

REVISED AGENDA

FINANCE AND POLICY COMMITTEE AGENDA



Monday 1 June 2015

at 9.30 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Barclay, Cranney, James, Loynes, Richardson, Riddle, Simmons, Sirs and Thompson 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 23 March, 2015
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 20 March 2015

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Business Rates Update – Chief Finance Officer
- 4.2 Final Outturn 2014/15 – Corporate Management Team

5. KEY DECISIONS

- 5.1 Future Location of Hartlepool Community Monitoring Service - Director of Regeneration and Neighbourhoods



REVISED AGENDA

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Consultation on the Proposed Changes to Cleveland Fire Authority – Chief Executive
- 6.2 Quarter 4 – Council Overview of Performance and Risk 2014/15 – Assistant Chief Executive
- 6.3 Assisting Eligible Hartlepool VCS Organisations with their Utility Costs - Director of Regeneration and Neighbourhoods

7 ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

8. 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

9. EXEMPT KEY DECISIONS

- 9.1 Cleveland College of Art and Design (CCAD) – Phase 1 Development – Corporate Management Team (para 3)

Date of next meeting – Monday 29 June 2015 at 9.30 am in the Civic Centre, Hartlepool.



6. OTHER ITEMS REQUIRING DECISION

- 6.1 Consultation on the Proposed Changes to Cleveland Fire Authority – Chief Executive
- 6.2 Quarter 4 – Council Overview of Performance and Risk 2014/15 – Assistant Chief Executive
- 6.3 Assisting Eligible Hartlepool VCS Organisations with their Utility Costs - Director of Regeneration and Neighbourhoods

7 ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

Date of next meeting – Monday 29 June 2015 at 9.30 am in the Civic Centre, Hartlepool.



FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

23 March 2015

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Allan Barclay, Tom Hind, Marjorie James, Robbie Payne, Carl Richardson and Chris Simmons

Also present:

Councillor Jim Ainslie

Officers: Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Chief Finance Officer
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Damien Wilson, Assistant Director, Regeneration
Catherine Grimwood, Performance and Partnerships Manager
Mark Smith, Head of Youth Support Services
Stephen Carter, Health Improvement Practitioner
Joan Stevens, Scrutiny Manager
Alastair Rae, Public Relations Manager
Angela Armstrong, Principal Democratic Services Officer

141. Apologies for Absence

Apologies for absence were received from Councillors Geoff Lilley and George Morris.

142. Declarations of Interest

None.

143. Minutes

- (i) Minutes of the meeting of the Finance and Policy Committee held on 23 February 2015 – received.
- (ii) Minutes of the meeting of the Health and Wellbeing Board held on 12 January 2015 – received.

144. Council Plan 2015/2016 (*Corporate Management Team*)**Type of decision**

Budget and Policy Framework

Purpose of report

To enable the Committee to consider and comment on the final draft of the proposed Council Plan for 2015/2016.

Issue(s) for consideration

The report provided the background to the Council's Service Planning Framework. It was noted that the detailed proposals for 2015/16 had been considered by each of the Council's Committees and summaries of the issues raised was attached at Appendix 1. The proposed Council Plan was attached at Appendix 2 and set out how the Council proposed to deliver the priority outcomes. It was proposed to submit the Council Plan to Council for approval on 26 March 2015.

The Assistant Chief Executive highlighted one comment received from the Children's Services Committee that it may be beneficial to include post-holder's job titles within the Council Plan as opposed to post-holder's names. Whilst it was noted that this change would not be possible prior to submission to Council on 26 March 2015, the Plan could be amended to incorporate that change prior to its publication if Members' wished.

The following was a unanimous decision.

Decision

The Council Plan 2015/16 was endorsed for submission to Council on 26 March 2015 for consideration, with the published Plan to include post-holder's job titles as opposed to post-holder's names.

145. A Combined Authority for the Tees Valley (*Chief Executive*)**Type of decision**

Key Decision – Test (ii) applies – Forward Plan reference number CE67/15.

Purpose of report

At the meeting of the Committee on 24 November 2014, the Committee received a report in respect of the potential creation of a Combined Authority for the Tees Valley (including Darlington, Hartlepool, Middlesbrough, Stockton and Redcar and Cleveland). As part of this report, it was agreed that consultation be undertaken as outlined and a further report submitted to the Committee prior to the submission of a draft scheme to the Secretary of State.

The report incorporated a recap on the rationale for the establishment of a Combined Authority (and the original report was attached at Appendix 1) and how it would support the achievement of our economic goals, the results from the consultation and the draft scheme for submission to the Secretary of State.

Issue(s) for consideration

The report provided details on the benefits of moving to and the proposed operation of a Combined Authority. A consultation process had been undertaken across all five Local Authorities with over 1900 responses received. The results of the consultation were supportive of the creation of a Combined Authority with 1828 (almost 65%) of responses in favour of the creation of a Combined Authority (with 27% against and 8% don't know). The results of the consultation were clearly in favour of the creation of a Combined Authority and were a strong endorsement of the proposals.

It was noted that Authorities were required to submit a draft scheme for the operation of the Combined Authority to the Secretary of State to lay the appropriate orders in Parliament. In broad terms, the scheme would be ready to be submitted to Government in early April 2015 with the most likely conclusion being that the earliest the Combined Authority could be implemented was October 2015 or during the winter of 2015/16.

In response to clarification sought by a Member, the Chair confirmed that Hartlepool Borough Council would not disappear due to the creation of a Combined Authority, would retain sovereignty of decision making and would be able to leave the Combined Authority should that decision be made by Council. The Public Relations Manager confirmed that all communications in relation to the proposed Combined Authority had been clear that this was not about recreating Cleveland County Council but was happy to reiterate and reinforce this message in further communications. The Chair indicated this would be helpful along with highlighting that the focus of the Combined Authority would be to cement the relationship already in place with the Local Enterprise Partnership and create more opportunities to lever in as much funding as possible to further develop transport, employment, skills, economic regeneration and the low carbon foot print within Hartlepool.

The following was a unanimous decision.

Decision

- (1) The positive nature of the consultation results was noted.
- (2) The Draft Scheme be referred to Council for consideration and endorsement prior to the submission to the Secretary of State.
- (3) That authority be delegated to the Chief Executive in conjunction with the Leader of the Council to make any minor changes which may be required to the draft scheme through the negotiation process with the Department for Communities and Local Government (DCLG).
- (4) It was noted that further reports may be forthcoming to the Committee as required following DCLG processes.
- (5) That a further press release be issued reiterating the benefits of Hartlepool Council being part of a Combined Authority.

146. **Land at Rear of Croft Terrace** *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To consider the sale of land at rear of Croft Terrace at less than best consideration.

Issue(s) for consideration

The report provided the background to the ownership and use of the land shown on Appendices 1 and 2. Following discussions with the owners of the Duke of Cleveland, the Council's Estates and Regeneration Manager had valued the land and submitted Heads of Terms to the owners for the sale of the land, the details of which were included within confidential Appendix 3. **This information contains 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 owners of the Duke of Cleveland were unwilling to pay the sums considered appropriate by the Council and have submitted a counter offer as set out in confidential Appendix 4. **This information contains 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.

A valuation report and description provided by the Estates and Regeneration Manager was provided at confidential Appendix 5. **This information contains 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.** Discussions were ongoing with the External Auditors (Mazars) and subject to a clear indication from Mazars that they have no concerns, the sale will proceed.

A lengthy discussion ensued on the proposed value of the disposal of the land along with the benefits that had been created from the renovation of the Duke of Cleveland including the creation of jobs as well as bringing an old building back into use.

147. Local Government (Access to Information) (Variation Order) 2006

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved 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.

Minute 146 – Land at Rear of Croft Terrace and associated Appendices (*Director of Regeneration and Neighbourhoods*) – 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) para 3.

146. Land at Rear of Croft Terrace (*Director of Regeneration and Neighbourhoods*)

Further detail can be found in the exempt section of the minutes.

The following was a unanimous decision.

Decision

That the proposed sale was approved.

The meeting returned to open session.

148. Update on Community Defibrillator Project (*Director of Public Health*)

Type of decision

Non key.

Purpose of report

To update Members on the progress of installing defibrillator units at key locations across Hartlepool and the associated communication plan to deliver awareness training to the wider community including staff and elected Members.

To obtain Members' views on the proposal to identify future locations for further roll out of defibrillation units across Hartlepool, subject to funding being available.

Issue(s) for consideration

A breakdown of the new locations and current progress towards the provision of defibrillator units and external storage cabinets was provided in the report. A meeting was held with NEAS on 6 March to develop a training plan for staff and a further mapping exercise was taking place with NEAS to register the new defibrillator locations with the emergency services. As a result of the Cardiovascular Disease Working Group report submitted to the Extraordinary Council on 16 March, it was proposed that further funding be sought to provide defibrillator units at other key locations in community and workplace settings and the proposed sites were listed in the report.

A Member commented that where the defibrillator units were being installed in larger work place settings, that the organisations should be asked to contribute to the funding of the purchase and installation of the Units and that the potential training of on-site medical teams to use the equipment be explored. It was noted that the Lynn Street Depot was referred to in the report and the Director of Public Health confirmed that this would be amended to refer to the Tofts Farm Depot. A Member requested that further training sessions be arranged for Elected Members as well as raising awareness of the purpose of the Units.

In response to a question from a Member, the Director of Public Health indicated she would look into whether North East Ambulance Service pay the St John Ambulance for the installation of the defibrillator units and if so, what the cost of this was.

It was highlighted that a partnership had been developed with a local charity group, Defibs for Hartlepool, led by Mark Rycraft and colleagues at Middleton Grange Shopping Centre who would be willing to match fund the purchase of up to five Units using money previously raised. The Chair commented that he was pleased to see that the Council was involved with this Promotion with match funding to purchase the defibrillator units being secured.

The following was a unanimous decision.

Decision

- (1) The content of the report was noted.
- (2) That resources be identified from the Public Health resources and host organisations to meet the costs of the defibrillator units and ongoing maintenance.
- (3) That where Units were to be installed within larger organisations, that negotiations be undertaken to secure funding from those organisations for the purchase and installation of the Units as well as the potential being explored to train their on-site medical teams to use the Units.
- (4) The Director of Public Health to make enquiries with NEAS to ascertain if they fund the installation of defibrillator units within any organisations.
- (5) That additional training for Elected Members be arranged.
- (6) That the reference to the Lynn Street Depot be amended to refer to the Tofts Farm Depot.

149. Pay Policy 2015/16 *(Monitoring Officer)*

Type of decision

Non key.

Purpose of report

To obtain the Committee's endorsement, subject to Member comments, of the proposed changes to the Council's Pay Policy Statement 2014/15 in advance of Council approval being sought on 26 March 2015 and to determine the Council's policy on the use of zero hours contracts.

Issue(s) for consideration

The Chief Solicitor presented a detailed and comprehensive report which provided the background to the provision of a Pay Policy Statement in line with the Department for Communities and Local Government's guidance on the content and application of senior pay statements. The proposed amendments to the Pay Policy were detailed in the report. It was noted that

Council had recently considered a motion in relation to zero hours contracts and the report included the considerations of each of the specific proposals included within the motion.

A lengthy discussion ensued on the use of zero hours contracts including the fact that some employees choose and prefer to be employed on a zero hours basis. In addition, it was considered that zero hours contracts provided the Council with the flexibility to ensure that the organisations service requirements were met in a cost effective manner. However, the Chair reminded Members that Council had already given the commitment to removing all zero hours contracts from within the Council. The Assistant Chief Executive confirmed that the number of zero hours contracts within the Council had reduced to 22 and was part of an ongoing review to reduce them further. The Assistant Chief Executive expressed some concerns at the total removal of zero hours contracts as some employees preferred to be employed on this basis and they were an effective tool for the Authority to use to manage its resources in a cost effective manner.

In relation to contractors using zero hours contracts, the Director of Regeneration and Neighbourhoods indicated that all contractors employed by the Council were encouraged to implement the Hartlepool Living Wage. It was suggested that contractors could also be encouraged to reduce the use of zero hours contracts where possible. However, Members considered that paragraph 15.1 of the Pay Policy be amended to remove the last part of the sentence which included reference to Contractors avoiding the use of zero hours contracts and that they should not use them at all.

A discussion ensued on the potential alternative arrangements to zero hours contracts including short fixed term arrangements and it was suggested that alternative mechanisms to zero hours contracts should be explored further.

In response to a comment by a Member, the Assistant Chief Executive indicated that he was not aware of any other Local Authorities who had removed the potential to utilise zero hours contracts. It was confirmed that a review into the Council's current use of zero hours contracts was currently being undertaken. It was also suggested that service managers should be made aware that this was the direction of travel of the Council. It was noted that at the end of the review, an update report would be submitted to the Committee, including details of the rationale behind any zero hours contracts remaining as well as confirmation that the employee was willing to continue work for the Council on this basis.

The following decisions were unanimous.

Decision

(1) That the proposed arrangements in Section 5 of the draft 2015/16 Pay Policy be approved subject to the 2015/16 Pay Policy being amended as follows:

“14. Use of Zero Hours Contracts

14.1 The Council does not generally support the use of zero hours contracts. However, there may be circumstances where the use of zero hours contracts is the most effective and efficient way of meeting the Council’s needs. Where employees are employed on a zero hours contract they are employed on a permanent or fixed term basis, are entitled to request a review of their contracted hours at any time after six months in post and are not prevented from working for other employers.

15. Contractors

15.1 The Council requires that contractors comply with the national minimum wage legislation in all new and extended Council contracts and encourages all contractors to pay the Council’s Living Wage.

15.2 The Council will encourage all local employers employing 250 or more employees to publish their pay multiple.”

(2) That the review of the use of zero hours contracts involve the employees and be completed by 31 October 2015 and that the outcome of the review be reported to Finance and Policy Committee including the rationale behind any remaining zero hours contracts, along with confirmation of the employee’s wish to remain employed on that basis.

(3) That, subject to any further comments from Members, the 2015/16 Pay Policy as amended above, be recommended to Council.

(4) That Officers be reminded of Council’s commitment to removing all zero hours contracts from within the Council and that alternative arrangements to the use of zero hours contracts be explored further, ie fixed term arrangements.

150. Irrecoverable Debts – Council Tax and Business Rates *(Chief Finance Officer)*

Type of decision

Non key.

Purpose of report

To seek the Committee's approval to write-out a number of Council Tax and Business Rates debts which were now considered to be irrecoverable.

Issue(s) for consideration

The Council's performance in collection of Council Tax was positive, especially given the difficult economic climate, with 96.1% of Council Tax being collected within the financial year it was billed. However, it was recognised that those facing hardship or who may be in a temporary difficult financial position may require additional time to pay their Council Tax.

The report highlighted that the Council's performance in the collection of NNDR was positive with 98.5% of business rates collected within the 2013/14 financial year which was higher than the national average for Metropolitan and Unitary Councils at 97.25%. Most of the Business Rates recommended for write-out relate to a company's insolvency where the Council was limited to submitting a claim in insolvency proceedings.

A range of recovery actions were deployed to secure Council Tax and Business Rates recovery, including court action. Attached by way of Appendix was further detail of the individual Council Tax and Business Rates debts over £1,000 and the reasons why each debt remained unrecovered. All debts submitted for write-out from the accounting records had been comprehensively scrutinised by Officers.

A Member sought clarification on the priority of debts when a company goes into liquidation. The Chief Finance Officer confirmed that the HMRC were first in line for any debts owed to them when a company went into liquidation and that business rates would be included with all other debts owed by the Company with any payments being shared across all creditors. It was suggested that the Local Government Association, Local Authorities and their partners should lobby the Government to ensure that the payment of business rates was treated as a priority in cases of liquidation. The Chief Finance Officer indicated that the Government was currently consulting on business rates and this request could be included within that consultation. In addition, the Chief Finance Officer confirmed that he was meeting with representatives from ANEC and would ascertain if other Local Authorities within the region would lend their support to lobby the Government on this issue.

Decision

- (1) That the write-out of irrecoverable Council Tax of £2,427.12 and Business Rates debts of £16,304.97 be approved.
- (2) It was noted that £8,152.49 of the proposed Business Rate write-outs

- will be borne by Central Government.
- (3) That the Council's response to the Government's consultation on business rates include the request that the retrieval of business rates owed be treated as a priority in all cases of company liquidation.
 - (4) That the Chief Finance Officer discuss this issue with ANEC to ascertain if they would lend their support to lobby the Government.

151. Children and Young People's Democracy *(Director of Child and Adult Services)*

Type of decision

Non key.

Purpose of report

To propose a new framework for children and young people's engagement in the local democratic process that will enhance their involvement and voice and ensure that children and young people work more closely with key strategic decision-makers to find joint solutions to shared concerns and problems.

Issue(s) for consideration

It was noted that Hartlepool had a proud heritage of involving children and young people in key decision making that led to meaningful change through a number of successful participation groups, further details of which were included within the report. A new framework was proposed for children and young people's democracy to be developed within existing funding arrangements through building upon the current activities and the partnership work already underway with the Children's Services Committee, Children's Strategic Partnership and the Corporate Parent Forum. The proposals would include:

- The election of a Hartlepool Youth Council;
- The development of four themed task and finish groups; and
- The facilitation of a quarterly participation conference with Committee Chairs plus their supporting Directors and Assistant Directors.

The Chair of the Children's Services Committee commented that the children and young people who attended this Committee provided invaluable input to the decision making of that Committee, including with the Children's Scrutiny Forum before that. The Chair of the Children's Services Committee was fully supportive of the further involvement of children and young people in the democratic process and welcomed the opportunity for Chairs of Committees to discuss and challenge ideas.

A Member suggested that the operation of a debating society should be explored further as this would prove very beneficial to children and young people. In addition, it was suggested that the Schools' Councils could be involved in specific pieces of work that would support the Council's decision making process.

The Chair suggested that the involvement of children and young people should be included within the budget process through consultation with the Youth Council and on the provision of health services such through involvement with the Health and Wellbeing Board.

Decision

- (1) That the proposed framework for the children and young people's democracy in Hartlepool be agreed with the recruitment and retention of children and young people be supported by agreeing to meet, discuss and listen to children and young people's ideas and concerns about what affects them and their community through the opportunities that this framework provided.
- (2) That the Youth Council be involved in the budget consultation process on the development of the Medium Term Financial Strategy.
- (3) That the involvement of children and young people in the Health and Wellbeing Board through its sub-group the Children's Strategic Partnership be strengthened.
- (4) That Schools Councils be involved in debating specific pieces of work where appropriate to support the Council's decision making process.

152. Purchase of Manor House, Owton Manor Lane (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non key.

Purpose of report

To seek approval for the purchase and onward sale of Manor House, Owton Manor Lane.

Issue(s) for consideration

The report provided the history to the ownership and use of Manor House. It was proposed to proceed with the purchase and onward sale of Manor House on the terms 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) para 3. It was also proposed to attempt to facilitate the inclusion of Manor House West into the site by agreeing terms for the purchase and onward sale of that property on a capital neutral basis.

It was noted that to address the potential shortfall, it was recommended by the Chief Finance Officer that this risk be cashed backed from the 2014/15 uncommitted revenue budget outturn. Members were informed that the proposal did not impact on the previously approved outturn strategy.

153. Local Government (Access to Information) (Variation Order) 2006

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved 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.

Minute 152 – Purchase of Manor House, Owton Manor and associated Appendices (*Director of Regeneration and Neighbourhoods*) – 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 information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3.

152. Purchase of Manor House, Owton Manor Lane (*Director of Regeneration and Neighbourhoods*)

The Assistant Director, Regeneration provided a detailed and comprehensive background to the current situation in relation to the Manor House site referring to the confidential appendices attached. **This information 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.**

Further details can be found in the exempt section of the minutes.

Decision

(1) The proposed acquisition and disposal on the terms as set out in confidential Appendix 2, including emphasising condition 4, was approved subject to the provision of an appropriate element of affordable social housing and that the Council recover any investment made in this development less the cost of the affordable social housing. **This information 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.**

(2) It was noted that if it was not possible to achieve the acquisition and disposal of Manor House West on a capital cost neutral basis, that provision be made from the uncommitted 2014/15 to fund a potential shortfall as detailed in confidential Appendix 2. **This information 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 meeting returned to open session and was adjourned for a brief comfort break.

Upon reconvening, the Chair reaffirmed the decisions in relation to minute 151 that were taken in closed session.

154. The Friarage Manor House Development *(Director of Regeneration and Neighbourhoods)*

Type of decision

For information.

Purpose of report

To inform the Committee that the Council had successfully facilitated a joint working arrangement between the Henry Smiths Trusts to enable the redevelopment of the Friarage Manor House and adjacent land.

Issue(s) for consideration

The report outlined the history to the previous uses and ownership of the site. The Henry Smith Educational Trust (HSET) and the Henry Smith Non-

Educational Trust (HSNET), facilitated by the Council had agreed to work in partnership to sell their joint interests in order to increase the potential of a sale and refurbishment of the Manor House. The land was marketed extensively by the Council on behalf of the Trustees on a national basis. Upon completion of the tendering process, the Thirteen Group were the preferred bidder and they had developed a proposed scheme involving the construction of thirty eight residential units which were a mixture of two-bedroom bungalows, one and two bedroom flats and two bedroom houses. The Friarage Manor House itself will be converted into four self-contained flat units. It was noted that substantial demand existed for affordable accommodation on the Headland, specifically smaller two bedroom properties and bungalows.

A Member commented that this was a fantastic scheme with the additional benefits of bringing a derelict building back into use and creating apprenticeships with on site training.

The Director of Regeneration and Neighbourhoods confirmed that the contracts for this development had been signed on 20 March 2015.

Decision

The report was noted.

155. Seaton Carew Regeneration: Longscar Hall *(Director of Regeneration and Neighbourhoods)*

Type of decision

For information.

Purpose of report

To provide the Committee with an update on negotiations to acquire the Longscar building to incorporate in the wider redevelopment proposals for The Front, which were detailed in the Seaton Carew Masterplan.

The report also included details of the preparatory work being undertaken to facilitate the Council's exercise of its compulsory purchase powers (CPO) in the event that the acquisition of the Longscar Building was not achieved by agreement.

Issue(s) for consideration

The report provided an outline of the on-going process to acquire the Longscar Building along with an update on the negotiations with the

owners. At its meeting on 30 January 2015, the Finance and Policy Committee approved the preparatory work for the use of compulsory purchase powers under Section 226(1) of the Town and Country Planning Act 1990 (as amended) to acquire the Longscar site, subject to negotiation with the owners to resolve the matter without the need for the Council to invoke its CPO powers.

Members were informed that should negotiations with the owners continue to be unsuccessful, it was anticipated that a resolution to make the CPO would be considered by the Committee in June or July when ideally the planning application for the proposals on The Front together with the community facilities in the Park will have been submitted.

A discussion ensued on the lengthy and cumbersome process involved in undertaking of Compulsory Purchase Orders and it was suggested that the Committee should write to the Secretary of State for Communities and Local Government and the Local Government Association highlighting Members' concerns. The Chief Solicitor highlighted that the Secretary of State had recently issued a consultation document in relation to Compulsory Purchase Orders which will inform a review of current CPO practices. The Chair suggested that Members' views be incorporated within the response to this consultation document.

Clarification was sought by a Member on the progress with the future development of Jacksons Landing. The Assistant Director, Regeneration confirmed that discussions were ongoing with a number of potential end users and the potential interest from the National Museum of the Royal Navy remained. The Chair requested an update report to be submitted to the Committee in June 2015.

Decision

- (1) That the report was noted.
- (2) That a further update report on the CPO process for the Longscar Hall be submitted to the Committee in June/July 2015.
- (3) That an update report on the potential development of Jacksons Landing be submitted to the Committee in June 2015.
- (4) That the response to the Secretary of State for Communities and Local Government include Members' concerns on the lengthy and cumbersome process involved in progressing Compulsory Purchase Orders.

156. Vacant Posts *(Assistant Chief Executive)*

Type of decision

For information.

Purpose of report

To provide a list of vacant posts within the Council.

Issue(s) for consideration

Following approval of the Compulsory Redundancy report at Committee, Members requested a report on vacant posts within the Council. A list of vacancies was attached at Appendix 1.

The report noted that vacancies were actively managed throughout the year by Officers as part of their responsibilities to balance the needs of services (and the resources and skills required to effectively deliver such services) alongside considerations in respect of the ongoing financial and budgetary challenges the Council faced.

The Chair indicated that Union representatives had requested further dialogue with Officers in relation to the monitoring of vacancies with a further report to update Members on the outcome of those discussions being submitted to the Committee.

In response to a question from a Member, the Assistant Chief Executive confirmed that where possible, vacancies were advertised internally in the first instance and apprentices were eligible to apply at this point.

The Chair sought clarification on the appointment of an apprentice to Democratic Services as previously requested by the Committee. A Member expressed disappointment that this appointment had not been made and commented that there should be enough scope within Democratic Services and Scrutiny to fulfil the role of 1 or 2 apprentices and where better to gain training in a general administrative capacity than within that section.

A discussion ensued on the Council's current policy position to look at redeployment options and to advertise vacancies internally in the first instance as this reduced the number of potential redundancies each year. The Assistant Chief Executive confirmed that the redeployment approach was very important in managing the provision of effective services in what were difficult circumstances. It was noted that active consideration was given to the filling of any vacancies and the redeployment process and internal advertising were tools used to manage this process. A Member added that one of the reasons posts were filled internally was to recognise the vast array of talent already working for the Council.

Decision

- (1) The report was noted.
- (2) That Members be provided with a verbal update on the discussions between Union Representatives and Officers on the monitoring of vacancies at a future meeting of the Committee.

157. Any Other Items which the Chairman Considers are Urgent

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

158. Any Other Business - Local Development Orders for Oakesway, The Port and Queen's Meadow Enterprise Zones – Extension to Timescale *(Director of Regeneration and Neighbourhoods)***Type of decision**

Budget and Policy Framework

Purpose of report

To seek approval to extend the timescale of the existing Local Development Orders on the Enterprise Zone sites at Oakesway, The Port and Queen's Meadow Business Park beyond their current expiry date of 31 March 2015 for a further three years until 31 March 2018.

Issue(s) for consideration

The report provided the background to the establishment of a number of Enterprise Zones in the Tees Valley in 2011 and the provision of Local Development Orders (LDO) which allow certain types of development to be undertaken without the need to obtain planning permission, subject to specified requirements and conditions. The LDO had an original timescale of 1 April 2012 to 31 March 2015 but the Government have confirmed that the financial incentives will remain in place for businesses locating to the Enterprise Zone sites until 31 March 2018.

The LDOs along with wider Enterprise Zone incentives, support the ongoing economic growth ambitions for Hartlepool as set out in the Economic

Regeneration Strategy, the Hartlepool Vision and the Regeneration Master Plan. The Director of Regeneration and Neighbourhoods highlighted that Hartlepool's Enterprise Zones were some of the most successful in the country and had proven extremely beneficial to the further development of the Town.

Decision

The extension to the timescale of the Local Development Orders covering Oakesway, The Port and Queen's Meadow Business Park with a revised expiry date of 31 March 2018 was endorsed for submission to Council on 26 March 2015 for consideration as part of the Chief Executive's report.

The meeting concluded at 11.52 am

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 30 March 2015

SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

20 March 2015

The meeting commenced at 1.00 pm in the Civic Centre, Hartlepool

Present:

Councillor: Christopher Akers-Belcher (In the Chair)
Councillor Chris Simmons, Hartlepool Borough Council
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Chief Inspector Lynn Beeston, Cleveland Police
Barbara Gill, Head of Offender Services, Tees Valley
Community Rehabilitation Company
Stewart Tagg, Housing Hartlepool
Karen Hawkins, Hartlepool and Stockton on Tees Clinical
Commissioning Group
Sally Robinson, Assistant Director, Children's Services

In accordance with Council procedure rule 5.2 (ii) Neville
Cameron was in attendance as substitute for Barry Coppinger,
Police and Crime Commissioner's Office, Rachel Parker was in
attendance as substitute for Clare Clark and Andy Witham was
in attendance as substitute for Steve McCarten

Also present:

Sue Hine, Achieving Real Change for Communities (ARCC)
Gilly Marshall, Housing Hartlepool

Officers:

Mark Smith, Head of Integrated Youth Support Services
Laura Stones, Scrutiny Support Officer
Denise Wimpenny, Principal Democratic Services Officer

42. Apologies for Absence

Apologies for absence were submitted on behalf of Clare Clark, Head of
Community Safety and Engagement, Gordon Lang, Chief Superintendent,
Cleveland Police, Barry Coppinger, Police and Crime Commissioner, Steve
McCarten, Cleveland Fire and Rescue Authority and Dave Stubbs, Chief
Executive.

43. Declarations of Interest

None.

44. Minutes of the meetings held on 12 January and 9 February 2015

Confirmed.

45. Future of Community Rehabilitation Company
*(Representative from ARCC)***Issue(s) for consideration**

A representative from Achieving Real Change in Communities (ARCC), who was in attendance at the meeting, provided the Partnership with a detailed and comprehensive presentation in relation to the future of the Community Rehabilitation Company following recent changes to service delivery and the development of the ARCC Consortium. The presentation included an overview of future arrangements in terms of reducing re-offending and focussed on the following:-

- Overview of various partners of ARCC Consortium
- Aims of ARCC
- Requirements of ARCC delivery model
 - new work through Offender Rehabilitation Act
 - working in commercial environment
 - new organisational structure
 - challenging performance criteria
 - working towards new record keeping system and new estate structure
- ARCC designed its model on best DTV practice and current research to reduce re-offending
- ARCC not for profit and will reinvest in the best
- Delivery model continues to address needs led interventions, IOM principles and restorative justice but is different ie
 - focus is more on the individual
 - more holistic and community based
 - principle is short focused mandated delivery with long term post order support
- Durham Tees Valley Community Rehabilitation Company are responsible for delivery of the contract
- ARCC through DTV (CRC) seek to provide confidence to sentencers and communities
- ARCC contract means tough targets
- Key target is that the binary measure of re-offending takes precedence over the frequency measure

- Payment by Results – focus is on reducing re-offending but no money is available for reductions in frequency if the binary measure is not met
- 15% of core funding is at risk from challenging volume and throughput targets
- Important that partners understand targets and risk of unintended consequences as these are not all within the control of Durham Tees Valley Community Rehabilitation Company. If not the contract and service could easily be lost
- To achieve safer communities partners need to work together

Following conclusion of the presentation the Partnership discussed the issues highlighted in the presentation. The representative and Head of Offender Services responded to issues raised by Members. Clarification was provided in relation to the payment by results process following some concerns expressed that the revised arrangements may reduce focus on prolific re-offenders. Emphasis was placed upon the importance of partners working together to ensure efficient service delivery. The Director of Regeneration and Neighbourhoods provided assurances that reducing re-offending was a high priority for the Partnership and remained a key strategic priority for the Council. Reference was made to the Re-offending Task Group of which the Head of Offender Services had been identified as Lead to Chair that Group. The need for representation from ARCC on the Task Group was highlighted.

The Head of Offender Services provided assurances that the intention was to maintain the same high professional standards in compliance with the financial requirements and was pleased to report that the targets were on track to be achieved, details of which were outlined.

The Chair thanked the representatives for their attendance and helpful presentation.

Decision

The contents of the presentation and comments of Members were noted.

46. Youth Justice Strategic Plan 2015-16 (*Director of Child and Adult Services*)

Purpose of report

To provide the Partnership with an update on the progress made against the local Youth Justice Plan (2014-15) and provide the Partnership with an opportunity to support the development of the Youth Justice Plan for 2015-2016.

Issue(s) for consideration

The report provided background information regarding the purpose of the Youth Justice system together with role and functions of the Youth Offending Services. With regard to performance, a review of progress made against last year's plan highlighted that the service had made progress across the majority of the year's priorities. However, there remained key areas for improvement, details of which were set out in the report.

Members were advised of the key challenges for the future which included re-offending and resource issues as outlined in the report. Funding levels from the national Youth Justice Board for Performance had not yet been confirmed although reductions in funding were anticipated due to broader national austerity measures.

The Partnership was pleased to note a decrease in the number of remand episodes in comparison to 2013/14.

With regard to the significant progress that had been made in relation to the Think Family priority and in response to clarification sought on how successful this approach would be once embedded, the Partnership was advised that when analysing circumstances of a number of prolific young offenders the roots of the difficulties often lay within the family environment and there was a need to ensure that the service remained fully involved in local 'Troubled Families' developments which would hopefully improve future outcomes.

The Chair welcomed progress and improvements in performance to date and asked that the Partnership's thanks be conveyed to all members of the team.

Decision

- (i) That progress made against the local Youth Justice Plan (2014-2015) be noted.
- (ii) That the comments of Members be noted and utilised to support the development of the Youth Justice Plan for 2015-16.

47. Community Safety Plan 2014-17 (Year 2) *(Director of Regeneration and Neighbourhoods)***Purpose of report**

To consider for approval the annual refresh (Year 2) of the 2014-17 Safer Hartlepool Partnership Community Safety Plan.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Partnership had considered and approved the draft Community Safety Plan 2014-17 and the Plan had also been considered by the Council's Audit and Governance Committee and Finance and Policy Committee with the proposed annual priorities receiving full support of both Committees. The final version of the Plan was attached at Appendix A and included reference to human trafficking and youth unemployment figures as requested by the Partnership and Finance and Policy Committee respectively.

Members were referred to the four strategic objectives and six annual priorities, details of which were set out in the report. Following approval by the Partnership, the Community Safety Plan would be presented to full Council for endorsement in March 2015.

Decision

That the Community Safety Plan 2014-17 (Year 2) be approved.

48. Counter Terrorism and Security Act 2015 (*Director of Regeneration and Neighbourhoods*)**Purpose of report**

To update the Safer Hartlepool Partnership (SHP) on the Counter-Terrorism and Security Act 2015 which places the PREVENT strategy on a statutory footing by introducing a Prevent Duty for specified public bodies listed in schedule 6 of the Act.

To recommend that the local Prevent Group be re-established to develop an action plan to secure compliance with the Prevent Duty that will be monitored by the Safer Hartlepool Partnership and the Cleveland Silver Prevent Group.

Issue(s) for consideration

The report provided background information to the PREVENT Strategy published by the Government in 2011 which aimed to stop people becoming terrorists or supporting terrorism. The report provided an overview of the draft guidance, current local arrangements in relation to Prevent Activity and a recommendation to reconvene a local Prevent Silver Group. Organisations would be expected to monitor their Prevent activity to demonstrate compliance with the Prevent duty.

Details of the current local multi-agency prevent arrangements as well as details of the requirement to convene a Channel Panel was provided, as outlined in the report.

Members were advised that it was proposed that an action plan for Hartlepool be developed by a local Prevent Group monitored through the Safer Hartlepool Partnership in conjunction with the Cleveland Silver Prevent Group.

Decision

- (i) That the new Prevent duty and implications for the Partnership as the local co-ordinating body for Prevent work be noted.
- (ii) That an action plan be developed by a local Prevent Group that dovetails the Cleveland Silver Group action plan and be overseen by the Safer Hartlepool Partnership and Cleveland Prevent Silver Group.

49. Safer Hartlepool Partnership Performance *(Director of Regeneration and Neighbourhoods)*

Purpose of report

To provide an overview of Safer Hartlepool Partnership performance for Quarter 3 – October 2014 to December 2014 (inclusive).

Issue(s) for consideration

The Community Safety and Research Officer provided the Partnership with an overview of the Safer Hartlepool Partnership performance during Quarter 3, as set out in an appendix to the report. Information as a comparator with performance in the previous year was also provided.

In the discussion that followed presentation of the report, the Community Safety and Research Officer responded to a number of queries raised in relation to crime figures by type. A number of concerns were expressed regarding the significant increase in recorded crime in Hartlepool and the potential reasons for such an increase were debated at length. It was noted that whilst crime figures had increased between August and December, the probation service caseload had declined during the same period.

The Chair of the Youth Offending Board added that a 19.4% increase in crime figures was projected with a 7.4% increase in the force overall. Whilst it was difficult to predict one particular reason for such an increase, it

appeared to be as a result of a combination of factors including capacity issues, reduction in resources, government cuts, with some forces suffering higher cuts than others, outsourcing support staff, a requirement to back record crimes that had not been previously recorded, an increase in demands on the police service, an increase in responsibilities of the police in terms of dealing with non crime related activities, examples of which were provided. Most areas in the country as well as Hartlepool had experienced an increase in house burglary and shop theft. Despite a number of successes in sentencing prolific burglary offenders, crimes of this type were also being committed by offenders from outside the area.

With regard to the objective to reduce the harm caused by drugs and alcohol, it was highlighted that the latest figures available in relation to the rate of alcohol related harm hospital admissions were out of date. The representative from Hartlepool and Stockton CCG advised that national information of NHS outcome ambitions were awaited. However, arrangements would be made for the teams to examine local indicators in terms of hospital admissions with a primary diagnosis of alcohol.

The Chair expressed concerns regarding the disproportionate increase in crime and was keen that this issue be examined in detail to determine why crime in Hartlepool had increased so significantly in comparison to other areas. The impact of the disproportionate number of PCSO's in Hartlepool also needed to be explored. It was suggested that a referral to the Council's Audit and Governance Committee, was an appropriate way forward and the Partnership's views were sought in this regard. The Partnership welcomed a referral to the Audit and Governance Committee.

The need to redirect and share resources from other force areas based on demand was emphasised. Members went on to discuss the success of neighbourhood policing and the impact of Government cuts in the NHS and ambulance services on the workload of the police. The representative from the CCG indicated that the Mental Health team and Ambulance Service would be happy to work with the police to gain a better understanding as to whether there was a contract compliance issue or a gap in service provision.

Decision

- (i) That the Quarter 3 Performance figures and comments of Members be noted and actioned as appropriate.
- (ii) That the disproportionate increase in crime figures in Hartlepool be referred to the Audit and Governance Committee for investigation.
- (ii) That the CCG work with the police in relation to the impact of Government cuts in the NHS and Ambulance Service on the workload of the police.

50. Letter from the Police and Crime Commissioner for Cleveland – National Police Air Services Update

Issue(s) for consideration

The Chair referred the Partnership to a letter from the Police and Crime Commissioner for Cleveland, a copy of which was attached to the agenda documentation, which provided an update on the National Police Air Services.

Decision

The contents of the update were noted.

51. Date and Time of Next Meeting

The Chair advised that the next meeting scheduled for 15 May may not proceed. Confirmation would be provided in due course. The representative from the Police and Crime Commissioner's Office reported that a report in relation to victim support services would be submitted to the next meeting of the Partnership.

Decision

That the information given be noted.

The meeting concluded at 2.30 pm

CHAIR

Finance & Policy Committee

1st June 2015



Report of: Chief Finance Officer

Subject: BUSINESS RATES UPDATE

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision

2. PURPOSE OF REPORT

2.1 The purpose of the report is to provide an update on the Business Rates Retention system, including the outcome of the Power Station Business Rates Appeals and the ongoing impact on the Medium Term Financial Strategy.

3. BACKGROUND

3.1 The Business Rates Retention system was implemented on 1st April 2013 and at the time the Government stated:

- This is the biggest shake up of Local Government finance in a generation and rewards Councils if they bring in jobs and businesses.

3.2 Prior to April 2013 Business rates collected by individual Councils were paid over to the Government. The Government then used these resources to partly fund the Revenue Support Grant paid to individual Councils.

3.3 From April 2013 Business Rates collected by individual Councils are allocated on the following basis:

- 50% paid to the Government and then allocated to partly fund the Revenue Support Grant system;
- 49% retained by individual Councils;
- 1% paid to Fire Authorities.

3.4 The Government's stated objectives of the Business Rates Retention system are to:

- Reduce dependency of Local Authorities on Revenue Support Grant; and to

- Reward Councils for promoting business by allowing Councils to share the benefits of increasing the Business Rates base.
- 3.5 In relation to the first objective the Business Rates Retention system reduces the national funding available to pay for resource equalisation, which under previous Local Government funding systems aimed to address imbalances in the needs of individual Councils and the resources which could be raised locally. This was a fundamental change in the funding system for Local Authorities. If funding cuts continue after the General Election at the same rate as they have over the last few years there is the significant potential that grant is completely withdrawn. This would then mean that the only funding available to fund services may be the amount raised locally from Council Tax and the share of retained Business Rates. This situation will only be rectified if the Government resets the national system, although the first reset is not planned until 2020.
- 3.6 With regard to the second objective this has the potential to create 'winners and losers' owing to different opportunities for growth across England, which reflect factors outside an individual Councils control – such as geography, the location of existing businesses, national and international transport links. The system partly recognises this position as there is a cap on the amount an individual Council can gain, or lose, if there are changes in the level of Business Rates income.
- 3.7 As Members will be aware from previous reports if an Authority's Business Rates income reduces they receive support under the 'safety net arrangements', although only for the reduction in income greater than the 'safety net' threshold set by the Government. This risk and the risk of successful appeals were recognised in the Council's financial plans and resources allocated to help manage these risks, whilst recognising that the position would need to be reviewed when actual Business Rates appeal outcomes are known.
- 3.8 For Hartlepool the initial baseline 'safety net' limit for 2015/16 was £1.9m. As detailed later in the report this amount is then reduced by the value of growth in the local Business Rates base.
- 3.9 Whilst, all Councils are required to manage shortfalls below the net 'safety net' limit, this is a major annual risk for Hartlepool owing to the impact of the Power Station, which has previously been raised with Members. The Power Station risks relate to both the anticipated impact of the appeal against the substantive rateable value set in 2010 and the application for a temporary rateable value reduction during the unplanned closures periods and/or reduced periods of operational capacity.
- 3.10 These concerns were raised by the Leader, Chief Executive and Chief Finance Officer in a meeting with the Local Government Minister in February 2013 when a detailed document was presented.

4.0 BUSINESS RATE APPEALS UPDATE

- 4.1 The Business Rate system is based on 'rateable values' as at 1st April 2008, which determined the Business Rates payable from 1st April 2010, so have now been in place for 5 years. At a national level significant appeals against the rateable values determined by the Valuation Office Agency (part of HMRC) were lodged and remained outstanding at 1st April 2013 when the Business Rate Retention system was implemented.
- 4.2 It would have been preferable if all appeals had been resolved before the 1st April 2013 when the Business Rate Retention system was implemented by the Government, as this would have provided Authorities with certainty regarding their Business Rates income for 2013/14, 2014/15 and 2015/16. However, Authorities face potential reductions in income for these years if appeals are successful.
- 4.3 The Government previously made a commitment to resolve 95% of outstanding appeals by June 2015.
- 4.4 Prior to 2013 it was difficult for individual Councils to determine which official they should speak to within the Valuation Office about the value and nature of Business Rates appeals outstanding for their area. This position was recognised by the Valuation Office and in 2013 they allocated named contacts for individual Councils. Since this date we have maintained close links with the nominated Valuation Office contact for the Council. Whilst, these arrangements have improved communication with the Valuation Office and enabled us to explain the financial impact of successful appeals on the Council, the Valuation Office can still only share limited information. This is particularly the case when the Valuation Office have commenced sensitive negotiations with individual businesses to try and resolve appeals and avoid the need for individual cases to be referred to the Valuation Tribunal for a decision.
- 4.5 The position for Hartlepool is summarised below. The table shows the number of appeals and value of appeals outstanding at 1st April 2013, the date the Business Rate Retention system was implemented. Details are also provided as at 1st April 2015, which shows a higher number and value of appeals and this reflects the announcement by the Government of a final cut off date for businesses submitting appeals against the 2010 rateable values. It is hoped the more recent appeals are speculative and will not result in rateable value reductions. These figures are based on information provided by the Valuation Office and they have indicated that the 1st April 2015 figures will increase as they are still logging late appeals.

	Appeals Outstanding 01.04.2013			Appeals Outstanding 01.04.2015		
	Number	Rateable Value £'m	Percentage of Total gross Rateable Value at appeal	Number	Rateable Value £'m	Percentage of Total gross Rateable Value at appeal
Power Station	1	33.6	35%	1	33.6	35%
Other	90	14.7	15%	171	19.2	20%
Total	91	48.3	50%	172	52.8	55%

- 4.6 Reports submitted to Members since the Business Rates Retention system was implement in April 2013 have regularly highlighted the significant, and potentially unique, financial risks facing the Council in relation to the Power Station Rateable Value appeal. Owing to the complexity of this appeal it was not expected this case would be resolved until after the June 2015 deadline for resolving 95% of appeals. This would have meant an extended period of financial uncertainty.
- 4.7 However, at the start of April 2015, the Valuation Office unexpectedly indicated that negotiations with the Power Station were nearing completion and should be concluded within 4 to 6 weeks. The Valuation Office indicated that a significant reduction in the Rateable Value would be agreed, although they did not provide any indication of the amount, or define what they meant by 'significant' as negotiations were still ongoing.
- 4.8 On the 1st May 2015 the Valuation Office indicated that a formal proposal has been put forward to the Power Station. On 5th May 2015 we received notification that the revised Rateable Value had been accepted by the Power Station.
- 4.9 The revised Rateable Value determined by the Valuation Office for the Power Station is back dated to 1st April 2010 and reduces the previous Rateable Value (which was also determined by the Valuation Office) from £33.6 million to £17.5 million. This is a reduction of £16.1 million, which equates to a 48% reduction.
- 4.10 When account is taken of the current rate poundage of 49.3 pence, the 2015/16 Business Rates bill for the Power Station reduces by approximately £7.9m (i.e. £16.1m multiplied by 49.3 pence).
- 4.11 As indicated earlier in the report the Council's share of this reduction is 49% i.e. £3.889m. The Council will receive some Government support for this loss as this reduction exceeds the 'safety net' threshold. It had previously been anticipated that the 'safety net' grant for 2015/16 would

be approximately £1.9m. However, following an assessment of the latest Government guidance, the estimated 'safety net' grant is only £0.875m. The reduction is owing to adjustments to the 'safety net' threshold to reflect the impact of section 31 grants paid to compensate Councils for below inflationary increases in the Business Rate poundage, the extension of small business rates relief and any local growth in the Business Rate base. The Council therefore faces a net income loss for 2015/16 of £3.014m as summarised below:

	£'m
Value of Business Rates reduction borne by the Council (49% of the total reduction)	3.889
Forecast Safety Net Grant	(0.875)
Net income loss 2015/16 #	3.014

The net income loss for 2015/16 is equivalent to the Council's Government grant being cut by a further 6% (on top of the actual 2015/16 cut of 14%).

- 4.12 The net loss in 2015/16 will continue in future years. In addition, there will be a back dated impact for 2013/14 and 2014/15 as the Council will retrospectively be pushed into 'safety net' for these years. The next section details the recommended strategy for managing the impact of this issue and aims to protect the Council's financial position as far as practical.

5.0 STRATEGY FOR MANAGING NET INCOME LOSS OF £3.014M

- 5.1 As reported previously the financial risk from the implementation of the Business Rates Retention system and the specific impact of the Power Station have been reflected within the MTFS for a number of years. This has enabled one-off resources to be set aside from outturns and ongoing provision to be included within the 2015/16 MTFS.
- 5.2 This risk was first recognised within the outturn strategy for 2012/13 when an initial risk reserve of £1m was established. This position reflected the understanding of the proposed Business Rates Retention system, which was subsequently implemented from 1st April 2013.
- 5.3 The financial position has been reviewed regularly and as part of the development of budgets and outturn strategies for 2013/14 and 2014/15 further one-off resources have been earmarked to manage these financial risks. At the 31st March 2015 the total value of available one-off resources earmarked to manage these risks is £4.775m.
- 5.4 The base budget for 2015/16 also recognised these risks by allocating the growth in billed Business Rate income as a provision to partly offset the impact of Business Rates appeals.
- 5.5 The above measures demonstrate the benefits of implementing robust multi-year financial plans to manage financial risks.

- 5.6 The significant reduction in the Power Station rateable value is extremely disappointing and permanently reduces the Council's income. However, the conclusion of this issue removes a significant financial uncertainty from the MTFS and enables a strategy to be developed to address the actual position facing the Council.
- 5.7 In terms of partly mitigating the permanent reduction in Business Rates income the following ongoing resources are available:

- Risk provision included within the MTFS £0.586m 2015/16 (£0.486m 2016/17 onwards);

The MTFS approved in February 2015 indicated that billed Business Rates income exceeded the amount previously included in the MTFS. Owing to the uncertainty regarding Business Rates appeals it was recommended that this amount should be allocated to partly offset successful appeals.

- Increase in 2015/16 Council Tax base £0.350m 2015/16 onwards

The actual 2015/16 Council Tax base is higher than the initial figure approved in December 2014. This increase reflects actual house building levels and actual discounts/exemptions applying for 2015/16. It is anticipated that the increased Tax Base is sustainable.

There is a small risk that committing this increase at this stage makes it slightly more difficult to achieve forecast growth in the Council Tax base included in the MTFS. This position will be monitored on an annual basis.

- Enterprise Zone Business Rates growth £90,000 2015/16 onwards

No provision was made with the 2015/16 base budget for increases in Business Rates income within the Enterprise Zone to be retained by the Council. This position has now been assessed and this amount can now be reflected.

- 5.8 After reflecting the above permanent resources the Council still faces a net permanent reduction in income of £1.988m in 2015/16 and £2.088m in 2016/17 and future years, as summarised below:

	2015/16 £'m	2016/17 and future years £'m
Gross income shortfall	3.014	3.014
Less Existing MTFS provision, increase in Council Tax base and Enterprise Zone Business Rates	(1.026)	(0.926)
Net annual income shortfall	1.988	2.088

- 5.9 Moving forward the net annual shortfall of £2.088m will need to be addressed on a permanent basis from a combination:
- i) Achieving higher growth in the Council Tax base than already forecast within in the MTFS;
 - ii) Achieving growth in the Business Rates base;
 - iii) Making additional budgets cuts;
- 5.10 In 2015/16 and 2016/17 items (i) and (ii) will not provide additional funding towards the net Business Rates income shortfall as growth in these income streams will take a number of years to achieve.
- 5.11 Therefore, to avoid the need for in-year budget cuts in 2015/16 and a higher deficit in 2016/17 it is recommended that the shortfalls in these years are funded from the Business Rates Risk Reserve.
- 5.12 The Business Rates Risk Reserve provides one-off resources and was earmarked to fund Business Rates income losses occurring over a number of years below the annual 'safety net' limit. These losses would not be eligible for 'safety net' grant and would therefore fall 100% on the Council.
- 5.13 The scale of the Power Station Business Rates reduction means that the 'safety net' limit has now been triggered. This means the Council is eligible to receive 'safety net' grant for the shortfall above this limit arising from the permanent reduction in the Power Station Business Rates and any further Business Rates reductions for the Power Station (for temporary Rateable Value reductions to reflect unplanned shut downs) and other businesses (outcome of appeals).
- 5.14 Therefore, in view of this significant change it is recommended that the available Business Rates Risk Reserves are allocated to help manage the financial impact in 2015/16 and 2016/17. This strategy will provide a longer lead time to permanently offset the Power Station Business Rates income loss from the potential measures detailed in paragraph 5.9.
- 5.15 This recommendation will commit the majority of the Business Rates Risk Reserve. It is recommended that the residual balance is not committed as this may be needed for other potential Business Rates risks, or to partly offset the ongoing income shortfall in 2017/18. The

impact of the recommended strategy on the Business Rates Risk Reserve is summarised overleaf:

Business Rates Risk Reserve

	£'m	£'m
One-off funding		
Business Rates Risk Reserve	4.775	
2015/16 Collection Fund Surplus (reflects increase in Council Tax base in 2015/16, as detailed in paragraph 5.7)	0.350	
Total One-off funding		5.125
Forecast commitments reductions:		
2015/16	(1.988)	
2016/17	(2.088)	
Total commitments		(4.076)
Forecast Uncommitted Business Rates Risk Reserve		1.049

- 5.16 The recommended strategy summarised above deals with the impact over the period 2015/16 and 2016/17 and ensures resources are earmarked to fund known liabilities.
- 5.17 However, the approach does not provide a permanent funding solution to address ongoing income reduction of £2.088m which will need to be addressed in 2017/18 from a combination of:
- Use of the uncommitted Business Rates Risk Reserve
 - Growth in the Business Rates base;
 - Additional Growth in the Council Tax Base over and above the increases already included in the MTFS;
 - A potential review of the 2017/18 budget planning assumptions;
 - Increased cuts.
- 5.18 At this stage the first four items are unlikely to provide sufficient funding to cover the full 2017/18 income shortfall. Therefore, it is anticipated that increased cuts may be required in 2017/18. It may be possible to manage this position over a longer period if additional one off resources can be achieved from the 2015/16 outturn and a further review of existing reserves. With regard to the reserves review it may be possible to release the resources allocated to cash back the Jacksons Landing interest free loan if a development/sale can be guaranteed to be achieved by October 2017. It is recommended that this position is reviewed as part of the detailed preparation of the 2016/17 MTFS.
- 5.19 The recommended approach will mean that the Council will continue to hold the Business Rates Risk Reserves over the period of the MTFS, as these resources will be committed on an annual basis. In practice

there is a 12 month accounting delay in when these liabilities impact on the Reserve as these transactions are accounted for via the Collection Fund. This means that at the end of 2015/16 the Business Rates Risk Reserve will include the commitments for 2015/16 to 2016/17.

- 5.20 The recommended funding strategy is also predicated on the back-dated impact of the reduced Power Station rateable value for 2013/14 and 2014/15 being covered from the provisions included in the annual Business Rates returns (NNDR forms) submitted to the Government and there being no changes to the Transitional Relief grant arrangements applied by the Government for these years. If this is not the case there may be earlier calls on the Business Rates Risk Reserves which would reduce the funding available in 2015/16 and 2016/17.

6. CONCLUSIONS

- 6.1 The implementation of the Business Retention system on 1st April 2013 transferred significant financial risks to Councils. The change also potentially enables Councils to benefit from increased Business Rates income. These changes have coincided with ongoing annual reductions in Government funding which have resulted in the Council's 2015/16 grant being 39%, i.e. £30.4m less than it was in 2010/11.
- 6.2 As detailed in the February 2015 MTFS report additional grant cuts will be made over the period 2016/17 to 2018/19 and it is currently anticipated that further budget cuts of £14.6m will need to be made. This position is before the impact of the reduction on the Power Station rateable value and the income received by the Council.
- 6.3 Whilst, the risks arising from Business Retention system affect all Councils, Hartlepool faces significantly greater financial risks owing to the impact of the Power Station, which at 1st April 2015 accounted for 39% of total Business Rates income collected by the Council.
- 6.4 The sustainability of the Council's Business Rates income is affected by two issues:
- The outcome of the appeal submitted by the Power Station against the rateable value assigned by the Valuation Office from 1st April 2010 – which would reduce income on a permanent basis;
 - Historic volatility of Business Rates income from the Power Station which is based on the quantity of electricity generated – which would reduce income on a temporary basis.
- 6.5 These risks were initially identified before the Business Retention System was implemented and as part of the 2012/13 closure strategy an initial Business Rates Risk reserve of £1m was established. This position has been reviewed on a regular basis as part of the annual update of the MTFS and also reflected within the annual outturn

strategies. As a result the Business Rates Risk reserve has been increased and the balance at 31st March 2015 is £4.775m. The 2015/16 budget also includes an initial provision to offset potential ongoing Business Rates reductions arising from successful appeals.

- 6.6 On 5th May 2015 the Council received notification that the revised Rateable Value, which equates to a reduction of 48% (£16.1m), had been accepted by the Power Station.
- 6.7 As a result of this decision the Council's Business Rates income will reduce by nearly £3.9m. This permanent reduction in income will be partly mitigated by the receipt of 'safety net' grant and local resources. However, the Council still faces a net permanent income reduction of £2.088m as summarised below:

	£'m
Gross Income reduction	3.889
Less Safety Net Grant	(0.875)
Less MTFS budget provision, increase in Council Tax Base and Enterprise Zone Business Rates	(0.926)
Net Income reduction	2.088

- 6.8 The report details a strategy for addressing the net income loss in 2015/16 and 2016/17 by using the existing Business Rates Risk Reserves, which commits £4.076m of the available funding. This leaves a residual balance of £1.049m to potentially offset the ongoing income reduction in 2017/18.
- 6.9 This strategy avoids having to make in-year cuts in 2015/16 and increasing the budget cuts in 2016/17.
- 6.10 However, this is not a permanent solution and a longer term strategy will need to be developed for 2017/18.
- 6.11 It may be possible to provide a longer lead time to mitigate the impact in 2017/18 if additional one-off resources can be identified from a combination of the 2015/16 outturn (if a managed under spend can be achieved) and review of reserves at 31st March 2015. However, at this stage these potential additional one-off funding sources cannot be relied upon.
- 6.12 Even if additional one-off resources can be achieved to provide temporary support in 2017/18 this will only provide a longer lead time to address this income loss, unless the Government recognises the position and provide financial support.
- 6.13 The recommended funding strategy is also predicated on the back-dated impact of the reduced Power Station rateable value for 2013/14 and 2014/15 being covered from the provisions included in the annual Business Rates returns (NNDR forms) submitted to the Government

and there being no changes to the Transitional Relief grant arrangements applied by the Government for these years. If this is not the case there may be earlier calls on the Business Rates Risk Reserves which would reduce the funding available in 2015/16 and 2016/17.

- 6.14 The Leader, Chief Executive and Chief Finance Officer have previously met with the Local Government Minister and senior civil servants and provided a detailed document outlining our concerns. Members have previously determined that a further meeting be sought once the outcome of the Power Station appeal was known.
- 6.15 The Chief Finance Officer is also trying to determine if there are any other Council's in a similar position to Hartlepool to see if they wish to consider a joint technical approach to senior civil servants.

7.0 RECOMMENDATIONS

7.1 It is recommended that Members:

- i) Note the report and the gross income reduction in the Council's share of Business Rates income from the Power Station of £3.889m;
- ii) Note that the gross income reduction is partly mitigated from the receipt of Safety Net grant and local resources, which reduced the net annual income reduction to £2.088m, as detailed in paragraph 6.6;
- iii) Approve the strategy for funding the net annual Business Rate reductions in 2015/16 (£1.988m) and 2016/17 (£2.088m) from the one-off Business Rates Risk Reserve;
- iv) Note that the above strategy commits £4.076m of the available one-off funding in 2015/16 and 2016/17 and leaves an uncommitted balance of £1.049m to potentially support the 2017/18 income loss;
- v) Note the above strategy does not provide a permanent solution to the net income loss of £2.088m and that additional permanent budget cuts will be needed in 2017/18, or 2018/19, unless the Government recognises the position and provides financial support.
- vi) Note the above recommendations will be included in the 2016/17 MTFS proposals to be referred to Council in February 2016;
- vii) Confirm that Members wish to request a meeting with the Local Government Minister for the Leader, Chief Executive and Chief Finance Officer to present the Council's case to fully

compensate the Council for the ongoing impact of the Power Station rateable value reduction.

8. REASON FOR RECOMMENDATIONS

- 8.1 To enable a strategy to be developed to address the impact of the reduction in the Power Station rateable value.

9. BACKGROUND PAPERS

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 24.11.14.

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 30.01.15.

10. CONTACT OFFICER

Chris Little

Chief Finance Officer

Chris.Little@hartlepool.gov.uk

Tel: 01429 523002

FINANCE AND POLICY COMMITTEE

1st June 2015



Report of: Corporate Management Team

Subject: FINAL OUTTURN 2014/15

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2. PURPOSE OF REPORT

2.1 To provide details of the final outturns for 2014/15 and to recommend a strategy for the use of the uncommitted resources.

3. BACKGROUND

3.1 In response to the impact of the significant cut in Government grant for 2015/16 and anticipated additional cuts in future years the Council continued to implement robust budget management arrangements during 2014/15. This included action by the Corporate Management Team to deliver a managed budget under-spend by holding posts vacant and avoiding spending where this was possible and did not have an adverse impact on services.

3.2 This approach provided the following benefits:

- Achieved the best possible long term use of the Council's finite financial resources;
- Enabled the Council to achieve the best possible financial foundations in the current financial climate by earmarking one-off resources to manage specific risks, to enhance the Budget Support Fund available to help protect services over the period of the Medium Term Financial Strategy (MTFS) and increase the Local Council Tax Support scheme reserve;
- Minimised the number of compulsory redundancies required as part of the 2015/16 budget by holding posts vacant to facilitate service reconfiguration and staff redeployment.

- 3.3 Work to finalise the 2014/15 accounts is progressing and further details are provided in the following sections. It is not anticipated there will be any significant changes to these figures.

4. 2014/15 REVENUE OUTTURN

- 4.1 The gross 2014/15 Revenue budget was £168m, of which £80m is funded from specific grants and income streams which leaves £88m to be funded from Council Tax, Revenue Support grant and the Council's share of Business Rate income. The Council is therefore managing both income streams and expenditure budgets which are affected by activity and demand for services.
- 4.2 The detailed outturn strategy for 2014/15 was approved as part of the MTFS proposals referred to full Council in February 2015. The approved strategy advised Members that the final outturn for a range of budgets would depend on the impact of seasonal and demand factors in the final three months of the financial year. As a range of factors remained uncertain the approved strategy identified a potential uncommitted outturn of £188,000.
- 4.3 The actual uncommitted outturn is £450,000, which is £262,000 higher than forecast. The increase reflects a range of factors, including continued robust budget management in the final three months of the financial year and the impact of seasonal/demand factors. The final outturn also includes the removal of the potential commitment of £25,000 for part year loan repayment costs in 2015/16 which may have arisen from the use of Prudential Borrowing to repay the Jacksons Landing interest free loan. This amount will not be needed in 2015/16 as an extension of the interest free loan is being negotiated for repayment in October 2017. Further details are provided later in the report.
- 4.4 Appendix A provides a summary of the outturn position and appendices B to F detailed outturns for individual departments.
- 4.5 **House Sales income**
- 4.6 In addition to the Revenue Budget outturn detailed in the previous paragraphs the Council also benefitted from the receipt of income from Housing Hartlepool from the sale of former Council houses. This income has not yet been received, although the Council has been notified that its share of the income is £146,000 (2013/14 £215,000). This amount was not previously included within the outturn forecasts as the amount was uncertain as it was dependent on the sale of individual properties by Housing Hartlepool and the notification of these sales to the Council.
- 4.7 **Strategy for use of 2014/15 Uncommitted Outturn**
- 4.8 Taking account of the above factors the uncommitted outturn is £596,000 (£450,000 General Fund Outturn plus £146,000 house sales income).

- 4.9 The MTFS report previously recommended that a strategy for using the final uncommitted outturn should be developed as part of the 2016/17 budget process. This approach was recommended as there was uncertainty regarding the final outturn owing to seasonal/demand factors over the final three months of the financial year.
- 4.10 As details of the final outturn are now available a strategy for using the uncommitted resources can now be developed to underpin the Council's MTFS.
- 4.11 Members have previously indicated that they would wish to fully cash back the Jacksons Landing interest free loan when resources are available. As detailed earlier an extension of the loan free period is being negotiated, with a view to repayment being extended until October 2017. This will provide a longer lead time to secure the development, or sale of this site.
- 4.12 One-off resources of £894,000 (including the funded Prudential Borrowing approval for 'Major Regeneration Projects' of £393,000) have previously been allocated to partly fund repayment of the 'Growing Places' loan. Allocating the 2014/15 uncommitted outturn of £596,000 would increase the resource allocated to cash back the potential loan repayment to around 95%, which would effectively remove the financial risk of a development not being achieved until after October 2017. Whilst, this is a low risk the Corporate Management Team support this proposal as it will avoid an unfunded financial risk in 2017/18, when the Council's financial ability and resources to manage risks will be lower than it currently is owing to the impact of continuing Government grant cuts after the election.
- 4.13 Before Members allocate the whole of the uncommitted outturn they may wish to consider alternative priorities for using part of these resources. The Corporate Management Team would not recommend a significant reduction in the resources allocated to cash back the Jacksons Landing interest free loan until the MFTS is rolled forward and an updated assessment has been made of the following key factors:
- The General Election result and the impact this will have on future public spending priorities and funding cuts;
 - The impact of Business Rates appeals, including the Power Station, are known;
 - A review of Reserves held at 31st March 2015 has been completed; and
 - The forecast outturn position for 2015/16 is known.
- 4.14 On this basis Members may wish to only allocate £500,000 of the available £596,000 outturn to cash back the Jacksons Landing interest free loan, which when added to existing funding would provide total cash backing of 90%. This proposal would then enable £96,000 to be allocated for other priorities, which may include consideration of the following issues:
- **HVDA Funding** (Hartlepool Voluntary Development Agency) – at Council on 26th March 2015 it was resolved “that consideration of any support for HVDA from any favourable outturn from the 2014/15 budget be referred to the Finance and Policy Committee and that the Manager of HVDA be invited to the meeting to present the up-to-date financial position of the organisation”.

The Manager of HVDA has been invited to the meeting to present the up-to-date financial position, which will enable Members to consider this issue against the Council's overall financial position and determine if they wish to provide any support from the uncommitted outturn.

- **Moneywise Community banking** – The Chair of Hartlepool Credit Union has written to the Chief Executive requesting financial support from the Council, as detailed in Appendix G.

The Council has provided significant financial support over a number of years including a Community Pool grant of £35,000 in 2014/15 (£75,000 in 2012/13 and 2013/14). There is no ongoing support in 2015/16 owing to the impact of Government grant cuts. A 5 year interest free loan of £12,000 was provided in October 2011 and is due for repayment in October 2016.

Members need to determine if they wish to provide any one-off funding from the uncommitted 2014/15 final outturn to support the Credit Union. This support could include converting the interest free loan into a grant, which would remove the repayment liability.

- **Enforcement Officers** – The proposal would provide additional capacity to address issues across the town and provide time to develop a sustainable business case for the permanent employment of additional Enforcement Officers.

- 4.15 At this stage detailed proposals for these issues have not been prepared. Therefore, if Members wish to support any of these issues it is recommended that resources are earmarked and detailed business case reports brought back to a future meeting for consideration and referral to Council for approval.
- 4.16 The above issues need to be considered in context of:
- the budget decisions made by Members over the last two years in response to the Government grant cuts implemented so far;
 - continuing Government grant cuts from 2016/17;
 - the impact of the Business Rates Appeal outcome for the Power Station, which is covered by a separate report on the agenda; and
 - Members' priorities for services.

5. 2014/15 CAPITAL PROGRAMME OUTTURN

- 5.1 Details of actual capital expenditure against the capital programme are provided in Appendices H to L. The actual level of capital expenditure to be funded in the year is £18.616m.
- 5.2 Capital expenditure of £10.544m will be re-phased to 2015/16 and capital resources will be carried forward to fund these commitments. In overall terms it is currently anticipated that the capital programme will be within budget.

6. 2014/15 CAPITAL RECEIPTS OUTTURN AND PROGRESS AGAINST CAPITAL RECEIPTS TARGET

- 6.1 The Council has a capital receipts target of £6.5m and these resources are committed to funding capital expenditure commitments previously approved by the Council. The following shows there has been significant progress during 2014/15 in achieving this target. It is anticipated that the remaining capital receipts target will be achieved in 2015/16. If all existing planned land sales are achieved in 2015/16 the capital receipts target will be exceeded. This position needs to be managed carefully and it is not recommended that further commitments are approved until the additional capital receipts are achieved:

Progress in achieving Capital Receipts Target of £6.5m

	Position 31.03.14 £'m	Position 31.03.15 £'m
Capital Receipts Target	6.500	6.500
Capital Receipts Achieved	2.200	#3.955
Balance still to be achieved	4.300	2.545

includes second instalment of agreed capital receipt to be received 2015/16.

- 6.2 As reported in the MTFS report capital receipts are earmarked to fund the Housing Market Renewal capital scheme and development of the former Brierton School site. The available capital receipts at the 31st March 2015 were not sufficient to fund capital expenditure incurred at this date and there was a temporary shortfall of £556,000. In accordance with the strategy approved within the MTFS this shortfall has been funded from temporary Prudential Borrowing. The equivalent level of temporary Prudential Borrowing at the 31st March 2014 was £1.128m.
- 6.3 Progress in achieving other capital receipts outside the overall target has also been reviewed as follows:
- **Seaton Carew Capital receipts and Longscar CPO costs** – the approved master plan allocates the Seaton Carew capital receipts to support specific investments, including the purchase of the Longscar. If this purchase costs less than forecast a strategy for using the uncommitted resources will need to be developed. The Director of Regeneration and Neighbourhoods will report on this issue to a future meeting once the Longscar purchase cost is more certain to enable Members to determine a strategy for using these uncommitted resources.
 - **Seaton Nursery sale** - this capital receipt has been achieved in 2015/16 and exceeds the resources already committed by £11,000. The uncommitted resources will be allocated towards achieving the remaining Capital Receipts target of £6.5m.

7. LOCAL COUNCIL TAX SUPPORT (LCTS) SCHEME OUTTURN

- 7.1 The LCTS scheme supports around 14,000 low income households (including approximately 5,900 low income pensioner households) and in 2014/15 provided support of £11.5m.
- 7.2 The actual cost of the 2014/15 was £160,000 less than forecast, which was owing to changes in the overall caseload, changes in the entitlement of individual claimants reflecting changes in employment status/hours worked and collection levels for LCTS cases being better than forecast.
- 7.3 The 2014/15 under spend has been transferred to the LCTS Reserve and will assist with the development of a LCTS scheme for 2016/17. Detailed financial modelling of the 2016/17 LCTS scheme has commenced to reflect experience of operating the scheme to date and the increase in the LCTS Reserve. A detailed report on the options for the 2016/17 LCTS scheme will be submitted to a future meeting of the Committee to enable Members to provide a policy direction for the development of the 2016/17 LCTS scheme.

8. CONCLUSION

- 8.1 Government funding for Councils has been reduced on an unprecedented basis over the period 2011/12 to 2015/16. As reported previously these cuts have had a disproportionate impact on Councils serving more deprived communities where there is higher demand and need for Council services, but less ability to fund services locally from Council Tax. For Hartlepool this has resulted in a total grant cut since 2010/11 of £30.4m, a cut of 39%.
- 8.2 In response to this situation the Council has developed a multi-year financial strategy to reduce budgets and manage existing resources as effectively as possible. A key component of this strategy has been the effective in-year management of budgets to achieve managed under-spends which has provided resources to support the budget in future years, to underpin financial risks and fund unavoidable one-off costs. This approach has enabled the Council, with the current financial climate, to achieve the best possible financial foundations to manage the significant ongoing financial challenges facing the Council.
- 8.3 A detailed outturn strategy for 2014/15 was developed during the year and these proposals were approved in February as part of the MTFS. This report provides details of the 2014/15 final outturns for a range of issues.
- 8.4 In view of the significant reduction in the Council's ongoing Business Rates income as a result of the Power Station's successful rateable value appeal, as detailed in the separate report on the agenda, it is suggested that proposals for using the final outturn of £596,000 (detailed in paragraph 4.8) are deferred until an update of the 2016/17 to 2018/19 MTFS is considered by the Committee. This will ensure that Members have a comprehensive update on the Council's overall financial position before developing a strategy for using these one-off resources.

8.5 In line with Members previous policy guidance this strategy will include consideration of the following potential options for using these resources, alongside any other proposals which may be recommended by the Corporate Management Team as part of the MTFS update and the development of a sustainable financial plan:

- Option 1 - Allocate the full uncommitted revenue outturn of £596,000 towards cash backing the Jacksons Landing interest free loan, which will provide cash backing of 95%; OR
- Option 2 - Allocate £500,000 of the uncommitted revenue outturn towards cash backing the Jacksons Landing interest free loan, which will provide cash backing of 90% and enable £96,000 to be allocated towards other priorities, including consideration of issues detailed in paragraph 4.14 (note that detailed business case reports will need to be brought back to the Committee if Members wish to support any of these proposals and refer them to Council for approval).

9. RECOMMENDATIONS

9.1 It is recommended that Members:

- i) Note the report;
- ii) **Use of the uncommitted revenue outturn (including House Sale income) of £596,000** - defer a decision on the use of these one-off resources until an update of the 2016/17 to 2018/19 MTFS is presented to the Committee, which will enable a strategy to be developed which addresses the significant financial challenges facing the Council, including the impact of the Power Station rateable value reduction and consideration of the issues detailed in paragraph 8.5.
- iii) **Progress in achieving the Capital Receipts target** – note the progress in achieving the capital receipts target as detailed in paragraph 6.1.
- iv) **Seaton Carew capital receipts and expenditure commitments** – note that the costs of purchasing the Longscar are anticipated to be less than forecast. In addition, the funding allocated for the provision of community facilities also needs to be reviewed. Therefore, in accordance with the Council resolution on 5th September 2013, a further report will be submit to a future meeting when the position is more certain to enable the Committee to make recommendations to Council to use the uncommitted resources to:
 - Fully cash the Jacksons Landing interest free loan (the amount of funding required will depend on decisions made on the use of the uncommitted final outturn when the 2016/17 to 2018/19 MTFS update is considered by the Committee);
 - Provide additional one off funding to offset the impact of the Power Station Business Rates Appeal outcome;

- Provide one off funding for other priorities, such as Enforcement Officers.
- v) **Local Council Tax Support Scheme (LCTS) outturn** – note the 2014/15 outturn of £160,000 has been transferred to the LCTS reserve and that this amount will be taken into account when developing options for the 2016/17 LCTS scheme for consideration by the Committee.

10. REASON FOR RECOMMENDATIONS

- 10.1 To enable a strategy for using the final 2014/15 outturns to be developed, with the objective of continuing to protect the medium term financial position of the Council.

11. BACKGROUND PAPERS

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 24.11.14.

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 30.01.15.

12. CONTACT OFFICER

Chris Little

Chief Finance Officer

Chris.Little@hartlepool.gov.uk

Tel: 01429 523002

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

	MTFS Report Forecast £'000	Outturn £'000
Departmental Budgets	(1,945)	(2,614)
Corporate Budgets	(1,723)	(1,881)
Lower Core Grant reduction/Business Rates income	(1,420)	(1,497)
Reserves Review	(1,870)	(1,870)
Departmental Ring-fenced Grants	(1,775)	(2,864)
Departmental Business Case	(200)	(254)
Sub Total to be shown in Statement of Accounts	(8,933)	(10,980)
Recommended Reserves (details table 4)	8,745	10,530
Uncommitted General Fund 2014/15 Outturn	(188)	(450)
House Sales income	0	(146)
Total Uncommitted One-off Resources	(188)	(596)

Table 2 - Detailed Forecast Outturn 2014/15

	MTFS Report Forecast £'000	Outturn £'000
Departmental Budgets		
Chief Executive's Dept	(429)	(872)
Child and Adult Services	(606)	(1,012)
Public Health General Fund	125	140
Regeneration and Neighbourhoods	(1,035)	(870)
	(1,945)	(2,614)
Non Departmental issues		
Corporate Budgets - 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.	(1,490)	(1,361)
Property Running Costs	60	(69)
Local Council Tax Support Scheme (LCTS) - 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 approved by Council in February 2015 this amount has been earmarked to support the LCTS scheme in future years to reduce cuts in support for low income working age households.	(328)	(488)
Section 31 Grant - funding allocated to Councils to support increase Council Tax collection workloads/costs arising from implementation of Local Council Tax Support schemes. A strategy for using these resources was approved by Finance and Policy Committee 15.09.14, alongside reserves review.	(105)	(103)
Provision for Planning appeal costs - estimated cost of potential costs if Planning appeals are successful.	140	140
Sub Total - Corporate Budgets	(1,723)	(1,881)
Lower Core Grant reduction - a detailed explanation of this one off benefit was provided in the MTFS report and this amount basically arises from the phasing in of core grant cuts associated with the conversion of schools to academies.	(890)	(896)
Business Rates - Section 31 grants - 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)	(601)
Sub Total - Lower Core Grant reduction/Business Rates income	(1,420)	(1,497)
Reserves Review - 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)	(1,870)
Departmental Ring fenced Grants - details are provided in table 4		
Local Welfare Support Grant	(375)	(403)
Public Health	(780)	(1,178)
CCG Grant Income	(70)	(83)
Care Act	(50)	(50)
Troubled Families	(500)	(704)
Supporting Social Care (DoH Grant Income)	0	(75)
Youth Offending - PCC Grant Contribution	0	(49)
Local Safeguarding Children's Board	0	(8)
Transformation Challenge	0	(110)
Short Break Services	0	(20)
SEND Reform	0	(150)
Individual Electoral Registration	0	(8)
FERIS	0	(26)
Departmental Ring fenced Grants - sub total	(1,775)	(2,864)
Departmental Business Case		
Social Housing	(200)	(254)
Sub Total to be shown in Statement of Accounts	(8,933)	(10,980)
Recommended and Approved Reserves as detailed in Table 4	8,745	10,530
Uncommitted Outturn - transferred to General Fund	(188)	(450)

APPENDIX A

Table 3 - Contribution to Reserves
(details provided in table 4)

	MTFS Report Forecast £'000	Outturn £'000
Ring-fenced Grant Reserves	1,775	2,826
Business Case Reserves	200	254
General Fund Budget Reserves	5,313	5,993
Budget Support Fund	1,457	1,457
TOTAL	8,745	10,530

APPENDIX A

Table 4 - Detailed Contributions to Reserves

	MTFS Report Forecast £'000	Outturn £'000
Ring-fenced Grant Reserves		
National Museum of the Royal Navy The creation of this reserve was approved by Finance and Policy Committee in January 2015 and by full Council in February 2015. This Reserve was partly funded by reallocating resources which were no longer needed to fund Local Welfare Support (LWS) following the Government decision to continue to provide ongoing funded for LWS within the 2015/16 Revenue Support Grant.	375	375
Supporting Social Care Reserve Funding from the CCG enabling an additional contribution to the existing reserve to provide support for Adult Social Care demographic pressures in 2015/16 and future years.	70	83
Care Act Reserve The balance remaining on the Care Act Implementation Grant will be carried forward to 2015/16 to continue support in implementing the Act.	50	50
Public Health Ring-fenced Grant Reserve created in line with grant conditions for repayment or use as initially intended.	780	1,178
SEND Reform Grant Reserve created from grant funding to support the delivery of services in 2015/16	0	150
Demand Management Reserve created from Troubled Families grant and other departmental underspends to manage demand risks in 2015/16 and future years.	500	936
Short Break Services Reserve Carry forward of grant funding into 2015/16.	0	20
Individual Electoral Registration created from grant funding to support costs on implementation in 2015/16.	Reserve 0	8
FERIS Grant Used to detect minor fraud and error in Benefits caseload.	0	26
Total Ring-fenced Grant Reserves	1,775	2,826
Business Case Reserves		
Social Housing - Creation of Reserve Contribution to the Major Repairs Fund in line with the approved business model for the Empty Homes Project.	200	254
General Fund Budget Reserves		
CCTV Relocation Reserve 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	190
NEPO Rebates Reserve 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	25
Depot Relocation Reserve created to part fund relocation of depot costs to enable Hartlepool College of Art and Design to build on this site.	1,065	1,065
Looked after Children Risk Reserve 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	48
High Needs Risk Reserve 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	300
Power Station 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	840
2017/18 Local Council Tax Support Scheme Reserve Reserves created to support LCTS scheme in future years.	328	488
Section 31 (Local Council Tax Support Scheme) Reserve 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	103
Health and Safety Reserve Reserve created to manage the risk that increased income from Health and Safety may reduce in future years if contracts not retained.	24	24
Hartlepool Connect Capital 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	100
2015/16 Ward Member Budget Reserve Reserve created to provide Ward Member budget of £4,000 per Member in 2015/16.	99	132
2015/16 Community Care Reserve Reserve created to retain Community Centres in 2015/16 to provide a longer lead time to develop alternative funding/operational arrangements.	30	30
2015/16 Pay Costs Reserve To fund impact of higher pay award than forecast.	100	100
2015/16 Jacksons Landing Reserve 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. Not needed as repayment period extended and reallocated for Apprentices.	25	0
2015/16 Apprenticeship Reserve Reserve funded from Strike Day saving and proposal from Trade Unions to use these one off resources to continue the existing Apprenticeship scheme.	40	40
Support 2015/16 budget Reserve to offset clarification of Better Care funding regime	220	220
Support Free Swims 2014 The amount identified in the previous MTFS report has now been used to support the summer 2014 Free Swims, so therefore shows as a zero year end balance.	27	0
Support 2015/16 budget Covers deferment of Advice and Guidance (£55k), School Crossing Patrols (£240k) and Lifeguard services proposed savings (£150k).	445	445
Secure Accommodation Reserve To cover the costs of secure accommodation in 2015/16.	264	264
Public Relations Reserve Contribution towards a post in the PR Section.	10	10
Direct Payment Support Services - Contingency Reserve Reserve created from 'contingency' funds previously held by the external provider. Will be retained to continue to provide funding for contingencies.	250	400
Protection Costs Reserve Provision to fund protection costs arising from implementation of changes to Terms and Conditions.	750	750
Waverley Terrace Allotments Reserve created from contributions from Public Health, Regeneration & Neighbourhoods and Child & Adults to fund a Project Manager post.	0	32
Supporting Social Care Reserve Funding from the Department of Health enabling an additional contribution to the existing reserve to provide support for Adult Social Care demographic pressures in 2015/16 and future years.	0	75
Youth Offending Reserve Grant funding received from the Police and Crime Commissioner to be used to support the Youth Offending Service in 2015/16 and future years.	0	49
Local Safeguarding Children's Board (LSCB) This is a multi-agency partnership budget with the balance of funding being transferred to the existing LSCB reserve.	0	8
Transformation Challenge CCG contributions towards the Better Childhood Programme.	0	110
Apprenticeships Reserve fund costs over more than one financial year.	Provision to 0	60
Environmental Apprentices Reserve Provision to fund costs over more than one financial year.	0	42
Football Foundation Sinking Fund Reserve created to comply with capital grant condition in relation to Brierton Sports pitches to ensure future maintenance requirements can be funded.	0	20
Office Moves created to fund one-off relocation costs associated with office moves, including relocation of depot staff, which secure ongoing revenue savings and / or strategic property objectives.	Reserve 0	23
Total Business Case Reserves	5,313	5,993
Budget Support Fund		
Budget Support Fund Contribution to increase existing one-off funding available to support the MTFS over the period 2015/16 to 2018/19 to provide a longer lead time to implement permanent budget cuts needed to address continuing Government grant cuts.	1,457	1,457
TOTAL	8,745	10,530

GENERAL FUND - 2014/15 OUTTURN SUMMARY BY COMMITTEE

Budget £'000	Description of Expenditure	Outturn Variance Adverse/ (Favourable) £'000	Comments
30,469	Adult Committee - Core Services	(657)	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.
-	Adult Committee - Projected Deprivation of Liberty Safeguard (DoLS) Pressure	217	These are the unbudgeted costs of implementing the DoLS implications following the recent Supreme Court judgement.
30,469	Sub-Total Adult Committee	(440)	
19,638	Children's Committee	(2,224)	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 .
50,107	Total Child & Adult	(2,664)	
2,888	Finance & Policy Committee	172	The variance includes a favourable variance on Reprographics and Logistics relating to additional income generation. This has been offset by an adverse variance in relation to external income generated by Building Consultancy, Estates Management and Functions Catering and additional costs incurred on CCTV equipment.
3,600	Regeneration Committee - Core Services	(215)	The favourable variance relates mainly to Planning Income. This has been partly off-set by an adverse variance in relation to Hartlepool Maritime Experience income.
0	Regeneration Committee - Social Housing	(254)	Favourable variance relates to the planned contribution to the Major Repairs Reserve on Social Housing as identified in the business case.
15,537	Neighbourhoods Committee	(827)	Favourable variance includes S38 income , Fleet vehicle costs, an underspend on the Coastal protection budget as a result of ongoing major capital investments and a favourable variance on Passenger Transport/Home to School Transport and Waste and Environmental Services. This has been partly offset by an Adverse variance on Highways Maintenance and Car Park running costs.
22,025	Total Regeneration & Neighbourhoods	(1,124)	
4,182	Finance & Policy Committee	(1,010)	This favourable variance is mainly owing to vacant posts which are being held in advance of 2015/16 savings.
4,182	Total Chief Executive	(1,010)	
689	Finance & Policy Committee	(1,158)	The favourable variance relates to an underspend on the Public Health Grant and a ringfenced reserve has been created in line with the Grant Conditions. The favourable variance includes reduced placements within substance misuse and a contingency amount set aside to fund any potential outbreak of communicable disease.
603	Regeneration Committee	120	The expected adverse variance relates to income pressures at the Borough Hall and Outdoor Markets as previously reported to Members.
1,292	Total Public Health	(1,038)	
77,606	Sub-Total Departmental Budgets	(5,836)	

GENERAL FUND - 2014/15 OUTTURN SUMMARY BY COMMITTEE

Budget	Description of Expenditure	Outturn Variance Adverse/ (Favourable)	Comments
£'000		£'000	
77,606	Sub-Total Brought Forward	(5,836)	
2,240	Property Running Costs	(69)	Worst case scenario reflects demand led and seasonal budget fluctuations.
7,830	Corporate Budgets	(1,848)	The favourable variance is owing to reduced capital financing costs.
10,070	Total Corporate	(1,917)	
87,676	Sub-Total Corporate & Departmental	(7,753)	
	Reserve Review	(1,870)	
	Provision for Planning Appeals	140	
	Lower Core Grant reduction/Business Rates income	(1,497)	
	Reserves - Ring-fenced Grants	2,826	
	Reserves - Business Cases	254	
	Reserves - Core Budget	7,450	
87,676	Net uncommitted forecast outturn	(450)	

REVENUE FINANCIAL OUTTURN REPORT FOR FINANCIAL YEAR 2014/15

Approved 2014/2015 Budget £'000	Description of Service Area	Outturn Variance Adverse/ (Favourable) £'000	Director's Explanation of Variance
Adult Committee			
1	Carers & Assistive Technology	0	
3,910	Commissioning & Adults General	(494)	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' grant funding. This additional one off funding has resulted in underspends in year in areas that will contribute to 2015/16 savings and some specific reserves have been created.
1,263	Commissioning-Mental Health	(62)	Lower than expected expenditure on Direct Payments following the cessation of a third-party contract and subsequent transfer of resources to Direct Payments.
9,833	Commissioning-Older People	552	Mainly relates to Direct Payments and Home Care arising from increased demand.
0	Commissioning-Direct Payments Support Services Contingency Funding	(400)	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	171	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	23	
1,144	Departmental Running Costs	(81)	This mainly relates to underspends on various supplies and services budgets.
1,167	Direct Care & Support Team	33	
376	LD & Transition Social Work	(32)	
1,878	Locality & Safeguarding Teams	(119)	This mainly relates to incremental drift within pay budgets and some vacant hours which have been filled.
634	Mental Health Services	(49)	This mainly relates to incremental drift within pay budgets.
969	OT & Disability Equipment	(114)	Expenditure on equipment was lower than in previous years.
176	Workforce Planning & Dev	(9)	
1,209	Working Age Adult Day Services	(76)	This includes specific funding for the Waverley Terrace Allotment Project for which a specific reserve is being created.
30,469	Sub Total	(657)	
0	Deprivation of Liberty Standards (DoLS) - Pressure	217	These are the unbudgeted costs of implementing the changes to Deprivation of Liberty Safeguards following the recent Supreme Court judgement.
30,469	Adult Committee Sub Total	(440)	
Children's Committee			
12,021	Children & Families	(724)	Includes £704k of Troubled Families Grant which is to be transferred into a Demand Management Reserve. Main overspends relate to Means Tested Allowances (ie. RO & SGO) and Direct Payments offset by incremental drift, vacancies during the year which have been filled, use of the Adoption Reform Grant, unbudgeted income from adoptions and reduced Care Proceedings costs which have been reflected in the 2015/16 budget.
4,807	Early Intervention Services	(1,013)	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.
(4)	Play & Care	40	Under-achieving income targets.
355	Youth Offending Service	(120)	Includes £49k of reserve to be created; Mainly staffing savings arising from secondments to grant funded schemes and reduced spend on remand costs
407	Youth Service	0	
122	Access to Education	(47)	
760	Central Support Services	5	
533	Other School Related Expenditure	(15)	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.
352	Raising Educational Achievement	(22)	
221	Special Educational Needs	(306)	
54	Strategic Management	(12)	
19,638	Children's Committee Sub Total	(2,224)	
50,107	Child and Adult Total - (before Creation of Reserves)	(2,664)	

Creation of Reserves

0	Adults - Supporting Social Care	158	This relates to grant income received from the CCG and DoH.
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	400	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	Adults - Waverley Terrace Allotment Project	32	Funding for a one year post to assist with project while awaiting results of grant bids.
0	Children's - National Museum of the Royal Navy (was Local Welfare Support)	375	The creation of this reserve was agreed by full Council in February 2015.
0	Children's - Transfer to LAC Reserve	48	Balance of funding to be added to the existing LAC risk reserve.
0	Children's - Independent Support/Short Breaks	20	Grant to be used to fund a post in 2015/16.
0	Children's - Local Safeguarding Children's Board	8	This relates to the balance carried forward on this multi-agency partnership budget.
0	Children's - YOS	49	Specific funding from the PCC to be used in 2015/16 and future years.
0	Children's - Transformation Challenge	110	CCG funding towards this project in 2015/16.
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 - SEND Reform Grant	150	Grant funding to support 15/16 deliver of services
0	Children's - Demand Management	936	A reserve is proposed to be created from the Troubled Families grant carried forward and from the general departmental underspend.
50,107	Child & Adult Total - Net of Reserves	(28)	

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	Actual Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Adult Committee				
136	Supporting Social Care (Demographic Pressures)	0	(136)	
27	Supporting People	27	0	
6	Social Care Reform	6	0	
9	Reablement Funding	0	(9)	
125	Social Inclusion & Lifestyle pathways contract extension	100	(25)	This is the value of the reserve required to fund the costs resulting from the need to extend some contracts for longer than expected while they are re-commissioned.
200	PCT Carers Funding	200	0	
22	Community Pool 2014/15	22	0	
300	Deprivation of Liberty Safeguards (DoLS)	0	(300)	Funded from within overall Child & Adults outturn.
19	Better Care Fund (BCF) Risk Reserve	0	(19)	
844	Adult Committee Sub Total	355	(489)	
Children's Committee				
173	Schools Transformation Team	150	(101)	
10	Academy Risk Reserve	0	(10)	
18	Raising the Participation Age	18	(7)	
287	School Improvement	167	0	The Improvement Strategy was approved by Committee 8th July
100	Youth Offending Reserve	100	0	Contribution towards the estimated overall costs of new secure accommodation costs. The balance of costs in 2015/16 will be funded from within the corporate outturn.
125	Adoption Reform Grant	0	(125)	
167	Children's Social Care & Early Intervention	0	(8)	
880	Children's Committee Sub Total	435	(251)	

MEMO:-	Dedicated Schools Grant			
4,873	Early Years	(417)	(494)	Funding received in respect of raising the participation levels of 2 yr old provisions, is higher than the predicted actual levels of participation
9,057	High Needs	0	0	
45,452	Schools	2	(11)	Balance of funding remaining at year end from the schools block

REVENUE FINANCIAL OUTTURN REPORT FOR FINANCIAL YEAR 2014/15

Approved 2014/2015 Budget	Description of Service Area	Outturn Variance Adverse/ (Favourable)	Director's Explanation of Variance
£'000		£'000	
Finance & Policy Committee			
0	Adult Education	0	Adult Education is 100% Grant Funded. In accordance with the grant conditions any variance will be transferred into a ringfenced reserve to fund Adult Education costs in 15/16.
1,256	Community Safety & Engagement	69	Adverse variance relates to CCTV equipment costs required to support the relocation works required.
698	Strategic Management, Admin & Service Development	4	
(93)	Logistics	(44)	The favourable variance in this area relates to increased external income generation.
60	Procurement and Reprographics	(37)	The favourable variance relates to an over achievement of income in Reprographics and NEPO rebate income. A reserve will be created to fund potential pressures in this area following changes to the refund methodology.
672	Estates & Asset Management	85	Adverse variance relates to Non-Operational Property Running costs and a shortfall in income generated from external work.
(730)	Building Consultancy	59	Adverse variance relates to a shortfall in income generated from Capital and External works.
1,025	Facilities Management	36	This is a volatile area which includes a number of Trading Activities. The adverse variance mainly relates to an adverse variance in Functions Catering which includes the Inspirations Coffee House. Functions increased in the last quarter of the year and the overall position was better than predicted. The Inspirations Coffee House has incurred some one-off staffing costs in year as staff rota's are finalised and this, along with limited income from functions, has resulted in an adverse variance of £20k at year end. Additional functions on the site are expected to increase income in the new year and the trading account will benefit from the full year effect of this income stream.
2,888	Finance & Policy Committee Sub Total	172	
Regeneration Committee - Core Services			
22	Archaeology Services	1	
87	Community Centres	(12)	Variance relates to the overachievement of income in year.
455	Cultural Services	118	The variance mainly relates to a shortfall in income at the Hartlepool Maritime Experience.
1,162	Libraries	(14)	The variance relates to an underspend on various supplies and services costs across the service area.
0	Renaissance in Regions	0	
(24)	Building Control	80	Variance relates to a shortfall in income and this reflects the volatile nature of external income in this area. This variance will 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	(80)	Release of Reserve (see above).
282	Planning Services	(311)	The favourable variance relates to planning income generated from fees where income levels this year have exceeded the budget. Provision has been made separately for the cost of outstanding appeals which is forecast at this stage to be approx. 140k next year.
672	Housing Services	1	
85	CADCAM	(7)	The favourable variance reflects the final charge expected for Aurora Court.
824	Economic Regeneration	9	
35	Economic Regeneration - External Funding	0	
3,600	Regeneration Committee - Core Services Sub Total	(215)	
Regeneration Committee - Social Housing			
0	Council Housing	(254)	This variance has been 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	Regeneration Committee - Social Housing Sub Total	(254)	

REVENUE FINANCIAL OUTTURN REPORT FOR FINANCIAL YEAR 2014/15

Approved 2014/2015 Budget £'000	Description of Service Area	Projected Outturn Variance - Adverse/ (Favourable) Worst Case £'000	Director's Explanation of Variance
Neighbourhood Committee			
(71)	Cemetery and Crematoria	(3)	
385	Parks & Countryside	(42)	Favourable variance relates to an underspend on running costs in year including staffing.
32	Allotments	0	
(621)	Car Parking	44	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 in recent years and this was offset by an underspend on staffing in year. Savings have been identified in 15/16 to offset this pressure on a permanent basis next year. Income was down slightly and this included the scheme for free car parking at Christmas which was estimated to reduce income by £20k p.a.
445	Engineering Services	(325)	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.
1,828	Grounds Maintenance	2	
1,929	Highway Maintenance and Insurance	194	The adverse variance relates to additional highway maintenance work required in year. This is slightly offset by underspends in Traffic Related Service Areas reported separately.
(238)	Highways Trading	18	
471	Highways Traffic & Transport Management	(23)	
1,443	Passenger Transport	(137)	This variance includes the Passenger Transport Trading Account (£30k 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 year end position is based on the activity in year.
213	Road Safety	(28)	
(50)	Traffic & Transportation Strategic Management	56	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.
(55)	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 have resulted 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.
(2)	NDORS (National Driver Offender Rehabilitation Scheme)	2	
1,308	Network Infrastructure	(1)	
0	Section 38's	(122)	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	(26)	
2,307	Sustainable Transport	(52)	The favourable variance is owing to a lower than anticipated increase in concessionary fares.
1,730	Street Cleansing	(26)	Variance relates to various underspends in year including materials and staff vacancies.
4,483	Waste & Environmental Services	(108)	The variance relates to an underspend on costs associated with waste collection and disposal which is a volatile area. Recycling income is also higher than estimated in year.
15,537	Neighbourhood Committee Sub Total	(827)	
22,025	R&N Total before reserves	(1,124)	

Creation of Reserves

0	Social Housing - Creation of Reserve	254	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.
22,025	Regeneration and Neighbourhoods Total - Net of Reserves	410	

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	Actual Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Finance & Policy Committee				
40	Plant	40	0	
34	Community Pool	32	(2)	
30	Civic Lottery	11	(19)	This variance relates to the profile of expenditure over years.
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 original budget was set.
Regeneration Committee				
30	Digital City	30	0	
163	Seaside Grant	0	(163)	This variance relates to the profile of expenditure over years.
0	Baden Street	2	2	This variance relates to the profile of expenditure over years.
0	High Street Innovation Fund	10	10	This variance relates to the profile of expenditure over years.
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	50	(34)	This variance relates to the profile of expenditure over years.
21	Housing Public Health	21	0	
65	Business Grants	65	0	
67	Economic Regeneration Schemes	63	(4)	
4	Ward Profiles/Rural Plan	4	0	
45	Adult Education	45	0	
Neighbourhood Committee				
100	Engineering Services	0	(100)	This reserve was earmarked to manage the risk that income may reduce in this area. In 2014/15 this area achieved income in line with it's budget owing to the major one-off schemes underway. The reserve will be carried forward to manage income risks in future years.
25	Bikeability	10	(15)	This variance relates to the profile of expenditure over years.
838	Total	402	(436)	

REVENUE FINANCIAL OUTTURN REPORT FOR FINANCIAL YEAR 2014/15

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

Finance and Policy Committee

(533)	Benefits	(78)	The favourable variance is owing to vacant posts and some additional grant monies.
(1,499)	Central Administration Recharges	2	
1,009	Corporate Finance	(165)	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	(14)	The favourable variance is owing to reduced working hours along with some supplies and services.
0	Local Council Tax Support	(103)	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	(38)	The Housing Benefit budget generates £48 million in subsidy, the outturn has been based on the Final Claim submitted to the DWP.
188	Democratic	(8)	The favourable variance is owing to reduced working hours.
97	Fraud	(16)	The favourable variance is owing to some staff savings along with some supplies and services savings..
969	Customer and Support Services	(143)	The favourable variance is mainly owing to vacant posts being held vacant as part of the 2015-16 savings. There is also a saving on Apprenticeship salaries within the Support Services Team.
526	Human Resources & Health and Safety	(105)	The favourable variance is owing to additional income into the Health and Safety Section from Adult Education for additional services.
228	Internal Audit	(27)	The favourable variance is owing to reduced working hours and additional income from Academies.
466	Legal Services	2	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	(54)	This area has underspend as there were no further elections in the financial year.
(76)	Other Office Services	46	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.
82	Public Relations	(3)	The favourable variance is owing to a post being vacant for part of the year, and additional income from Hartbeat.
(102)	Registration Services	14	The adverse variance is owing to a reduction in the amount of income received for ceremonies and certificates.
882	Revenues	8	
(366)	Revenue & Benefits Central	(318)	Additional income from Court Costs has been offset by some additional Legal Fees incurred.
88	Scrutiny	0	
658	Shared Services	26	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.
116	Support to Members	6	The adverse variance is owing to additional costs related to the Civic Honours Ceremony.
18	Training & Equality	21	
337	Corporate Management Running Expenses	(13)	The favourable variance is owing to some maternity leave along with some supplies and services.
0	2015-16 Advanced Saving	(50)	Advanced savings from Public Health contributions.
4,182	Finance and Policy Total (Before Creation of Reserves)	(1,010)	
Creation of Reserves			
0	Local Council Tax Support	103	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	FERIS Grant Project	26	FERIS Grant is used to support minor fraud and error in benefits caseload.
0	Customer and Support Services	100	A RCCO created from Customer Services outturn to fund a Civic Centre reception modernisation scheme.
0	Human Resources & Health and Safety	30	Contribution toward the corporate apprenticeship scheme. This will enable the scheme to run for 2 years.
0	Human Resources & Health and Safety	25	Health and Safety additional income used to fund a Senior Health and Safety Officer on a fixed term contract to partly deliver the project.
0	Individual Electoral Registration Grant	8	Individual Electoral Registration Grant funding to be carried forward into 2015-16.
0	Public Relations	10	Part funding for a post within the Public Relations Section.
4,182	Chief Executives Total - Net of Reserves	(708)	

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	Actual Usage 2014/2015 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
---------------------------------------	-----------------------------	------------------------------------	------------------------------------	------------------------------------

Finance and Policy Committee				
72	Corporate Strategy - ICT System Development	0	(72)	
6	Corporate Strategy - Performance Management	5	(1)	
8	Corporate Strategy - Corporate Consultation	0	(8)	
10	Contact Centre	0	(10)	
18	Resource Investment - HR	0	(18)	
28	Finance - IT Investment	0	(28)	
20	Finance R & B	0	(20)	
16	Finance - IT Developments R&B	0	(16)	
3	Finance R & B - FSM System	0	(3)	
20	Finance R & B - Benefits/Atlas	0	(20)	
10	Finance R & B - Corporate Booking System	0	(10)	
10	Finance R & B - Software Projects	0	(10)	
38	Corporate - Social Inclusion	0	(38)	
86	Chief Executive's Department Ring Fenced Grants	25	(61)	
345	Total	30	(315)	

REVENUE FINANCIAL OUTTURN REPORT FOR FINANCIAL YEAR 2014/15

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

Finance and Policy Committee

Public Health Grant			
806	Children's Public Health	(100)	Favourable variance reflects a renewed contract.
50	Health Protection	(26)	Various Environmental Health Schemes were delayed in starting therefore the projects will run over two financial years.
1,325	Miscellaneous Public Health Services	(358)	Favourable outturn variance reflects a contingency element of grant unallocated to allow for potential communicable disease outbreak.
128	NHS Health Check Programme	(52)	Favourable variance relates to refunds received in year from providers based on activity levels.
266	Obesity	(69)	Favourable variance relates to an underspend on Breastfeeding Support Costs.
170	Physical Activity	0	
816	Prescribing	(15)	Favourable variance reflects a lower than anticipated charge from providers for dispensing and supervised consumption.
741	Public Health Advice	(36)	Favourable variance relates to an agreed reduction in the Tees Valley Shared Services contribution.
722	Sexual Health	(77)	Favourable variance relates to an agreed reduction in the Tees Valley Shared Services contribution and a refund received in year.
496	Smoking & Tobacco	(116)	Favourable variance reflects a reduction in take up of the service in the later part of the year.
2,966	Substance Misuse	(329)	This is a volatile area owing to the sometimes uncontrollable nature of expenditure on vulnerable adults supported by this area. The favourable variance reflects the reduction in placements and the delayed contribution to the alcohol related housing support project that is now due to start in 2015-16.
(8,486)	Public Health Grant	0	
0	Public Health Grant Subtotal	(1,178)	The Public Health Grant is ringfenced and any underspend will be transferred into a ringfenced reserve in line with the grant conditions - see below.
Public Health General Fund			
689	Consumer Services	20	The adverse variance relates to a shortfall in licensing income in 2014/15.
689	Public Health General Fund Subtotal	20	
689	Finance and Policy Sub Total	(1,158)	
Regeneration Committee			
Public Health General Fund			
2	Environmental Protection	7	
(87)	Environmental Standards	59	Adverse variance relates to income pressures on Outdoor Markets.
688	Sports & Recreation Facilities	54	Adverse variance mainly relates to income pressures at Mill House and the Borough Hall.
603	Public Health General Fund Subtotal	120	
603	Regeneration Sub Total	120	
1,292	Public Health Total - before Reserves	(1,038)	

Creation of Reserves

Finance and Policy Committee			
0	Public Health Ringfenced Grant	1,178	The Public Health Grant is ringfenced and any underspend will be transferred into a ringfenced reserve in line with the grant conditions.
1,292	Public Health Total - Net of Reserves	140	

moneywise community banking

Tel: (01429) 863542
Email: enquiries@mymoneywise.co.uk
Web: www.mymoneywise.co.uk

3-5 Avenue Parade
Avenue Road
Hartlepool
TS24 8BB

23rd March 2015

Mr D Stubbs
Hartlepool Borough Council
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Dear Mr Stubbs,

I have been asked to contact you [REDACTED] to give you an update on the latest position in regards to the finances of Hartlepool Credit Union and the possible impact on us due to the end of the Community Pool Funding.

In recent years Hartlepool Borough Council has supported us tremendously, in the years 2012-2013 and 2013-2014 we received £75,000 which was to help with our running costs. This funding enabled us to fully fund the Credit Union's core staff, which in turn allowed us to grow our membership, loans and savings deposits greatly.

In the year 2014-2015, the Credit Union's funding from the council was reduced to £35,000, this meant that we had to reduce staff hours and limit our opening times; it did however fund two posts for our most experienced staff, a manager and a supervisor.

This funding has been a lifeline for us and as you are aware the community pool has come to an end and no further funding opportunities have arisen for us. With no further funding in place it puts us in a very difficult position, due to this we have had no option but to give redundancy notice's to staff and possibly look at reducing our opening hours even further.

The impact of all of this will mean that we may have to reduce our service back to how we originally ran before our growth and may have to cut current services that are both valued and needed by residents of Hartlepool.

We currently have over 3000 members, who rely on us not only for loans and savings, but also they rely on us to budget their finances for them and pay priority bills, this is all alongside teaching them money management and employability skills. Our aim is to prepare them to manage universal credit and help them to build confidence and achieve job readiness, with the use of our employability and money management training. We feel that with universal credit being rolled out in Hartlepool, there has never been a greater need for a Credit Union.

As a Credit Union, we feel we have done what we can in preparation for the event of grant funding no longer being available. This has seen us enter into the government's modernisation and expansion programme. This was not only a way for us generate income, but to also make our credit union have services in line with the high street banks, allowing us to aim for more tier 1 and 2 clients, thus enabling us to help more tier 3 clients.

+positive outcomes for all

We are one of 76 Credit Unions nationally that joined this project and current figures show we are

- 1st for lending
- 2nd for Membership growth
- 17th for deposit growth

Also as part of this programme, we were encouraged to extend our common bond. We have done this meaning we can now offer our service across East Durham, Tees Valley and North Yorkshire. We have opened branches in Scarborough and Redcar and are currently in the process of opening one in Middlesbrough. To help us do this we have been fully funded in Scarborough by Yorkshire coast homes, Redcar and Cleveland council have funded us for two years and Middlesbrough council has funded us for two years as well. All of this funding is area specific.

As I am sure you will agree, we have been very busy with our growth and would like to continue this across our whole common bond area. Unfortunately, because of the lack of funding in Hartlepool, we are unsure how we can continue with our growth plans. Hartlepool is our head office and we would like this to remain so, as we feel the need here is the greatest. However, to enable us to do this we desperately need to raise some funds.

In Hartlepool, our running costs are £120,000 per annum. This includes premises, staff and expenses. We managed to earn £50,000 last year, which is the most we have ever self-generated. We are looking for some help to fill the short fall and keep further cuts to a minimum. Any help which you can give us with this will be greatly appreciated by our board, staff and members.

I would be happy to come and discuss this further with you.

Yours faithfully

Paul F. Burton

Paul F Burton

Chair

Hartlepool Credit Union

+positive outcomes for all

Moneywise community banking is the trading name of Hartlepool, Tees Valley, East Durham & North Yorkshire Credit Union

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 31/3/15 £'000	Expenditure Rephased into 2015/16 £'000	(C+D) Total Expenditure £'000	(E-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee									
	City challenge Clawback	213	213	0	213	213	0	MIX	
	City Challenge Clawback - Burbank / Murray Street	83	83	0	83	83	0	MIX	
	IT Strategy	500	500	0	500	500	0	MIX	
7623	Corporate IT Projects	20	20	0	20	20	0	MIX	
8143	New Burdens - Council Tax	10	10	0	10	10	0	MIX	
8157	Northgate - New Server	4	4	0	4	4	0	MIX	
8701	Registration Services Accommodation	70	70	40	30	70	0	RCCO	
	Civic Centre Remodel Reception Area	100	100	0	100	100	0	RCCO	
	Corporate Projects	69	69	0	69	69	0	MIX	
Chief Executives Total		1,069	1,069	40	1,029	1,069	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

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 31/3/15 £'000	Expenditure Rephased into 2015/16 £'000	(C+D) Total Expenditure £'000	(E-B) 2014/15 Variance from Budget £'000		
Adult Committee									
7234	Chronically Sick and Disabled Persons Adaptations	320	55	1	54	55	0	MIX	Funding to be rephased into 2015/16 where it will combined with the BCF Capital Allocations to support adaptations in peoples homes.
8075	Short Break Capital Grants Pool	21	21	0	21	21	0	MIX	
8108	Centre for Independent Living - New Build	4,767	308	241	67	308	0	MIX	Building works to commence in 2015/16.
8794	Autism Innovation Capital Grant	19	19	19	0	19	0	GRANT	
	Adult Committee Sub Total	5,127	403	261	142	403	0		
Children's Committee									
7469	Children's Centre's Capital	41	41	5	36	41	0	MIX	Contingency funding towards future childrens centre developments.
8282	Exmoor Grove Redevelopment / Change of Use	56	56	55	1	56	0	MIX	
8072	Integrated Children's Services Case Management Improvement	37	2	2	0	2	0	MIX	
8806	LAC Fostering Home Improvement Loans	22	22	22	0	22	0	GRANT	Funded by contribution from service user.
8218	Youth Service Portable Multi-Use Games Area (Youth Capital Fund)	7	0	0	0	0	0	GRANT	
8695	Barnard Grove School - New School	95	95	95	0	95	0	MIX	
8785	Barnard Grove School - Section 278 Works	36	36	24	12	36	0	GRANT	
8781	Brougham School - 2 year old FNE Capacity Building	38	38	27	11	38	0	GRANT	
8602	Clavering School - Fire Detection System	27	27	27	0	27	0	MIX	
8732	Clavering School - Roof Block A	74	74	66	8	74	0	MIX	
7384	Devolved Schools Capital	755	755	489	266	755	0	GRANT	
New	English Martyrs - Science Labs	325	325	0	325	325	0	RCCO	On hold pending Priorty School Building Programme Phase 2 (PSBP Phase 2). This scheme will remain on hold until the Autumn when EFA provide information as to where within the 5 yr programme the new build will be timetabled.
8734	Golden Flatts School - Condensation Mitigation Works	15	15	0	15	15	0	MIX	
8731	Golden Flatts School - Boiler Replacement	25	25	24	0	24	(1)	MIX	Scheme complete - underspend to be transferred to unallocated.
8734	Golden Flatts School - Roofing Block A Replacement	64	64	64	0	64	0	MIX	
8730	Greatham School - Roof Replacement	78	78	70	8	78	0	MIX	
8729	Hart School - Roof Block A	14	14	12	2	14	0	MIX	
8716	High Tunstall School - Window Replacement Block A	156	156	2	154	156	0	MIX	On hold pending PSBP Phase 2. This scheme will remain on hold until the Autumn when EFA provide information as to where within the 5 yr programme the new build will be timetabled.
8718	High Tunstall School - Roofing - Block A (Phased)	66	66	6	60	66	0	MIX	On hold pending PSBP Phase 2 but minor works were necessary and have been undertaken. The remainder of the scheme will remain on hold until the Autumn when EFA provide information as to where within the 5 yr programme the new build will be timetabled.
8719	High Tunstall School - Roofing - Block L	118	118	16	102	118	0	MIX	On hold pending PSBP Phase 2. The remainder of the scheme will remain on hold until the Autumn when EFA provide information as to where within the 5 yr programme the new build will be timetabled.
8598	High Tunstall School - Heating Distribution - Block G	85	85	38	47	85	0	MIX	
8523	High Tunstall School - Heating Distribution - Block A	68	68	20	48	68	0	MIX	
8718	High Tunstall School - Roofing - Block A (Drama Hall)	65	65	54	11	65	0	MIX	Scheme reduced pending outcome of PSBP Phase 2. The remainder of the scheme will remain on hold until the Autumn when EFA provide information as to where within the 5 yr programme the new build will be timetabled.
8717	High Tunstall School - Electrical Distribution Replacement	34	34	8	26	34	0	GRANT	
8801	High Tunstall School - Hot Water Plant Replacement	17	17	14	3	17	0		
8695	Holy Trinity - Contribution to New School re Nursery Provision	160	160	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	8	2	10	0	MIX	

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		A 2014/15 and Future Years Budget £'000	B 2014/15 Budget £'000	C 2014/15 Actual as at 31/3/15 £'000	D Expenditure Rephased into 2015/16 £'000	E (C+D) Total Expenditure £'000	F (E-B) 2014/15 Variance from Budget £'000		
8727	Kingsley School - Electrical Rewire	267	267	207	60	267	0	MIX	
8459	Kingsley School - Replace and Upgrade Playground Surface	41	41	41	0	41	0	MIX	
8728	Lynnfield School - Window Replacement - Block A	62	62	57	5	62	0	MIX	
8782	Lynnfield School - 2 year old FNE Capacity Building	38	38	23	15	38	0	MIX	
8789	Refurbishment Pupil Referral Unit	213	213	146	67	213	0		
7586	Purchase of Computer Equipment - City Learning Centre Standards Fund	12	8	8	0	8	0	GRANT	
8714	Rift House School - Roof Block A	220	220	220	0	220	0	MIX	
8713	Rift House School - SEN Adaptations	75	75	75	0	75	0	MIX	
8720	Rift House School - Children's Centre Roof Replacement	46	46	42	4	46	0	MIX	
8601	Rossmere School - Toilet Replacement	30	30	30	0	30	0	MIX	
8692	Rossmere School - Forest Garden	345	345	190	155	345	0	MIX	
7421	School Travel Plans	23	8	8	0	8	0	GRANT	
7521	Schools General - 2 year old FNE Capacity Building	22	22	22	0	22	0	GRANT	
8788	Schools General - Universal Free School Meals	160	160	100	60	160	0	GRANT	
8138	Schools General - BSF - ICT	2,414	1,882	1,882	0	1,882	0	GRANT	
8139	Schools General - BSF - ICT Infrastructure Costs	132	19	19	0	19	0	GRANT	
9004	Schools General - RCCO Unallocated	400	400	0	400	400	0	RCCO	
9004	Schools General - Funding Currently Unallocated	139	139	0	182	182	43	MIX	This reflects the net underspend that will be transferred to the unallocated budget.
9004	Schools General - Contingency	85	85	0	85	85	0	GRANT	
9004	Schools General - Earmarked for Asbestos Surveys	60	60	0	60	60	0	RCCO	
9009	Schools General - Schools Direct ICT Expenditure	366	366	366	0	366			
8725	Throston School - Electrical Rewire Final Phase	89	89	85	0	85	(4)	MIX	Scheme complete - underspend to be transferred to unallocated.
8726	Throston School - Window Replacement - Block A	60	60	57	0	57	(3)	MIX	Scheme complete - underspend to be transferred to unallocated.
8455	West Park School - Electrical Works inc Fire Detection System	92	92	39	53	92	0	MIX	
8526	West Park School - Heating / Hot & Cold Water Distribution	26	26	10	16	26	0	GRANT	
8593	West Park School - Window Replacement	9	9	8	0	8	(1)	MIX	Scheme complete - underspend to be transferred to unallocated.
8723	West Park School - Window Replacement Final Phase	70	70	63	0	63	(7)	MIX	Scheme complete - underspend to be transferred to unallocated.
8735	West Park School - Cloakroom/Wash Hand Basin Replacement	42	42	37	0	37	(5)	MIX	Scheme complete - underspend to be transferred to unallocated.
8653	West View School - Early Years Foundation Stage improvements	185	185	30	155	185	0	MIX	Only works to canopy and external store are complete, the remainder of the scheme was on hold pending the PSBP 2 announcement. The school was not successful for PSBP 2 therefore the scheme is progressing.
8528	West View School - Roofing - (Various Phases)	133	133	130	0	130	(3)	MIX	Scheme complete - underspend to be transferred to unallocated.
8724	West View School - Boiler Replacement Block A	64	64	45	0	45	(19)	MIX	Scheme complete - underspend to be transferred to unallocated.
Children's Committee Sub Total		8,408	7,702	5,248	2,454	7,702	0		
Child & Adult Services Total		13,535	8,105	5,509	2,596	8,105	0		

Key

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

GRANT
CAP REC
UDPB
SPB

Grant Funded
Capital Receipt
Unsupported Departmental Prudential Borrowing
Supported Prudential Borrowing

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		A 2014/15 and Future Years Budget £'000	B 2014/15 Budget £'000	C 2014/15 Actual as at 31/3/15 £'000	D Expenditure Rephased into 2015/16 £'000	E (C+D) Total Expenditure £'000	F (E-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee									
7036	Unallocated Council Capital Fund	83	83	0	83	83	0	UCPB	This reflects the net underspend that will be transferred to the unallocated budget.
7041	Corporate Planned Maintenance Unallocated	36	36	0	36	36	0	MIX	This reflects the net underspend that will be transferred to the unallocated budget.
	Regeneration Match Funding	393	393	0	393	393	0	UCPB	
	Corporate Projects	170	170	0	170	170	0	RCCO	
7200	Civic Centre Refurbishment	244	244	24	220	244	0	MIX	Works will not be completed until the following financial year.
8142	West Park School Kitchen Upgrades	85	85	85	0	85	0	RCCO	
8142	Brougham School Kitchen Upgrades	100	100	100	0	100	0	RCCO	
8142	School Kitchen Upgrades	53	53	0	53	53	0	RCCO	
8171	Corporate Planned Maintenance - Footpath Repair - Grayfields	16	16	0	16	16	0	MIX	Scope of project not yet finalised.
8406	Throston Disability Discrimination Act - Toilets	1	1	0	1	1	0	UCPB	
8442	Disability Discrimination Act Works	37	37	0	37	37	0	MIX	
8551	Underground Car Park Electrical Works	29	29	29	0	29	0	RCCO	
8552	Multi Storey Car Park Electrical Works	17	17	17	0	17	0	RCCO	
8557	Historic Quay Replace Floor Track Lighting	21	21	21	0	21	0	RCCO	
8684	Lynn Street Depot Fleet and Garage Roof	34	34	34	0	34	0	RCCO	
8711	Carlton Centre Re-Roof Main Building	59	59	50	9	59	0	RCCO	
8780	Hart Boundary Wall - Phase 2	14	14	14	0	14	0	RCCO	
new	Indoor Bowls Centre Refurbishment	190	190	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	50	50	0	RCCO	
new	Lynn Street Depot Replace Doors to Vehicle Shed	30	30	0	30	30	0	RCCO	
new	Christ Church Boiler Replacement	80	80	64	16	80	0	RCCO	
new	Newburn Bridge Roofing and Door Replacement	30	30	3	27	30	0	RCCO	
new	Brougham Enterprise Centre Boiler Replacement	106	106	106	0	106	0	RCCO	
new	Town Hall Theatre Stage Lighting Controls	50	50	0	50	50	0	RCCO	
new	Borough Hall - Kitchen Upgrade	50	50	50	0	50	0	RCCO	
new	Borough Hall - wet rot	5	5	0	5	5	0	RCCO	
new	Central Library - Roofing and Guttering	30	30	0	30	30	0	RCCO	
new	Central Library - External Redecoration	4	4	0	4	4	0	RCCO	
new	Borough Hall - External Redecoration	17	17	0	17	17	0	RCCO	
new	Town Hall - External Redecoration	20	20	0	20	20	0	RCCO	
new	Energy - Invest to Save	20	20	0	20	20	0	RCCO	
new	Asbestos Re-Surveys - Phase 2	50	50	0	50	50	0	RCCO	
new	Mill House Replace Chemical Dosing System	5	5	0	5	5	0	RCCO	
new	Seaton Carew Library Roof Replacement	11	11	1	10	11	0	RCCO	
Corporate Total		2,140	2,140	598	1,542	2,140	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

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		A	B	C	D	E	F		
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	2014/15 Actual as at 31/3/15 £'000	Expenditure Rephased into 2015/16 £'000	(C+D) Total Expenditure £'000	(E-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee									
8284	Whitby Street Accommodation	2	2	0	2	2	0	GRANT	
8710	Drug & Alcohol Recovery Centre	200	200	2	198	200	0	GRANT	New scheme funded by Public Health England to improve drug and alcohol provision within Hartlepool. A change of service provider has resulted in a delayed start to the scheme.
Finance & Policy Committee Sub Total		202	202	2	200	202	0		
Regeneration Committee									
8634/8689	Brierton 3G Pitch & Playing Fields	658	658	387	271	658	0	MIX	The 3G Pitch has now been completed. The budget also includes other works such as improvements to the walkway from the changing area, to be completed in April 2016. Work on the playing fields is scheduled to be completed in 2015/16.
8103	Swimming Scheme	61	61	0	61	61	0	MIX	Funding has been rephased to support future works and this may be used as potential match funding when applying for new funding.
8408	Mill House - Equipment Purchase	12	6	0	6	6	0	MIX	Rephased to provide a contingency for major repairs/improvements.
8409	Sport & Youth Improvements	70	0	0	0	0	0	MIX	Rephased to support works in future years.
Regeneration Committee Sub Total		801	725	387	338	725	0		
Public Health Services Total		1,003	927	389	538	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

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	A	B	EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	C	D	E	F		
				2014/15 Actual as at 31/3/15 £'000	Expenditure Rephased into 2015/16 £'000	(C+D) Total Expenditure £'000	(E-B) 2014/15 Variance from Budget £'000		
Finance & Policy Committee									
8306	School Catering Equipment	325	105	23	82	105	0	RCCO	The budget funds an ongoing programme of kitchen equipment replacement. Grant funding in relation to free school meals has temporarily reduced the demand on this budget. The budget includes a contribution from the Trading account.
8425	PV Cells Installation (various buildings)	206	13	13	0	13	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 the future business case.
8796	Depot Relocation/Church Street Regeneration	1,065	246	246	0	246	0	MIX	Some elements of this scheme are to be completed such as the 'Landscape buffer' and development of the playing fields.
BRI	Brierton Site Development	1,122	977	903	74	977	0	MIX	
New	Reed Street Depot Improvements	130	0	0	0	0	0	RCCO	This scheme has been funded by the Logistics Revenue Budget in order to reconfigure the building as part of the overall depot relocation arrangements.
Finance & Policy Committee Sub Total		2,848	1,341	1,185	156	1,341	0		
Regeneration Committee									
7218	Disabled Facility Grants	938	738	737	1	738	0	MIX	Additional grant funding of £0.2m was received close to the year end which will be used to reduce the waiting list in 2015/16
7220	Private Sector Housing Grants	56	56	27	29	56	0	MIX	Of the 100 phase 2 properties, 97 are now substantially complete, except for installation of boilers where properties are waiting for tenants and minor snagging work. Early indications are that this scheme has been completed under budget and a full review will be undertaken on completion of the scheme when all residual costs have been incurred.
8446	Housing - Empty Homes Phase 1	2,131	2,131	1,524	607	2,131	0	MIX	
8795	Housing - Empty Home Phase 2	4,055	200	158	42	200	0	MIX	
8805	Housing - Raby Road Site Bungalow New Build	515	200	189	11	200	0	MIX	
8786	Housing - Tanfield New Homes Purchase	320	192	192	0	192	0	MIX	
8155	Housing - Preventing Repossession	25	25	5	20	25	0	GRANT	The actual timing of expenditure is demand led according to cases meeting the criteria.
8326	Housing - Baden Street Project	77	77	53	24	77	0	MIX	
7530	Developers Contributions (Section 106)	209	0	0	0	0	0	GRANT	This consists of accumulated contributions not yet transferred to approved budgets.
8308	Morrison Hall Loan to NDC Trust	450	450	240	210	450	0	UDPB	Delays have meant that the NDC Trust has not required the full loan in the current year.
8429	Adult Education - Replace IT	11	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 - Accomodation	17	0	0	0	0	0	GRANT	Budget to be used in 2015/16 to fund work as part of conditions of lease.
8394	Library Improvements	55	55	34	21	55	0	MIX	
8444	Coast Protection - Town Wall Strengthening	931	118	0	118	118	0	GRANT	
8445	Coast Protection - Seaton Carew	586	586	574	0	574	(12)	GRANT	A saving has been achieved on this scheme as at result of costs being less than original estimated when the Prudential Borrowing was approved.
8123	Coast Protection - North Sands to Newburn Bridge Study	40	40	28	12	40	0	GRANT	
8578	Coast Protection - South Management Unit Study	47	22	13	9	22	0	GRANT	This is an Enironment Agency funded coast protection study.
8589	Coast Protection - Headland Structures	17	17	17	0	17	0	GRANT	
8591	Coast Protection - Crimdon/Newburn Bridge Study	9,645	250	168	82	250	0	MIX	The design and survey work started in the latter part of 2014/15 and forms part of a major scheme expected to span four to five years.
8683	Longhill Industrial Estate CCTV	6	6	6	0	6	0	RCCO	
8709	WW1 Anniversary Memorial	60	60	60	0	60	0	RCCO	
8800	Hartlepool Enterprise Centre (HEC) IT	79	79	79	0	79	0	RCCO	
8580	Hartlepool Enterprise Centre (HEC) Building Improvements	52	52	38	14	52	0	UCPB	
9008	Church Street - Hartlepool Vision	505	171	103	68	171	0	MIX	
New	Manor House Purchase	25	0	0	0	0	0	RCCO	As approved by F&P on 23rd March, 2015.
HMR	North Central Hartlepool Housing Regeneration	2,306	1,179	622	557	1,179	0	MIX	As highlighted in the last monitoring report there was always a possibility that the demolition of houses could slip into the next financial year. Part of the reason was the requirement to undertake a Bat survey in March.
GR	Grants to Businesses	79	79	74	5	79	0	UCPB	
Regeneration Committee Sub Total		23,237	6,783	4,941	1,830	6,771	(12)		

CAPITAL MONITORING REPORT PERIOD ENDING 31st MARCH 2015

Project Code	Scheme Title	A	B	EXPENDITURE IN CURRENT YEAR				Type of Financing	2014/15 COMMENTS
		2014/15 and Future Years Budget £'000	2014/15 Budget £'000	C	D	E	F		
				2014/15 Actual as at 31/3/15 £'000	Expenditure Rephased into 2015/16 £'000	(C+D) Total Expenditure £'000	(E-B) 2014/15 Variance from Budget £'000		
Neighbourhoods Committee									
7272	Wheelie Bin Replacement Purchases	60	60	60	0	60	0	UDPB	
7375	Countryside Development Work	14	14	0	14	14	0	UDPB	
7466	DSO Vehicle Purchases	4,932	992	666	326	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.
PLAY	Playgrounds	196	196	102	94	196	0	GRANT	Consists of various playgroud schemes funded by Section 106 contributions.
7508	Anhydrite Mine	107	0	0	0	0	0	MIX	Funding is carried forward for future monitoring of the mine.
7852	TESCO Sectarion106 Funding	216	7	7	0	7	0	GRANT	
7651	Burn Valley Beck/Parks & Open Spaces	40	40	0	40	40	0	MIX	
7821	Household Waste Recycling Centre Improvements	26	22	0	22	22	0	MIX	
7878	Community Safety CCTV Upgrade/Relocation	232	232	12	220	232	0	MIX	Includes contributions from the revenue budget to fund the replacement or equipment and the relocation of the CCTV service in 2015/16.
8575	Padstow Close Flood Resilience Measures	4	4	4	0	4	0	GRANT	
SL	Street Lighting Replacement	4,980	3,780	2,822	958	3,780	0	GRANT	Owing to the successful procurement exercise for the lanterns, a saving has been achieved as detailed in the report to Neighbourhood Services Committee on 15th December 2014. It was recommended that the saving was used to fund column replacements over 30 years and this scheme is now underway and will be completed in 2015/16.
Allot	Allotments Improvements	286	286	36	250	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.
STR	Stranton Cremators and Tanfield	232	232	145	87	232	0	MIX	The rephased element relates mainly to outstanding works on car parking facilities and outstanding retentions.
LTP	Local Transport Plan (LTP)- Schemes	2,167	1,964	1,122	842	1,964	0	GRANT	The timing of projects between years has resulted in the rephased funding shown. relates to Integrated Transport Block schemes which have been delayed as a result
TVBNI	Tees Valley Bus Network Improvement Schemes	1,530	973	973	0	973	0	GRANT	
8417	Community Spaces Grant - North Cemetery	5	5	5	0	5	0	GRANT	
New	Crematorium refurbishment	100	0	0	0	0	0	RCCO	The revenue maintenance budget for the crematorium has been earmarked to fund a much needed major refurbishment of the crematorium in 2015/16.
New	Children's Cemetery Resurfacing	30	0	0	0	0	0	RCCO	This budget has been funded from the cemeteries maintenance budget to cover capital works scheduled in 2015/16.
Neighbourhoods Committee Sub Total		15,157	8,807	5,954	2,853	8,807	0		
Regeneration & Neighbourhoods Total		41,242	16,931	12,080	4,839	16,919	(12)		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE	Supported Capital Expenditure (Revenue)	SPB	Supported Prudential Borrowing

FINANCE AND POLICY COMMITTEE

1st June 2015



Report of: Director of Regeneration and Neighbourhoods

Subject: **FUTURE LOCATION OF HARTLEPOOL
COMMUNITY MONITORING SERVICE**

1 TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Key Decision test (i) and (ii) apply. Forward Plan Reference no. RN 02/15.

2 PURPOSE OF REPORT

2.1 To consider the future location and delivery of the Council's CCTV monitoring service.

3 BACKGROUND

3.1 On 24th November 2014 the Finance and Policy Committee considered a report regarding the future location and delivery of the Council's CCTV Community Monitoring Service.

3.2 The Committee agreed to defer any decision regarding the relocation of the Community Monitoring Service to a future meeting. This was done to allow for further information to be provided to the Committee regarding the additional options for relocating the Community Monitoring Centre to either the Burbank Community House, or with Cleveland Fire Service at Queens Meadow Industrial Estate.

3.3 As agreed by the Finance and Policy Committee further investigations have now been undertaken in relation to these additional options, and these are included for the Committee's consideration as an attachment to the report at **Appendix A**. The report also outlines a proposal to relocate the CCTV service to the Civic Centre with the service being delivered in-house in the future to provide an expanded CCTV service and achieve the £50k CCTV savings agreed as part of the 2015/16 savings programme.

4 CURRENT POSITION

- 4.1 The Council's Community Monitoring Centre is currently located at Camerons Greenbank building in the Stranton area of Hartlepool and comprises a number of services delivered under Service Level Agreements between the Council and Housing Hartlepool (now Thirteen) including:
- Monitoring of the Councils public space CCTV system
 - Council emergency call out and buildings monitoring
- 4.2 The Council's Neighbourhood Services Division is responsible for the CCTV service and the Council's emergency call out and buildings monitoring service. The Council also owns the CCTV monitoring equipment within the Greenbank building and the public space CCTV system.
- 4.3 Thirteen have historically provided the premises and monitoring function as part of a non-legally binding Partnership Agreement which enables both organisations to work together for mutual benefit. The CCTV element of the service is currently provided 7 days a week with monitoring hours totalling 99.5 to coincide with peak times in line with crime pattern analysis.
- 4.4 Following Thirteen's decision to move operations to North Shore in Stockton, a temporary license to occupy the part of Greenbank currently housing the Community Monitoring Centre has been secured. This license cannot be renewed in future because the owners wish to sell the property. As such the existing agreement will come to an end within six months once either party gives notice to terminate the agreement. Due to lack of space within 'Thirteens' North Shore location in Stockton, relocating the CCTV service to this location is also not an option

5 PROPOSAL

- 5.1 The Councils current Community Safety CCTV Service has a total of 134 CCTV cameras operating within a framework that aims to:
- Support delivery of the Safer Hartlepool Partnership Community Safety Plan and its objectives by assisting in the prevention and detection of crime anti-social behaviour and in promoting reassurance and confidence in Hartlepool.
 - Ensure that Council CCTV systems are operated in accordance with regulatory requirements in a transparent and cost efficient manner, taking account of appropriate technological developments.
 - Assist in the protection of the Councils clients, staff and assets.
 - Assist the Council, Cleveland Police and other statutory and Enforcement Agencies in carrying out their regulatory, investigatory and enforcement duties in Hartlepool

- 5.2 To ensure that the CCTV service achieves these objectives in the future it is proposed that the Community Monitoring Service relocates to the Civic Centre with the CCTV service being delivered in-house on a 24/7 basis (168 hours per week).
- 5.3 The service would be managed by the Community Safety and Engagement Section within the Neighbourhood Services Division. This section currently has responsibility for overseeing and monitoring the CCTV Service Level Agreement with Housing Hartlepool; the repairs and maintenance contract associated with public space CCTV system; and the policies and procedures in relation to the use of CCTV including the gathering, storage and retrieval of information in line with data protection guidelines, legislation, and British standards codes of practice.
- 5.4 The service will be located within the ground floor of the Civic Centre alongside Emergency Planning. Monitoring equipment used by the Councils Car Parking team which is currently located in Middleton Grange will also be relocated to this site eliminating the need to for this site to be monitored separately by the Car Parking enforcement team thus creating greater resilience within the Community Safety and Engagement Section which has recently taken on responsibility for Car Parking following restructuring within the Neighbourhood Services division as part of the Councils ongoing savings programme.
- 5.5 The service will complement and support a number of services currently delivered by the Community Safety and Engagement Team including the Anti-Social Behaviour Unit; the Environmental /Car Parking Enforcement service (which will be based within the CCTV monitoring centre); the Victim and crime prevention service; and the newly established Tenancy Enforcement Service which will be delivered by the Community Safety and Engagement section on behalf of the Councils new Social Lettings Agency.
- 5.6 Assistance for other Council services such as those run by the Public Protection Team; local Police Teams and Emergency Planning Service will also be provided. These services will have ease of access to the CCTV service due to the physical proximity of the CCTV service which will be provided 24/7. This will be of particular benefit for emergency planning purposes enhancing the ability of the local Silver Command to respond to events as they unfold through the provision of visual information that would not ordinarily be on hand. Similarly Police will be provided with real time information enabling quick responses to incidents, and under strictly regulated protocols the Police will be provided with access to recorded information enabling perpetrators to be identified and to provide evidence to support criminal prosecutions.
- 5.7 Alongside CCTV, the monitoring service will deliver the Councils alarm monitoring and emergency call out function in relation to Council buildings and services; a key holding and emergency call out function for the Councils Housing Services; and the storage and access of confidential documents on

behalf of the Councils Registrars Office during out of office hours. These services will both help to sustain the delivery of the CCTV service into the future, and assist other relevant sections within the Council who will not have the need to seek alternative providers through the Councils procurement process to run these services thus ensuring costs are kept to a minimum.

- 5.8 It is also recognised that the provision of a 24/7 service will enable other income generation opportunities to be explored elsewhere in the public and private sectors. The current monitoring service for example, also monitors the Longhill cameras as part of the Longhill BID. Other ways of generating income could help to sustain the CCTV service in the future and reduce costs to the Council. However irrespective of any further expansion of the service the proposed service under consideration will deliver the £50k efficiency savings from the CCTV service as agreed as part of the Councils 2015/16 savings programme.

6. ALTERNATIVE CCTV MONITORING CENTRE RELOCATION OPTIONS

- 6.1 In order for the Council to be able to operate a CCTV monitoring centre it needs to meet the strict building construction and security requirements for such an installation which are set out in the British Standard for Remote Centres Receiving Signals from Fire and Security Systems. (BS 5979:2007)
- 6.2 Following identification of the need for the service to be relocated, a number of options have been investigated including further investigation of locations at Burbank Community House and Fire Service Headquarters at Queens Meadow. The provision of the service at all locations would require the centralisation of fibre to the Civic Centre and from there the CCTV network would need to be extended to the location in question.
- 6.3 In line with the CCTV objectives outlined in section 5.1 of this report, and the need to achieve efficiency savings as part of the Councils 2015/16 savings programme, each location has been considered against the following criteria:
- Timescale/disruption to service
 - Sustainability of the location
 - Compliance with regulatory requirements/security of the location
 - Accessibility of service to regulatory agencies such as Police & Council
 - Ability to respond to local priorities
 - Ability to achieve efficiencies
- 6.4 Attached at **Appendix A** is a summary of each of the other options assessed against the aforementioned criteria with the Civic Centre option being recommended due to the fact that it is the only option that would provide a sustainable location with an expanded 24/7 operation, that would be accessible to regulatory services, provide the opportunity for the further integration of Council services, and at the same time achieve the £50k CCTV savings agreed as part of the Councils 2015/16 savings programme.

- 6.5 It is also the only option that would provide income generation opportunities due to its 24/7 operational capability and hence the potential to reduce Council costs in the future as well as eliminating the need for other Council services to seek alternative provision such as the alarm monitoring and out of hours emergency call out service. If the service were not provided 24/7 for example then the Longhill business community would need to look for an alternative provider.

7 FINANCIAL CONSIDERATIONS

- 7.1 Relocation of the CCTV service will involve a significant one-off capital cost of £400K as summarised below:-

	£
Centralisation of CCTV System	300,000
Additional Building Works and ICT costs associated with the Control Room (Civic Centre)	100,000
Total Costs	400,000

- 7.2 It should be noted that all costs provided are pre-tender estimates and the appropriate contingencies have been included where appropriate.
- 7.3 The centralisation of fibres and the CCTV System at the Civic Centre is necessary under any option considered and this is estimated to cost £300,000. In addition to this cost, building works are required to meet the strict building construction and security requirements for the operating centre and this is estimated to cost £100,000 for the proposed Civic Centre option.
- 7.4 The building works required to meet the specific requirements in the other locations considered were significant and therefore considerably more expensive than the Civic Centre option proposed.
- 7.5 £400,000 has been set aside as part of the Council's Medium Term Financial Strategy to contribute towards the cost of relocating the service. If additional resources are required these will need to be identified from existing in year Departmental budgets.
- 7.6 The proposal to deliver the service in-house will result in an annual saving of £50k in relation to the running of the CCTV service as agreed as part of the Councils 2015/16 savings programme.

8 PROCUREMENT

- 8.1 The existing CCTV control matrix equipment is outdated and has reached the end of its lifespan. This equipment will need to be procured. Procurement of this equipment will be undertaken in full compliance with the Councils procurement process.

9 RISK

- 9.1 The revenue costs associated with running the CCTV service in-house include reliance upon income from continuing to deliver the Longhill CCTV monitoring service which could be withdrawn once the current contract comes to an end in 2018. To mitigate this risk, care will be taken to develop the service in line with needs of the Longhill business community. This will include regular meetings with the business community to update on the service and ensure the service is responding to their needs. Work will also be undertaken to explore further income generation opportunities to support the service. However should the existing revenue be lost, consideration would need to be given in the future to reducing the number of operational hours of the CCTV service.
- 9.2 There is currently a lack of clarity around the current staffing levels and associated terms and conditions of employment of Housing Hartlepool's CCTV monitoring staff. As such TUPE implications are unknown. However consultation with the Councils HR Business Partners has ensured that the estimated resultant TUPE costs have been calculated at maximum levels on the basis of current available knowledge.
- 9.3 As outlined in section 7 of this report, the information provided in relation to the costs within this report are indicative only until the agreed option is chosen and the detailed planning and design stage commences. These costs also include several additional appropriate contingency budgets owing to the complex and technical nature of the project. Once the projects costs have been finalised additional resources will be identified if required.

10 LEGAL IMPLICATIONS

- 10.1 The management and use of public space CCTV systems by public bodies is strictly regulated under national legislation and associated codes of practice which are incorporated into the Council's existing CCTV Policy and Procedures.
- 10.2 The options presented in this report in relation to the physical relocation of CCTV take into account any building modifications needed at each location to ensure full compliance with legislative frameworks.

11 EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 An Equality Impact Assessment (EIA) will be undertaken.

12 STAFF CONSIDERATIONS

- 12.1 Should the CCTV monitoring service be delivered in-house it would be managed by the Council's Community Safety and Engagement Section who have current responsibility for the CCTV Policy, Legal compliance and Service Level Agreement.
- 12.2 Finances in relation to staffing the CCTV monitoring function have been calculated following Job Evaluation of the posts and include contingencies for holidays, sickness, and shift allowance.
- 12.3 There is currently a lack of clarity around the current staffing levels and associated terms and conditions of employment of Housing Hartlepool's CCTV monitoring staff. As such TUPE implications are unknown.
- 12.4 Even if the service were to remain with Housing Hartlepool this could also impact on staffing levels and create redundancies within Housing Hartlepool's current staffing structure.

13 ASSET MANAGEMENT CONSIDERATIONS

- 13.1 The existing CCTV control matrix equipment is outdated and has reached the end of its lifespan. The relocation of the CCTV service will result in the replacement of the existing control matrix which will enhance monitoring abilities in light of newer technologies and provide a more sustainable CCTV system into the future and allow for potential future expansion of the system to pursue possible income generation options.

14 SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 14.1 The Council's CCTV Service forms part of the Safer Hartlepool Partnership's broader strategy for reducing crime and disorder in Hartlepool which complements the work of the investigatory and regulatory agencies such as the Police and Council, and promotes confidence and reassurance amongst the community. By increasing the CCTV operation to a 24/7 service there is the potential to improve public safety and local responses to issues around crime and disorder.

15 RECOMMENDATIONS

Members are asked to:

- 15.1 Approve the relocation of the Council's CCTV monitoring service to the Civic Centre.
- 15.2 Approve that the CCTV service is brought in house and operates on a 24/7 basis to secure a local sustainable CCTV service in the future as outlined in section 5 of the report.
- 15.3 Note that this option will achieve a general fund saving of £50,000 p.a and this has been reflected in the Regeneration and Neighbourhoods 2015/16 savings programme.
- 15.4 Note that the one-off cost associated with relocating the service will be funded from the existing capital budget of £400,000.

16 REASONS FOR RECOMMENDATION

- 16.1 There is need to relocate the CCTV monitoring service as a result of Housing Hartlepool's decision to relocate their organisation headquarters to Stockton.
- 16.2 Whichever location is chosen for the CCTV monitoring centre there will be a need to centralise CCTV fibres and equipment into the Civic Centre at considerable cost. However the Civic Centre option also provides a sustainable secure location for the monitoring centre, with opportunities for the further integration and centralisation of Council Services, and the provision of easy access for the Police, and other Council services.
- 16.3 The provision of a 24/7 CCTV monitoring service will protect the existing CCTV service and enable the service to operate as a robust crime reduction and prevention tool that contributes to maintaining public safety. It is also the only option that would enable the required £50K saving to be made whilst at the same time providing income generation opportunities due to its 24/7 operational capability. If this were not a 24/7 operation, other Council services would need to seek alternative providers to monitor the alarm systems on Council properties, the out of hours emergency call out, and provide CCTV provision to the Longhill BID scheme.

7 CONTACT OFFICERS

Denise Ogden
Director of Regeneration and Neighbourhoods
Hartlepool Borough Council
Regeneration and Neighbourhoods
Civic Centre
Level 3
Email: denise.ogden@hartlepool.gov.uk
Tel: 01429 523300

Clare Clark
Head of Community Safety and Engagement
Hartlepool Borough Council
Civic Centre
Level 4
Email: clare.clark@hartlepool.gov.uk
Tel: 01429 523100

CCTV Relocation Options Table

Option	Timescale/disruption to service	Sustainability of location	Compliance with regulatory requirements/security of the location	Accessibility of the service to regulatory agencies such as the Police and Council	Ability to respond to local priorities	Ability to achieve efficiencies
Civic Centre	Timescale achievable within 6-9 months, would result in minimal disruption to Planning Services team due to the need to relocate filing system.	Long term sustainability not envisaged to be a problem in line with current Council Asset Management Strategy	Achievable with minor building and electrical works	Good access to police and other regulatory bodies and potential to further integrate Council Services	Would provide the ability to respond to local priorities and emerging patterns and trends	Offers the potential to bring the service in-house and achieve efficiencies
Police Station	Would be achievable within 6-9 month timescale and little disruption to service	Sustainability not guaranteed -informal indication of a 15 year agreement to use the location for CCTV monitoring but rationalisation of police estate and regional mergers may present a risk	Achievable with minor building and electrical works	Good Access for the Police	Would provide the ability to respond to local priorities and emerging patterns and trends	Offers the potential to bring the service in-house and achieve efficiencies
Stockton Borough Council	Would be achievable within 6-9 month timescale with little disruption to service. But relies on wireless technology. Achieving a signal may be a problem with poor quality images affecting quality and	Long term sustainability not a problem – state of the art monitoring centre operating as a self-sustaining business	Existing monitoring centre fully compliant with regulatory requirements	Not locally accessible; no ability to integrate local services; reduced ability to get an immediate response; would need to set up a local viewing suite	Lack of local knowledge would be an issue and competition with other LAs for the service eg emergency in Stockton – no monitoring in	This option does not provide the ability to deliver in-house but could result in annual efficiencies.

5.1

	usefulness of the service	venture		to examine footage	Hartlepool	
Option	Timescale/disruption to service	Sustainability of location	Compliance with regulatory requirements/security of the location	Accessibility of the service to regulatory agencies such as the Police and Council	Ability to respond to local priorities	Ability to achieve efficiencies
Burbank Community House	Timescale for relocation would be lengthy due to the need for significant building works which could result in temporary suspension of service whilst building works take place.	Long term sustainability of location cannot be guaranteed within the current Councils Asset Management Strategy.	Would involve demolition and rebuild to ensure compliance with regulatory requirements and could not be achieved without significant capital costs.	Will not be as accessible by local agencies impeding the ability to get an immediate response and would not provide opportunity for integration of council services.	Would provide the ability to respond to local priorities and emerging patterns and trends.	Offers the potential to bring the service in-house but would not achieve efficiencies due to substantial capital costs and associated loan repayments.
Fire Service Queens Meadow	Would require two moves. The first to existing fire service headquarters followed by relocation to the new build. This would result in considerable disruption to the service.	Long term sustainability of location cannot be guaranteed due to potential budget pressures and rationalisation of estates with potential fire service mergers.	Significant building works to the existing Fire Headquarters building, and a further building constructed to security standards could only be achieved at a significant capital cost.	Will not be as accessible by local agencies; will impede the ability to get an immediate response, and does not provide the opportunity to integrate other councils services	Would provide the ability to respond to local priorities and emerging patterns and trends.	Offers the potential to bring the service in-house but would not achieve efficiencies due to substantial capital costs and associated loan repayments.

FINANCE AND POLICY COMMITTEE

1st June 2015



Report of: Chief Executive Officer

Subject: CONSULTATION ON THE PROPOSED CHANGES
TO CLEVELAND FIRE AUTHORITY

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non key decision.

2. PURPOSE OF REPORT

2.1 Following their meeting on the 27th March, 2015, the Cleveland Fire Authority seeks the view of the four constituent Borough Councils on proposed changes as more specifically outlined within this report. The closing date for submission of representations is no later than Friday 26th June, 2015 and the Committee is requested to formulate recommendations for the consideration of Council at their scheduled meeting on the 25th June, so allowing a response to be made before the conclusion of this particular consultation exercise.

3. INTRODUCTION AND BACKGROUND

3.1 The Cleveland Fire Authority was formed through the Cleveland Fire Services (Combination Scheme) Order, 1995, comprising representation from the four Borough Councils. The Scheme Order prescribes that the Cleveland Fire Authority shall consist of '*not more than 25 members*' and that those representatives are appointed '*as is proportionate to the number of local government electors in its area in relation to the number of such electors in each of the other constituent authorities areas*'. Accordingly, the 23 members who currently comprise the Cleveland Fire Authority are based proportionately upon the local government electorate of the Cleveland area, entailing that Hartlepool Borough Council appoints four representatives to the Fire Authority. 'The Cleveland Fire Authority Governance Review 2014/15: Current Arrangements' is appended to this report (**Appendix 1**) which further details the allocation of representatives from the constituent authorities.

- 3.2 The Fire Authority's 'Community Integrated Risk Management Plan 2014 – 2018' outlines their 'vision, strategic goals, community risk management model and risk assessment outcomes'. It also outlines the Authority's medium term financial position with an assumed budget shortfall over the four years to 2017 – 2018 of £5.8m. Although this plan has a clear focus upon how the Cleveland Fire Authority through the Cleveland Fire Brigade will discharge its core statutory functions (ie., that of community safety services and the provision thereof), the Authority has also sought to address its governance arrangements, as contributing to the overall planned efficiency savings. Members of the Fire Authority at their meeting on 7th March, 2014, therefore resolved '*to review the governance of the Fire Authority to examine the number of Committees and Elected Members required to govern Cleveland Fire Authority*'.

4. PROPOSALS

- 4.1 At their meeting on 27th March, 2015, the Fire Authority considered some five options covering the potential composition of a future Fire Authority. Those proposals ranged from a Fire Authority of 12 members to options comprising up to 16 members. Consideration was also given to proposed changes in the committee structure of the Authority which essentially moves away from a standing committee dealing with 'overview and scrutiny', which is not a statutory requirement for an Authority established as a 'stand alone' Fire Service under a Combination Scheme Order. The Authority would be underpinned by two committees, namely the Executive Committee and an Audit and Governance Committee. For the avoidance of doubt, there would still be provision within the constitutional arrangements of the Fire Authority for an 'Appeals Committee' in association with applicable Brigade policies, and a 'Joint Consultative (informal) Committee' operating on an ad hoc basis and being advisory in nature. The Fire Authority's contract procedure rules also allow for the convening of a Tender Committee, as and when required in compliance with those particular procedure rules.
- 4.2 As part of the consideration of the options for the future delivery of services, it was recognised the statutory responsibilities placed upon the Fire Authority (as discharged through the Cleveland Fire Brigade) in respect of 'core functions' under the Fire and Rescue Services Act, 2004. Those functions relate to; fire safety, fire fighting, attendance at road traffic accidents and emergencies. It should be noted, that the Secretary of State has reserved by order, the ability to confer upon Fire and Rescue Authorities such additional functions relating to emergencies, other than fires and road traffic accidents, which he/she deems necessary. There are also additional obligations and powers placed upon Fire and Rescue Authorities, and it is a common feature in the operation of Fire and Rescue Authorities to act in cooperation with other Authorities to ensure necessary resilience, not least in relation to civil contingencies. The Authority also has statutory responsibilities for the investigation and enforcement of various measures under the Regulatory Reform (Fire Safety) order, 2005. The Fire Authority is also required to give consideration to the objectives as set out in the Government's 'Fire and Rescue National Framework for England'. This document sets out the

priorities and objectives for Fire and Rescue Authorities in England in connection with the discharge of their functions. There is emphasis in delivering national resilience, and how Authorities would work individually, collectively and with Government to ensure necessary capacity is in place to respond to major incidents.

5. CONSULTATION

5.1 The following proposals were approved by the Cleveland Fire Authority and upon which the present consultation exercise relates, namely;

- The number of elected members on Cleveland Fire Authority will be 12. Based on the proportionate number of Local Government electors this would entail 2 members representing Hartlepool Borough Council, 3 for Middlesbrough and Redcar and Cleveland Council and 4 appointments through Stockton Borough Council.
- The Fire Authority will be underpinned by 2 Committees: an Executive Committee and an Audit and Governance Committee.
- The number of Elected Members on the Executive Committee will be 5 comprising 1 Member from each of the constituent Authorities and also the Chair of the Fire Authority.
- The number of Elected members on the Audit and Governance Committee will be 7 (plus the 2 Independent Persons when dealing with standards functions),
- The level of delegation/ decision making in respect to the Executive and Audit and Governance Committees will be increased (see appended 'Indicative Terms of Reference'),
- The appointment of Chair and Vice Chair will remain the same with a rotation across the Constituent Authorities on a 2 yearly basis.

It should also be noted the reference surrounding the 'four year term of office' of members of the Fire Authority and whether representatives should be appointed by their respective Borough Councils' for a 4 year term in unison with the present governance arrangements operated by Stockton Borough Council. Although, the other Borough Councils' appoint annually, it was requested that *'explorations to be undertaken to establish the appetite of Hartlepool, Middlesbrough and Redcar and Cleveland Borough Councils to extend the term of office for Elected Members of their Authorities in line with that of Stockton Borough Council (i.e. 4 years) and that these explorations take place during the consultation phase of the review'*.

6. FINANCIAL CONSIDERATIONS

6.1 The anticipated savings arising from the implementation of the Fire Authority's preferred option to move to a composition of 12 members (set against the Authority's Community Integrated Risk Management Plan) are anticipated to be in the region of £40k. It was also noted *'that the savings would be small but Elected Members thought that the review was more about demonstrating leadership and acknowledging that all other areas of*

the Authority were to be cut significantly, than actually achieving significant savings’.

7. SUMMARY

- 7.1 The Cleveland Fire Authority request the views of Hartlepool Borough Council as a constituent body upon their proposals for their future composition and governance as set out herein. Comments upon this consultation are requested to be received no later than Friday 26th June, 2015. The Cleveland Fire Services (Combination Scheme) Order, 1995, prescribes that the Fire Authority shall consist of ‘not more than 25 members’ and that representation is based proportionally on the number of Local Government electors in each of the constituent authorities. It has been confirmed through the Department of Communities and Local Government that any proposals to alter the composition of the Fire Authority (provided the same does not exceed twenty-five), will not require Secretary of State approval and would be within the terms of the present Combination Scheme Order. Further, it will be for the Fire Authority to determine who should be consulted and representations received and decision(s) made will be a matter for the Fire Authority. Clearly, it is incumbent upon the Cleveland Fire Authority as established under a Combination Scheme Order to consult with the four Borough Councils’ who represent community interests upon the Fire Authority. Is it therefore requested that this Committee consider the proposals emanating from the Fire Authority, formulate recommendations for the consideration of Council at its meeting on 25th June 2015 and thereafter provide a response, before the stated deadline.
- 7.2 The Fire Authority will meet in late July to consider the responses from this constitution exercise and what changes should be implemented. In the covering correspondence sent to the Borough Council through the Chairman of Cleveland Fire Authority it was intimated that any ‘*new arrangements*’ could be implemented by the autumn of 2015.

8. RECOMMENDATIONS

That the Committee consider the proposals as to the future composition and governance of the Cleveland Fire Authority and make appropriate recommendations to Council at the meeting scheduled 25th June, 2015.

9. REASON FOR RECOMMENDATIONS

- 9.1 As a constituent authority, Hartlepool Borough Council has been consulted on proposed changes to the composition of Cleveland Fire Authority and consequent changes to its governance arrangements, should the composition of membership be altered. The Borough Council appoints four members to Cleveland Fire Authority (politically balanced appointments) as referenced in Part 7 of Council’s Constitution (‘Appointments to Outside Organisations and Other Bodies’) and these are appointments recognised in the context of the ‘Council in the Community’.

10. BACKGROUND PAPERS

10.1 The Cleveland Fire Services (Combination Scheme) Order 1995.

Letter dated 2nd April, 2015 from the Chairman of Cleveland Fire Authority enclosing 'Cleveland Fire Authority Governance Review 2014/2015: Current Arrangements'

11. CONTACT OFFICER

Gill Alexander
Chief Executive
Telephone: 01429 523001
Email: gill.alexander@hartlepool.gov.uk

Cleveland Fire Authority Governance Review 2014/15: Current Arrangements

1. Establishment of Cleveland Fire Authority

- 1.1 On 4 December, 1995, the Secretary of State for Home Affairs signed the Cleveland Fire Services (Combination Scheme) Order 1995. The Order, which came into force on 5th December 1995, established a Combined Fire Authority known as the Cleveland Fire Authority for the combined areas of Hartlepool, Middlesbrough, Langbaugh (Redcar and Cleveland, after 1st April, 1996) and Stockton-On-Tees. Detailed extracts from the Order are detailed at Appendix A.
- 1.2 On 1st April, 1996, with the demise of Cleveland County Council, the powers and duties of the County Council were transferred through the constituent authorities to the Combined Fire Authority under the then Fire Services Act, 1947, to provide fire services in the combined area with a membership of 23 elected members.
- 1.3 Cleveland Fire Authority, for many purposes, has the status, rights and duties of a local authority under the Local Government Act 1972, 2000 and other local government related legislation.

2. Cleveland Fire Authority's Statutory Function

- 2.1 Cleveland Fire Authority's statutory functions emanate from three main pieces of legislation:
 - **The Fire and Rescue Services Act 2004:** promotion of fire safety; preparation for fire-fighting; protecting people and property from fires, rescuing people from road traffic collisions.; and dealing with other emergencies such as flooding or terrorist attack.
 - **The Civil Contingencies Act (CCA):** working with others to develop and implement emergency and business continuity Plans.
 - **The Regulatory Reform (Fire Safety) Order 2005:** places the responsibility for Fire Safety in commercial premises with the owner/occupier and makes it a duty for them to carry out a fire risk

assessment. The Authority is responsible for enforcement of the Order via its risk based inspection programme.

2.2 Other key pieces of legislation influencing the Authority's work include:

- Local Government and Housing Act 1989
- Local Government Finance Act 2012
- Health and Safety at Work Act 1974
- Equality Act 2010
- Data Protection Act 1998
- Freedom of Information Act 2000
- Localism Act 2011

2.3 The Government's blueprint of priorities and objectives for fire and rescue services is set out in its document the '**Fire and rescue national framework for England**'. These are to:

- identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately
- work in partnership with their communities and a wide range of partners locally and nationally to deliver their service
- be accountable to communities for the service they provide

3 Cleveland Fire Authority's Current Constitution and Governance Arrangements

Membership

3.1 The Cleveland Fire Authority 23 seat membership allocation has remained unchanged since 1996.

3.2 Paragraph 12 of the Combination Order 1995 states that 'each constituent authority shall, so far as is practicable, appoint such number of representatives to be members of the Authority as is proportionate to the number of local government electors in its area in relation to the number of such electors in each of the other constituent authorities' areas'.

- 3.3 The number of electors in each authority and the associated representative seats is shown in Table 1 below. Also shown are the populations.

Table 1: Seat Allocation to Constituent Authorities							
Council	Pop*	As % of Overall Pop	Member to Pop Ratio	Electors *	As % of Overall Electors	Member to Elector Ratio	No of Seats
Hartlepool	92,665	16.6	1:23,166	72,478	16.5	1:18,119	4
Middlesbrough	138,939	24.8	1:23,156	107,219	24.5	1:17,869	6
Redcar & Cleveland	134,945	24.1	1:22,490	107,472	24.5	1:17,912	6
Stockton	193,196	34.5	1:27,599	150,920	34.5	1:21,560	7
Total	559,745	100	1:24.336	438,089	100	1:19,047	23

* Office for National Statistics - Population Estimates for UK, England & Wales - Mid 2013

- 3.4 Table 2 shows the elected member/population and elected member/elector ratios for Combined Fire and Rescue Authorities in England.

Table 2: Elected Member/Population and Elected Member/Elector Ratios for Combined Fire Authorities in England					
Combined Fire Authority	Population	No of Members	Member Population Ratio	No of Electors	Member Elector Ratio
Avon	1,092,831	25	1: 43,713	868,903	1:34,756
Bedfordshire	633,899	12	1: 52,824	485,455	1:40,454
Buckinghamshire	771,788	17	1: 45,399	589,729	1:34,689
Cambridgeshire	820,468	17	1: 48,262	644,613	1:37,918
Cheshire	1,034,812	23	1: 44,991	821,308	1:35,709
Cleveland	559,745	23	1: 24,336	438,089	1:19,047
Derbyshire	1,027,583	16	1: 64,223	814,949	1:50,934
Durham & Darlington	621,353	24	1: 25,889	498,377	1:20,765
Devon & Somerset	1,687,406	24	1: 70,308	1,360,921	1:56,705
Dorset	754,463	15	1: 50,297	614,178	1:40,945
East Sussex	534,402	18	1: 29,689	429,506	1:23,861
Essex	1,753,052	25	1: 70,122	1,377,530	1:55,101
Hampshire	1,787,331	25	1: 71,493	1,415,107	1:56,604
Hereford Worcester	758,255	25	1: 30,330	607,233	1:24,289
Humberside	922,183	22	1: 41,917	733,745	1:33,352
Kent	1,764,617	25	1: 70,584	1,376,740	1:55,069
Lancashire	1,468,845	25	1: 58,753	1,157,304	1:46,292
Leicestershire	1,032,993	17	1: 60,764	811,081	1:47,710
North Yorkshire	805,102	16	1: 50,318	650,534	1:40,658

Nottinghamshire	1,107,053	18	1: 61,502	880,559	1:48,919
Royal Berks	878,431	25	1: 35,137	671,688	1:26,867
Shropshire	477,019	25	1: 19,080	378,049	1:15,121
Staffordshire	1,107,234	27	1: 41,008	881,928	1:32,664
Wiltshire	693,671	13	1: 53,359	542,262	1:41,712
Average Combined FA	1,003,939	21	1: 47,997	793,741	1:37,948

Figure 1: Comparison of Elected Member/Population Ratios for Combined Fire Authorities in England

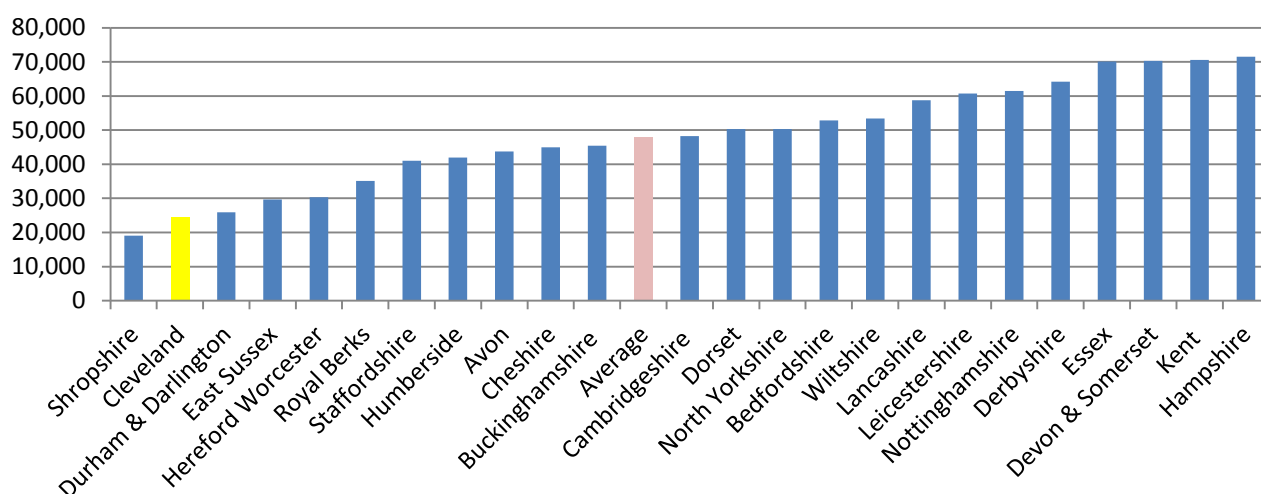
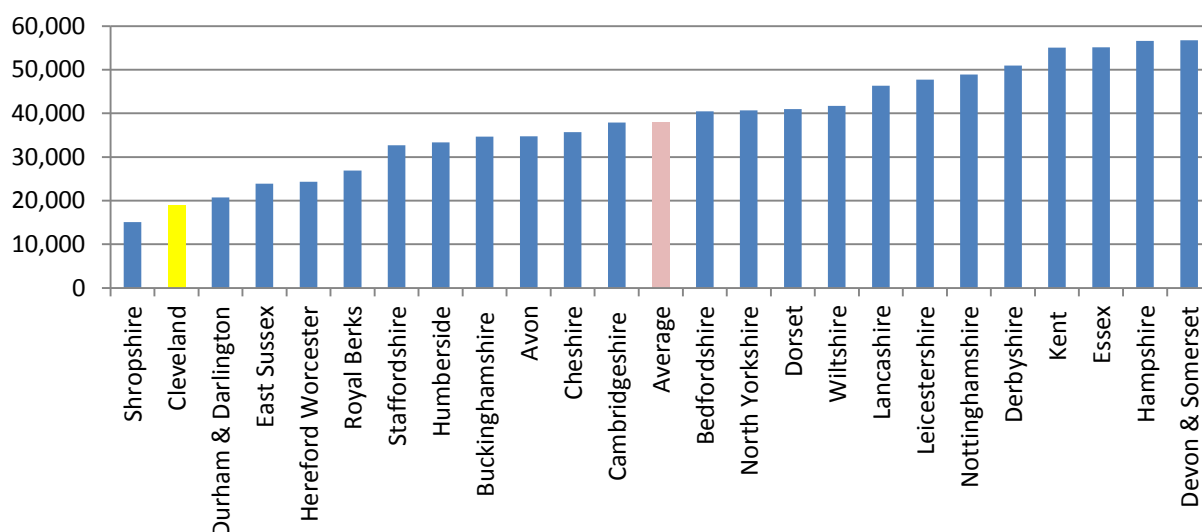


Figure 2: Comparison of Elected Member/Elector Ratios for Combined Fire Authorities in England



- 3.5 As can be seen from Table 2 and Figure 1 the ratio of elected members to population in Cleveland Fire Authority (1:24,336) is one of the lowest, with only Shropshire Fire and Rescue Authority being lower (1:19,080). The average member/population ratio is 1:47,997.
- 3.6 As can be seen from Table 2 and Figure 2 the ratio of elected members to electors in Cleveland Fire Authority (1:19,047) is one of the lowest, with only Shropshire Fire and Rescue Authority being lower (1:15,121). The average member/elector ratio is 1:37,948.
- 3.7 Comparisons of elected member/population and elected member/elector ratios with the Metropolitan Fire Authorities in England and London are shown in Table 3.

Table 3: Elected Member/Population and Elected Member/Elector Ratios for Metropolitan Fire Authorities in England and London					
Metropolitan Fire Authority	Population	No of Members	Member Population Ratio	No of Electors	Member Elector Ratio
Greater Manchester	2,714,944	30	1:90,498	2,103,545	1:70,118
Merseyside	1,386,589	18	1:77,033	1,107,517	1:61,529
South Yorkshire	1,358,153	12	1:113,179	1,072,962	1:89,414
Tyne & Wear	1,113,577	16	1:69,599	893,551	1:55,847
West Midlands	1,103,092	27	1:103,092	2,119,756	1:78,509
West Yorkshire	2,252,192	22	1:102,372	1,742,801	1:79,218
London	8,416,535	17	1:495,090	6,529,750	1:102,518
Cleveland	559,745	23	1: 24,336	438,089	1:19,047
Average Met (exc London and CFA)	1,654,758	21	1:79,428	1,506,689	1:72,321

- 3.8 As can be seen from Table 3 above the ratio of elected members to population in Cleveland Fire Authority (1:24,336) is very low compared to the Metropolitan Fire and Rescue Authorities; the average being 1:79,428.
- 3.9 As can also be seen from the table, the ratio of elected members to electors in Cleveland Fire Authority (1:19,047) is also very low compared to the Metropolitan Fire and Rescue Authorities; the average being 1:72,321.

Political Balance

- 3.10 Under Section 15 of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, the principle of political balance established by the 1989 Act applies only where the members of a local authority are divided into political groups. The

allocation of seats is determined under the 1989 Act and requires adherence to the following principles:

- not all seats are allocated to a body forming the same political group
- a majority of seats on a body is reflective of the group holding the majority of seats
- the total number of seats (giving cognisance to the above) on the Ordinary Committee of a relevant authority as allocated, should reflect the group's proportion to the membership of the authority
- again giving cognisance to the above, that the number of seats upon a body as allocated to each group in the same proportion to the number of all seats on that body relative to the number of Members of a group to the membership of the authority

3.11 The 1989 Act, therefore requires 'as far as reasonably practicable' that decisions are made which conform to the above principles. Further, a sharing of seats, otherwise than in accordance with the relevant proportions, is lawful if agreed without any member voting against, thus enabling a different allocation to be established.

3.12 As determined within the Act, each constituent authority with three or more allocations must appoint by applying political balance, authorities with less than three allocations do not have to apply political balance.

3.13 The current political balance of the Authority is:

- 11 Labour
- 4 Conservative
- 1 Liberal Democrat
- 1 Independent (Middlesbrough)
- 1 The Independent Group (R & C)
- 1 New Independents (R & C)
- 1 Ingleby Barwick Independent Society (IBIS)
- 1 Thornaby Independent Association (TIA)
- 1 Marton Independent Group
- 1 Putting Hartlepool First

Appointments

3.14 Cleveland Fire Authority is recognised as a body corporate whose rights and duties are comparable to a local authority.

- 3.15 The composition of the membership of the Authority is through appointment by the constituent authorities from amongst their own membership.
- 3.16 Once appointed to the Fire Authority, elected members have separate and distinct responsibilities in the decision making to the Fire Authority, from their individual Borough Council.
- 3.17 Under Part III of the 1995 Combination Scheme Order there is to be found the “Constitution” of the Combined Fire Authority. Accordingly, the following points are pertinent to any consideration of the terms of appointment and political composition of the Cleveland Fire Authority:
- Each Member of the Authority shall be appointed by a Constituent Authority from its own Members.
 - Each Constituent Authority shall, so far as is practicable, appoint such number of representatives to be Members of the Authority as is proportionate to the number of local government electors in its area in relation to the number of such electors in each of the other Constituent Authority’s areas.
 - A Member of the Authority shall come into office on the date of his appointment and shall (subject to resignation, disqualification or ceasing to be a Member of a Constituent Council) hold office for such period or periods as shall be determined by the Constituent Authority which appoints him.
- 3.18 Section 15 of the Local Government and Housing Act, 1989 states that ‘it shall be the duty of the relevant authority having power from time to time to make appointments to a body to which this section applies to review the representation of different political groups on that body’. Reference here to a local authority is also a reference under Section 21(1) (f) to ‘a Fire Authority constituted by a combination scheme under the Fire Services Act, 1947’.
- 3.19 At the Fire Authority meeting on 28th March, 2008, it was agreed by Members that appointments to the Authority would now be made based on the Borough Councils own political composition rather than across the Cleveland area which had been the accepted practice since 1996 although this had not been statutory. It was also agreed that each Constituent Authority determines the ‘period or periods’ of office which an individual Member will hold on the Authority.

- 3.20 Stockton on Tees Borough Council currently elect Members for a four year term of office, with the other Councils appointing on an annual basis.

Appointment of Chair and Vice Chair

- 3.21 The appointment of the Chair and Vice Chair is a matter for Cleveland Fire Authority Members. The Cleveland Fire Service (Combination Scheme) Order 1995 paragraph 17 states that:
- the Authority shall elect a chairman, and may elect a vice-chairman, from among its members
 - the chairman and, if a vice-chairman is elected, the vice-chairman, shall, subject to paragraphs 13 to 16, hold office for a period of one year from the date of their election
 - sub-paragraph directly above shall not prevent a person who holds or has held office as chairman or vice-chairman, as the case may be, from being elected or re-elected to either of those offices.
- 3.22 At the CFA meeting on 18 March 2005, to assist strategic continuity, Members agreed that the rotation of the Chair and Vice Chair should be every two years but that this arrangement was not to be binding and must remain an informal arrangement which is subject to change.

Rotation of the Chair and Vice Chair

- 3.23 The 1995 Order does not include any direction or guidance on the rotation of the Chair and Vice Chair and it can only be assumed that Members agreed the following rotation by informal arrangement:

Chair: Hartlepool	Vice Chair: Redcar and Cleveland
Chair: Redcar and Cleveland	Vice Chair: Middlesbrough
Chair: Middlesbrough	Vice Chair: Stockton on Tees
Chair: Stockton on Tees	Vice Chair: Hartlepool

Members Allowances

- 3.24 Members are currently entitled to a basic allowance of £2,194 per annum with an annual cost to the Authority of £50,462. In addition to the basic allowance, Special Responsibility Allowances are also paid to the Chair (£8,776), Vice Chair (£4,388), Chair of Audit and Governance Committee (£2,742) and Chair of Overview and Scrutiny (£2,742) totalling £18,649.

- 3.25 Members are also entitled to claim for travelling and subsistence expenses in line with the Members Allowance Scheme. The total for Members Allowances in 2013/14 was £74,942.
- 3.26 When comparing the basic allowance per annum with other Fire and Rescue Authorities in the region, Cleveland Fire Authority is high at £2,194 with Tyne and Wear being £1,848 and County Durham and Darlington being £1,158.
- 3.27 Comparison of allowances paid to other Combined Fire and Rescue Authorities can be viewed at Appendix B. As can be seen from the appendix the average basic allowance for combined fire authorities is £2,678, putting Cleveland Fire Authority's basic allowance (£2,194) below average.
- 3.28 An Independent Remuneration Panel (IRP) comprising of one person from each of the four constituent IRPs is in place. Its role is to review and make recommendations to the Cleveland Fire Authority regarding future Members allowances and the responsibilities/duties of Members which could/should lead to the payment of a special responsibility allowance (SRA) and as to the amount of such an allowance.

Committee Structure

- 3.29 The current Committee Structure of Cleveland Fire Authority is detailed in the diagram below:

Fire Authority	• Strategic	23 Members
Executive	• Strategic	7 Members
Audit and Governance	• Scrutiny	7 Members
Overview and Scrutiny	• Scrutiny	7 Members
Appeals Committee	• Specialist	7 Members
Joint Consultative (Informal)	• Specialist	7 Members
Tenders	• Specialist	3 Members

Outside Bodies

3.30 On an annual basis the Authority appoints to the following outside bodies to which they have allocated representation:

- **Local Government Association Fire Commission**

- **Safer Partnership Forums (or equivalent)**

Middlesbrough Responsible Authorities Group representative

Redcar and Cleveland Community Safety Partnership representative

Stockton Safer Partnership representative

Extracts from Part III of the Cleveland Fire Services (Combination Scheme) Order 1995

Constitution

11. (i) The Authority shall consist of not more than 25 members save that, where the minimum number of members of the Authority resulting from the operation of paragraph 12 would be greater than 25, the Authority shall consist of that number of members.
- (ii) Each member of the Authority shall be appointed by a constituent authority from its own members in accordance with this Part.
12. Each constituent authority shall, so far as is practicable, appoint such number of representatives to be members of the Authority as is proportionate to the number of local government electors in its area in relation to the number of such electors in each of the other constituent authorities' areas.
13. A member of the Authority shall come into office on the date of his appointment and shall, subject paragraph 14 to 16 hold office for such period or periods as shall be determined by the constituent Authority which appoints him.
14. A member of the Authority may resign his membership by giving notice in writing to that effect to the officer of the Authority whose function it is to receive such notice.
15. (i) A member of the Authority who ceases to be a member of the council which appointed him shall cease to be a member of the Authority.
- (ii) A person shall be disqualified from being a member of the Authority if he holds any paid office or employment (other than the office of chairman or vice-chairman), appointments to which are or may be made or confirmed by the Authority, by any committee or sub-committee of the Authority, or by a joint committee or board on which the Authority are represented.
16. (i) If a member of the Authority resigns, becomes disqualified or otherwise ceases to be a member of the Authority before the expiry of his period of office, the council which appointed him shall appoint a representative to replace him, who shall come into office on the date of his appointment and unless he resigns, becomes disqualified or otherwise ceases to be a member of the Authority, shall hold office for the remainder of the period for which his predecessor would have held office had he not resigned, become disqualified or otherwise ceased to be a member of the Authority.

- (ii) If a member of the Authority resigns, becomes disqualified or otherwise ceases to be a member of the Authority within six months before the end of his term of office, the council, which appointed him shall not be required to appoint a representative to replace him for the remainder of such term unless, on the occurrence of the vacancy (or in the case of a number of simultaneous vacancies, the occurrence of the vacancies) the total number of unfilled vacancies in the membership of the Authority exceeds one third of the number of members of the Authority referred to in paragraph 11.
17. (i) The Authority shall elect a chairman, and may elect a vice-chairman, from among its members.
- (ii) The chairman and, if a vice-chairman is elected, the vice-chairman, shall, subject to paragraphs 13 to 16, hold office for a period of one year from the date of their election.
 - (iii) Sub-paragraph (2) above shall not prevent a person who holds or has held office as chairman or vice-chairman, as the case may be, from being elected or re-elected to either of those offices.
 - (iv) On a casual vacancy occurring in the office of chairman or, if a vice-chairman has been elected, the vice-chairman, the Authority shall elect from its members a person to replace the chairman, and may so elect a person to replace the vice-chairman, as the case may be.
 - (v) The election to replace the chairman under sub-paragraph (4) above shall take place not later than the next following ordinary meeting of the Authority.
18. The first meeting of the Authority shall be held as soon as it is practicable to do so and shall be convened by the Secretary of Hartlepool Borough Council, and subsequent meetings shall be convened in such a manner as the Authority shall determine.
19. At a meeting of the Authority the quorum shall be one third of the total number of members of the Authority, or such greater number of members as the Authority may determine.
- 20.(i) The following provisions of the Local Government Act 1972⁽¹⁾, namely sections 82(1), 94 to 98, 101 to 106, 99 and Part VI of Schedule 12 shall, subject to sub-paragraph (2), apply to the Authority and its members as if references in those provisions to a principal council or to a local authority, other than references to a parish council, were references to the Authority.
- (ii) Section 101(6) of the Local Government Act 1972 shall have effect, by virtue of sub-paragraph (1), as if for the words “levying, or issuing a precept for, a rate” there were substituted the words “assessing or varying the contributions to be paid into the combined fire service fund by the constituent authorities”.

Appendix B

Comparison of Combined Fire Authorities' Basic Allowances for Elected Members

Authority		Basic Allowance (£)
Avon	1	1435.00
Bedfordshire	1	3055.20
Buckinghamshire	1	1163.00
Cambridgeshire	1	2409.98
Cheshire	1	3951.00
Cleveland	1	2194.00
Durham & Darlington	1	1158.00
Devon & Somerset	1	2525.00
Derbyshire	1	2952.00
Dorset	1	3550.00
East Sussex	1	2400.00
Essex	1	4509.00
Hampshire	1	2943.00
Hereford and Worcester	1	1163.32
Humberside	1	4457.00
Kent & Medway	1	1388.64
Lancashire	1	2593.00
Leicestershire	1	2940.00
North Yorkshire	1	3762.42
Nottinghamshire	1	3467.33
Royal Berks	1	1818.00
Shropshire	1	2658.00
Staffordshire	1	3217.20
Wiltshire	1	2574.00
Total	24	64284.09
Average		2678.50

Cleveland Fire Authority Governance Review 2014/15: Strategic Direction

Strategic Direction for Cleveland Fire Authority's Governance Review

Cleveland Fire Authority's future governance framework must demonstrate being legally compliant, efficient and effective: corporate governance; leadership; decision making; accountability; scrutiny and specialist roles (tenders, appeals, standards and joint consultative).

- the committee structure should comprise of the Fire Authority and two sub committees; an executive and an independent scrutiny committee. The number of committee meetings should be reduced where possible
- options relating to the number of Elected Members on the Fire Authority should be provided; these should range from 12 -16 and increase elected member/elector ratio
- explorations should be undertaken to establish the appetite of Hartlepool, Middlesbrough and Redcar and Cleveland Borough Councils to extend the terms of office for elected members of their authorities in line with that of Stockton Borough Council (i.e. 4 years)
- options relating to the arrangements for Chair and Vice Chair appointment and tenure should be provided for Members' consideration
- the level of delegation/decision making for operational, managerial and administrative responsibilities afforded to the Chief Fire Officer and Proper Officers should remain the same
- the level of delegation/decision making should be increased in respect of the Executive Committee.

Proposals and Options Considered for Proposed Changes to Cleveland Fire Authority

Legally Compliant

Cleveland Fire Authority is statutorily responsible for the functions set out in:

- The Fire and Rescue Services Act 2004
- The Civil Contingencies Act (CCA)
- The Regulatory Reform (Fire Safety) Order 2005

In addition it will take cognisance of all other legislation applying to its operations.

The Government's blueprint of priorities and objectives for fire and rescue services as set out in its document the 'Fire and rescue national framework for England' will influence the Authority's work.

Cleveland Fire Authority's terms of reference are set out at Appendix 3 (i). At this time the terms are indicative of the functions of the Fire Authority.

Membership

The options relating to numbers of Elected Members on the Cleveland Fire Authority are presented below. They are in line with the Executive Committee's steer that the options should range from 12 -16 and increase elected member/elector ratio.

There is no option presented to remain the same as at present given that the Authority's CIRMP 2014-18 and Service Plan 2014/15 sets out the Authority's commitment to review its governance arrangements with a view to being more 'fit for purpose' and realising savings of circa £0.040m. However the current situation has been re-presented below, at the beginning of the options section, for comparison purposes only.

Current Situation					
Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	4
Middlesbrough	138,939	24.8	107,219	24.5	6
Redcar & Cleveland	134,945	24.1	107,472	24.5	6
Stockton	193,196	34.5	150,920	34.5	7
Total	559,745	100	438,089	100	23
Member/Elector Ratio					
Cleveland Fire Authority			1:19,047		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:24,336		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Option 1 (12 Elected Members)

Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	2
Middlesbrough	138,939	24.8	107,219	24.5	3
Redcar & Cleveland	134,945	24.1	107,472	24.5	3
Stockton	193,196	34.5	150,920	34.5	4
Total	559,745	100	438,089	100	12
Member/Elector Ratio					
Cleveland Fire Authority			1:36,507		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:46,645		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Comments on Option 1(12 Elected Members)

- represents that which is most reflective of the average member/electors and average member/population ratios in other Fire and Rescue Authorities
- increases Cleveland Fire Authority's current member/electors ratio (1:19,047) by 92% to (1:36,507)
- increases Cleveland Fire Authority's current member/population ratio (1:24,336) by 92% to (1:46,645)

Option 2 (13 Elected Members):

Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	2
Middlesbrough	138,939	24.8	107,219	24.5	3
Redcar & Cleveland	134,945	24.1	107,472	24.5	3
Stockton	193,196	34.5	150,920	34.5	5
Total	559,745	100	438,089	100	13
Member/Elector Ratio					
Cleveland Fire Authority			1:33,699		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:43,057		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Comments on Option 2 (13 Elected Members):

- improves Cleveland Fire Authority's member/electors and member/population ratios compared to other Fire and Rescue Authorities
- increases Cleveland Fire Authority's current member/electors ratio (1:19,047) by 77% to (1:33,699)
- increases Cleveland Fire Authority's current member/population ratio (1:24,336) by 77% to (1:43,057)

Option 3 (14 Elected Members):

Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	2
Middlesbrough	138,939	24.8	107,219	24.5	4
Redcar & Cleveland	134,945	24.1	107,472	24.5	3
Stockton	193,196	34.5	150,920	34.5	5
Total	559,745	100	438,089	100	14
Member/Elector Ratio					
Cleveland Fire Authority			1:31,292		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:39,981		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Comments on Option 3 (14 Elected Members):

- improves Cleveland Fire Authority's member/electors and member/population ratios compared to other Fire and Rescue Authorities
- increases Cleveland Fire Authority's current member/electors ratio (1:19,047) by 64% to (1:31,292)
- increases Cleveland Fire Authority's current member/population ratio (1:24,336) by 64% to (1:39,981)

Option 4 (15 Elected Members):

Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	2
Middlesbrough	138,939	24.8	107,219	24.5	4
Redcar & Cleveland	134,945	24.1	107,472	24.5	4
Stockton	193,196	34.5	150,920	34.5	5
Total	559,745	100	438,089	100	15
Member/Elector Ratio					
Cleveland Fire Authority			1:29,205		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:37,316		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Comments on Option 4 (15 Elected Members):

- improves Cleveland Fire Authority's member/electors and member/population ratios compared to other Fire and Rescue Authorities
- increases Cleveland Fire Authority's current member/electors ratio (1:19,047) by 53% to (1:29,205)
- increases Cleveland Fire Authority's current member/population ratio (1:24,336) by 53% to (1:37,316)

Option 5 (16 Elected Members):

Council	Population*	% of Overall Population	Electors*	% of Overall Electors	No of Members
Hartlepool	92,665	16.6	72,478	16.5	3
Middlesbrough	138,939	24.8	107,219	24.5	4
Redcar & Cleveland	134,945	24.1	107,472	24.5	4
Stockton	193,196	34.5	150,920	34.5	5
Total	559,745	100	438,089	100	16
Member/Elector Ratio					
Cleveland Fire Authority			1:27,380		
Average Combined Fire Authority			1:37,948		
Average Metropolitan Fire Authority			1:72,321		
Member/Population Ratio					
Cleveland Fire Authority			1:34,984		
Average Combined Fire Authority			1:47,997		
Average Metropolitan Fire Authority			1:79,428		

Comments on Option 5 (16 Elected Members):

- improves member/elector and member/population ratios compared to other Fire and Rescue Authorities
- increases Cleveland Fire Authority's current member/electors ratio (1:19,047) by 43% to (1:27,380)
- increases Cleveland Fire Authority's current member/population ratio (1:24,336) by 43% to (1:34,984)

Committee Structure

There are no statutory requirements in relation to the nature and type of committee structure that a Combined Fire Authority should have in place.

Cleveland Fire Authority will be underpinned by two committees: an Executive Committee and an Audit and Governance Committee.



The number of elected members on each committee will be dependent on the number of elected members on the Fire Authority and the political balance. (see options above). Table 4 below illustrates the number of members on each committee against those options.

Table 4: Committee Membership				
Option	Fire Authority	Executive	Audit and Governance	
			CFA Members	Independent Persons
1	12	7	5	2
2	13	7	6	2
3	14	7	7	2
4	15	7	8	2
5	16	7	9	2

The Authority has already recognised that it would be inefficient and ineffective to make all the decisions itself and therefore has a Scheme of Delegation in place that reflects best practice and the CIPFA/Solace ‘Delivering Good Governance in Local Government (Guidance note)’

Executive Committee

The role of the Executive Committee is intended to:

- quicken the decision making process
- reduce bureaucracy and wasteful duplication of resources
- strengthen Member understanding of issues and enhance their skills

The Executive Committee will make recommendations to the Authority on the major strategic issues set out in its terms of references and formulate and approve the Authority's Policies in line with its delegated decision making powers under the Authority's Scheme of Delegation. The Committee will also undertake the roles of joint consultative and tenders.

The terms of reference of the Executive Committee are set out at Appendix 3(ii). At this time the terms are indicative of the functions of the Executive Committee.

Audit and Governance Committee

The role of an Audit Committee is very important and whilst it is not a statutory requirement to have such a committee, it is well recommended and regarded as best practice by both Auditors and CIPFA.

CIPFA also regard it as best practice that the audit committee should be separate from the executive committee with the size of the audit committee not being unwieldy.

The purpose of the Audit and Governance Committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance process.

The Audit and Governance Committee will include two independent persons appointed to undertake the function of standards.

The terms of reference of the Audit and Governance Committee are set out at Appendix 3 (iii). At this time the terms are indicative of the functions of the Audit and Governance Committee.

Appointment of Chair and Vice Chair

There are two main options in relation to the appointment of the Chair and Vice Chair, one in relation to staying the same and the other in relation to voting:

- **Option 1:** Remain the same with the Chair and Vice Chair being rotated across the constituent authorities on a two yearly basis
- **Option 2a:** Vote for the Chair and Vice Chair and appoint for 1 year
- **Option 2b:** Vote for the Chair and Vice Chair and appoint for 2 years (must be re-affirmed at CFA's AGM each year as a statutory requirement)
- **Option 2c:** Vote for the Chair and Vice Chair and appoint for any other number of year (must be re-affirmed at CFA's AGM each year as a statutory requirement)

Cleveland Fire Authority Indicative Terms of Reference

Statutory

Cleveland Fire Authority is statutorily responsible for the functions set out in:

- The Fire and Rescue Services Act 2004
- The Civil Contingencies Act (CCA)
- The Regulatory Reform (Fire Safety) Order 2005

The Government's blueprint of priorities and objectives for fire and rescue services as set out in its document the 'Fire and rescue national framework for England' also influences the Authority's work.

Strategic

- setting the vision and strategic direction of the Authority
- ensuring the views of the community, partners and constituent councils are taken into account and that they are kept fully informed of the Authority's plans
- approving the Authority's Community Integrated Risk Management Plan
- approving the Authority's Service Plan
- approving proposals for major changes to delivery services
- reviewing the corporate identity of the Authority
- establishing an effective and efficient Corporate Governance Framework
- acting as the Subscriber to the Memorandum of Association of the Community Interest Company (CIC)

Financial

- setting the Authority's Medium Term Financial Strategy and revenue and capital budgets
- complying with the International Financial Reporting Standards (IFRS)
- approving the Treasury Management Policy and Strategy
- approving the Authority's Pay Policy Statement

Risk and Performance

- establishing the Authority's risk and performance management frameworks including risk analysis; and risk and performance management, monitoring and scrutiny arrangements

Appointments and Terms and Conditions of Employment

- appointing the Chief Fire Officer, Treasurer and Legal Adviser and Monitoring Officer in accordance with the Pay Policy Statement (recommendation from the Executive Committee)

- appointing the Independent Persons to serve on the Audit and Governance Committee (recommendation from the Executive Committee)

Governance

- ensuring Elected Member development
- receiving minutes of Executive and Audit and Governance Committees
- receiving reports from the External Auditor, Chief Fire Officer, Proper Officers and Chairs

Delegated Powers to the Executive Committee

Strategic

- approving the Authority's Policies
- approving the Authority's annual statement of assurance

Financial

- approving the Financial Report
- reviewing the Authority's discretions under the Local Government Pension Scheme (LGPS) and Firefighters Pension Scheme (FPS) 2015

Appointments and Terms and Conditions of Employment

- appointing Brigade Directors in accordance with the Pay Policy Statement
- approving the terms and conditions of employment of the Legal Adviser and Monitoring Officer and Treasurer
- approving the local pay and terms and conditions of Brigade Managers in accordance with the Pay Policy Statement

Hearings and Appeals

- hearing grievances and disciplines in respect of Brigade Managers, Treasurer and Legal Adviser and Monitoring Officer
- hearing an appeal against cases of dismissal relating to all Brigade staff
- hearing an appeal against the withholding of Members' allowances

Governance

- making urgent decisions where it is not practicable to call a meeting of the Authority, subject to a follow up report to the next Fire Authority meeting setting out the reason for the urgency and the decision reached
- approving overseas travel outside the European Union
- making decisions on any matters concerning an industrial dispute with Trade Unions

Consultation

- consulting/liaising with recognised Trade Unions on the formulation of the Authority's policies before final decisions are reached
- responding to consultation documents both nationally and regionally

Procurement

- compiling tender lists, opening tenders and accepting the most suitable in accordance with the Authority's Corporate Governance Framework and Contract Procedure Rules

Delegated Powers to the Audit and Governance Committee

Financial

- approving the Annual Governance Statement contained within the Financial Report

Hearings and Appeals

- hearing appeals from the Treasurer and Legal Adviser and Monitoring Officer against the Executive Committee's decision in relation to terms of conditions of employment, grievance and discipline
- hearing appeals from Brigade Managers against the Executive Committee's decision in relation to pay, terms of conditions of employment, grievance and discipline

Standards

- undertaking matters of complaint referred to them by the Legal Adviser and Monitoring Officer or through any regulatory body for their consideration and to delegate to a Hearing Sub-Committee, powers to consider the outcome of any investigation report, to publish report findings and make such recommendations as are appropriate
- granting dispensations to Members upon the requirements relating to disclosable pecuniary interests as set out within the Code of Conduct

Delegated Powers to the Clerk and Chair

Governance

- agreeing Member attendance at external events.

Executive Committee Indicative Terms of Reference

Strategic

- making recommendations to the Fire Authority on:
 - its vision and strategic direction
 - the Community Integrated Risk Management Plan (CIRMP) proposals for inclusion in the Authority's CIRMP
 - its Service Plan
 - proposals for major changes to delivery services
- receiving core strategies in relation to the Authority's Strategic direction

Financial

- making recommendations to the Fire Authority on:
 - its Medium Term Financial Strategy and revenue and capital budgets
 - its Pay Policy Statement

Risk and Performance

- monitoring progress on the implementation of the Authority's CIRMP

Appointments and Terms and Conditions

- making recommendations to the Fire Authority on the appointment of:
 - the Chief Fire Officer, Treasurer and Legal Adviser and Monitoring Officer in accordance with the Pay Policy Statement
 - the Independent Persons to serve on the Audit and Governance Committee

Delegated Powers

Strategic

- approving the Authority's Policies
- approving the Authority's annual statement of assurance

Financial

- approving the Financial Report
- reviewing the Authority's discretions under the Local Government Pension Scheme (LGPS) and Firefighters Pension Scheme (FPS) 2015

Appointments and Terms and Conditions of Employment

- appointing Brigade Directors in accordance with the Pay Policy Statement
- approving the terms and conditions of employment of the Legal Adviser and Monitoring Officer and Treasurer
- approving the local pay and terms and conditions of Brigade Managers in accordance with the Pay Policy Statement

Hearings and Appeals

- hearing grievances and disciplines in respect of Brigade Managers, Treasurer and Legal Adviser and Monitoring Officer
- hearing an appeal against cases of dismissal relating to all Brigade staff
- hearing an appeal against the withholding of Members' allowances

Governance

- making urgent decisions where it is not practicable to call a meeting of the Authority, subject to a follow up report to the next Fire Authority meeting setting out the reason for the urgency and the decision reached
- approving overseas travel outside the European Union
- making decisions on any matters concerning an industrial dispute with Trade Unions

Consultation

- consulting/liasing with recognised Trade Unions on the formulation of the Authority's policies before final decisions are reached
- responding to consultation documents both nationally and regionally

Procurement

- compiling tender lists, opening tenders and accepting the most suitable in accordance with the Authority's Corporate Governance Framework and Contract Procedure Rules

Audit and Governance Committee Indicative Terms of Reference

Strategic

- scrutinising the Authority's annual statement of assurance

Financial

- monitoring the progress of the Authority's Medium Term Financial Strategy and revenue and capital budgets
- monitoring and scrutinising of the Treasury Management Strategy

Risk and Performance

- providing independent assurance of performance, risk management and data quality frameworks
- monitoring, scrutinising, regularly reporting and communicating on the Authority's performance, risk and efficiency outcomes
- monitoring the management of the Authority's Corporate Risks

Audit

- scrutinising of the Annual Audit letter and other External and Internal Audit reports and monitoring of achievements against any associated action plans and recommendations
- agreeing and adopting the Annual Internal Audit Plan and scrutiny of the Internal Audit Annual Report

Standards

- advising the Authority on, promoting and maintaining good ethical governance and standards
- advising the Authority upon the adoption of a Members' Code of Conduct and any revisions to that Code through monitoring its operation and overall effectiveness
- providing advice, guidance and training in relation to the duty to promote and maintain high standards of conduct in observing the Authority's Code of Conduct by elected and co-opted members
- ensuring that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted
- reviewing the Anti-Fraud and Anti- Corruption Strategy
- making recommendations to the Authority in relation to the promotion and maintenance of high ethical standards within the Authority and to contribute to issues of governance at its discretion

Delegated Power

Financial

- approving the Annual Governance Statement contained within the Financial Report

Hearings and Appeals

- hearing appeals from the Treasurer and Legal Adviser and Monitoring Officer against the Executive Committee's decision in relation to terms of conditions of employment, grievance and discipline
- hearing appeals from Brigade Managers against the Executive Committee's decision in relation to pay, terms of conditions of employment, grievance and discipline

Standards

- undertaking matters of complaint referred to them by the Legal Adviser and Monitoring Officer or through any regulatory body for their consideration and to delegate to a Hearing Sub-Committee, powers to consider the outcome of any investigation report, to publish report findings and make such recommendations as are appropriate
- granting dispensations to Members upon the requirements relating to disclosable pecuniary interests as set out within the Code of Conduct

FINANCE AND POLICY COMMITTEE

1st June 2015



Report of: Assistant Chief Executive

Subject: QUARTER 4 – COUNCIL OVERVIEW OF PERFORMANCE AND RISK 2014/15

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key

2. PURPOSE OF REPORT

2.1 To inform Finance and Policy Committee of the progress made against the 2014/15 Council Plan, for the period ending 31 March 2015.

2.2 Finance and Policy Committee are also asked to agree the updated Data Quality Policy and Risk Management Framework and the proposal that these be reviewed by Committee on a three yearly basis unless any major amendments are required in the interim, as agreed by Audit and Governance Committee.

3. BACKGROUND

3.1 The Council Plan was agreed by Council on 3rd April 2014.

3.2 The Council Plan contains an action plan setting out how the Council proposes to deliver the Council's priority outcomes. Key Performance Indicators are also included which can then be used to monitor progress throughout the year and at year end. It also contains a section listing the risks that could prevent the Council from delivering the priority outcomes.

3.3 The Council's Performance Management System (Covalent) is used to collect and analyse progress against the actions, performance indicators and risks detailed in the Council. The information in the system was used to prepare this report.

3.4 The structure of the report is:

Paragraphs	Content
4.1 – 4.6	Council Overview of Performance and Risk
5.1 – 5.6	Child and Adult Services Departmental Update
6.1 – 6.6	Public Health Departmental Update

7.1 – 7.7	Regeneration and Neighbourhoods Departmental Update
8.1 – 8.6	Chief Executives Departmental Update
9.1 – 9.3	Data Quality Policy Review
10.1 – 10.4	Risk Management Framework Review
11.1	Recommendations

4. COUNCIL OVERVIEW OF PERFORMANCE AND RISK

- 4.1 In total the Council Plan includes 214 actions and 162 performance indicators to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Plan.
- 4.2 Of the 162 indicators, 86 were for monitoring purposes only and a further 14 PIs are collected on an annual basis. Updates have been provided for 66 targeted indicators, 2014/15 year end data not yet available for the remaining indicators. Only the targeted indicators are included in the analysis for this report.
- 4.3 Officers have assessed the indicators and actions included in the plans, making judgements based on progress to the 31 March 2015. Progress is categorised as: -
- **PI target achieved or Action completed**
 - **PI on track to achieve target or Action on track to be completed**
 - **PI/Action having made acceptable progress**
 - **PI/Action requiring intervention**
 - **PI Target not achieved or Action not completed.**
- 4.4 The Council Plan addresses the key priorities and issues facing the Council, and includes an action plan that uses the key actions and performance indicators from across the four Departments.
- 4.5 Charts 1 and 2 below summarise officers' assessments of the Council Plan actions and indicators (that have targets **and** are measurable throughout the year, or where year end data is available). As at 31 March 2015, the position was a positive one, with: -
- 179 actions (83%) have been completed.
 - 9 actions (4%) are assessed as being on track to be completed.
 - 16 Actions (7%) have been identified as progress acceptable.
 - 12 Actions (6%) are identified as not completed.
 - 43 Performance indicators (62%) have been assessed as target achieved.
 - 8 Performance Indicators (12%) are expected to achieve target
 - 8 Performance Indicators (12%) are deemed as progress acceptable
 - 10 PIs (14%) have been assessed as target not achieved.

Chart 1: Council Plan Action Progress for period to 31 March 2015.

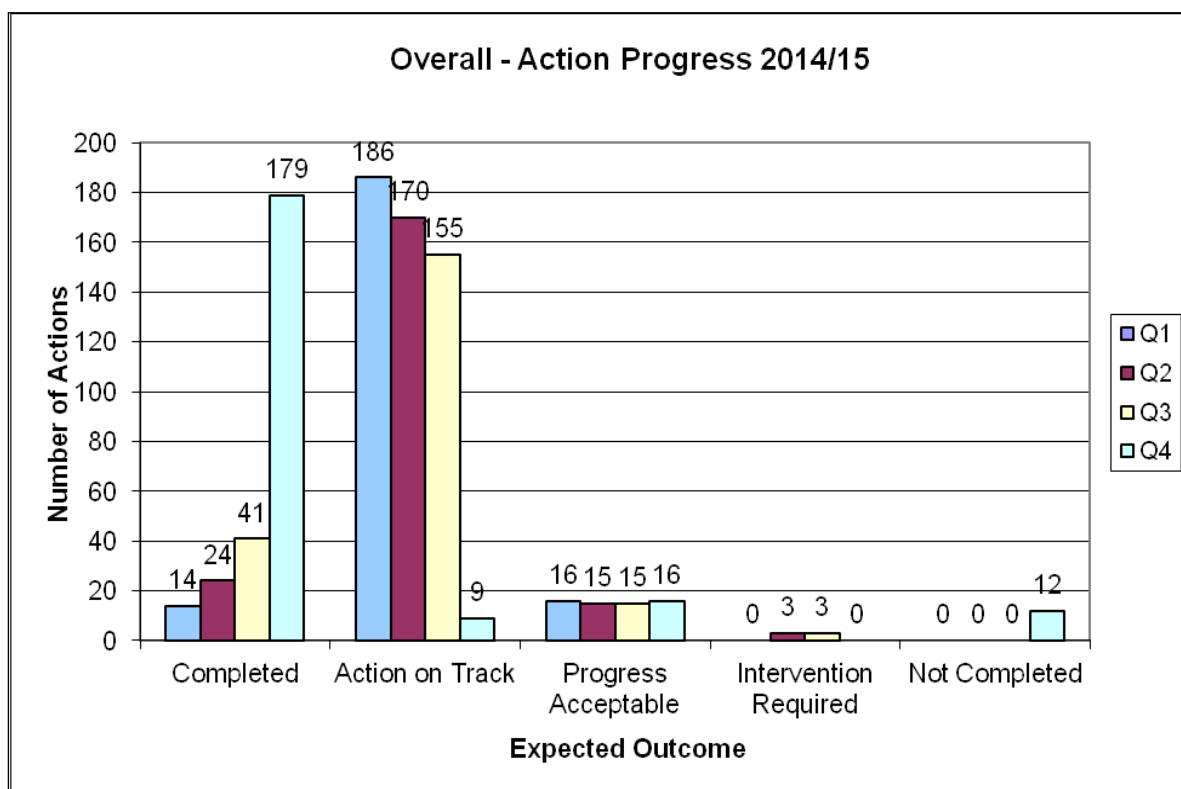
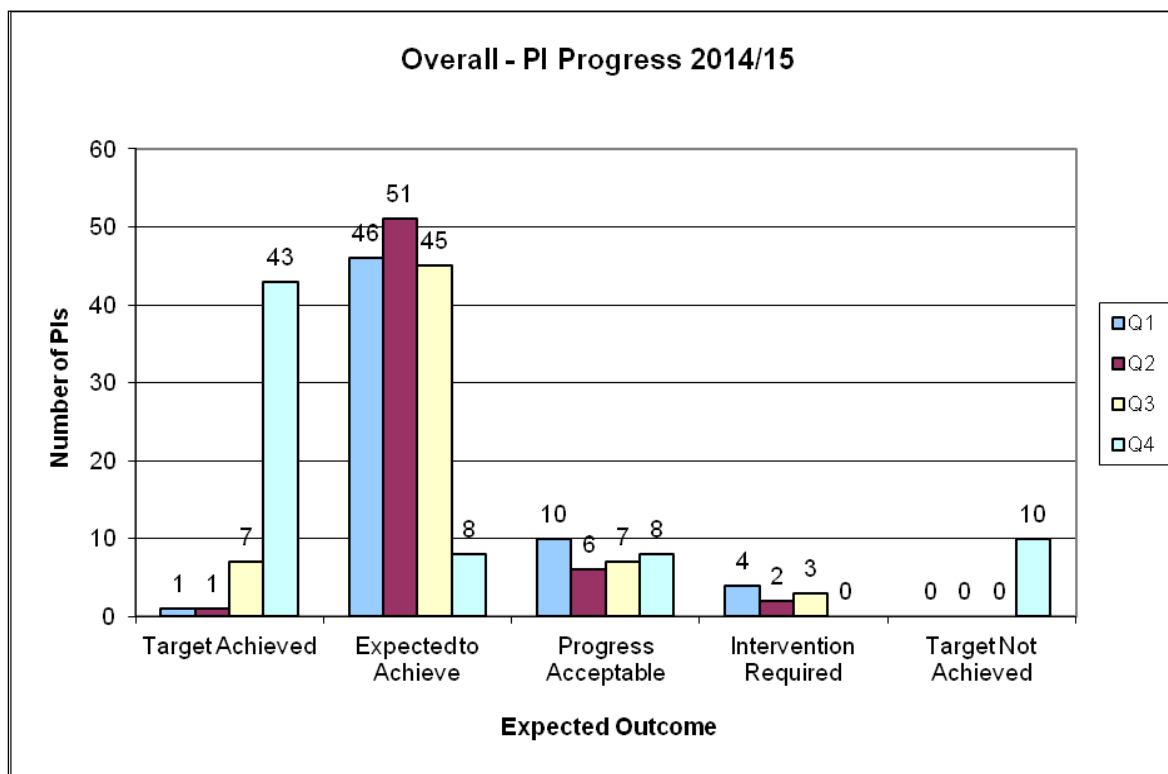


Chart 2: Council Plan PI Progress with quarterly outturns for period to 31 March 2015.



- 4.6 91 strategic risks across various outcomes have been identified within the Council Plan. These, along with other risks not included in the plan are being managed in accordance with the Council's Risk Management Framework as agreed by Performance Portfolio Holder on 23 March 2011. This report will only include information on risks within the Council Plan that have changed their rating in the last quarter. However it should be noted that **all** risks on both the accepted and actively managed risk register are reviewed on a regular basis.

5. CHILD AND ADULT SERVICES DEPARTMENTAL UPDATE

- 5.1 The Child and Adult Department contributes to 5 outcomes, spread across 3 themes:

- Jobs and the Economy
- Lifelong Learning and Skills
- Health and Wellbeing

- 5.2 The Child and Adults Department has identified are 21 actions and 21 performance indicators (14 Targeted and 7 Monitored) spread across 5 outcomes within the Council Plan that it is responsible for.

- 5.3 Chart 3 displays overall progress against actions, in summary;
- 15 actions (71%) having been assessed as being completed. scheduled completion date;
 - 3 actions (14%) identified as on track.
 - 3 actions (14%) identified as not completed.

Chart 3: CAD Overall Action Progress – to 31 March 2015

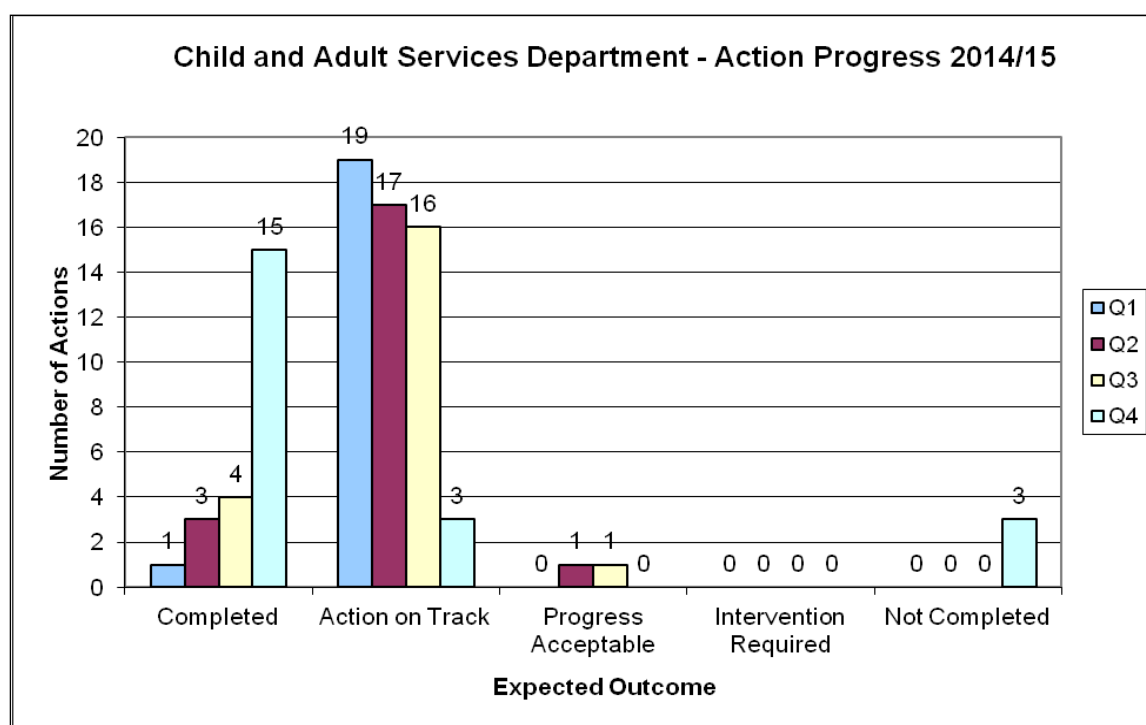


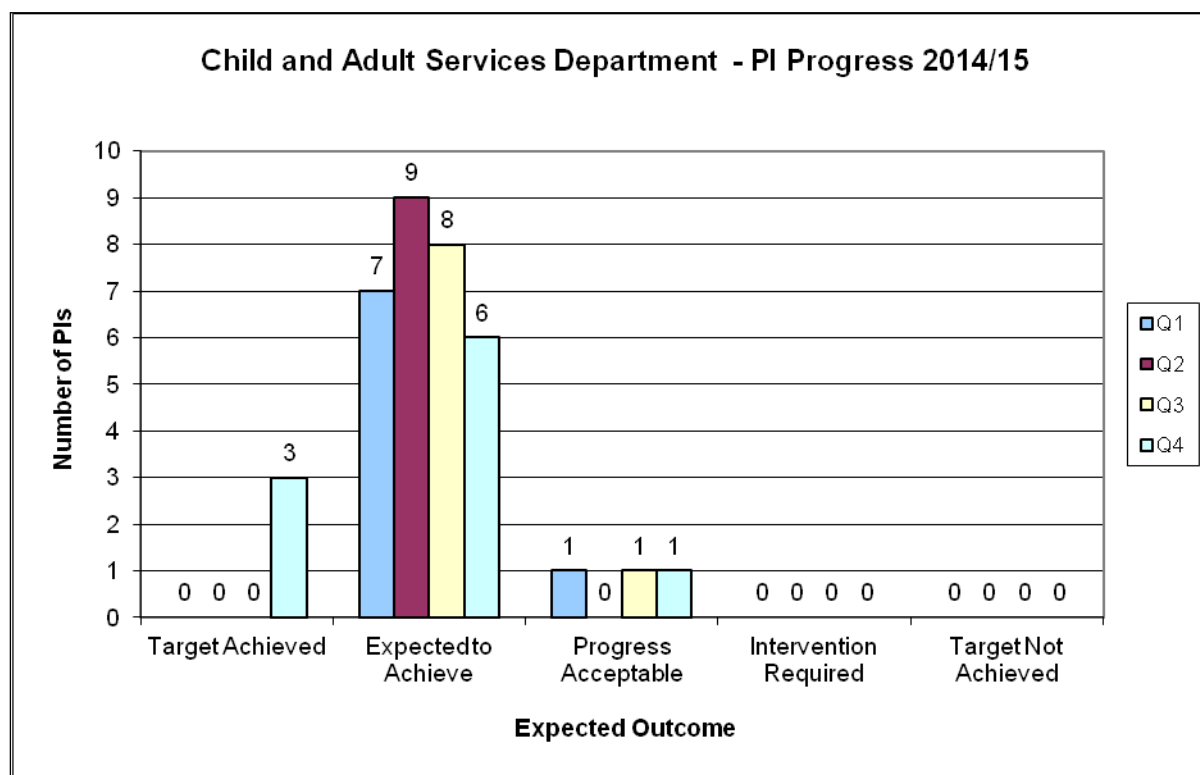
Table 1: CAD Actions not completed as at 31 March 2015

Ref	Action	Due Date	Latest Notes
CAD 14/15 HW04	Secure an entitlement for children and young people to access out of school provision to support their personal and social development	31 March 2014	Conference held and action plan developed to secure joined up funding and commissioning arrangements going forward.
CAD 14/15 LLS03	Work with schools and colleges to diversify the curriculum across Hartlepool to provide coherent pathways from primary to secondary school and ultimately into high quality post 16 provision and advanced apprenticeships and Higher Education places	31 March 2014	Progress with this objective will be further accelerated through the outcomes of the 2015 Education Commission. The 11-19 Strategic Board will focus on this area for improvement for the remainder of this academic year, and continue this work into 2015-16.
CAD 14/15 LLS04	Review and re-commission behaviour, attendance and alternative education provision to re-engage children and young people with challenging behaviour in their education.	31 March 2014	A final report will be presented to committee in July 2015.

5.4 Chart 4 summarises officers' assessments of the Performance Indicators that have targets **and** are measurable throughout the year, or where year end data is available. As at 31 March 2015, the position was a positive one, with:

- 3 indicators (21%) being assessed as on Target achieved
- 6 indicators (43%) have been assessed as on track to achieve target;
- 1 indicator (7%) identified as progress acceptable
- 4 Indicators are only available on an annual basis, as year end data is not yet available they are not included here. These will be reported when data becomes available.

Chart 4: CAD Targeted Performance Indicators with quarterly outturns – Progress to 31 March 2015



5.5 There are 20 risks across 5 outcomes in the Council Plan 2014/15 and during Quarter 4 there have been two changes in risk ratings.

Table 2: CAD Actions changes to risk rating Q4.

CAD R034 Insufficient capacity in the independent sector to meet placement demand within adult social care. (Actively Managed)	<p>Likelihood</p> <p>Impact</p>	<p>INCREASED RISK - This continues to be a significant risk due to limited nursing home capacity within Hartlepool which is impacting on hospital discharges and out of area placements and the risk has increased due to recent CQC inspections of a group of homes within Hartlepool. The situation is being closely monitored and heightened concerns have been highlighted with the CCG, as the commissioner of nursing care. The Council is working closely with CQC and NHS partners to manage the situation in the short term.</p> <p>In addition, a range of actions have been agreed by the CCG to try and address medium and longer term issues.</p>
CAD R060 Failure to work effectively with partners to deliver integrated health and social care services through the Better Care Fund. (Actively Managed)	<p>Likelihood</p> <p>Impact</p>	<p>DECREASED RISK - The Better Care Fund aims to promote closer integration of health and social care through the use of pooled budgets to provide more joined up services, with additional funding available from 2015/16 to support this agenda. The Better Care Fund plan for Hartlepool has been developed in partnership with the CCG and local NHS providers and approved by the Health & Wellbeing Board. There are significant financial risks associated with implementation of the plan, and there are challenges associated with key partners working effectively to take implementation forward.</p>

- 5.6 For the period up to 31 March 2015 the Child and Adult Services Department have identified the following issues and achievements:-

Achievements

CAD 14/15 HW13 Prepare for the implementation of the Care Bill - A
Steering Group has been meeting throughout the year to oversee preparations for implementation of the Care Act from April 2015, with three sub groups focused on Operational Issues & Workforce, Advice & Information and Commissioning, Finance & Performance. The regional network of Care Act leads has facilitated sharing of best practice and collaborative working on areas of common interest/

A Care Act Implementation grant of £125,000 was announced for 2014/15 and it was agreed by the Adult Services Committee that this would be used locally to support implementation costs including project management, staff training and advice and information system costs. Funding allocations associated with Care Act implementation in 2015/16 were announced in December 2014.

A national consultation exercise has been undertaken regarding the Care Act funding reforms, which are due to be introduced in April 2016. HBC has contributed to a regional response as well as submitting an individual response which highlights concerns about financial implications and timescales.

Training has been provided to frontline staff and a range of policies and procedures have been reviewed to ensure compliance with the requirements of the Care Act.

CAD 14/15 HW14 Strengthen local arrangements for Safeguarding Adults
The Tees wide Safeguarding Adults Board is established as the statutory safeguarding board for Hartlepool, and the other three Tees Local Authorities, with an independent chair appointed and sub groups being established to support the strategic work of the Board. A Business Unit has been established to support the Board and sub groups and a Business Manager appointed.

A Local Executive Group has been established for Hartlepool to ensure that local issues feed in to the Tees wide arrangements, and that strategic decisions by the Board inform local practice. Within Hartlepool, an additional Safeguarding Officer post has been created to address the increasing and more complex activity in this area, as safeguarding vulnerable adults within the town remains our local priority.

General

'Hartlepool Now' web site went live (using the new content management system) at the beginning of April 2015, as part of the national Care Act requirements relating to provision of information and advice.

Issues

General

The current situation regarding the Four Winds Group, in the context of a general lack of capacity in nursing homes, is a significant risk to the health and social care system with potential to increase delayed hospital discharges and out of area placements and place additional pressure on other providers. CQC are considering further legal action against the provider but timescales and implications are not yet known.

It is not yet known whether the funding allocated to address the implications of the Care Act will be sufficient to meet increased demand from self funders and carers, and to fund the costs of the revised Deferred Payment arrangements. Preparation for the funding reforms which will be introduced from April 2016 is challenging as regulations are not expected to be issued until October 2015.

CAD 14/15 HW06 – The priorities for the Local Safeguarding Children Board are outlined in the current action plan. This is a two year plan and work will be ongoing until 31st March 2016. This will be included in the 2015/16 plan with a 31/3/16 due date

6. PUBLIC HEALTH DEPARTMENTAL UPDATE

- 6.1 The Public Health Department contributes to 4 outcomes, spread across 2 themes:
- Health and Wellbeing
 - Community Safety
- 6.2 The Public Health Department has identified 49 actions and 43 performance indicators (11 Targeted and 32 Monitored) spread across 4 outcomes within the Council Plan that it is responsible for. In addition the department has also identified 8 strategic risks that are included in the Council's 2014/15 Plan.
- 6.3 As can be seen in chart 5 overall progress against actions is good with:
- 45 actions (92%) completed.
 - 2 actions (4%) identified as having made acceptable progress
 - 2 actions (4%) have not been completed.

Chart 5: Public Health Overall Action Progress – to 31 March 2015

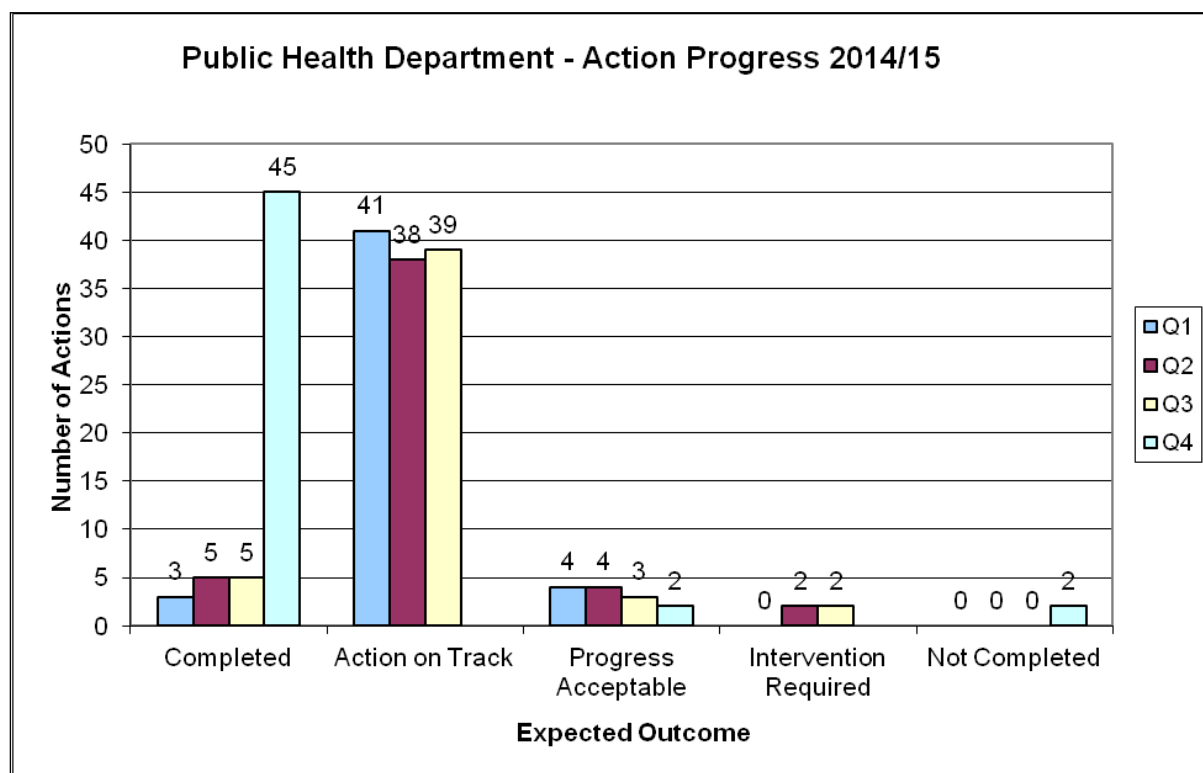


Table 3: PHD Actions not completed as at 31 March 2015

Ref	Action	Due Date	Latest Notes
PHD 14/15 HW38	Reducing crime and the fear of crime for the elderly and vulnerable by the introduction of No Cold Call Zones	31 March	Approximately 1000 'Say No to Cold Callers' stickers have now been supplied to residents and 7 talks have been provided to community groups during 2014/15. There was however a significant doorstep crime case taken on by the Trading Standards Team in September which, due to its scale, prevented any further development of No Cold Call Zones. This action should now be carried forward to 2015/16
PHD 14/15 HW29	PHD 14/15 HW29 Develop on-line booking services	31 March	Attended XN Leisure Regional Group Meeting 16th March, not able to progress with Horizons at this stage. Will not be achieved - linked into other software developments outside of the services control.

6.4 Chart 6 summarises officers' assessments of the 10 Performance Indicators that have targets **and** are measurable throughout the year. As at 31 March 2015, the position was a positive one, with:

- 3 indicators (30%) are Target Achieved
- 1 indicator (10%) is expected to achieve target.
- 2 indicators (20%) have made acceptable progress
- 4 indicators (40%) have not achieved target

Chart 6: Public Health Targeted PIs with quarterly outturns – Progress to 31 March 2015

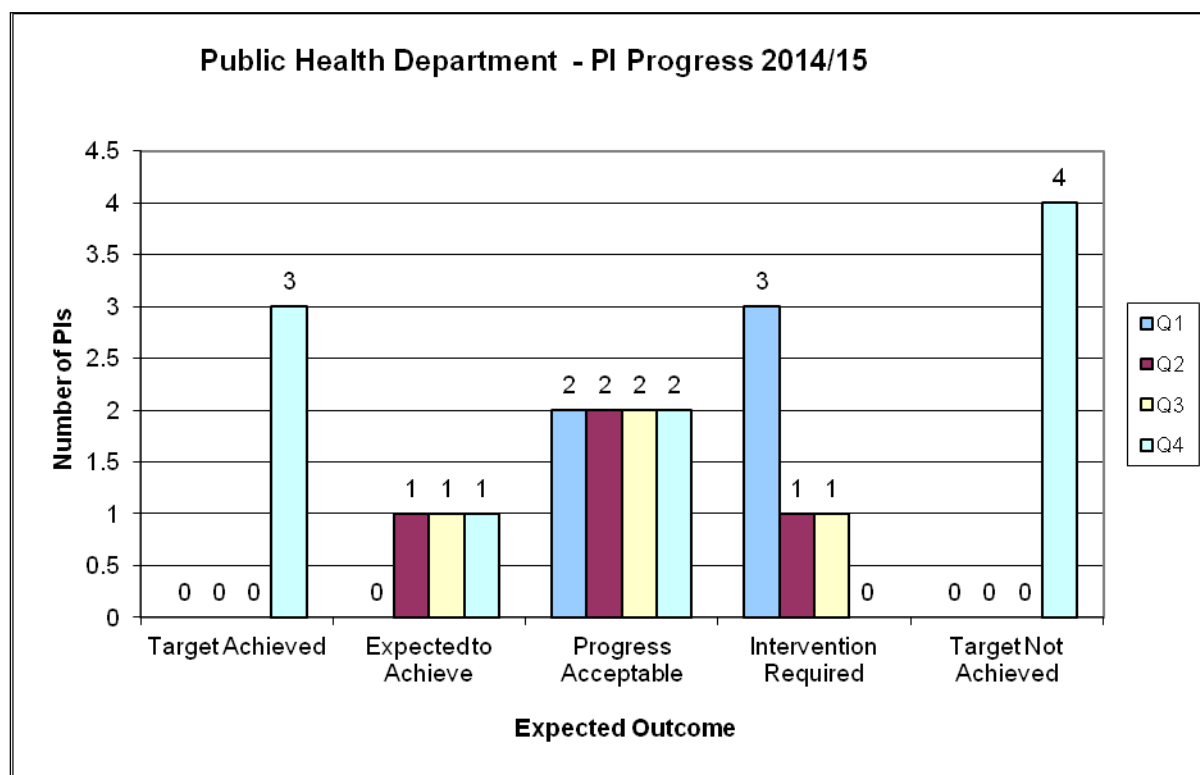


Table 4: PHD PIs Target not achieved

Ref	Indicator	Current Value	Target	Notes
ACS P098	Numbers of substance misusers going into effective treatment - Opiate	705	754	New psychosocial contract in place from 01/04/15. New focus on community engagement in place.
NI 123	Stopping smoking - rate of self-reported 4-week smoking quitters per 100,000 population aged 16 or over	614 (Q3)	947 (Q3)	Q3 data - Reduced numbers accessing services and therefore reduced number of 4 week quitters is in line with National and Regional trends. Emphasis will be taken away from 4-week quit rates to concentrate on reaching the most hard to reach groups - e.g. pregnant women, routine and manual workers, mental health patients.
ACS P100	Proportion of substance misusers who successfully completed treatment and represented back into treatment within 6 months	16	14	Increased interventions both during and following treatment will result in reduced re-presentations
PHD 2.16	The number of people entering prison with substance dependence issues	82	80	YTD as of Dec 14 - 82 people have entered prison with substance issues. The increase in short term prison sentences is reflected by several clients being sent to prison more than once during this period

6.5 With regards to risks there have been no changes to risk ratings in quarter 4 within the Public Health Department.

6.6 For the period up to 31st March 2015 the Public Health Services Department have identified a number of achievements including: -

PHD 14/15 HW37 Working with partners to reduce alcohol related violence in the Night Time Economy - Alcohol related violence in the town centre has fallen by around 65% since 2006. Work with partners will continue to ensure the trend remains in the right direction.

ACS P081 Number of patients completing a 10 week programme of referred activity recommended as a health intervention - Target of 300 exceeded, total 304

PHD 14/15 HW13 Deliver a comprehensive programme to improve workplace health - HBC will continue working towards maintaining its Continuing Excellence accreditation in 2015

7 REGENERATION AND NEIGHBOURHOODS DEPARTMENTAL UPDATE

7.1 The Regeneration and Neighbourhoods Department contributes to 22 outcomes, spread across 9 themes.

- Jobs and the Economy
- Lifelong learning and Skills
- Health and Wellbeing
- Community Safety
- Environment
- Housing
- Culture
- Strengthening Communities
- Organisational Development

7.2 The Regeneration and Neighbourhoods Department has identified 73 actions and 62 performance indicators within the Council Plan that it is responsible for. In addition the department has also identified 30 strategic risks that are included in the Councils Plan.

7.3 The progress made against actions is shown in Chart 7 with:

- 63 actions (86%) have been completed.
- 5 actions (7%) are on track to be completed
- 5 actions (7%) have not been completed and are identified in table 5.

Chart 7: RND Overall Action Progress – to 31 March 2015.

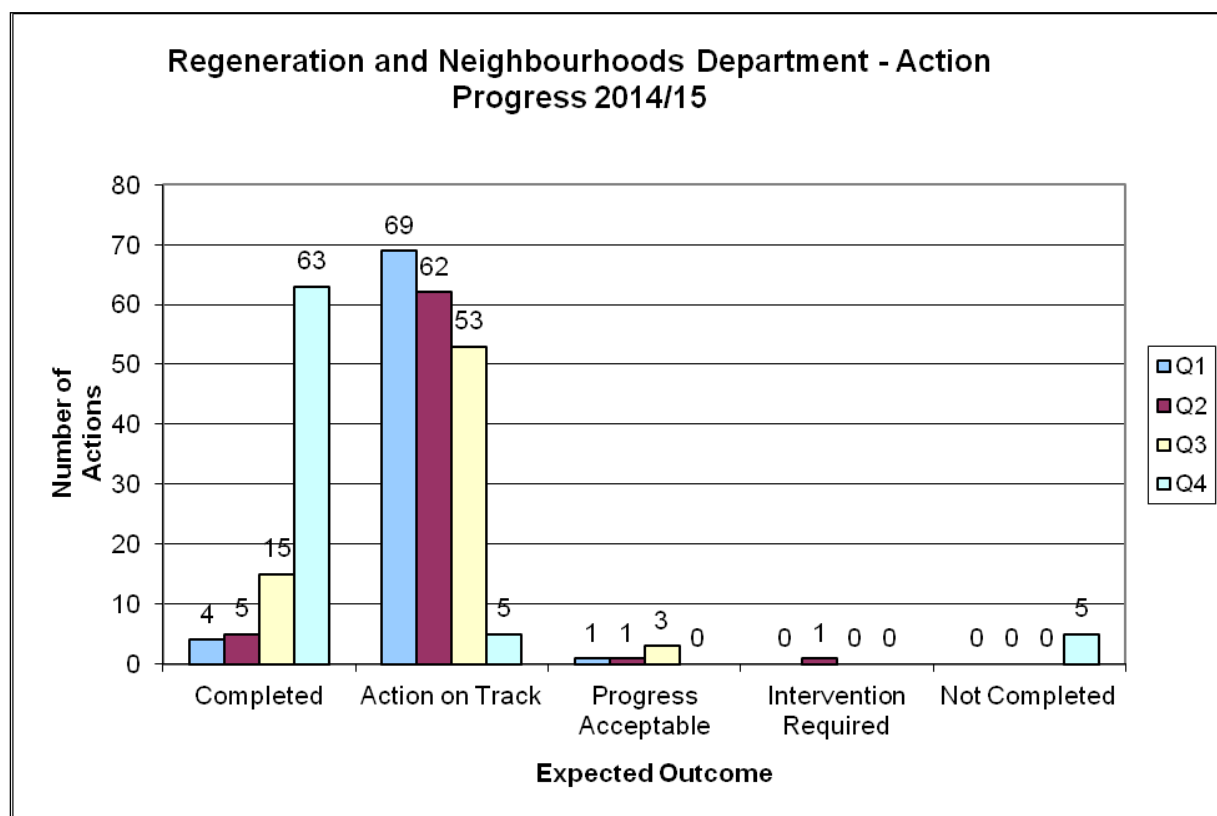


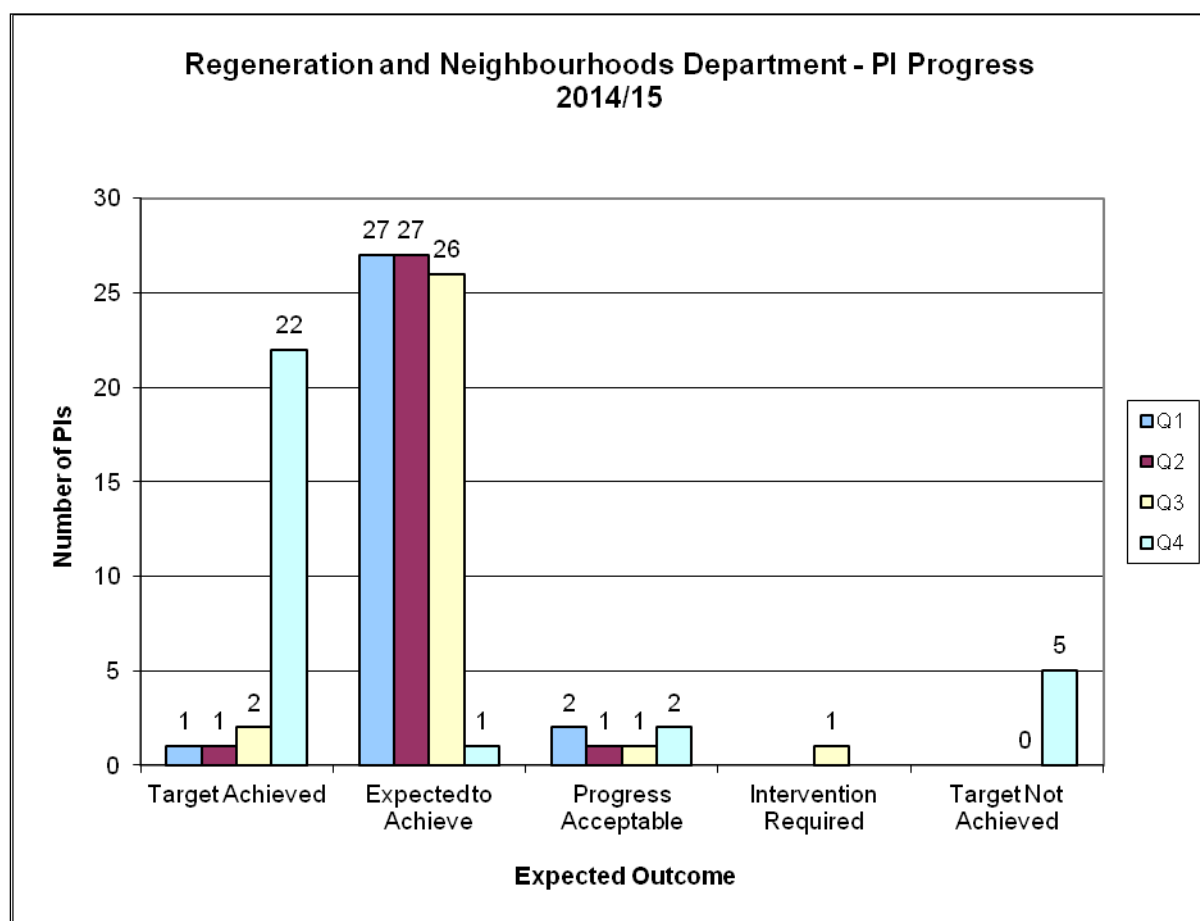
Table 5: RND Actions not completed as at 31 March 2015

Ref	Action	Due Date	Latest Notes
RND 14/15 CL07	Implement findings of the Hartlepool Maritime Experience review	31-Mar-2015	Discussions ongoing, date of transfer put back to April 2016 at request of National Museum of Royal Navy.
RND 14/15 CL02	Undertake a review of service provision within the Libraries	31-Mar-2015	The main public consultation runs between 23rd March -23rd May. The results of the public survey will not be available for analysis until the 23rd May 2015. The planned public consultation drop-in sessions concluded on the 1st April 2015. Due to the complexity and extent of the public consultation documentation some slippage has occurred. The consultation will run until 23rd May 2015 with analysis expected to be complete by 30th June. It is therefore requested that a new completion date of 31st July 2015 be agreed for this action.
RND 14/15 CL03	Explore options for community centres including possible Community Asset Transfer	31-Mar-2015	Out to consultation due to finish in June 2015. Report to go to committee with recommendation re the future of the centres early in the new municipal year. This has been included in the 15/16 Council Plan

RND 14/15 EN13	Deliver year 4 schemes as identified in the Local Transport Plan 2011 -15	31-Mar-2015	Schemes mostly complete. West View Road puffin crossing and Rossmere School safety scheme still have elements to finish off. It is expected that these schemes will be completed during Quarter 1 2015/16 and as such an extension to the completion date of July 2015 is requested.
RND 14/15 EN16	Deliver the LED lamp replacement programme	31-Mar-2015	Project extended to include replacement of all columns older than 30 years, expected to be completed on target in March 2016. Action to be extended until March 2016 to reflect the revised programme. This will be included in the 15/16 plan.

7.4 Chart 8 summarises officers' assessments of the 30 performance indicators that have targets **and** are measurable throughout the year or where year end data is available.

Chart 8: RND Overall PI Progress with quarterly outturns – to 31 March 2015.



7.5 It can be seen that, as at 31 March 2015, the position is;

- 22 indicators (73%) have achieved target
- 1 indicator (3%) having been assessed as being on track to achieve target
- 2 indicators (7%) have been assessed as having made acceptable progress.
- 5 indicators (17%) have not achieved target and are identified in the table below.

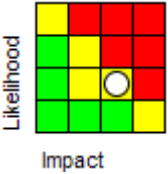
Table 6: RND PIs Target not achieved

Ref	Indicator	Current Value	Target	Notes
NI 168	The percentage of principal roads where maintenance should be considered (BVPI 223)	7%	5%	Survey result indicates a gradual decline of carriageway condition No new survey data expected until Dec 2015
ACS P107	Number of schoolchildren visiting the Museum of Hartlepool, Hartlepool Maritime Experience, and Hartlepool Art Gallery.	10,378	14,300	Hartlepool Art Gallery 575; Hartlepool Maritime Experience 1,115; Museum of Hartlepool 410 = 2,100
RND P114	Number of neighbourhood plans ratified	0	2	The Council continues to support groups in the production of neighbourhood plans with three currently in development. These are anticipated to go to public consultation during 15/16 and 16/17. The progress of these plans are reliant on the input of members of the public and other external groups.
NI 192	Percentage of household waste sent for reuse, recycling and composting	38.5%	49.00%	Final outturn information currently not available, 38.5% represents the current estimate of year end performance. Whilst this estimate shows similar results to the previous year, we are not on track to reach target. Contamination still continues to be issue and 1233.65 tonnes have been identified through the year as contamination, if this material was at a quality to be recycled we would increase the recycling percentage to 40%. Nationally recycling is becoming more stagnant with recycling rates hitting a plateau.

NI 193	Percentage of municipal waste (all waste collected by the local authority) land filled	7.2%	5.00%	Final outturn information currently not available, 7.2% represents the current estimate of year end performance. The outturn can be attributed to unforeseen plant breakdowns in October / November and January which has resulted in an increase in material sent to Landfill. A large proportion of the material being delivered directly to Landfill to assist with traffic management and pit management at the Plant. This breakdown affected all Tees Valley authorities.
--------	--	------	-------	---

7.6 There are 30 risks across this year's Council Plan. On a quarterly basis we will be reporting only on risks that have changed ratings in the previous quarter. In Quarter 4 2014/15 1 risk has changed in rating.

Table 7: RND changes to risk ratings quarter 4.

RND R059 Failure to provide a 'sound' Planning Policy Framework leading to a lack of clear planning guidance (Actively Managed)		<p>DECREASED RISK. The Council has developed a Planning Policy Justification Framework which sets out the relevant planning policies. Work on a new Local Plan has commenced through the progress of compiling the evidence base. Planning Services quarterly reports now presented to Regeneration Services Committee and Planning Committee.</p> <p>Officers are now working on the new Local Plan which will replace the 2006 Local Plan. Until the new Local Plan is Adopted the Council will have rely upon a mixture of overlapping policy areas which include the 2006 Local Plan, the Planning Policy Justification Framework, the Tees Valley Minerals & Waste DPDs and the NPPF.</p>
---	--	--

7.7 For the period up to 31 March 2015 the Regeneration and Neighbourhoods Department have identified the following achievements:

- School Meal uptake is above target for both primary and secondary. This has been achieved through various initiatives including: Promoting the service at parent evenings; introduction of "colour coding" to assist children in making healthy choices; improved menu choices and the introduction of breakfast provision in 3 schools based around "no child should start the day hungry".
- 94 homes empty for over 6 months have been brought back into use over the last year.
- 893 minor adaptations have been carried out to assist people to live independently in their own homes

- There have been almost 300,000 visitors to the Museum of Hartlepool, Hartlepool Maritime Experience, and Hartlepool Art Gallery over the course of 2014/15.
- The department has successfully supported companies to create 293 jobs which is excellent in the current economic climate.
- 966 volunteer days have been spent working on local green space management initiatives.
- The Community Regeneration and Development Team have been in contact, supported and / or signposted a total of approximately 385 community and voluntary organisations, including 8 protected characteristics groups during 2014/15.
- The department has prepared and published the Local Transport (LTP) delivery plan, a plan which sets out the delivery objectives for the next five years.
- The Council has successfully delivered in partnership with other Tees Valley organisations events to commemorate the bombardment of the Hartlepoons. These events concluded with an outdoor theatre performance attended by 2000 people. The events received significant local and national press coverage and an online article of the bombardment featured on the BBC website received 500,000 visits.
- Significant progress has been made in the replacement of LED lights across the town. This project has now been extended to also include the replacement of older lamp columns.
- During 2014/15, 89% of major planning applications and 79% of minor planning applications have been processed within agreed timescales.

8 CHIEF EXECUTIVE'S DEPARTMENT UPDATE

8.1 The Chief Executive's Department contributes to 11 outcomes, spread across 5 themes:

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

8.2 The Chief Executive's Department has identified are 73 actions and 31 performance indicators within the Council Plan that it is responsible for. In addition the department has also identified 33 strategic risks that are included in the Council's Plan.

8.3 As can be seen in Chart 9, overall progress across the department is positive, with:

- 56 Actions (77%) have already been completed or are on track to be completed by their agreed due date.
- 14 actions (19%) have been assessed as having made acceptable progress.
- 1 Action (1%) is on track to be completed by its June target
- 2 Actions (3%) have been identified as not completed.

Chart 9: CED Overall Action Progress – to 31 March 2015.

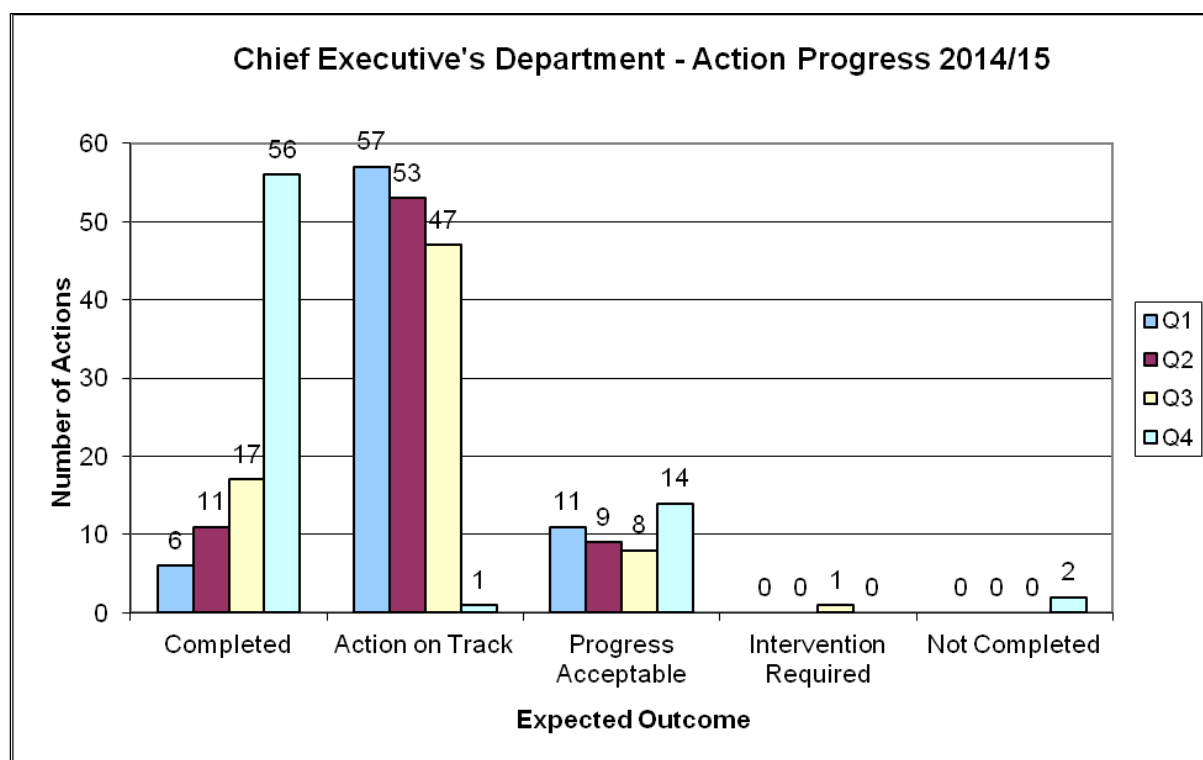


Table 8: CED Actions not completed by March 31 due date

Ref	Action	Due Date	Notes
CEX 14/15 SC02	Complete viewpoint surveys 43 and 44	31 March 2015	No Viewpoint surveys undertaken during 2014/15 as no topics were forthcoming from departments. Consultation has been supported through other means which are either more appropriate or timely.
CEX 14/15 OD62	Respond to the JNC for Local Governments review of its job evaluation scheme	31 March 2015	The revised national scheme guidance was issued but Gauge help text changes are still awaited

8.4 Chart 10 summarises officers' assessments of the 19 performance indicators that have targets **and** are measurable throughout the year. It can be seen that, as at 31 March 2015, the position was also positive, with:

- 15 indicators (79%) have achieved their target
- 3 indicators (16%) PI is identified as progress acceptable
- 1 indicator (5%) identified as target not achieved.

Chart 10: CED Overall PI Progress with quarterly updates – to 31 March 2015

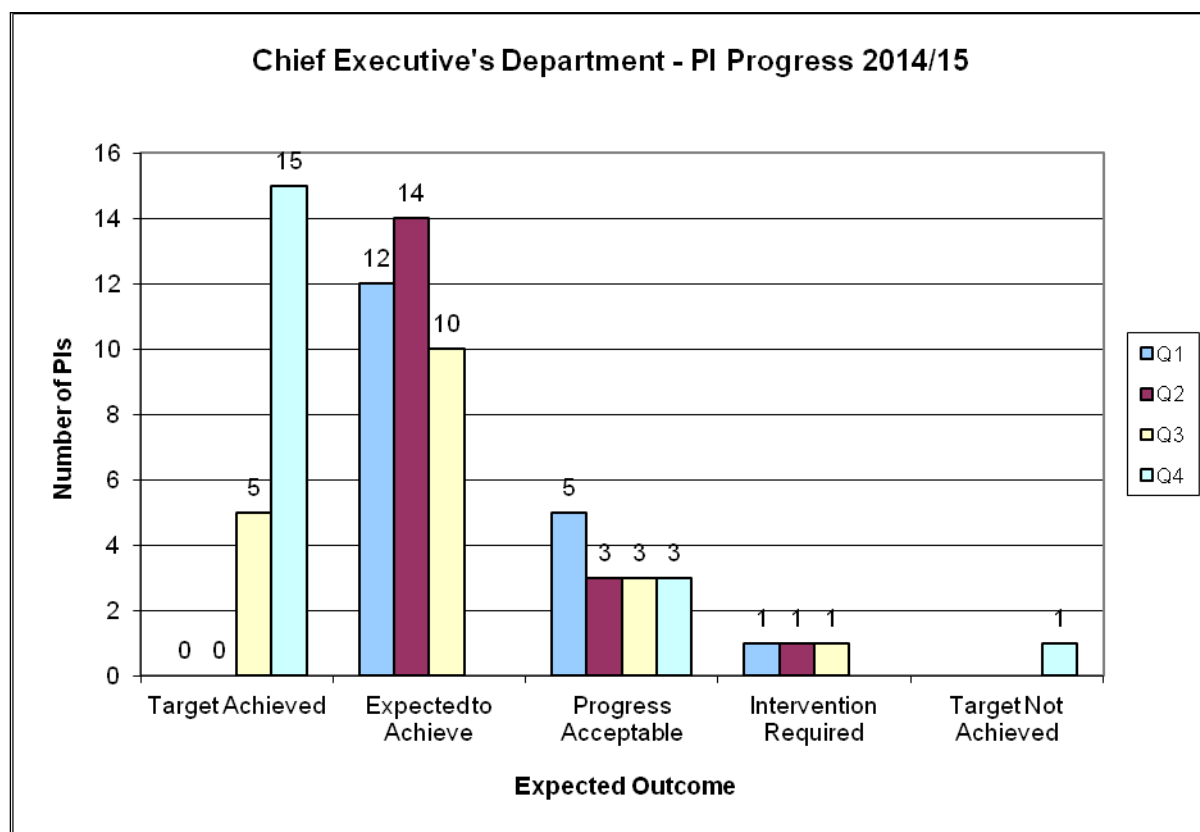
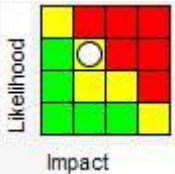
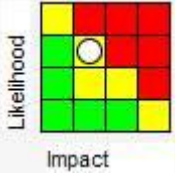


Table 9: CED PI target not achieved

Ref	Indicator	Current Value	Target	Notes
CEDFI P030	Percentage of invoices paid to local businesses within 10 working days	76.29	85%	<p>This year's performance (76.3%) is below target owing to staff shortages (long term sickness, secondment and unsuccessful redeployment) within the team during the year. Despite these problems local businesses were paid, on average, in 12 days during 2014/15.</p> <p>Performance in the last quarter of 2014/15 when the team was back to full establishment was positive with 87.6% of invoices processed within 10 days.</p> <p>Given the full establishment and the amendments made to processing and monitoring arrangements the 2015/16 target of 85% of local invoices within 10 working days is expected to be achieved.</p>

- 8.5 There are 33 risks spread across the 11 outcomes that the Chief Executives Department contributes to. All these risks have been reviewed in quarter 4 with two changes made to risk ratings.

Table 10: CED changes to risk ratings quarter 4.

CED R056 Failure of external occupational health etc suppliers / providers to consistently provide services, leading to HR not delivering services to departments		INCREASED RISK - There have been issues with the current occupational health contract and options are being explored.
CED R098 That a material safety breach of health and safety legislation is identified by the HSE resulting in a significant Fee for Intervention (FFI) being applied.		Changed from High/Possible to Med/Likely (note, this doesn't change the actual risk score) Fee For Intervention (FFI) spreadsheet started to monitor situation.

- 8.6 There have been an number of achievements made in the Chief Executives Department in the fourth quarter of 2014/15 including;
- The number of credit union member accounts opened has significantly exceeded target.
 - The Council Plan for 2015 / 16 was approved by Council
 - The percentage of Council Tax collected was 95.40%, slightly exceeding the target of 95%
 - The percentage of Business Rates collected has hit the target of 95%

9. DATA QUALITY POLICY REVIEW

- 9.1 Good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making within the Council. In order to ensure that the Council's data is reliable a Data Quality Policy has been in place since 2007. The Policy has recently been reviewed and updated with minor amendments made to the Policy (appendix 1).
- 9.2 Currently the Policy is reviewed and agreed by Members on an annual basis. However, this policy is now well developed and embedded within all departments and the annual review for the past few years has only suggested minor amendments. Therefore it is proposed that the Data Quality Policy is reviewed by Committee on a 3 yearly basis. On an annual basis the policy will be reviewed and approved by the Assistant Chief Executive and if during these annual reviews any major amendments are required it will be brought back to Committee for approval.
- 9.3 The updated Data Quality Policy was considered by Audit and Governance Committee on 5th March 2015. They noted the updated Policy and agreed the change to the review process.

10. RISK MANAGEMENT FRAMEWORK REVIEW

- 10.1 The Council has a responsibility to put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources; ensure proper stewardship and governance; and review regularly the adequacy and effectiveness of these arrangements. In order to do this the Council must manage risks and maintain a sound system of internal control. The Risk Management Framework sets out how this will be done along with the roles and responsibilities of officers and elected members across the authority to help ensure the process is embedded into the services the Council provides.
- 10.2 The Framework has recently been reviewed and updated with minor amendments made to it (appendix 2). The main content of the Framework has not changed significantly but the roles and responsibilities have been updated to reflect current arrangements including the role of the Finance & Policy Committee and its Chair in relation to Risk Management.
- 10.3 Currently the Framework is reviewed and agreed by Members on an annual basis. However, the Framework is now well developed and embedded within all departments and the annual review for the past few years has only suggested minor amendments. Therefore it is proposed that the Risk Management Framework is also reviewed by Committee on a 3 yearly basis. On an annual basis the Framework will be reviewed and approved by the Assistant Chief Executive and if during these annual reviews any major amendments are required it will be brought back to Committee for approval.
- 10.4 The updated Risk Management Framework was considered by Audit and Governance Committee on 5th March 2015. They noted the updated Framework and agreed the change to the review process.

11. RECOMMENDATIONS

- 11.1 Finance and policy Committee is asked to: -
- note the current position with regard to performance
 - note the changes in risk ratings as identified within report
 - agree the date change for action RND 14/15 EN13 to July 2015 as set out in table 5 of report.
 - Agree the updated Data Quality Policy and Risk Management Framework and the proposal that these be reviewed by Committee on a three yearly basis unless any major amendments are required in the interim.

12. REASONS FOR RECOMMENDATIONS

- 12.1 Finance and Policy Committee have overall responsibility for the monitoring of the Council Plan. The Finance and Policy Committee is also responsible for agreeing the Data Quality Policy and Risk Management Framework.

13. BACKGROUND PAPERS

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

14. CONTACT OFFICER

- 14.1 Richard Starrs
Strategy and Performance Officer
Tel: 01429 523589
E-mail: Richard.starrs@hartlepool.gov.uk

Hartlepool Borough Council

Data Quality Policy

March 2015



Contents

	Page
Introduction	2
Aims and Objectives	2
Data Quality Characteristics	3
Purpose and Rationale	3
Scope of the Policy	4
Policy Standards	4
Roles and Responsibilities	5
Monitoring Data Quality	6
Appendix A – Roles and Responsibilities	8
Appendix B – Data Quality required in Covalent	9

1. Introduction

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

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

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

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

2. Aims and Objectives

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

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

Within this context the Data Quality Policy objectives are:

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

3. Data Quality Characteristics

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

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

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

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

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

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

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

4. Purpose and Rationale

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

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

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

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

5. Scope of the policy

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

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

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

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

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

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

6. Policy Standards

The policy requires that:

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

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

7. Roles and Responsibilities

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

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

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

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

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

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

- Chief Executive's –, Richard Starrs and Kerry Trenchard
- Child and Adult Services – Kay Forgie and Trevor Smith
- Regeneration and Neighbourhoods – Steve Russell
- Public Health – Michelle Chester

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

PI Responsible officers (Assignees in the Council's Performance Management System, Covalent) are identified for each PI included in

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

As each year the indicators contained in the ~~Departmental Plans~~ Council Plan are reviewed it is a requirement that all the data quality information for all indicators included in the plans is up to date and any missing or out of date information is input into Covalent asap.

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

Communications

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

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

Internal Audit

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

8. Monitoring Data Quality

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

- PI challenge prior to reporting. This includes the assessment of annual PI outturns and follow-up of queries. Examples of these quality checks have

included robustness of base data, calculation methods compared to definition etc. – **Departments/Performance and Partnerships Team**

- Clear roles and responsibilities for Performance and Partnerships Team, PI Coordinators and PI responsible officers in relation to PIs are established (see above). These have been communicated to all parties via the Performance and Risk Management Officer Group - **Performance and Partnerships Team**
- **Departments** are required to ensure that all data quality fields within Covalent have been completed including procedure notes and definitions. This information can be assessed as part of Internal Audit PI reviews to ensure that practice and data reflect procedures notes and definitions. Essentially what auditors want to see is all the relevant information brought together in one location and available to all relevant staff.
- **Performance and Partnerships Team** organises and coordinates the PI collection process. This process is structured and completed using the Covalent system. All performance measures are subject to approval by the Corporate Management Team and elected members.
- Regular contact with PI coordinators is maintained through the Performance and Risk Management Officer Group to identify issues and consider improvements as required. - **Performance and Partnerships Team**
- **Performance and Partnerships Team** provides the first line of support for PI collection and for the Covalent system. In addition support is also provided via Internal Audit.
- Training of staff is the responsibility of the individual **Departments** however corporate training is provided where required. Where responsibility changes as a result of staff turnover or reorganisation then support should be provided as part of the usual induction, training and appraisal processes. It is expected that the data quality information held within Covalent will enable any new member of staff to understand how the PI is calculated and allow them to complete PI reporting.
- **Corporate reporting of PIs** - PI information collected corporately is used and reported in a number of ways including quarterly reporting to CMT and the Finance and Policy Committee.
- **Departments** undertake further reporting as they require.

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

Finance and Policy Committee

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

CMT/~~CMTSG~~/DMTs/Service Managers

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

Performance and Partnerships Team

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

Departmental PI Coordinators

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

PI responsible Officers (assignees in Covalent)

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

Internal Audit

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

APPENDIX B - Data Quality required in Covalent

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

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

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

Hartlepool Borough Council

Risk Management Framework

March 2015



Contents

	Page
Introduction	2
The Risk Management Process	3
Risk Management Framework	3
The Council's Risk Tolerance	3
Accepted Risk Register	4
Actively Managed Risk Register	5
Risk Monitoring and Reporting	5
Risk Management across the Council	6
Internal Audit	6
Audit and Governance Committee	6
Financial Risk Management	6
Health and Safety	6
Business Continuity (including ICT disaster recovery)	7
Insurance	7

1. Introduction

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

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

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

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

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

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

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

2. The Risk Management Process

Since Spring 2011 the Council has had two Risk Registers:

- Actively Managed Risk Register
- Accepted Risk Register

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

3. Risk Management Framework

To make certain all requirements are met Hartlepool Borough Council has a risk process that ensures the systematic identification, analysis and control of significant strategic risks arising out of activities relating to the desired outcomes set out in Council plans. The Council maintains two risk registers: an Accepted Risk Register and an Actively Managed Risk Register within which each department details the strategic risks they are responsible for. The Council recognises that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'benefits', are maximised. It should be noted that the Risk Management Framework covers only Strategic Risk and not Health and Safety Risks. Health and Safety Risks have their own process and framework however there is of course a link between the two to ensure that all risks are monitored within one process or the other.

4. The Council's Risk Tolerance

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

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

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

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

The Council Tolerance Line has been agreed as per Diagram A below.

Diagram A – Risk Matrix with Tolerance Line

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

5. Accepted Risk Register

Strategic risks included in this register will have been identified and evaluated with control measures. (see Diagram A ‘Risk Matrix with Tolerance Line’).

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

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

Due to the nature of these strategic risks they do not require close/formal monitoring throughout the year (unless they are included in the Council Plan and change through the year). However these strategic risks need to be highlighted as risks to the Council and delivering services. Nevertheless, throughout the year managers responsible for these strategic risks should:

- ensure that existing control measures are operating effectively as part of their day to day management arrangements;
- be alert to opportunities for introducing effective control measures where necessary;

- be alert to changes in the impact or likelihood of the risk occurring and therefore the need to reevaluate the risk.

Departments will formally review the evaluation of the strategic risks on the Accepted Risk Register on a regular basis (at least once every 12 months during the annual service planning process) and review the adequacy of control measures currently in place. This review is reported to Departmental Management Teams for information

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

6. Actively Managed Risk Register

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

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

- a) Strategic risks that are above the tolerance line where additional control measures could be effective and economical in reducing either the impact of the risk or the likelihood of the risk occurring.
- b) Strategic risks that are below the tolerance line but a decision has been taken that it is necessary to highlight and monitor the risk through departmental management teams

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

7. Risk Monitoring and Reporting

Strategic risks identified in the Council Plan will be monitored for change within the Performance Management Framework through the Quarterly Performance report that is produced for CMT and Finance and Policy Committee. Strategic risks on the Actively Managed Risk Register will be reviewed quarterly. Strategic risks on the Accepted Risk Register will be reviewed on an annual basis as a minimum with this review being reported to the departmental management teams.

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

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

8. Risk Management across the Council

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

8.1 Internal Audit

Internal Audit helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit will evaluate the effectiveness of risk management processes by determining;

- Significant risks are identified and assessed.
- Appropriate risk responses are selected that align risks with the Council's risk appetite.
- Relevant risk information is captured and communicated in a timely manner across the Council, thus enabling staff, management and members to carry out their responsibilities.

Internal Audit will evaluate the risks relating to the Council's governance, operations and information systems regarding the;

- Achievement of the Council's strategic objectives.
- The reliability and integrity of financial and operational information.
- The effectiveness and efficiency of operations and programmes.
- Safeguarding assets.
- Compliance with laws, regulations, policies, procedures and contracts.

8.2 Audit and Governance Committee

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

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

8.3 Financial Risk Management

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

8.4 Health and Safety

Hartlepool Borough Council recognises and accepts the financial and legal responsibilities and duties which it has for the health, safety and welfare of its employees and others affected by the activities of the Council. In order to fulfil these responsibilities the Council aims to continually improve health and safety performance by promoting healthy working and minimising where practicable the risk to people's health and welfare which may be affected by the activities of the Council.

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

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

8.5 Business Continuity (including ICT Disaster Recovery)

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

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

The Business Continuity Plan provides a management framework for dealing with events that lead to unexpected disruption. It provides a clear organisational response – combined with pro-active measures, to reduce interruption and avoid losses. Such measures will include systems for activating the response and recovery to the interruption of operations and coordinating the actions of staff. It is the continuity plan and staff who provide

the primary defence in ensuring an organised and effective return to normality with minimal impacts on the community.

8.6 Insurance

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

FINANCE AND POLICY COMMITTEE

1st June 2015



Report of: Director of Regeneration and Neighbourhoods

Subject: ASSISTING ELIGIBLE HARTLEPOOL VCS
ORGANISATIONS WITH THEIR UTILITY COSTS

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non-key decision.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to inform Members of the opportunity to support Hartlepool based Voluntary and Community Sector (VCS) organisations in relation to their electricity and gas related costs and to seek their permission to roll out the scheme to eligible Hartlepool based VCS organizations.

3. BACKGROUND

3.1 This report provides Members with background to the aforementioned opportunity and proposes a particular scope and approach to the implementation.

3.2 In February 2015 Council approved the Medium Term Financial Strategy (MTFS) within which there was a proposal to reduce the funding available to organisations through the Community Pool.

Whilst unavoidable, this funding reduction has been to the detriment of those organisations eligible to receive funding via this route, however it should be noted that the scope of the Community Pool was limited both by the specific purpose of the funding, i.e. to support organisation's infrastructure costs, and by the limited size of the fund.

This new proposal has the potential to deliver benefit to a much larger number of organisations than was possible through the Community Pool.

Given the sensitivity and impact of the Council's decision to reduce Community Pool funding, this proposal presents Members with an opportunity to demonstrate its continued support for local Hartlepool based

organisations against the backdrop of managing difficult financial circumstances.

3.3 The Council currently procures both its Gas and Electricity supplies through the NEPO (North East Procurement Organisation) utility supply contracts.

In addition to the Council making use of this arrangement, the benefits of these contracts are also available to a range of other organisations which have a 'relationship' with the Council.

Currently a significant number of Hartlepool schools make use of the attractive contract pricing through a service level agreement (SLA) with the Council. Schools pay a fee to the Council in return for a number of energy based services; this fee includes arranging access to and billing services in relation to the NEPO utility supply contracts.

A variation to the above arrangement is also in place for a few local VCS organisations, although they are not subject to a SLA with the Council.

The following VCS premises currently benefit from access to the NEPO utility supply contracts:

- Jutland Road Community Centre
- West View Community Centre & Library
- HVDA – Rockhaven

The above arrangements differ from the school SLA arrangements in that there is no charge levied on these organisations, although there is a relatively small overhead on the Council's Energy Manager relating to the management of invoices and payments.

We are confident that the NEPO utility supply contracts provide a value for money solution and the Council's Energy Manager has advised that typical savings over a standard supply arrangement are in the order of 25%.

Clearly savings of this magnitude could be financially significant for those VCS organisations which meet the criteria to access this opportunity.

4. PROPOSALS

4.1 It is proposed that access to the NEPO utility supply contracts be offered to VCS organisations which meet the relevant criteria. The criteria are detailed below:

- i) The organisation must be constituted, allowing the delivery of services.
- ii) The services being delivered must reflect the aspirations, aims, objectives and priorities of the Council's Community Strategy, e.g. Child Poverty Strategy and VCS Strategy.

- iii) The organisation must be a non-profit distributing (apart from charitable/community benefit).
- iv) The organisation must have been in existence for a minimum of 12 months.
- v) The organisation must utilise a property or properties located in Hartlepool Borough for the delivery of the services and must be responsible for the payment of gas and/or electricity costs for the property(ies).
- vi) The service must be delivered in Hartlepool for the benefit of Hartlepool people.

If acceptable, these criteria can be converted into a questionnaire for distribution to organisations as part of an application process.

Upon receipt of a completed questionnaire, an evaluation can be undertaken and the suitability of the applicant assessed.

- 4.2 The potential number of participants in this scheme is approximately 120. This figure is based on information provided by the HVDA, and is taken from their list of Hartlepool groups/organisations who have premises which may be eligible for this scheme.

5. RISK IMPLICATIONS

- 5.1 There are two main areas of risk in relation to this proposal. These are:

- i) Resources – The Council's Energy Manager has responsibility for billing organisations using the NEPO contracts directly for their energy costs. Any significant increase in the existing number of participants will generate additional work for the Energy Manager.

This could be mitigated by keeping the option open to levy a small charge on participating organisations which is designed to cover the cost of additional administrative resources. This option would only need to be exercised if numbers of participants rose to a level where this became necessary.

The introduction of any charges would have to be part of a planned review process and participants would have to be made aware of that possibility before taking part in the arrangement.

- ii) Payment Default – The Energy Manager invoices the organisations in arrears so there is a risk that if an organisation defaults on its bills (e.g. ceases to trade/becomes bankrupt) the Council will be left holding the

debt. This could be mitigated by asking those wanting to make use of the contract to pay one month up front.

There is also a “bad news” scenario where a charity struggles to pay its bills and the Council is seen as being responsible for “cutting them off”. There is a good chance this will not happen but the possibility needs to be considered.

All of these debt collection activities will generate additional work for the Council’s Energy Manager and the Council’s debt recovery service.

6. EQUALITY AND DIVERSITY CONSIDERATIONS

6.1 There are no equality or diversity implications.

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

7.1 There are no Section 17 implications.

8. RECOMMENDATIONS

8.1 It is recommended that Members:

- i) Consider the proposal to offer eligible VCS organisations access to the NEPO utility contracts
- ii) Consider the proposed criteria for eligible organisations
- iii) Consider the highlighted risks and suggested approaches to mitigation
- iv) Confirm whether the scheme in its proposed form can be implemented.

9. REASONS FOR RECOMMENDATIONS

9.1 The Council has committed to support the local VCS and this proposal allows the Council to provide such support whilst complying with the financial restraints imposed upon it and enacted through the Council’s Medium Term Financial Strategy.

10. BACKGROUND PAPERS

10.1 There are no background papers..

11. CONTACT OFFICER

Denise Ogden
Director of Regeneration and Neighbourhoods
Regeneration and Neighbourhoods
01429 523300

David Hart
Strategic Procurement Manager
Regeneration and Neighbourhoods
01429 523495
david.hart@hartlepool.gov.uk