and services budgets, some savings from vacant posts which have now been filled and a 2015/16 ER/VR post saving achieved early.
1,263	Commissioning-Mental Health	30	Residential and Nursing placements and costs have increased during the year and Direct Payments are increasing following the cessation of a third-party contract and subsequent transfer of resources to Direct Payments.
9,892	Commissioning-Older People	600	The projected overspend relates to increased demand for services to support older people due to demographic pressures and the potential impact of winter on demand for services.
0	Commissioning-Direct Payments Support Services Contingency Funding	(250)	This is the funding previously held by the external provider of Direct Payment Support Services within individual client accounts which relates to the funding of 'contingencies' within their Direct Payments to cover redundancy, sickness cover and any other unexpected payments. This funding relates to contingencies accumulated over multiple years. Following a change in provider this funding will now be retained by the Council in a specific reserve. This reserve will be used to continue to provide support to clients requiring the funding for such contingencies. This change in accounting arrangements does not have an impact on the Council's overall financial position as this funding will be retained in a ring-fenced reserve for future requirements. This new accounting arrangement provides more direct control by the Council over how the funding is utilised.
7,723	Commissioning-Working Age Adult	75	The projected overspend relates to increased demand for services to support adults with learning disabilities, including those moving from children's services through the transition process.
186	Complaints & Public Information	18	
1,144	Departmental Running Costs	(60)	This mainly relates to underspends on various supplies and services budgets.
1,167	Direct Care & Support Team	(40)	
376	LD & Transition Social Work	(30)	
1,925	Locality & Safeguarding Teams	(70)	This mainly relates to incremental drift within pay budgets and some vacant hours which are currently being filled.
634	Mental Health Services	(60)	
969	OT & Disability Equipment	50	This relates to expenditure arising from increased demand for equipment from the Tees Community Equipment Service.
176	Workforce Planning & Dev	0	
1,203	Working Age Adult Day Services	(12)	
30,494	<b>Sub Total</b>	(234)	
0	Deprivation of Liberty Standards (DoLS) - Pressure	300	These are the unbudgeted costs of implementing the changes to Deprivation of Liberty Safeguards following the recent Supreme Court judgement.
0	Release of Departmental Reserve for DoLS	(300)	Members approved a combination of departmental reserves and departmental outturn to fund these costs in 2014/15.
0	Release of Adult Services Supporting Social Care Reserve	(136)	This reflects the balance of the costs which are to be funded from departmental reserves.
30,494	<b>Adult Committee Sub Total</b>	(370)	
<b>Children's Committee</b>			
12,018	Children & Families	(120)	The outturn projection includes new secure accommodation costs. These costs are to be funded from a combination of the Youth Offending risk reserve and the overall corporate outturn position. In addition, Troubled Families is underspending against grant and it is proposed a reserve for this balance is created. Increasing demand and expenditure on means-tested allowances, direct payments and fostering allowances are offset only partly by expected savings within Care Proceedings court costs, Agency Residential and Adoption services arising from the use of the Adoption Reform Grant.
4,855	Early Intervention Services	(787)	The projected outturn variance reflects the Local Welfare Support Scheme and High Needs Services (for which reserves are to be created) as well as underspends arising from vacant posts and against various supplies and services budgets, incorporating early achievement of 2015/16 savings. These underspends are partly offset by the delayed achievement of some staffing savings within the Youth Service element of this budget.
10	Information, Sharing & Assessment	(10)	Early achievement of 2015/16 savings.
(3)	Play & Care	30	
355	Youth Offending Service	(97)	The underspend reflects staff savings from some secondments to other grant-funded programmes within Children's Services.
407	Youth Service	0	
122	Access to Education	(18)	
761	Central Support Services	0	
533	Other School Related Expenditure	(9)	Service underspends have been achieved as a result of the Complex Needs Services review in advance of the delivery of the 2015/16 savings across Children & Education Services.
350	Raising Educational Achievement	(85)	
221	Special Educational Needs	(115)	
54	Strategic Management	(20)	
19,683	<b>Children's Committee Sub Total</b>	(1,231)	This relates to the Local Welfare Support Scheme, Troubled Families and High Needs Services for which specific reserves have been approved/requested.
50,177	<b>Child and Adult Total - (before Creation of Reserves)</b>	(1,601)	This mainly relates to the Local Welfare Support Scheme for which a reserve has been approved and the Troubled Families grant funded programme.

**Creation of Reserves**

0	Adults - CCG Grant Income	70	This relates to grant income received from the CCG to form a contingency budget for winter pressures.
0	Adults - Care Act Reserve	50	The balance remaining on the Care Act Implementation Grant will be carried forward to 2015/16 to continue support in implementing the Act.
0	Adults - Direct Payment Support Services - Contingency Reserve	250	This is the funding previously held by the external provider of Direct Payment Support Services within individual client accounts which relates to the funding of 'contingencies' within their Direct Payments eg. to cover redundancy, sickness cover and any other unexpected payments. This funding relates to contingencies accumulated over multiple years. Following a change in provider this funding will now be retained by the Council in a specific reserve. This reserve will be used to continue to provide support to clients requiring the funding for such contingencies. This change in accounting arrangements does not have an impact on the Council's overall financial position as this funding will be retained in a ring-fenced reserve for future requirements. This new accounting arrangement provides more direct control by the Council over how the funding is utilised.
0	Children's - Local Welfare Support Grants	375	The creation of this reserve was included in the MTFs and agreed by full Council on 4th February 2014.
0	Children's - Transfer to LAC Reserve	76	Any overall underspend will be transferred to the existing LAC reserve to enable this reserve to continue to be used as a contingency/risk reserve in future years.
0	Children's - High Needs Reserve	300	Funding to be transferred to a reserve to manage future year risks in High Needs spend.
0	Children's - Troubled Families Reserve	500	A reserve is proposed to be created for the balance of grant funding to enable this funding to be carried forward into 2015/16 and future years to support the continuation of this programme.
50,177	<b>Child &amp; Adult Total - Net of Reserves</b>	<b>20</b>	

**PLANNED USE OF RESERVES**

The above figures include the 2014/2015 approved budget along with the planned use of Departmental Reserves created in previous years. The details below provide a breakdown of these reserves

Approved 2014/2015 Budget £'000	Description of Service Area	Planned Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Adult Committee</b>				
76	Supporting Social Care (Demographic Pressures)	136	60	This is the value of the reserve that will be required to fund the net deficit within Adult Services which has mainly arisen from the pressure within older people's services. If the outturn position is better than this, the reserve may not be required in-year and will be retained as a contingency reserve to contribute towards these pressures in future years.
27	Supporting People	27	0	
6	Social Care Reform	6	0	
9	Reablement Funding	9	0	
190	Social Inclusion & Lifestyle pathways contract extension	125	(65)	This is the value of the reserve created to fund the costs resulting from the need to extend some contracts for longer than expected while they are re-commissioned. Any costs in addition to this will be funded from within the overall Adult Services outturn position.
270	PCT Carers Funding	200	(70)	Balance of reserve to be retained to fund future years carers costs.
22	Community Pool 2014/15	22	22	
0	Deprivation of Liberty Safeguards (DoLS)	300	300	This is an unbudgeted pressure in 2014/15 and will be funded where possible from the departmental outturn with the balance funded from departmental reserves.
0	Better Care Fund (BCF) Risk Reserve	19	19	This reserve is being used to fund a post ahead of it being mainstreamed as part of BCF in 15/16
600	<b>Adult Committee Sub Total</b>	<b>844</b>	<b>266</b>	
<b>Children's Committee</b>				
173	Schools Transformation Team	150	(23)	
10	Academy Risk Reserve	0	(10)	
18	Raising the Participation Age	18	0	
287	School Improvement	167	(120)	The Improvement Strategy was approved by Committee 8th July, £0.287m has been allocated over the next two financial years.
0	Youth Offending Reserve	100	100	This 'risk' reserve will be required in 14/15 to contribute towards the estimated overall costs of new secure accommodation costs. The balance of costs will be funded from within the corporate outturn.
149	Adoption Reform Grant	125	(24)	
175	Children's Social Care & Early Intervention	167	(8)	
420	Looked After Children Reserve	0	(420)	It is anticipated that the overspend within the Looked after Children budgets can be funded from within the overall Children's Services outturn without the need to use any of this risk reserve.
1,232	<b>Children's Committee Sub Total</b>	<b>727</b>	<b>(505)</b>	

<b>MEMO:-</b>	<b>Dedicated Schools Grant</b>			
4,903	Early Years	(417)	(480)	Funding received in respect of raising the participation levels of 2 yr old provisions, is higher than the predicted actual levels of participation
8,232	High Needs	0	(111)	
54,655	Schools	2	(8)	

## REGENERATION AND NEIGHBOURHOODS

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2014/15 as at 31st December, 2014

Approved 2014/2015 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Latest Forecast  £'000	Director's Explanation of Variance
<b>Finance &amp; Policy Committee</b>			
0	Adult Education	0	
1,280	Community Safety & Engagement	(10)	Small favourable variance relating to additional grant income received in year.
755	Strategic Management, Admin & Service Development	0	
(98)	Logistics	(100)	A favourable variance is expected in this area relating to increased external income generation. The forecast assumes that costs associated with the depot and small plant store will be reduced in the current year as replacements and capital works are suspended owing to the planned relocation of the depot. Only essential maintenance and replacements will be carried out and a reserve is requested to contribute towards the cost of the depot relocation.
48	Procurement and Reprographics	(25)	Underspend relating to NEPO rebate income. It is proposed to create a reserve to fund potential pressures in this area following changes to the refund methodology.
461	Estates & Asset Management	0	
(730)	Building Consultancy	0	
982	Facilities Management	0	This is a volatile area which includes a number of Trading Activities. A breakeven position is forecast based on the current performance to date.
2,698	<b>Finance &amp; Policy Committee Sub Total</b>	(135)	
<b>Regeneration Committee - Core Services</b>			
22	Archaeology Services	0	
90	Community Centres	(10)	Variance relates to income generated which is slightly higher than predicted at this stage.
402	Cultural Services	80	The variance relates to a shortfall on admissions income at the Hartlepool Maritime Experience. The estimate also reflects a possible shortfall on income associated with functions. A £10k favourable variance on Town Hall Theatre ticket income is also projected at this stage.
1,187	Libraries	0	
0	Renaissance in Regions	0	
(25)	Building Control	70	Projections reflect the volatile nature of external income in this area. Any variance is expected to be covered by the Income Shortfall Reserve in 2014/15 (see Reserves below).
0	Building Control - release of Corporate Income Shortfall Reserve as per the MTFS	(70)	Release of Reserve (see above).
380	Planning Services	(220)	The favourable variance relates to planning income generated from fees. Current income levels have exceeded the budget and the latest forecast is that this will result in a favourable variance of £220k at year end. No provision has been made here for the cost of outstanding appeals which is likely to be between £140k and 240k.
664	Housing Services	0	
85	CADCAM	(50)	The favourable variance reflects the final charge expected for Aurora Court. The ongoing saving in this area is included in the approved 15/16 savings programme.
843	Economic Regeneration	0	
35	Economic Regeneration - External Funding	0	
3,683	<b>Regeneration Committee - Core Services Sub Total</b>	(200)	
<b>Regeneration Committee - Social Housing</b>			
0	Social Housing	(200)	This variance will be transferred into the Major Repairs Reserve in line with the approved Business model for this scheme to fund the cost of future Repairs and Maintenance on the housing stock.
0	<b>Regeneration Committee - Social Housing Sub Total</b>	(200)	

## REGENERATION AND NEIGHBOURHOODS

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2014/15 as at 31st December, 2014

Approved 2014/2015 Budget £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case £'000	Director's Explanation of Variance
<b>Neighbourhood Committee</b>			
(72)	Cemetery and Crematoria	0	
409	Parks & Countryside	0	
32	Allotments	0	
(627)	Car Parking	105	The variance relates to an overspend on the running costs associated with Car Parks. The cost of Rates and the Shopping Centre Service charge have both increased and work is ongoing to find savings to offset this pressure in 2015/16. The proposed scheme for free car parking at Christmas will result in a shortfall in income of approx £20k and this is reflected in the latest projections.
445	Engineering Services	(300)	This variance relates to an underspend on the Coastal protection budget as a result of ongoing major capital investments. Additional fee income has also been generated in relation to one-off schemes.
1,837	Grounds Maintenance	0	
1,939	Highway Maintenance and Insurance	0	
(238)	Highways Trading	0	
510	Highways Traffic & Transport Management	0	
1,417	ITU Passenger Transport	(120)	This variance includes the Passenger Transport Trading Account (£20k surplus) and Home to School Transport (£100k favourable), which results from changing pupil demographics and route efficiencies. The costs associated with Home to School Transport are demand led and the current forecast is based on the activity to date.
213	ITU Road Safety	0	
(50)	ITU Strategic Management	50	The adverse variance relates to income targets set as part of the 14/15 savings programme that have not been achieved. Projects involve collaboration work around transport.
(33)	ITU Vehicle Fleet	(250)	A review of the vehicle replacement programme has identified that a number of vehicle replacements in the current year can be deferred. One-off savings on borrowing costs will result in a favourable variance in year. Permanent savings of £100k relating to efficiencies in vehicle usage overall can be achieved in this area and this saving is included in the Departments 15/16 savings programme. The best case estimate also reflects the suspension of equipment replacements in year which have been suspended owing to the Depot Relocation.
(2)	NDORS (National Driver Offender Rehabilitation Scheme)	0	
1,215	Network Infrastructure	0	
0	Section 38's	(125)	The favourable variance relates to the balance remaining on S38 contributions received from developers. This income funds the cost of materials testing and professional advice necessary on all new developments, over the lifetime of the development. This is the balance available in 2014/15 after all known schemes have been adopted.
0	Traffic Management	0	
2,307	Sustainable Transport	(60)	The favourable variance is owing to a lower than anticipated increase in concessionary fares. This position assumes that there will not be any changes to the scheme for early morning journeys.
1,768	Street Cleansing	0	
4,518	Waste & Environmental Services	0	Best case estimate is based on the latest projections of waste disposal costs and recycling income. This is a volatile area and the position will be closely monitored each month.
15,588	<b>Neighbourhood Committee Sub Total</b>	(700)	
21,969	<b>R&amp;N Total before reserves</b>	(1,235)	

## Creation of Reserves

0	Social Housing - Creation of Reserve	200	Contribution to the Major Repairs Fund in line with the approved business model for the Empty Homes Project.
0	CCTV Relocation Reserve	190	One-off funding required to fund the relocation of the CCTV service following the closure of Greenbank as per the F&P Report 18.8.14.
0	NEPO Rebates Reserve	25	Reserve created to manage the risk that income from NEPO rebates will reduce in future years following the introduction of a new recharge methodology.
0	Depot Relocation Reserve	1,065	Reserve requested to support the cost associated with the relocation of the Lynn Street Depot as per the F&P Report 24.11.14.
21,969	<b>Regeneration and Neighbourhoods Total - Net of Reserves</b>	245	

## PLANNED USE OF RESERVES

The above figures include the 2014/2015 approved budget along with the planned use of Departmental Reserves created in previous years. The details below provide a breakdown of these reserves

Approved 2014/2015 Budget £'000	Description of Service Area	Planned Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
<b>Finance &amp; Policy Committee</b>				
40	Fleet	0	(40)	Reserve created to manage repairs and maintenance risks over years and the profile of costs incurred to date mean that this is not required in the current year.
34	Community Pool	21	(13)	This variance relates to the profile of expenditure over years.
30	Civic Lottery	30	0	
89	Community Safety	0	(89)	This variance relates to the profile of expenditure over years and additional grant income received in year which was not expected when the budget was set.
<b>Regeneration Committee</b>				
30	Digital City	30	0	
163	Seaside Grant	163	0	
0	Baden Street	19	19	This variance relates to the profile of expenditure over years.
0	High Street Innovation Fund	10	10	
19	Furniture	19	0	
22	Archaeology Projects	0	(22)	This reserve is to sustain Archaeology projects over years. This year the projects are fully funded therefore the reserve will be carried forward for 2015/16 onwards.
84	Selective Licensing/Housing	66	(18)	This variance relates to the profile of expenditure over years.
0	CAD/CAM	39	39	This variance relates to the profile of expenditure over years.
0	Housing Public Health	21	21	This reserve is grant carried forward and will be spent in 14/15 in line with the grant conditions.
65	Business Grants	65	0	
67	Economic Regeneration Schemes	67	0	
4	Ward Profiles/Rural Plan	4	0	
<b>Neighbourhood Committee</b>				
100	Engineering Services	0	(100)	This reserve was earmarked to manage the risk that income may reduce in this area in future years. In 2014/15 this area is continuing to achieve income in line with it's budget.
25	Bikeability	25	0	
772	<b>Total</b>	579	(193)	

## CHIEF EXECUTIVES

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2014/15 as at 31st December, 2014

Approved 2014/2015 Budget	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Latest Forecast	Director's Explanation of Variance
£'000		£'000	

## Finance and Policy Committee

(533)	Benefits	(90)	The favourable variance is owing to vacant posts and some additional grant monies.
(1,499)	Central Administration Recharges	0	
1,059	Corporate Finance	(40)	The favourable variance is owing to reduced working hours and posts being held vacant as part of the 2015/16 savings.
724	Corporate Strategy & Public Consultation	(26)	Reduced working hours along with some supplies and services savings have resulted in a favourable variance.
0	Local Council Tax Support	(105)	This underspend in Local Council Tax Support funding was earmarked at Finance and Policy Committee 15th September 2014 to create a reserve to provide additional recovery capacity and to fund the Advice and Guidance Service in 2015-16.
182	Housing Benefits Subsidy	0	The Housing Benefit budget generates £47 million in subsidy. The outturn projection has been based on the Mid Year Review estimates to the DWP.
188	Democratic	(5)	The favourable variance is owing to reduced working hours.
97	Fraud	0	
968	Customer and Support Services	(135)	The favourable variance is mainly owing to vacant posts. There is also a saving on Apprenticeship salaries within the Support Services Team.
526	Human Resources & Health and Safety	(70)	Additional income into the Health and Safety Section from Adult Education for additional services.
228	Internal Audit	(18)	The favourable variance is owing to reduced working hours and additional income from Academies.
466	Legal Services	10	The adverse variance is owing to a reduction in income from Land and Property Searches, offset by some staffing savings on maternity leave and reduced hours.
189	Municipal Elections and Registration of Electors	(25)	This area will underspend subject to no further elections in this financial year.
(76)	Other Office Services	40	The adverse variance is owing to ongoing shortfall on Land Charges income, this is owing to the number of companies using Environmental Information Regulations, which is an ongoing trend.
81	Public Relations	(10)	The favourable variance is owing to a post being vacant for part of the year, and additional income from Hartbeat.
(102)	Registration Services	0	
881	Revenues	0	
(366)	Revenue & Benefits Central	(100)	Additional income from Court Costs has been offset by some additional Legal Fees incurred.
88	Scrutiny	0	
657	Shared Services	30	The adverse variance is owing to the need to cover current staff shortages from 2 long term sickness absences and 1 vacant post, together with an increase in workload, specifically pensions, payroll & recovery related work.
115	Support to Members	10	The adverse variance is owing to additional costs related to the Civic Honours Ceremony.
18	Training & Equality	0	
337	Corporate Management Running Expenses	0	
4,228	Finance and Policy Total (Before Creation of Reserves)	(534)	
Creation of Reserves			
0	Local Council Tax Support	105	Local Council Tax Support funding approved at Finance and Policy Committee 15th September 2014 to create a reserve to provide additional recovery capacity over an 18 month period in 2015-16 and to fund the Advice and Guidance Service in 2015-16.
0	Customer and Support Services	100	A RCCO is proposed to be created from Customer Services outturn to fund a Civic Centre reception modernisation scheme.
0	Human Resources & Health and Safety	24	A Reserve is proposed to be created from Health and Safety additional income to fund a Senior Health and Safety Officer on a fixed term contract to partly deliver the project.
0	Public Relations	10	A Reserve is proposed to part fund a post within the Public Relations Section.
4,228	Chief Executives Total - Net of Reserves	(295)	

## PLANNED USE OF RESERVES

The above figures include the 2014/2015 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2014/2015 Budget £'000	Description of Service Area	Planned Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Finance and Policy Committee				
72	Corporate Strategy - ICT System Development	37	(35)	Transition cost in relation to technology to be split over two financial years.
6	Corporate Strategy - Performance Management	6	0	
8	Corporate Strategy - Corporate Consultation	0	(8)	
10	Contact Centre	0	(10)	
0	Contact Centre	2	2	
0	Registrars	21	21	Redecoration/chairs for Ceremony Room.
18	Resource Investment - HR	18	0	
0	Legal	36	36	This reserve is to fund temporary staffing arrangements.
0	Registration and Members	2	2	
28	Finance - IT Investment	20	(8)	
0	Finance - IT Investment Shared Services	30	30	This reserve is to fund system development work in Shared Services.
20	Finance R & B	10	(10)	
16	Finance - IT Developments R&B	16	0	
3	Finance R & B - FSM System	1	(2)	
20	Finance R & B - Benefits/Atlas	0	(20)	
10	Finance R & B - Corporate Booking System	10	0	
10	Finance R & B - Software Projects	10	0	
38	Corporate - Social Inclusion	0	(38)	
86	Chief Executive's Department Ring Fenced Grants	111	25	
345	Total	330	(15)	

## PUBLIC HEALTH

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2014/15 as at 31st December, 2014

Approved 2014/2015 Budget  £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Latest Forecast  £'000	Director's Explanation of Variance
<b>Finance and Policy Committee</b>			
<b>Public Health Grant</b>			
806	Children's Public Health	(100)	School nursing service review underway. Risk share pressure across Stockton and Hartlepool of £100k expected to be offset by a reduction in the contract specification.
50	Health Protection	0	
1,338	Miscellaneous Public Health Services	(340)	Current expected outturn variance reflects a contingency element of grant unallocated to allow for potential communicable disease outbreak.
128	NHS Health Check Programme	(10)	Favourable variance relates to a refund received in year.
266	Obesity	(70)	Favourable variance relates to an underspend on Breastfeeding Support Costs.
170	Physical Activity	0	
816	Prescribing	(30)	Best case estimate reflects estimates received from providers.
741	Public Health Advice	(30)	Favourable variance relates to a refund received in year.
722	Sexual Health	(75)	Favourable variance relates to a refund received in year.
496	Smoking & Tobacco	(65)	Favourable variance is based on the prescribing estimates received from the service provider.
2,953	Substance Misuse	(60)	This is a volatile area owing to the sometimes uncontrollable nature of expenditure on vulnerable adults supported by this area.
(8,486)	Public Health Grant	0	
0	<b>Public Health Grant Subtotal</b>	(780)	The Public Health Grant is ringfenced and any underspend will be transferred into a ringfenced reserve in line with the grant conditions - see below.
<b>Public Health General Fund</b>			
613	Consumer Services	0	
613	<b>Public Health General Fund Subtotal</b>	0	
613	<b>Finance and Policy Sub Total</b>	(780)	
<b>Regeneration Committee</b>			
<b>Public Health General Fund</b>			
2	Environmental Protection	0	
(87)	Environmental Standards	50	Expected outturn variance relates to income pressures on Outdoor Markets.
660	Sports & Recreation Facilities	75	Expected outturn variance mainly relates to income pressures at Borough Hall.
575	<b>Public Health General Fund Subtotal</b>	125	
575	<b>Regeneration Sub Total</b>	125	
1,188	<b>Public Health Total - before Reserves</b>	(655)	
<b>Creation of Reserves</b>			
<b>Finance and Policy Committee</b>			
0	Public Health Ringfenced Grant	780	The Public Health Grant is ringfenced and any underspend will be transferred into a ringfenced reserve in line with the grant conditions.
1,188	<b>Public Health Total - Net of Reserves</b>	125	

**CHIEF EXECUTIVES****CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014**

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee										
7623	Corporate IT Projects	20	20	0	20	0	20	0	MIX	
8143	New Burdens - Council Tax	10	10	0	10	0	10	0	MIX	
8157	Northgate - New Server	4	4	0	4	0	4	0	MIX	
8701	Registration Services Accommodation	70	70	30	40	0	70	0	RCCO	
	Corporate Projects	69	69	0	69	0	69	0	MIX	
Chief Executives Total		173	173	30	143	0	173	0		

**Key**

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing



## CHILD AND ADULT SERVICES

## CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Adult Committee										
7234	Chronically Sick and Disabled Persons Adaptations	320	55	1	54	0	55	0	MIX	
8075	Short Break Capital Grants Pool	21	21	0	21	0	21	0	MIX	
8108	Centre for Independent Living - New Build	4,767	308	19	289	0	308	0	MIX	
8794	Autism Innovation Capital Grant	19	19	0	19	0	19	0	GRANT	
	Adult Committee Sub Total	5,127	403	20	383	0	403	0		
Children's Committee										
7469	Children's Centre's Capital	41	41	0	41	0	41	0	MIX	
8282	Exmoor Grove Redevelopment / Change of Use	56	56	53	3	0	56	0	MIX	
8072	Integrated Children's Services Case Management Improvement	37	0	0	0	0	0	0	MIX	
8218	Youth Service Portable Multi-Use Games Area (Youth Capital Fund)	7	0	0	0	0	0	0	GRANT	
8695	Barnard Grove School - New School	95	95	95	0	0	95	0	MIX	
8785	Barnard Grove School - Section 278 Works	36	36	0	36	0	36	0	GRANT	
8781	Brougham School - 2 year old FNE Capacity Building	38	38	20	18	0	38	0	GRANT	
8602	Clavering School - Fire Detection System	25	25	19	8	0	27	2	MIX	
8732	Clavering School - Roof Block A	84	84	64	10	0	74	(10)	MIX	Actual anticipated final cost lower than original indicative estimate.
7384	Devolved Schools Capital	469	469	49	382	0	431	(38)	GRANT	Underspend represents the school contribution to fund Rift House SEN Adaptations. On hold pending Priority School Building Programme Phase 2.
New	English Martyrs - Science Labs	325	325	0	0	325	325	0	RCCO	
8734	Golden Flatts School - Condensation Mitigation Works	15	15	0	15	0	15	0	MIX	
8731	Golden Flatts School - Boiler Replacement	25	25	22	3	0	25	0	MIX	
8734	Golden Flatts School - Roofing Block A Replacement	65	65	64	0	0	64	(1)	MIX	
8730	Greatham School - Roof Replacement	94	94	68	10	0	78	(16)	MIX	Actual anticipated final cost lower than original indicative estimate.
8729	Hart School - Roof Block A	8	8	12	2	0	14	6	MIX	The anticipated costs have increased owing to an increase in the scope of work required.
8716	High Tunstall School - Window Replacement Block A	156	156	2	0	154	156	0	MIX	On hold pending Priority School Building Programme Phase 2.
8718	High Tunstall School - Roofing - Block A (Phased)	65	65	52	13	0	65	0	MIX	On hold pending Priority School Building Programme Phase 2 but minor works were necessary and have been undertaken.
8719	High Tunstall School - Roofing - Block L	118	118	3	0	115	118	0	MIX	On hold pending Priority School Building Programme Phase 2.
8598	High Tunstall School - Heating Distribution - Block G	85	85	39	46	0	85	0	MIX	
8523	High Tunstall School - Heating Distribution - Block A	68	68	19	49	0	68	0	MIX	
8718	High Tunstall School - Roofing - Block A (Drama Hall)	80	80	1	65	0	66	(14)	MIX	Scheme reduced pending outcome of Priority School Building Programme Phase 2.
8717	High Tunstall School - Electrical Distribution Replacement	34	34	8	9	17	34	0	GRANT	
8695	Holy Trinity - Contribution to New School re Nursery Provision	160	160	0	160	0	160	0	MIX	The £160k contribution consists of £60k contribution from Council reserves and an anticipated capital receipt of £100k. In addition to this Holy Trinity School are also contributing £18k to the project.
8785	Holy Trinity - Section 278 Works	10	10	0	10	0	10	0	MIX	
8727	Kingsley School - Electrical Rewire	267	267	177	0	90	267	0	MIX	
8459	Kingsley School - Replace and Upgrade Playground Surface	41	41	41	0	0	41	0	MIX	
8728	Lynnfield School - Window Replacement - Block A	62	62	32	30	0	62	0	MIX	
8782	Lynnfield School - 2 year old FNE Capacity Building	38	38	19	19	0	38	0	MIX	
8789	Refurbishment Pupil Referral Unit	205	205	0	205	0	205	0		
7586	Purchase of Computer Equipment - City Learning Centre Standards Fund	4	4	0	0	4	4	0	GRANT	
8714	Rift House School - Roof Block A	213	213	132	88	0	220	7	MIX	Actual anticipated final cost higher than original indicative estimate.
8713	Rift House School - SEN Adaptations	24	24	62	0	0	62	38	MIX	The overspend relates to additional work to be funded by the school.
8720	Rift House School - Children's Centre Roof Replacement	51	51	6	40	0	46	(5)	MIX	Actual anticipated final cost lower than original indicative estimate.
8601	Rossmere School - Toilet Replacement	30	30	30	0	0	30	0	MIX	
8692	Rossmere School - Forest Garden	345	345	3	327	15	345	0	MIX	
7421	School Travel Plans	23	0	0	0	0	0	0	GRANT	
7521	Schools General - 2 year old FNE Capacity Building	22	22	20	2	0	22	0	GRANT	
8788	Schools General - Universal Free School Meals	160	160	16	144	0	160	0	GRANT	
8138	Schools General - BSF - ICT	2,414	1,468	1,468	0	0	1,468	0	GRANT	
8139	Schools General - BSF - ICT Infrastructure Costs	132	132	0	132	0	132	0	GRANT	
9004	Schools General - RCCO Unallocated	400	400	0	0	400	400	0	RCCO	
9004	Schools General - Funding Currently Unallocated	95	95	0	0	139	139	44	MIX	This reflects the net underspend that will be transferred to the unallocated budget.
9004	Schools General - Contingency	100	100	0	0	100	100	0	GRANT	
9004	Schools General - Earmarked for Asbestos Surveys	60	60	0	0	60	60	0	RCCO	
8725	Throston School - Electrical Rewire Final Phase	89	89	85	4	0	89	0	MIX	
8726	Throston School - Window Replacement - Block A	64	64	57	3	0	60	(4)	MIX	Actual anticipated final cost lower than original indicative estimate.

**CHILD AND ADULT SERVICES****CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014**

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
8455	West Park School - Electrical Works inc Fire Detection System	92	92	40	52	0	92	0	MIX	
8526	West Park School - Heating / Hot & Cold Water Distribution	26	26	0	26	0	26	0	GRANT	
8593	West Park School - Window Replacement	9	9	8	1	0	9	0	MIX	
8723	West Park School - Window Replacement Final Phase	70	70	62	8	0	70	0	MIX	
8735	West Park School - Cloakroom/Wash Hand Basin Replacement	42	42	37	5	0	42	0	MIX	
8653	West View School - Early Years Foundation Stage improvements	184	184	27	6	151	184	0	MIX	
8528	West View School - Roofing - (Various Phases)	142	142	114	19	0	133	(9)	MIX	Only works to canopy and external store are complete, the remainder of the scheme is on hold pending the PSBP 2 announcement. Actual anticipated final cost lower than original indicative estimate.
8724	West View School - Boiler Replacement Block A	64	64	45	19	0	64	0	MIX	
<b>Children's Committee Sub Total</b>		<b>7,664</b>	<b>6,651</b>	<b>3,071</b>	<b>2,010</b>	<b>1,570</b>	<b>6,651</b>	<b>0</b>		
<b>Child &amp; Adult Services Total</b>		<b>12,791</b>	<b>7,054</b>	<b>3,091</b>	<b>2,393</b>	<b>1,570</b>	<b>7,054</b>	<b>0</b>		

**Key**

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing

## CORPORATE

## CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee										
7036	Unallocated Council Capital Fund	57	57	0	0	83	83	26	UCPB	This reflects the net underspend that will be transferred to the unallocated budget.
7041	Corporate Planned Maintenance Unallocated	29	29	0	0	39	39	10	MIX	This reflects the net underspend that will be transferred to the unallocated budget.
7200	Civic Centre Refurbishment	244	244	11	133	100	244	0	MIX	Anticipated that works will not be completed until the following financial year.
8142	West Park School Kitchen Upgrades	85	85	83	2	0	85	0	RCCO	
8142	Brougham School Kitchen Upgrades	96	96	96	0	0	96	0	RCCO	
8142	School Kitchen Upgrades	37	37	0	37	0	37	0	RCCO	
8171	Corporate Planned Maintenance - Footpath Repair - Grayfields	16	16	0	0	16	16	0	MIX	Scope of project not yet finalised.
8406	Throston Disability Discrimination Act - Toilets	1	1	0	1	0	1	0	UCPB	
8442	Disability Discrimination Act Works	37	37	0	37	0	37	0	MIX	
8551	Underground Car Park Electrical Works	31	31	25	4	0	29	(2)	RCCO	This reflects the net underspend that will be transferred to the unallocated budget.
8552	Multi Storey Car Park Electrical Works	17	17	17	0	0	17	0	RCCO	
8557	Historic Quay Replace Floor Track Lighting	31	31	19	2	0	21	(10)	RCCO	This reflects the net underspend that will be transferred to the unallocated budget.
8657	Brinkburn Youth Centre Boiler	5	5	0	0	0	0	(5)	RCCO	This reflects the net underspend that will be transferred to the unallocated budget.
8658	Historic Quay Office Suite Boiler	5	5	0	0	0	0	(5)	RCCO	This reflects the net underspend that will be transferred to the unallocated budget.
8684	Lynn Street Depot Fleet and Garage Roof	36	36	33	3	0	36	0	RCCO	
8687	Jacksons Landing	5	5	5	0	0	5	0	CAP REC	
8711	Carlton Centre Re-Roof Main Building	59	59	24	35	0	59	0	RCCO	
8780	Hart Boundary Wall - Phase 2	10	10	9	1	0	10	0	RCCO	
new	Indoor Bowls Centre Refurbishment	190	190	0	0	190	190	0	RCCO	These resources held as uncommitted until detailed master planning for the Mill House site has been completed.
new	Asbestos Re-Surveys	50	50	0	10	40	50	0	RCCO	
new	Lynn Street Depot Replace Doors to Vehicle Shed	30	30	0	30	0	30	0	RCCO	
new	Christ Church Boiler Replacement	80	80	53	27	0	80	0	RCCO	
new	Newburn Bridge Roofing and Door Replacement	30	30	0	30	0	30	0	RCCO	
new	Brougham Enterprise Centre Boiler Replacement	120	120	94	12	0	106	(14)	RCCO	This reflects the net underspend that will be transferred to the unallocated budget.
new	Brougham Enterprise Centre ICT System Replacement	70	70	0	70	0	70	0	RCCO	
new	Town Hall Theatre Stage Lighting Controls	50	50	0	50	0	50	0	RCCO	
new	Borough Hall - Kitchen Upgrade	50	50	0	50	0	50	0	RCCO	
new	Borough Hall - wet rot	5	5	0	5	0	5	0	RCCO	
new	Central Library - Roofing and Guttering	30	30	0	30	0	30	0	RCCO	
new	Central Library - External Redecoration	20	20	0	20	0	20	0	RCCO	
new	Borough Hall - External Redecoration	50	50	0	50	0	50	0	RCCO	
new	Town Hall - External Redecoration	30	30	0	30	0	30	0	RCCO	
new	Energy - Invest to Save	20	20	0	20	0	20	0	RCCO	
new	Asbestos Re-Surveys - Phase 2	50	50	0	50	0	50	0	RCCO	
new	Seaton Carew Library Roof Replacement	11	11	0	11	0	11	0	RCCO	
Corporate Total		1,687	1,687	469	750	468	1,687	0		

## Key

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing

**PUBLIC HEALTH****CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014**

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee										
8284	Whitby Street Accommodation	2	2	0	2	0	2	0	GRANT	
8710	Drug & Alcohol Recovery Centre	200	200	0	200	0	200	0	GRANT	New scheme funded by Public Health England to improve drug and alcohol provision within Hartlepool.
	Finance & Policy Committee Sub Total	202	202	0	202	0	202	0		
Regeneration Committee										
8634/8689	Brierton Football Pitches	658	658	377	281	0	658	0	MIX	
8103	Swimming Scheme	61	61	0	31	30	61	0	MIX	
8408	Mill House - Equipment Purchase	6	6	0	6	0	6	0	MIX	
8409	Sport & Youth Improvements	70	0	0	0	0	0	0	MIX	
	Regeneration Committee Sub Total	795	725	377	318	30	725	0		
	Public Health Services Total	997	927	377	520	30	927	0		

**Key**

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
SPB Supported Prudential Borrowing

## REGENERATION &amp; NEIGHBOURHOOD SERVICES

## CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee										
7466	DSO Vehicle Purchases	4,932	992	585	407	0	992	0	UDPB	A review of the vehicle replacement programme has identified opportunities for savings by maximising the economic life of existing vehicles. This has resulted in a rephased programme for vehicle renewals which have previously been approved and the budget has been restated to reflect these changes.
8306	School Catering Equipment	155	105	38	7	60	105	0	RCCO	The budget funds an ongoing programme of kitchen equipment replacement. Expenditure in relation to free school meals is funded from a separate budget. The amount required from this budget is now expected to be less in the current year.
8425	PV Cells Installation (various buildings)	11	11	11	0	0	11	0	UDPB	As a result of government changes to Feed-in-Tariff (FIT) arrangements and subsidies, the remaining sites in the scheme have been put on hold in order to evaluate whether they are still viable.
	Finance & Policy Committee Sub Total	5,098	1,108	634	414	60	1,108	0		
Regeneration Committee										
7218	Disabled Facility Grants	738	738	343	395	0	738	0	MIX	
7220	Private Sector Housing Grants	56	56	19	37	0	56	0	MIX	
7895	Industrial & Commercial Grants to Businesses	40	40	18	22	0	40	0	UCPB	
8123	Review of Strategy Study North Sands to Newburn Bridge	17	17	13	4	0	17	0	GRANT	
8155	Preventing Repossession	25	25	5	20	0	25	0	GRANT	The actual timing of expenditure is demand led according to cases meeting the criteria.
8210	Key Vacant Buildings Grant Scheme	38	38	30	8	0	38	0	UCPB	
8326	Baden Street Project	77	77	35	42	0	77	0	MIX	
8444	Town Wall Strengthening	931	118	18	100	0	118	0	GRANT	The budget has been restated to reflect the expectation for expenditure to be rephased into 2015/16.
8445	Seaton Carew Coast Protection	586	586	486	100	0	586	0	GRANT	
8446	Empty Property Purchasing Scheme	7,021	2,526	945	1,581	0	2,526	0	MIX	The total budget includes recently approved funding of £4.055m for Phase 2 which is expected to be spent from next financial year and an additional £0.835m on the purchase of new build properties in the Tanfield Road and Raby Road developments.
8578	South Management Unit Study	47	22	11	11	0	22	0	GRANT	
8580	Hartlepool Enterprise Centre Building Improvements	52	52	26	26	0	52	0	UCPB	
8589	Headland Structures Coastal Defence	40	40	17	23	0	40	0	GRANT	
8591	Coastal Management Strategy - Crimdon/Newburn Bridge	9,645	250	108	142	0	250	0	MIX	The total budget includes additional funding approved by Council on the 7th August of which £1.8m is funded by the Council and the remaining £7.845m from the Environment Agency and partners.
8709	WW1 Anniversary Memorial	60	60	3	57	0	60	0	MIX	
9008	Church Street - Hartlepool Vision	505	171	0	171	0	171	0	MIX	Includes an amount of £0.335m to future match funding opportunities in relation to the development of Church Street.
HMR	North Central Hartlepool Housing Regeneration	2,306	1,179	262	917	0	1,179	0	MIX	The expenditure remaining value assumes selective demolition will take place in the current financial year, but there is the possibility that this could actually cross into 2015/16.
7531	Adult Education Office Accommodation	17	0	0	0	0	0	0	GRANT	Budget to be used in 2015/16 to fund work as part of conditions of lease.
8429	Adult Education Office Replace IT	11	0	0	0	0	0	0	GRANT	As above
	Regeneration Committee Sub Total	22,212	5,995	2,339	3,656	0	5,995	0		

## REGENERATION &amp; NEIGHBOURHOOD SERVICES

## CAPITAL MONITORING REPORT PERIOD ENDING 30th NOVEMBER 2014

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F	G		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 30/11/14 £'000	2014/15 Expenditure Remaining £'000	Expenditure Rephased into 2015/16 £'000	(C+D+E) 2014/15 Total Expenditure £'000	(F-B) 2014/15 Variance from Budget £'000		
Neighbourhoods Committee										
7272	Wheelie Bin Replacement Purchases	60	60	34	26	0	60	0	UDPB	
7375	Countryside Development Work	14	14	0	14	0	14	0	UDPB	
7382	Greatham Play Area Equipment	9	0	0	0	0	0	0	MIX	
7508	Anhydrite Mine	107	0	0	0	0	0	0	MIX	Funding is carried forward for future monitoring of the mine.
7530	Developers Contributions (Section 106)	247	18	0	18	0	18	0	GRANT	
7651	Burn Valley Beck/Parks & Open Spaces	40	40	0	40	0	40	0	MIX	
7821	Household Waste Recycling Centre Improvements	22	22	2	20	0	22	0	UDPB	
7878	Community Safety CCTV Upgrade	298	298	0	298	0	298	0	MIX	Includes £0.190m RCCO to fund the relocation of the CCTV Monitoring Centre by 31st March 2015.
7990	Bandstand Shutters	4	0	0	0	0	0	0	MIX	
8299/7110	Playgrounds	41	41	18	1	22	41	0	GRANT	
8394	Library Improvements	55	55	33	13	9	55	0	MIX	
8575	Padstow Close Flood Resilience Measures	9	9	9	0	0	9	0	GRANT	
8644	Road Safety Equipment	30	30	0	30	0	30	0	GRANT	
7084/8648	Safety Camera Partnership	24	24	0	24	0	24	0	GRANT	Ring-fenced partnership funding.
8696	Street Lighting Replacement	4,980	3,780	1,305	2,475	0	3,780	0	GRANT	Includes budget of £1.2m to be spent on new columns in 2015/16.
8699	Oxford Road Play Area Refurbishment	36	36	36	0	0	36	0	GRANT	
8703	Morrison Hall Loan to NDC Trust	450	450	0	450	0	450	0	UDPB	
Various	Allotments Improvements	286	286	39	83	164	286	0	UDPB	Relates to various schemes, funded from allotment rents. The Nicholson Field improvements are now expected to be carried out in 2015/16 as a result of unforeseen delays.
Various	Stranton Cremators and Tanfield	238	238	73	165	0	238	0	MIX	
LTP	Local Transport Plan - Highways Capital Maintenance Schemes	2,158	1,930	25	1,693	212	1,930	0	GRANT	A proportion of this budget has been rephased into 2015/16 in anticipation of unforeseen delays in consultation.
TVBNI	Tees Valley Bus Network Improvement Schemes	1,453	923	444	479	0	923	0	GRANT	The budget has been restated to reflect the anticipated profile of expenditure, mainly in relation to the Powlett Road, Raby Road and Hart Lanes schemes expected to complete in early 2015/16.
BRIE	Brierton Site Development	977	977	745	232	0	977	0	MIX	
Neighbourhoods Committee Sub Total		11,538	9,231	2,763	6,061	407	9,231	0		
Regeneration & Neighbourhoods Total		38,848	16,334	5,736	10,131	467	16,334	0		

## Key

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
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SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
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SPB Supported Prudential Borrowing

# FINANCE AND POLICY COMMITTEE

30 January 2015



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

**Subject:** DELEGATED POWERS PROPERTY  
TRANSACTIONS  
QUARTERLY REPORT – 2014 (Q3)

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information purposes only.

## 2. PURPOSE OF REPORT

2.1 To inform the Committee of the recent Minor Property Issues dealt with under Delegated Powers since the matters were last reported for 2014 (Q2) on 24<sup>th</sup> November 2014.

## 3. BACKGROUND

3.1 Under Part 3 of the Constitution (Responsibility for Functions) the Director of Regeneration and Neighbourhoods has delegated powers for a variety of transactions within a prescribed threshold which is currently £30,000 in capital value and £12,000 in rental value. The powers are to approve land and property disposals, leases, lettings, licences, wayleaves, easements, undertaking and concluding rent reviews, lease renewals and the release and amendments of restrictions, covenants and other land and property matters within the prescribed thresholds as approved by the Council. The current valuation thresholds were approved by Finance & Policy Committee on 26<sup>th</sup> July 2013.

3.2 This enables minor property transactions to be concluded efficiently and effectively.

3.3 This report is provided to Committee on a quarterly basis to up-date members of all the land and property transactions that are approved under the Delegated Powers procedure.

#### 4. PROPOSALS

- 4.1 To date the delegation has been effective and a number of transactions have been progressed in accordance with delegated consent as summarised in **Confidential Appendix 1. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely paragraph 3, information relating to the financial or business affairs of any particular person (including the authority holding that information).**

#### 5. FINANCIAL AND RISK CONSIDERATIONS

- 5.1 Increased efficiency arising from a simplified approval process is reducing the time spent by the Estates and Regeneration Manager preparing reports in relation to minor transactions. The additional time will be spent facilitating the delivery of other key projects thereby reducing the overall costs of operating the section.
- 5.2 Any instances where the Director of Regeneration and Neighbourhoods deems there to be a risk in exercising the delegated power will be referred to Committee for decision.

#### 6. LEGAL CONSIDERATIONS

- 6.1 Legal agreements are in place to safeguard the Council's interests.

#### 7. EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 There are no diversity and equality issues.

#### 8. STAFF CONSIDERATIONS

- 8.1 There are no staffing considerations as part of this report.

#### 9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 The attention of the Committee is drawn to the Asset Management element of the Medium Term Financial Strategy (MTFS). A previous decision requires a commercial, proactive approach to be taken on Asset Management issues, the proceeds of this transaction being a contribution to the Medium Term Financial Strategy (MTFS).
- 9.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.



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

- 10.1 There are no Section 17 implications.

**11. RECOMMENDATIONS**

- 11.1 The Committee notes the report and the property issues dealt with under Delegated Powers.

**12. REASONS FOR RECOMMENDATIONS**

- 12.1 To provide information on the property issues dealt with under Delegated Powers.

**13. BACKGROUND PAPERS**

- 13.1 There are no background papers.

**14. CONTACT OFFICER**

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