



Chief Executive's Department
Civic Centre
HARTLEPOOL

26 January, 2015

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Atkinson, Barclay, Beck, Brash, Clark, Cook, Cranney, Dawkins, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hind, Jackson, James, Lauderdale, Lilley, Loynes, Martin-Wells, Dr. Morris, Payne, Richardson, Riddle, Robinson, Simmons, Sirs, Springer, Thomas and Thompson

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 5 February, 2015 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

D Stubbs
Chief Executive

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COUNCIL AGENDA



5 February 2015

at 7.00 p.m.

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

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 11;
- (5) To approve the minutes of the last meeting of the Council held on 18 December 2014 as the correct record;
- (6) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (7) To answer questions of Members of the Council under Rule 12;
 - a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1
 - b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2
 - c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority
 - d) Minutes of the meetings held by the Cleveland Fire Authority held on 17 October 2014.
- (8) To deal with any business required by statute to be done;

- (9) To receive any announcements from the Chair, or the Head of Paid Service;
- (10) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
- (11) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
- (12) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;
- (13) To consider reports from the Policy Committees:
 - (a) proposals in relation to the Council's approved budget and policy framework; and
 - (1) Medium Term Financial Strategy 2015/2016 to 2018/2019 – Update – Report of Finance and Policy Committee
 - (b) proposals for departures from the approved budget and policy framework;
- (14) To consider motions in the order in which notice has been received
 - 1. "In a time of austerity, public sector cuts and a cost of living crisis, the council must be prudent in the face of draconian cuts by central government. Our greatest resource, in these difficult times, is our dedicated and hard-working staff and so we fully support the pay-rise that they have been awarded this year.

However, at a time when many in the public and private sector are seeing their wages frozen or even cut it is both lacking in prudence and moral standing to hike the pay of politicians. Voting to equate our work and remuneration to that of council staff was ill-judged and wrong. They deserve the pay rise and we do not. We therefore call upon all Councillors to forgo the 2.2% increase in their allowance, so that the money can go toward supporting services here in Hartlepool."

Signed: Councillors Brash, Hargreaves, Thompson, Riddle and Lilley

- 2. "Putting Hartlepool First believe zero hours contracts are incompatible with building a loyal, skilled and productive workforce.
We propose that this council undertakes an immediate review of all HBC employees and all associated contractors, subcontractors and organisations successful in gaining council tenders or monies of any form, who currently use zero hour's contracts.
Specifically, we would like our council to work towards and implement the 6 key principles outlined below within 6 months, should this motion be passed.

Employees and contractors on Zero hours contracts should, within 6 months;

- not be obliged to be available outside contracted hours
- be free to work for other employers
- have a right to compensation if shifts are cancelled at short notice
- have "clarity" from their employer about their employment status, terms and conditions
- have the right to request a contract with a "minimum amount of work" after six months with an employer - this could only be refused if employers could prove their business could not operate any other way
- have an automatic right to a fixed-hours contract after 12 months with an employer

We would welcome the support of all councillors regarding this motion. “

Signed: Councillors Riddle, Brash, G Lilley, Gibbon and Atkinson

- (15) To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.



COUNCIL

MINUTES OF PROCEEDINGS

18 December 2014

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Ceremonial Mayor (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Barclay
Beck	Brash	Clark
Cranney	Fleet	Gibbon
Griffin	Hall	Hind
Jackson	James	Lauderdale
Lilley	Loynes	Richardson
Riddle	Robinson	Simmons
Sirs	Thomas	Thompson

Officers: Dave Stubbs, Chief Executive
Peter Devlin, Chief Solicitor
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Gill Alexander, Director of Child and Adult Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Alastair Smith, Assistant Director (Neighbourhoods)
Julian Heward, Public Relations Officer
Joan Stevens, Scrutiny Manager
Amanda Whitaker and Angela Armstrong, Democratic Services Team

91. APOLOGIES FOR ABSENT MEMBERS

Councillors Atkinson, Cook, Dawkins, Hargreaves, Martin-Wells, Dr Morris, Payne and Springer.

92. DECLARATIONS OF INTEREST FROM MEMBERS

Councillor C Akers-Belcher declared a pecuniary interest in items 5, 6, 7 and 9 of the Chief Executive's Business Report.

Councillor Clark declared a personal, non prejudicial interest in agenda item 11(4).

Councillor Thomas declared a pecuniary interest in items 5, 6, 7 and 9 of the Chief Executive's Business Report.

Councillor Thompson declared a prejudicial interest in agenda item 11(4) and advised that he would leave the room during consideration of that item.

Councillor Hall declared a personal and non prejudicial interest in the public questions relating to Radio Hartlepool.

Councillor S Akers-Belcher declared a pecuniary interest in items 5, 6, 7 and 9 of the Chief Executive's Business Report.

Councillor Brash declared a personal interest in item 7 of the Chief Executive's Business Report.

93. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None.

94. PUBLIC QUESTIONS

It was highlighted that six public questions had been tabled at the meeting including the three questions which had been deferred at the meeting of Council held on 30 October 2014. The Chief Solicitor informed Council that he had written to Mr White and Mr Price to advise that he would be recommending that questions 1, 2 and 3 be deferred to the Council meeting on 5 February 2015 due to the ongoing police investigations. The questions were deferred. Concerns were expressed regarding the reasonableness of deferring the questions. In response the Chief Solicitor advised that Mr White and Mr Price had been accepting of his advice.

Question from Mr Measor to Chair Neighbourhood Services Committee:

"Regarding ward member budgets, would you agree that each members annual allocation should be spent by the end of February each year; and that any leftover not be carried forward to the next year? This would safely eliminate councillors being open to the allegation of using their budget, not for the good of the ward, but in order to get themselves re-elected".

The Chair advised that the Council had robust procedures for approving the use of Ward Member budgets. These procedures involved an individual Member (or sometime a number of Members) completing a proposal form which detailed the project to be supported, the total cost of the project to be supported and the value of the proposed Ward Member budget contribution to the scheme, the reason for the proposed Ward Member contribution and any other options which had been considered.

Individual proposal forms were then considered by the Director of Regeneration and Neighbourhoods and were either approved or declined. It was highlighted that the involvement of the Director was necessary as individual Members do

not have the legal authority to spend money. The Directors involvement also ensured that Ward Member proposals fit with Council objectives and spending plans. In relation to the approval of Ward Member budget proposals in the run up to the 2015 elections, the Council would extend the procedures that applied in previous years to Councillors up for election to ALL Councillors owing to the timing of the General Election. Under these arrangements the amount of the 2015/16 Ward Member budget which could be spent in the period 1st April 2015 to 7th May 2015 would be limited to £330 which equated to 1/12th of the annual allocation of £4,000. Where any Member carried forward any unspent 2014/15 Ward Member Budget the same 1/12th restriction would apply. The Chair advised that he believed these arrangements provided the right balance between supporting community projects, which do not stop because there is an election, and ensuring individual Councillors were protected from unfounded allegations on the use of Ward Member budget.

Question from Mr Measor to Chair Regeneration Services Committee:

“Will the Council please give the good people of Seaton Carew and update as to the purchase of the Longscar Centre? Negotiations have apparently been ongoing on with owners since August and its now November. How long does it really take to agree a price on a dangerous dilapidated building which is now starting to attract arsonists? Will they please acknowledge that the only forward to rid Seaton Carew of this carbuncle is to commence a compulsory purchase order? The building has been derelict for over a decade. In February 2014 the owners promised to redevelop the building, with work starting in August 2014. Nothing has happened and it looks like nothing will happen until decisive action is taking. If a price can't be agreed then when are you going to pursue the compulsory purchase order? It would be a great shame for our Council having invested heavily in the beautiful new promenade, road resurfacing and Seaton Carew Masterplan to have the resort continually dragged down by this awful building. Please, please can we see some decisive action taken now.”

In the absence of the Chair, the Vice Chair of the Regeneration Services Committee highlighted that the Longscar Centre was a key part of the regeneration of Seaton Carew. A number of offers had been made to the owners and the Council had been working with the Esh Group to deliver the key aspects of the Masterplan. The Council had made several formal offers for the building and had discussions with the owners over a sustained period of time but been unable to agree a price for the building with the owners. As part of the agreement with the Esh Group, it had been agreed that they would be allowed a 6 month period of negotiation with the owners to try and secure the building by agreement. This negotiation period ended in December 2014. A final offer was due to be made to the owners before Christmas based on the discussions that Esh have had with the owners. The owners would be requested to respond by the first week in January. If this offer was not accepted then the Council would review the powers available to it and a report would be taken to the February meeting of the Finance and Policy Committee to agree the next steps required to secure the building. If the owners do not accept the revised offer to purchase and the Council considered that all attempts had been exhausted to secure purchase by agreement, then only as a last resort the Council could consider

invoking the use of its compulsory purchase order powers to secure the building. Regarding the owner's interest in developing the site the Council had not received any formal planning application about the redevelopment of the site.

Question from Mr Latimer to Chair Finance and Policy Committee:

"In 2010, following the scrapping of the Victoria Harbour project by Tees Valley Regeneration, Hartlepool was promised that all effort would now be concentrated in 'Making Hartlepool the Wind Turbine Manufacturing Hub of the UK'.

Since then the town has lost out to Leith in securing a major turbine manufacturing facility, we have seen a Hartlepool based company, Able, establish a major turbine centre on Humberside and now Redcar has secured itself as the base for the 2,000 turbine Dogger Bank offshore wind farm. It's now claimed that the last of these will generate an estimated 5,000 full-time jobs for the Redcar area which will come with decent wages.

What efforts have been made to remind Tees Valley Unlimited of the previous promises made to Hartlepool, why has the council allowed the town to become side-lined in this latest development and should we content ourselves in preparing Hartlepool's younger generation for a life as part-time shelf-stackers, bar staff and Latte makers on zero hour contracts?"

In response, the Chair of the Finance and Policy Committee advised that Hartlepool had ambitions to drive forward the energy cluster within Hartlepool which already had world class businesses such as EDF, Heerema, JDR Cables and Able UK, to name just a few. Engaged in oil, gas, nuclear and renewable sectors the businesses represented key major economic drivers that offered long term sustainable economic growth for the Town. The wind power sector formed part of this energy sector and the Town has long term aspirations to become a centre of manufacturing excellence within the offshore wind sector. The town was well placed to take advantage of this potential market in terms of location, infrastructure including the establishment of an Enterprise Zone, supplier chain and labour supply.

At the present time there was no clear plan for offshore wind and only a limited number of offshore wind farms had been developed in the north sea and Dogger Bank which represented round 3 of north sea wind farm developments. A number of businesses had stated their intention to invest in manufacturing and mobilisation but in most cases only limited investment had taken place and for instance whilst Gamesa had stated an intention to invest in Leith this had not come to fruition at this time. The industry had stated that if north sea offshore wind sector developed as originally intended there would be a requirement for several major bases along the north sea coast and Hartlepool was well placed in terms of location, infrastructure, supplier chain and labour supply. Notwithstanding this situation, Hartlepool had already achieved a good level of success in the energy sector and key points were highlighted as follows:-

- Port Estate established as an Enterprise Zone along with Queens Meadow and Oakesway, representing 33% of the Tees Valley Enterprise Zone. The estate was the mobilisation hub for Siemens to develop the Redcar Offshore Wind Farm. Situated in the Port, TWI is the business appointed for the long term operation and maintenance of the Redcar field and has created around 20 skilled jobs. A US company, McDermotts has announced that it is investing in a major pipe spooling project on the EZ, creating around 150 skilled jobs.
- Queens Meadow has seen 10 projects delivered since the inception of the Enterprise Zone, a number of businesses supply the energy markets such as Propipe and C&A Pumps and Engineering. Well over 100 skilled jobs have been created.
- Heerema has secured major contracts including wellhead and platform manufacturing and will employ around 1,000 highly skilled and well paid jobs.
- JDR Cables goes from strength to strength with an expansion into steel tube umbilicals and recently won a major order to supply these new products for the Ravn offshore oil and gas field. The business employs around 160 skilled and well paid jobs.
- Able UK recently announced a major recycling contract with Shell for 4 platforms that will create around 200 jobs. The company is also investing in new capital equipment and infrastructure works to open up a range of markets including offshore wind, oil and gas manufacturing and recycling.
- The Council overwhelmingly supported the Nuclear Strategic Siting submission to Govt which includes the Hartlepool site for a new build reactor. The site currently employs 700 direct and contractor jobs.

It was noted that the Council had supported many of the projects and had helped businesses secure Regional Growth Fund (RGF), Let's Grow grants and Tees Valley Business Compass Investment grants. For information, Members were informed that Hartlepool had achieved 55% of RGF awards to the Tees Valley in round 2 of RGF and currently had achieved 36% of Business Compass grants awarded across the Tees Valley. The Council was unaware of the proposals regarding an offshore base at Redcar. It was understood there were plans for the offshore wind array cables to join into the national grid at Lackenby, however this was not expected to create many long term jobs. The establishment of the Enterprise Zone at Port Estates was the Tees Valley's key offshore wind offer and this position remains the same.

Members highlighted issues relating to youth unemployment data and concerns were expressed regarding the levels of youth unemployment in the Borough. The Chair of Finance and Policy Committee advised Council of the progress which had been made but reassured Members that the Council was not complacent and recognised that work continued to be necessary to address youth unemployment issues. The Vice Chair of Regeneration Services

Committee reiterated the comments of the Chair Finance and Policy Committee and advised Council of a working group which had been established to work in partnership with the College of Further Education on youth opportunities. Reference was made also to the work which was undertaken with schools to ensure young people were given the best opportunities available to them.

95. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 30 October 2014 and the Extraordinary meeting of Council held on 24 November 2014, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

96. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

With reference to minute 77(a)(1), a Member referred to his attempt to ask a question to the Chair of Neighbourhood Services Committee which had been ruled to be 'out of order'. The Member sought clarification as to the reason that question had been ruled out of order when, at the September meeting of Council, a Member had been allowed to ask a question relating to minutes which had not been published. The Chief Solicitor accepted there could have been inconsistency but unintended if that was the case, and advised that he would respond in writing direct to the Member.

With reference to minute 76, a Member referred to the debate at the last ordinary meeting of Council and advised Council that given that evidence had been provided to Councillor Beck, it was questioned whether Councillor Beck would be prepared to apologise. In response Councillor Beck advised that he was not willing to apologise as he had not misled Council. The Member then asked the Ceremonial Mayor whether Councillor Beck had been authorised to speak on his behalf at that Council meeting and whether the Ceremonial Mayor had ever been a member of Manor Residents Association. The Ceremonial Mayor replied that he had explained the situation to the Chief Executive and the Chief Solicitor.

With reference to the Extraordinary meeting of Council, a Member complimented the minutes which captured the meeting but expressed disappointment that after the meeting, the meaning of the Motion had been misrepresented. The Member advised that at the meeting a statutory referral to the Secretary of State had been requested. The Member referred to the grounds for a statutory referral and expressed concern that the decision made by Council had been misrepresented by not making a statutory referral to the Secretary of State. The Chief Solicitor advised Members that there were no grounds for a statutory referral to the Secretary of State under Regulation 23(9)

of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

It was moved by Councillor Brash and seconded by Councillor Thompson:-

“That the Council exercise its powers under Regulation 23(9) of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 and make a formal referral to the Secretary of State.”

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken.

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Brash, Clark, Cranney, Fleet, Gibbon, Griffin, Hall, Hind, Jackson, James, Lauderdale, Lilley, Loynes, Richardson, Riddle, Robinson, Simmons, Sirs, Thomas and Thompson.

Those against:
None.

Those abstaining:
None

The vote was carried.

97. QUESTIONS FROM MEMBERS OF THE COUNCIL

- a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1

With reference to minutes 62, 63 and 64 of the meeting of the Children's Services Committee held on 11 November 2014, a Member questioned whether the Chair of the Committee would join him in congratulating those organisations which had helped improve the lives of children including Radio Hartlepool. Following a suggestion made by the Member, the Chair of the Committee agreed that a letter of appreciation should be sent to all organisations involved in Christmas toy appeals across the Tees Valley for the benefit of Hartlepool children.

With reference to minute 80 of the meeting of the Finance and Policy Committee held on 24 November 2014, reference was made to the discussion on ward member budgets at the meeting when a Committee Member had mentioned the use of ward member budgets to 'buy votes'. The Chair of the Committee joined the Member who raised this in condemning such comments. In the debate which followed the question, reference was made to the public question considered earlier in the meeting from Mr Measor to the Chair of the Neighbourhood Services Committee (minute 94 refers) particularly in relation to public perception relating to publicity/use of ward member budgets. The Chief

Executive reiterated the robust procedures for approving the use of Ward Member budget and Members referred to good practices currently adopted by ward members

It was moved by Councillor Thompson and seconded by Councillor Brash:-

“That the procedure adopted by ward members in the Victoria Ward, involving all 3 ward members agreeing to the use of ward member budgets, be rolled out to all wards”.

In response to a suggestion made by the Chair of Finance and Policy Committee that the issue be discussed by the Neighbourhood Services Committee when ward member budgets are reviewed, the motion was withdrawn and the proposer of the amendment requested that all Members be notified when the issue is to be considered by the Neighbourhood Services Committee.

- b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2

Question from Councillor Brash to Chair of Audit and Governance Committee:

“Can the chair of audit and governance provide an overview of the current status of complaints against elected members and set out the step by step procedure for dealing with a complaint against a Councillor by a member of the public or another elected member, specifically:

- The number of complaints, of any sort, that have been lodged against elected members since May 2013.
- The number that are still unresolved and how long have they been ongoing.
- Whether any complaints have led to sanction against an elected member.
- Whether any complaints have led to a change in policy or procedure of this council.
- The way in which the decision to proceed at each stage of the complaint process is evidenced and who takes that decision.”

In the absence of the Chair of the Audit and Governance Committee, a written response was read out by the Chief Executive as follows:-

‘Since May 2013, there have been twenty two (22) complaints against elected Members, five (5) of these complaints relate specifically to the alleged conduct of Members of a Parish Council. Of the five complaints involving the Parish Council, only one matter is ‘unresolved’ and is subject to a hearing, which is in the process of being arranged. That complaint was received on 12 May 2014. Presently, there are two other cases that remain to be resolved and which relate to elected Members of the Borough Council. One complaint was received on 9 October and upon which the completion of inquiries by another body is awaited.

The other is a complaint against an elected member, following a meeting of Council on 13 October. The draft report has been issued to the Subject Member and the primary complainant for comment.

Whereas the 'standards regime' under the Local Government Act, 2000, introduced a sanctions based system, the Localism Act, 2011 relies on 'actions' for example, censure, training, withdrawal of facilities but not disqualification or suspension, which previously was the case.

A report was considered by the Audit & Governance Committee on 11 December (following earlier representations received from the Committee) which has introduced changes to procedures, by way of example, as to the timeliness of investigations, publicity, vexatious/habitual complaints and those amendments to procedures can be found on the Council's website. Each complaint is assessed against criteria, approved by the Committee, through the Monitoring Officer in consultation with the Independent Person. That assessment determines whether a case proceeds through formal investigation, or other action (eg., conciliation etc) or that no action should be taken. It should be pointed out, that the system under the Localism Act, seeks the early and timely resolution of complaints without reference to investigation, if at all possible. Even in cases where an investigation has taken place, an accent on 'local resolution' is still permissible and is a decision taken by the Monitoring Officer in conjunction with the Independent Persons. In cases of findings of fault which are in contention the case ordinarily proceeds through a hearing, before a sub-committee of Audit & Governance with parish council representation, if the complaint relates to a parish. The Monitoring Officer has reported into the Committee the outcome of his investigations and the consideration of those reports have often led to a recommendation, amongst other matters, that the investigation report be accessed through the Council's website.

On a point of further information, it was decided by the Committee on 11 December, that should an investigation be likely to go beyond a six month period then a report outlining that delay and the reasons behind such a delay should be reported to the Committee. This requirement to report to the Committee would also extend to issues surrounding the anonymity of a party and whether, in the public interest, that anonymity should remain.'

During the debate that followed the response, the questioner explained the rationale for the submission of his question was due to the level of complaints against Elected Members being unprecedented. The Member highlighted the unacceptable pressure on staff arising from the number of complaints. It was proposed that a different mechanism be adopted to consider complaints and that could be achieved by increasing the number of Independent Persons who would comprise a Panel which would consider complaints. In response, the Chair of Finance and Policy Committee advised Council that he had discussed the impact of consideration of complaints with the Chief Executive and had requested that a report be submitted to the Finance and Policy Committee. The Chair added that he was content that consideration be given to a feasibility study on the resources required to administer the procedure for progressing and considering complaints received against elected Members, including the

involvement of Independent Persons, and reported to the Finance and Policy Committee and subsequently Council for further consideration.

The Member accepted the proposal.

The Monitoring Officer confirmed that Officers endeavoured to process all complaints in a timely manner. In compliance with the Localism Act 2011, Local Authorities instigated their own individual complaints procedures with at least 1 Independent Person involved from an early stage. The Council had previously chosen to appoint two Independent Persons for this purpose. The Monitoring Officer commented that there had been an unacceptable level of complaints received but was consistent with other Tees Valley authorities. It was highlighted that the level of Officer resources currently available to deal with the level of complaints received was a concern and regard would need to be given to this if the number of complaints received continued at this level. The Chief Executive reassured Members that, in his role as Head of Paid Service, should the point be reached where the number and type of complaints received merited it, instructions would be given to employ more Officers as the intolerable burden currently placed on Officers dealing with complaints had to be managed effectively.

- c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority

None.

- d) Minutes of the meetings held by the Cleveland Fire Authority and the Police and Crime Panel

The minutes of the meeting of the Police and Crime Panel held on 24th July 2014 were noted.

98. BUSINESS REQUIRED BY STATUTE

None.

99. ANNOUNCEMENTS

The Ceremonial Mayor referred to the recent commemoration and marking of the Bombardment of Hartlepool during the World War I. The sincere thanks and appreciation of the Council were given to all staff, partners and schools involved who had worked tirelessly to create such a sensitive and appropriate occasion. The event had been organised in a very professional manner. It was agreed that a letter be forwarded from the Ceremonial Mayor to all teams and partners involved in the organisation of the commemoration of the Bombardment of Hartlepool thanking them for their invaluable and professional input to the smooth running of the event.

100. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None.

101. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

1. Review of Polling Districts, Polling Places and Polling Stations - Report of Finance and Policy Committee

Council was requested to approve the recommendations made at the Finance and Policy Committee on 24 November 2014, in line with the 'proposals' document as appended to the report. The Committee had previously received a report on the 18 August 2014, with a request to determine a timetable for this review and to authorise the Chief Solicitor to take necessary steps to implement that review and undertake appropriate consultations. A consultation process had been undertaken from 1 September through to 31 October 2014 and the results of that consultation were outlined in the report.

The report was moved by Councillor Christopher Akers-Belcher and seconded by Councillor Richardson.

Elected Members who represented the Fens and Rossmere Ward highlighted a number of concerns at the use of the Mowbray Community Pub as a polling station. The Chief Solicitor in his capacity as local Returning Officer indicated that regular reviews of the locations of polling stations were undertaken and that the comments received from the use of this particular polling station had been positive and whilst it was not ideal, there were very few alternatives. However, it was noted that a further review would be undertaken after the elections to be held in May 2015 and alternative venues to this location would be explored further in view of the concerns expressed by Fens and Rossmere Ward Members.

RESOLVED –

- (1) That the proposals be approved in accordance with the details provided at Appendix 1 and authority delegated to the Chief Solicitor for publication of those proposals..
- (2) That as part of the review of Polling Districts, Polling Places and Polling Stations and in view of Fens and Rossmere Ward Members' concerns, alternative venues to the Mowbray Community Pub be explored.

COUNCILLOR AINSLIE DECLARED A PERSONAL INTEREST IN THE FOLLOWING ITEM AS CHAIR OF THE CONSERVATION AREA ADVISORY COMMITTEE.

2. Commercial Frontages and Shop Front Design Guidance (Report of Regeneration Services Committee)

The Chair of Finance and Policy Committee presented a report which set out the response to the public consultation on the Draft Shop Front Design Guidance Supplementary Planning Document which, if adopted, would eventually form part of the Hartlepool Local Plan. The Shop Front Design Guidance Supplementary Planning Document was intended to encourage good design within retail areas of Hartlepool. A copy of the Consultation Statement outlining the approach to the consultation and the response received were set out in Appendix 1 of the report. The consultation was particularly targeted at individuals who were owners of commercial buildings in Hartlepool and those who provided guidance to owners and, or, comment on planning applications for commercial properties. The draft document had been presented to the Conservation Area Advisory Committee on the 26 February 2014, where the guidance was welcomed. Despite the circulation of the document to the Economic Forum and individuals who had an involvement with commercial properties in Hartlepool there were no responses from anyone with a direct involvement in commercial properties. The document had been through a lengthy development process prior to public consultation and it was considered that the final draft document represented wide ranging guidance on commercial property. The guidance was proposed for adoption by Council.

RESOLVED - That the Commercial Frontages and Shop Front Design Guidance Supplementary Planning Document be adopted

3. Hartlepool Education Improvement Strategy 2014-2015 (Report of Children's Services Committee)

The Chair of Children's Services Committee presented the report and provided the background to the Hartlepool Education Improvement Strategy which was based around six key aims which were detailed in the report. It was proposed that a Hartlepool Education Improvement Board be established to oversee the delivery and impact of the Strategy.

RESOLVED –

- (1) That the contents of the report and the Hartlepool Education Strategy and its appendices were noted.
- (2) That the Hartlepool Education Improvement Strategy be approved and it was noted that a further report will be submitted to the Children's Services Committee to detail the financial investment needed to drive up educational standards in Hartlepool.

IN ACCORDANCE WITH DECLARATION MADE EARLIER IN THE MEETING, COUNCILLOR THOMPSON LEFT THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEM ONLY

4. Minimum Unit Price of Alcohol (Report of Licensing Committee)

The Vice Chair of Licensing Committee updated Council on the outcome of the Licensing Committee's meeting on 6th November 2014 where consideration had been given to the introduction of minimum unit pricing for alcohol. The Committee had been advised that in 2013 the coalition Government had dropped its proposal to introduce minimum unit pricing for alcohol and, as a result, a number of Local Authorities had been exploring how the principle could be introduced another way focussing specifically on the potential for the adoption of a local by-law. The Committee had been informed by the Council's Solicitor that there was no legal framework upon which a by-law could be founded and, as such, there was no potential in pursuing such an approach for Hartlepool. The Committee had recognised the significant broader health issues associated with the cheap availability of alcohol and, taking into account the legal advice received, asked for minimum unit pricing to be included in the drafting of the next Licensing Policy which would be consulted on during 2015 prior to adoption and publication in December 2015. Inclusion in the Licensing Policy would not create a legally binding obligation on licensees to sell alcohol at a specified minimum price but would highlight the Council's commitment to reducing alcohol harm and stress to licensees the relationship between price, alcohol consumption and alcohol misuse. The Committee had also asked for the principle of minimum unit pricing to be referred to the Health and Wellbeing Board as part of the broader public health debate.

The inclusion of the concept of minimum pricing within the Council's Licensing Policy was welcomed by Members. Reference was made to the procedure followed by Newcastle City Council whereby Members would have regard to other problems associated with the licence/licensee when considering applications for licenses and it was suggested that this be included within the Council's Licensing Policy. In addition, it was suggested that the views of Manchester City Council be sought through an invitation to a meeting of Hartlepool's Licensing Committee to evidence their legal position with regard to the basis of the approach adopted by that Local Authority. The Vice Chair of Licensing Committee agreed to the proposals suggested by the Member being referred to the Licensing Committee.

RESOLVED – That Council noted the contents of the report and endorsed the views of the Licensing Committee that minimum unit pricing of alcohol should be referred to the Health and Wellbeing Board and that the feasibility of meeting with the Licensing Committee of Manchester City Council to discuss the 'local option' be explored further.

102. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None.

103. REPORT FROM THE POLICY COMMITTEES

(a) Proposal in relation to the Council's budget and policy framework

1. Medium Term Financial Strategy 2015/2016 to 2018/2019 (Report of Finance and Policy Committee)

Council received a comprehensive presentation by the Chair of the Finance and Policy Committee which addressed the salient issues included in the report and supporting information which had been provided to Council. The increase in Government grant cuts was noted together with how the Council was preparing to deal with them. The strategy to manage the 2014/15 Budget and Reserves Review as well as the General Fund Budget for 2015/16 was outlined in the presentation. A number of positive proposals were included for 2015/16 including the level of council tax, living wage, funding for apprenticeships and funding for free swims.

A number of Capital Programme schemes were highlighted for 2015/16 including the expansion of the Cleveland College of Art and Design resulting in the relocation of the Council's Depot as well as a proposal to develop Morison Hall on the Headland. It was acknowledged that whilst the MTFS proposals were helpful, it was expected that further cuts of £14.8m would need to be identified by March 2018. This would be extremely challenging as this equated to a 17% reduction in the total budget and many difficult decisions would need to be made over the next three years.

In conclusion it was highlighted that the proposals were designed to provide the best possible financial foundations for the significant challenges which lie ahead in 2016/17 and the following two years.

The report was moved by the Chair of the Finance and Policy Committee.

The following additional recommendation was moved by Councillor Brash:-

"That the Council will not outsource the provision of the youth service".

The Chair of the Children's Services Committee responded and advised Members that the savings which had been agreed by the Committee would be achieved without outsourcing the provision of youth services.

A Member reminded Members that a school breakfast pilot project had been discussed at the Council meeting held on 7th August 2014. The Member highlighted that the scheme had not been included in this budget report. The Chair of Children's Services Committee advised Council that the pilot scheme had been extended and highlighted issues relating to the scheme. Members were advised that a report would be submitted to Council in relation to the scheme.

The Ceremonial Mayor referred Members to Rule 10 of the Council Procedure Rules and sought Council approval to the meeting continuing

beyond 9.30p.m. It was agreed that the meeting be extended for an additional 30 minutes to 10pm.

The Chair of Finance and Policy Committee responded to a request for an update on the financial situation in relation to the Domes, Tees Road. Following the response, a question was raised in relation to Jacksons Landing and it was agreed that an update on the current position in relation to the future of Jacksons Landing be emailed to all Members

Concern was expressed regarding the implications of savings options detailed in the report and the impact on people who relied on food banks, credit unions and third sector organisations. Concern was expressed particularly that there was no provision for community pool which supported food banks and credit unions.

It was moved by Councillor Thompson and seconded by Councillor Brash:-

“That Ward Member budgets be removed from the Medium Term Financial Strategy and that funding be used together with the identified favourable outturn of £30,000 to allow the community pool to operate to support people in crisis”.

The Chair of Finance and Policy Committee responded by highlighting that £100,000 had been retained in the budget (Advice and Guidance) to assist the most vulnerable members of community. Members were also advised that the voluntary and community sector had the opportunity to apply for funding from the ward members budget as well as for civic lottery funding. The Chair concluded by highlighting that the budget report which had been presented was based on robust advice provided by the Chief Finance Officer.

A Member referred to the additional recommendation which had been moved earlier in debate in relation to the provision of the youth service. Council agreed that the provision of the youth service would not be out-sourced as part of any contract.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the amendment moved in relation to ward member budgets:-

Those in favour:

Councillors Brash, Gibbon, Lauderdale, Lilley, Riddle and Thompson.

Those against:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Clark, Cranney, Fleet, Griffin, Hall, Hind, Jackson, James, Loynes, Richardson, Robinson, Simmons, Sirs and Thomas.

Those abstaining:

None.

The vote was lost.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the substantive motion.

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Brash, Clark, Cranney, Fleet, Gibbon, Griffin, Hall, Hind, Jackson, James, Lauderdale, Lilley, Loynes, Richardson, Riddle, Robinson, Simmons, Sirs, Thomas and Thompson.

Those against:

None.

Those abstaining:

None.

The vote was carried and the following recommendations were agreed:-

General Fund 2014/15 Final Outturn (including impact of Reserves Review)

Approve the updated forecast outturn position detailed in Appendix A (including the outcome of the Reserves Review detailed in Appendix B) and the reserves recommended in table 4 to Appendix A, including:

- the proposal from the Trade Unions to allocate the saving from the day of industrial action of £40,000 to support the apprenticeship scheme; and
- one-off funding to provide 2015/16 Ward Member budget of £4,000 per Councillor.

To note that after reflecting the above proposal the uncommitted forecast 2014/15 General Fund outturn is between £1.457m to £1.542m and to approve that

- the lower forecast of £1.457m is allocated to supplement the existing Budget Support Fund available to support the MTFS. Proposals for using the Budget Support Fund are detailed in the recommendation at paragraph 15.23;
- the additional forecast uncommitted forecast outturn of £52,000 (i.e. £1.542m less £1.457m less £33,000 to reflect increase in Ward Member budgets from £3,000 to £4,000) is not committed until the final outturn is known.

Local Council Tax Support Scheme 2014/15 Forecast Outturn.

To note the detailed Local Council Tax Support (LCTS) scheme report to be referred to Council on 18th December 2014 will recommend that the 2014/15 underspend of £0.328m is allocated to supplement the LCTS Reserve, which will enable a lower reduction in LCTS support to be achieved in 2017/18.

2015/16 General Fund Budget

Approve the implementation of the following corporate savings:

- Additional ICT contract saving - £0.150m
- Terms and Conditions Review - £0.200m
- Centralised estimates saving - £0.270m

Note the risk in achieving the Terms and Conditions savings from 1st April 2015 and consequential impact on funding available to implement the increase in the Hartlepool Living Wage;

Approve the following package of measures to fund the 2015/16 budget deficit, which includes the corporate savings recommended in paragraph 15.8 and a contribution from the Budget Support Fund:

	£'000	Percentage
Departmental Budget Savings	5,406	73%
Use of the Budget Support Fund	1,116	15%
Corporate Budget Savings	620	8%
Use of one off resources to defer proposed savings in relation to Lifeguards, School Crossing Patrols and Advice and Guidance services	305	4%
	7,447	100%

Approve the Departmental savings options detailed in Appendix C.1 to C.7 and summarised below:

	£'000	Percentage of 2014/15 budget
Chief Executive's Department (1)	515	13%
Child and Adult Service - Use of grants (2)	1,700	4%
Child and Adult Services – Budget reductions	1,164	3%
Regeneration and Neighbourhoods (3)	1,860	8%
Public Health (General Fund budgets)	167	14%
Total Department budgets	5,406	

Note the information provided in paragraph 6.6 in relation to the impact of either accepting the Council Tax freeze grant, or increasing Council Tax by 1.9%;

Approve a 2015/16 Council Tax freeze for Council services;

Approve the allocation of the permanent saving of £30,000 on the Coroners Service to continue free summer swims on a permanent basis;

Approve the proposal that any final variation to the actual 2015/16 Core Grant allocation and / or final Collection Fund balance is managed by a corresponding increase/decrease in the use of the Budget Support Fund in 2015/16 and to note details of any necessary change will be reported within the Council Tax setting report.

Potential Legislative/funding changes

Note the potential legislative changes detailed in section 7 in relation to The Care Act and the Independent Living Fund, which it is anticipated will be budget neutral for 2015/16 and note further details will be reported when known.

Note the potential changes detailed in section 7 in relation to Local Welfare Support, which may require the Council to review the previous local decisions regarding funding for this service for the period 2014/15 to 2016/17 and note further details will be reported when known.

Note the potential for additional Local Council Tax Support scheme new burdens funding continuing in 2015/16 detailed in section 7. The Council received £110,000 for 2014/15.

Note the additional grant cut in relation to the Carbon Reduction Commitment funding detailed in section 7 and this amount has been reflected in the updated MTFS forecasts for 2015/16.

General Fund 2016/17 to 2018/19

Approve indicative annual Council Tax increases for Council Services for the period 2016/17 to 2018/19 of 1.9% and to note that the actual level of Council Tax will be considered on an annual basis to reflect the Council Tax referendum regime and Council Tax freeze arrangements applying at the time.

Approve the phased use of the increased Budget Support Fund as follows (original phasing included for information):

Forecast use of Budget Support Fund

	Original Phasing £'000	Latest Recommended Phasing £'000
2015/16	1,626	1,116
2016/17	1,648	2,700
2017/18	0	915
2018/19	0	0
Total	3,274	4,731

Note the revised forecast deficits after reflecting the revised phasing of the Budget Support Fund as follows (original forecasts included for information):

Forecast Annual Budget Deficits

	Original Forecast £'000	Revised Forecast £'000
2016/17	7,600	5,100
2017/18	6,018	5,190
2018/19	3,890	4,518
Total	17,508	14,808

Capital Programme 2015/16

Approve the use of Prudential Borrowing for the purchase of 7 bungalows, as detailed in paragraph 9.5, subject to the Homes and Communities Agency grant being secured towards the cost of this scheme.

Approve the capital budget for the replacement of the depot, which will enable CCAD to relocate to this site, of between £3.065m to £3.75m (noting that the higher figure includes a contingency which it is recommended is included owing to the complexities and short time scale for designing and preparing the cost estimates for this scheme. Officers will work to limit costs to the lower figure) and the following funding:

- £1.065m contribution from 2014/15 Regeneration and Neighbourhood Services General Fund outturn;
- Prudential Borrowing £2m #
- Prudential Borrowing £0.685m. This amount will only be used if the scheme costs £3.75m##

The repayment costs will be funded from a combination of efficiency/operational savings arising from relocating the depot and increased income generated from new opportunities, which cannot currently be delivered from the existing depot. Therefore, there will be no cost to the General Fund budget in 2015/16.

Allocating the revenue savings/increased income will mean that this amount is not available towards achieving the Regeneration and Neighbourhood Services revenue savings in 2016/17, which will mean that more difficult savings will need to be implemented in 2016/17. Proposals to potentially mitigate this impact are detailed in recommendation 15.28.

The part year loan repayment costs in 2015/16 will be approximately £14,000 and can be funded from the existing capital financing budget. The full year costs in 2016/17 will be approximately £50,000 and this will be a budget pressure in 2016/17.

Approve the proposal that any one-off resources released or any additional capital receipts (i.e. in excess of the existing target) which can be achieved over

the next few years are considered to be used to reduce the borrowing required to fund the depot relocation. This would be the subject of consideration as part of the following years (i.e. 2016/17) Medium Term Financial Strategy report. These proposals will then enable the revenue savings allocated to fund loan repayment costs to be taken in future years as part of the Regeneration and Neighbourhoods savings plan.

Approve the use of Prudential Borrowing for the replacement of Operational Equipment as detailed in Appendix E, table 3 and note the annual repayment costs are already included within existing operational and trading accounts budgets.

Power Station Business Rates

Approve the proposal that as soon as the outcome of the current application by the Power Station for a reduction in Business Rates is known to seek a meeting with the Local Government Minister to again highlight the financial impact of the Power Station and to request that this exceptional and volatile risk is excluded from the standard safety net arrangements.

Robustness of Budget Forecasts

Note the detailed advice provided by the Chief Finance Officer and Corporate Management Team in section 11.

Approve an increase in the temporary Prudential Borrowing pending the achievement of planned capital receipts from £1.128m to £1.221m for 2014/15, and note that it is anticipated this amount will be repaid early in 2015/16 when capital receipts are forecast to be achieved.

Morrison Hall

Approve the request from Hartlepool Revival Limited to increase the loan for the redevelopment of Morrison Hall to £610,000 to be repaid over a maximum period of 50 years.

To note that in accordance with the original loan approved by Council on 5th December 2013 the Council's financial position will be protected by the following contractual conditions:

- The loan agreement will be subject to a first charge against the property.
- Loan advances will be paid by instalments after the completion and valuation of the grant funded works. This will reduce financial risk to the Council as significant refurbishment works will be completed before the loan is drawn down;
- The annual contributions to the Major Repairs Fund will be paid over to the Council to oversee the fund. This arrangement gives assurance that the value of the property is protected, as it will be used as security in the event of a loan default.

2. Localised Council Tax Support 2015/16 (Report of Finance and Policy Committee)

The Chair of the Finance and Policy Committee presented the report which included the final proposals for the Localised Council Tax Support Scheme for 2015/16. Attached by way of Appendix was the report considered by the Finance and Policy Committee on 24 November 2014. The proposals were to maintain the LCTS scheme award at the same level as 2014/15. The proposed 12% LCTS cut for 2015/16 was viable, reduced financial risk and deferred an increase in the Council Tax liability of low income working age households at a time when households were adjusting to the impacts of the wider national reforms.

It was noted that the financial planning assumptions that underpin the LCTS scheme would require close monitoring to ensure that claimant numbers, scheme costs and collection of Council Tax were in line with forecasts. The 2015/16 LCTS Scheme Principles were outlined in the report and included further details on the element of the Council Tax Support Grant that would be passed onto individual Parish Councils.

RESOLVED – That the following be approved:-

- (1) The implementation of a 2015/16 LCTS scheme involving a 12% cut.
- (2) The re-phased application of LCTS reserves.
- (3) The continuation in 2015/16 of the existing LCTS scheme Principles .
- (4) The passporting of approximately £5,000 of the 2015/16 Core Revenue Grant to Parish Councils in accordance with national regulations.
- (5) The approved Local Council Tax Support Scheme will be subject to close monitoring and annual review and approval by full Council.

The above was agreed by show of hands. The Chair confirmed, in the absence of dissent, that this was the unanimous decision of the Council.

(b) Proposal for Departure from the Budget and Policy Framework

None.

104. MOTIONS ON NOTICE

The following Motion had been submitted:-

"This council notes the suffering forced upon local residents as a result of this Coalition government's cuts program and asserts that there is an alternative to its ideologically driven attack on public services – namely the levy of a financial transaction tax on the speculative activities that

have accelerated the recent enrichment of the few to the detriment of the many.

The council therefore calls upon Government to enact the Financial Transaction (or Robin Hood) Tax and use the revenues from this measure to reverse ongoing shrinkage in central grants to our council and public services as a whole.

We undertake to write the Prime Minister, the Chancellor and our local MP urging them to support this measure."

Signed: Councillors Brash, Thompson, Hargreaves, Riddle, Atkinson, Lilley and Lauderdale.

The Motion was moved by Councillor Brash and seconded by Councillor Ainslie.

In supporting the Motion, an amendment was moved:-

"That the Council write to the two Labour MEPs confirming that the Council support their work in urging the introduction of the tax"

The above Motion, including amendment, was agreed by show of hands. The Chair confirmed, in the absence of dissent, that this was the unanimous decision of the Council.

105. DCLG TRANSFORMATION CHALLENGE AWARD

The Chief Executive reported that the Council had been successful in its bid for funding under the Department for Communities and Local Government Transformation Challenge Award 2015-16. The Council had been awarded the full amount of £750,000. The bid had been led by Child and Adult Services on behalf of the partnership of Children's Services, Public Health, Economic Development, NHS Hartlepool and Stockton-on-Tees Clinical Commissioning Group, Cleveland Police and North Tees and Hartlepool NHS Trust. The Chief Executive suggested to Council that congratulations should be conveyed to all staff involved in submission of the bid.

The project is entitled The Better Childhood Programme and aimed to transform processes, systems and service models to create new multi professional solutions for children and families by removing duplication from the system and maximising the expertise of the children's workforce. The programme had three key elements which were detailed in the report.

RESOLVED – That the report be noted and the appreciation of Council be conveyed to staff in the Child and Adult Services Department who had led on the bid.

106. OUTSIDE BODY - FAMILY PLACEMENT PANEL

Council was informed that Councillor Payne had resigned from his position on the Family Placement Panel. A replacement nomination was sought for the remainder of the term of office which extended until 2017.

RESOLVED – That Councillor Beck be appointed as the replacement representative on the Family Placement Panel for the term of office until 2017.

107. CATCOTE ACADEMY

Members were reminded of discussions at the Council meeting held on 30 October 2014, when concern had been expressed by a Member regarding facilities at Catcote School. It had been moved “that a report be submitted to a future meeting of the Finance and Policy Committee to explore building and associated works required at Catcote school.” Following the Council meeting the proposal had been discussed with the Chair of Finance and Policy Committee and the Chair of Children’s Services Committee. Council was requested to note that it had been agreed that constitutionally, a report should be considered by the Children’s Services Committee. Subsequently a report had been prepared for presentation to the Children’s Services Committee on 9th December 2014. The report outlined that Catcote Academy is proposing to make two bids to the Department for Education Academies Capital Maintenance Fund in order to obtain Central Government funding to develop and improve the accommodation for both its Behavioural, Social and Emotional Difficulties provision and its Autism Spectrum Disorder (ASD) provision. Funding is being sought to replace the demountable classrooms that currently house the Behavioural, Emotional and Social Difficulties (BESD) provision, and which are now in poor condition, with an extension to the school building onto the south car park. This will provide three teaching rooms, staff and student toilets and an enclosed garden. Two existing rooms will be included in the BESD scheme with a separate entrance, reception and office. In addition, the north car park will be reconfigured to enable more parking in this area. The second bid for DfE capital maintenance funding is to replace the demountable building that currently houses the ASD provision with a modular building that will include autism specific teaching areas, sensory and social areas and both staff and pupil toilets. The deadline for the submission of both bids is 19th December 2014.

RESOLVED – That the report be noted.

108. EXPENDITURE RELEVANT TO MEMBERS’ INTERESTS

The Chief Executive reported that further to requests by Members, information had been appended to the report which provided details of any contracts for works or services which were subject to the Council’s tender process and awarded to a body/entity listed on the Member’s Register of Interests during the previous 3 months. Details were provided of any payments made to a

body/entity listed on the Member's Register of Interests during the last 3 months. The report did not include information on those bodies listed on Members interests forms which either did not have a supplier number on Integra or which could not be identified on Integra given the information provided.

The Chief Executive highlighted that the details provided to Council had included Councillor Hargreaves interest in Liberty Catering which had not been correct and should therefore be removed from the information.

RESOLVED – That the report be noted.

109. CHAIR OF NEIGHBOURHOOD SERVICES COMMITTEE

Members were informed that Councillor Jackson had resigned as Chair of Neighbourhood Services Committee but would remain a Member of the Committee. Councillor James had been nominated as Chair of the Committee with Councillor Barclay as Vice Chair. As a result of the change in membership, Councillor James would be appointed to the Finance and Policy Committee as a Policy Chair which had resulted in a vacancy for a Labour Member on the Committee and nominations for this position were sought from Council.

RESOLVED –

- (i) That Councillor James be appointed Chair of the Neighbourhood Services Committee and Councillor Barclay be appointed Vice-Chair of the Committee
- (ii) That Councillor Barclay be appointed to the vacancy on the Finance and Policy Committee.

The Ceremonial Mayor paid tribute to the retiring Chair and expressed appreciation, on behalf of Council, to his outstanding work. Councillor Jackson replied in suitable terms and thanked Committee Members for their sterling work and support.

110. APPOINTMENTS PANEL – ASSISTANT DIRECTOR, EDUCATION

Council was requested, to approve the establishment of an Appointments Panel for the above post. This post had been considered by Monitoring of Vacancies and Thaw Panel in advance of this meeting.

In line with the Constitution's Officer Employment Procedure Rules, the Panel would consist of eight Members, as set out in the report. In addition, as identified in the Officer Employment Procedure Rules, Council was also requested to reflect the gender balance of the Council when nominating to the Panel. It was suggested therefore that Council's nominations to the Panel, include female Councillors to the Panel. Council was requested to approve the establishment of the Appointments Panel and nominate Members accordingly.

In addition Council was requested to consider the appointment of this Panel for the remainder of the Municipal year for any other posts which become vacant and which were subject to the Officer Employment Procedure Rules.

RESOLVED –

- (i) That the Appointments Panel comprise the following Members:-

The Ceremonial Mayor
The Leader of the Council
Councillors Ainslie, James, Lilley, Martin-Wells, Simmons and Thompson.

- (ii) That this panel be appointed for the remainder of the Municipal year for any other posts which become vacant which are subject to the Officer Employment Procedure Rules.

Due to their earlier declaration of pecuniary interest in the following items, Councillor C Akers-Belcher and the Ceremonial Mayor Councillor S Akers-Belcher left the meeting for the consideration of the remaining items.

The Deputy Ceremonial Mayor, Councillor Fleet, in the Chair for the remainder of the meeting.

111. EXTRAORDINARY COUNCIL MEETINGS

In accordance with the resolution of Council on 24 November 2014, all statutory health scrutiny functions had been transferred to Full Council. Therefore, in order to consider the health scrutiny items (detailed in Appendix C), a schedule of dates for Extraordinary Council meetings had been discussed with the Ceremonial Mayor.

It was noted that as Health Scrutiny involved public participation in order for members of the public to participate in discussions Council Procedure Rules would need to be suspended at the Extraordinary Council meetings.

RESOLVED – That Extraordinary Meetings of Council be held on the following dates:-

16 February 2015;
16 March 2015.

The Chief Solicitor was asked by a Member if it was appropriate for the Independent Remuneration Panel to consider the remuneration of the Chair of Audit and Governance Committee following the transfer of all statutory health scrutiny functions from that Committee to full Council. In response, the Chief Solicitor advised that he did not believe it was appropriate at this stage to refer the level of remuneration to the Panel and that it would be more appropriate to see how the process developed prior to consideration of a referral to the Panel.

112. REVIEW OF THE INDEPENDENT RECONFIGURATION PANEL

Members were advised that the Department of Health reviewed its arm's length bodies once every 3 years. There was currently a review of the Independent Reconfiguration Panel (IRP) being undertaken. The Independent Reconfiguration Panel, originally established in 2003, is an Advisory Non-Departmental Public Body of the Department of Health. The IRP is the independent expert on NHS service change, and provided advice to the Secretary of State for Health on contested proposals for health service change in England. The IRP also offered ongoing support and advice to the NHS and other interested bodies on successful service changes. The Department of Health wanted to know what people thought of the IRP. There were 11 questions and the review team were particularly interested in evidence in support of responses to the 11 questions. The questions were set out in an appendix to the report. The consultation would close on 19 December 2014, although an extension to this deadline has been offered until close of business on Monday 22 December 2014. As the closing date for this review is before the first Extraordinary Council meeting, Council is asked to consider and respond to this review.

At the meeting, a number of answers to the questions were presented which were accepted by Council for inclusion in the formulated response. The Member who had presented the answers indicated that he was content to provide further detail by way of e mail exchange.

RESOLVED– That a response to the review be formulated and authority delegated to the Statutory Scrutiny Officer, in conjunction with the Ceremonial Mayor, to finalise that response including the responses provided at the meeting.

113. CONSULTATION ON HOW THE CARE QUALITY COMMISSION (CQC) REGULATE DENTAL, AMBULANCE AND INDEPENDENT ACUTE HEALTHCARE SERVICES

The Chief Executive reported that earlier this year the CQC had sought views on the way they regulate, inspect and rate adult social care services, NHS acute hospitals, community health, specialist mental health services and NHS GP and Out of Hours services. The CQC had launched a second consultation, on the 28 November 2014, to find out what people thought about how they were planning to change the way in which they regulate, inspect and rate dental, ambulance and independent health services. The consultation questions for each area were listed at the end of each of the provider handbooks which were attached to the report: The consultation closed on 23 January 2015.

Members were advised that the Centre for Public Scrutiny were organising a teleconference (week commencing 12 January 2015) to gather views from Councillors on the consultation, especially in relation to the proposals for ambulance services. The views of any councillors who had been involved in joint scrutiny arrangements for ambulance services would be particularly

welcomed. As the closing date for the review was before the first Extraordinary Council meeting, Council was asked to consider and respond to this consultation.

Councillor Brash commented that this consultation provided cause to be positive about the CQC proposals which were focussed more on key issues rather than non compliance and should provide more balanced outcomes and indicated that he was content to feed those views directly to the Statutory Scrutiny Officer. In view of his comments noted above, Councillor Brash was nominated to take part in the teleconference as the Council's representative.

RESOLVED –

1. That a response to the review be formulated and authority delegated to the Statutory Scrutiny Officer, in conjunction with the Ceremonial Mayor, to finalise that response.
2. That the nomination of Councillor Brash as the Council's representative to take part in the teleconference be approved.

114. STAKEHOLDER UPDATE - NORTH EAST AMBULANCE SERVICE

The Chief Executive advised Members that all UK ambulance services had six Resource Escalation Action Plan levels (REAP), based on demand and their ability to maintain an effective and safe operational and clinical response. Normal routine operations would be at REAP Level 1, up to Level 6 where there was the potential of service failure. The REAP was designed to increase operational resource in line with demand, in order to assist the service in coping with periods of high pressure and maintain the quality of patient care. Considerations and actions within the REAP were designed to assist in protecting staff, patients and the organisation, and to enable the trust to deliver core functions and to recover the full range of service within an agreed timeframe.

On the 16 December 2014, the North East Ambulance Service (NEAS) had been one of eight ambulance services in England to declare its status at level 4. The decision to move to level 4 reflected that the service was under 'severe pressure' as a result of sustained pressure on emergency care services and a similar demand in acute trusts causing significant delays in ambulance turnaround. NEAS would now focus all non-critical resources on maintaining a safe level of emergency service to the public of the North East and to ensure that it was able to assist vulnerable patients most in need of an ambulance response. Despite the challenging circumstances, all patients calling 999 would still receive a response, even if target times were breached. Members were asked to note the update and NEAS had asked for assistance where possible in influencing timely handover at hospitals (where possible); improving access to other urgent care services; and reinforcing public and patient messages around alternative healthcare services.

One of the reasons identified by NEAS for its move to level 4 had been identified as due to bed blocking. The Chief Executive took the opportunity to

reassure Members that delayed admissions and discharges were in no way as a result of delays in the provision of adult social care services.

RESOLVED – That the report be noted.

The meeting concluded at 10.00 p.m.

CEREMONIAL MAYOR

CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING

17 OCTOBER 2014



PRESENT:

CHAIRMAN:- Councillor Brian Briggs – Redcar and Cleveland BC
HARTLEPOOL BOROUGH COUNCIL
 Cllrs Marjorie James, Geoff Lilley, Robbie Payne, Ray Martin-Wells
MIDDLESBROUGH COUNCIL
 Cllrs Shamal Biswas, Tom Mawston, Peter Sanderson
REDCAR & CLEVELAND BOROUGH COUNCIL
 Cllrs George Dunning, Ray Goddard, John P Hannon, Mary Ovens
STOCKTON ON TEES BOROUGH COUNCIL
 Cllrs Gillian Corr, Paul Kirton, Jean O'Donnell, Mick Stoker, Steve Walmsley, William Woodhead
AUTHORISED OFFICERS
 Chief Fire Officer, Director of Corporate Services, Treasurer, Legal Adviser and Monitoring Officer,
BRIGADE OFFICERS
 Head of Corporate Support

APOLOGIES FOR ABSENCE:

Cllrs Jan Brunton, Garry Clark, Naweed Hussain – Middlesbrough Council
 Cllr Norah Cooney – Redcar & Cleveland Borough Council
 Cllr John Gardner – Stockton on Tees Borough Council

The Chairman welcomed Councillor Tom Mawston back to the Authority.

42. DECLARATIONS OF MEMBERS INTEREST

Councillor Martin-Wells declared a person interest as a Ward Councillor for Rural West (15:10hrs – Minute No. 46.5 refers).

43. MINUTES

RESOLVED – that the Minutes of the Cleveland Fire Authority Meeting on 25 July 2014 be confirmed.

44. MINUTES OF COMMITTEES

RESOLVED – that the Minutes of the Executive Committee meeting on 26 September 2014 be confirmed.

45. COMMUNICATIONS RECEIVED BY THE CHAIR

The Chairman confirmed that correspondence had been received from the RFU, Mazars Chair of Darlington & Durham FRS, the Fire Minister, the FBU, Eric Pickles MP, the NJC, the LGA and James Wharton MP.

RESOLVED:- that the communications be noted.

46. REPORT OF THE CHIEF FIRE OFFICER

46.1 Retirement Policy & Procedure

The CFO presented the Retirement Policy and Procedure which had been updated to reflect the new document format and confirmed that there were no significant changes. He stated that the documents related to both green and grey book staff and that both the Fire Brigades Union (FBU) and Unison had been consulted. The CFO referred to Appendix 3 which detailed comments from the FBU with regard to the Retirement, Redeployment and Redundancy Policies and Procedures.

RESOLVED: -

- (i) That the Authority's Retirement Policy at Appendix 1 of the report be approved.**
- (ii) That the Retirement Procedure at Appendix 2 of the report that underpins the Retirement Policy be noted.**

46.2 Redeployment Policy & Procedure

The CFO presented the Redeployment Policy and Procedure which had been updated to reflect the new document format and confirmed that there were no significant changes. He stated that the documents related to both green and grey book staff and that both the FBU and Unison had been consulted with the FBU's comments attached at Appendix 3.

RESOLVED:-

- (i) That the Authority's Redeployment Policy at Appendix 1 of the report be approved.**
- (ii) That the Redeployment Procedure at Appendix 2 of the report that underpins the Redeployment Policy be noted.**

46.3 Redundancy Policy & Procedure

The CFO presented the Redundancy Policy & Procedure which had been updated to reflect the new document format and changes to the terminations benefits in relation to compulsory and voluntary redundancy following a benchmarking exercise with other local authorities within the Authority's area. The new benefits are set out in the Redundancy Procedure at Section 2.9. He confirmed that the Policy and Procedure reflected ACAS good practice.

The CFO stated that the documents related to both green and grey book staff and that both the FBU and Unison had been consulted with the FBU's comments attached at Appendix 3.

Councillor Payne referred to Page 12 of the Procedure, point 2.13 and requested clarification that the use of the word 'dismissed' was correct. The Legal Adviser/Monitoring Officer (LAMO) confirmed that this was the legally correct phrase, as one of the potential reasons for a fair dismissal could be through redundancy. Councillor Payne requested that the wording be strengthened to clarify this and Councillor Martin-Wells agreed the terminology should be clear to ensure that anyone leaving the organisation by way of redundancy are not penalised or their benefits affected.

46.3 Redundancy Policy & Procedure (cont)

RESOLVED:-

- (i) That the Authority's Redundancy Policy at Appendix 1 of the report be approved.**
- (ii) That the Redundancy Procedure at Appendix 2 of the report that underpins the Redundancy Policy be noted.**
- (iii) That the Redeployment Procedure be amended at 2.13 to read 'dismissed by reason of redundancy'**

46.4 Information Pack – October 2014

- 46.4.1 Fire & Rescue Service Monthly Bulletins
- 46.4.2 Employers Circulars
- 46.4.3 NJC Circulars
- 46.4.4 Fire Peer Review 30 September – 3 October 2014
- 46.4.5 Road Safety Week
- 46.4.6 Sainsbury's Fire Safety Week
- 46.4.7 Headland Community Fire Station Opening
- 46.4.8 Public Consultation – Queens Meadow Site
- 46.4.9 Campaign Launches

The CFO informed Members that earlier in the week he had attended the Combined Fire Authorities Conference at Wyboston Lakes with the Chair and Councillor Payne. He referred Members to the Agenda which had been tabled by the Chair and commented that the Conference had provided an environment to see how Authorities had dealt with austerity in different ways. Councillor Dunning asked if there had been a move towards amalgamation of blue light services. The CFO confirmed that options of regional fire services and blue light amalgamation had been discussed.

Councillor Lilley asked if the Authority had a view on the dangers of E-cigarettes. The CFO confirmed that work is being carried out with a multi-agency partnership approach to raising the awareness of the dangers of E-cigarettes.

Councillor James raised the issues of sky lanterns and domestic sprinkler systems and requested a copy of FRS Monthly Bulletin 49 which detailed the Industry Code of Practice and New Byelaw Regulating the Release of Sky Lanterns. The CFO confirmed that a Position Statement had already been presented to Redcar & Cleveland Borough Council providing the Authority's view on sky lanterns. He confirmed that the Authority is committed to advancing the cause of domestic sprinklers. Councillor James suggested there was an opportunity to promote the installation of Sprinklers by negotiating with our Local Authorities to include our policy in their Town Plans, which would then to before the National Planning Inspectorate, ensuring the issue was discussed nationally.

Councillor Dunning asked for the CFO's view on whether fireworks should be banned. The CFO confirmed that he would prefer to see unlicensed displays banned as these are the main source of injuries.

RESOLVED:-

- (i) That the Information Pack be noted.**
- (ii) That the CFO write to constituent authorities to negotiate the inclusion of our Sprinkler Policy in their Town Plans.**

46.5 Queens Meadow Complex Design

The CFO delivered a detailed three dimensional presentation of the design concept for the Queens Meadow Site for a new Training and Technical Hub which will provide state of the art training facilities, a technical centre to bring together workshops, stores and a vehicle resource centre and an administrative and management building. He informed Members that public consultation is underway, with residents, local councillors and industry being invited to Fire Brigade Headquarters to see the plans and raise any queries or issues.

Councillor Ovens highlighted the need for residents in remote areas of the Brigade area to understand how this development can benefit and serve them. The CFO explained that all firefighters will use the training facilities. The CFO suggested that a future CFA be held at the Learning & Development Centre so that Members have the opportunity to see the Incident Command Training Unit in action.

Councillor Hannon asked if it would possible to make the consultation information available throughout the Cleveland Fire Authority area and not just Hartlepool. The CFO confirmed that he would feedback this comment.

RESOLVED:-

- (i) That the presentation be noted.**
- (ii) That Councillor Hannon's suggestion to move the consultation information around the Cleveland Fire Authority be forwarded to the Director of Technical Services.**

47. REPORT OF THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE

47.1 Information Pack

Councillor Stoker, as Vice Chair of the Overview & Scrutiny Committee, advised Members that at the meeting on 29 August, Members agreed their Forward Work Programme for the year. Members also considered the progress of Headland and Middlesbrough Community Fire Stations and scrutinised the design concept for the Queens Meadow Site.

RESOLVED – that the Information Pack be noted.

48. REPORT OF THE CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE

48.1 Information Pack

Councillor Biswas advised that the items presented to the meeting on 22 August were outlined within the Information pack. He highlighted the Organisational Performance for April - June 2014 and the 2013/14 Financial report, which included the 2013/14 Statement of Accounts which had been scrutinised prior to approval by the Executive Committee on 26 September 2014.

RESOLVED – that the Information Pack be noted.

- 49. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006**
RESOLVED - “That 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 paragraphs 3 & 4 below of Part 1 Schedule 12A of the 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 and namely information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- 50. CONFIDENTIAL MINUTES OF COMMITTEES**
RESOLVED – that the Confidential Minutes of the Executive Committee on 26 September 2014 confirmed.
- 51. CONFIDENTIAL REPORTS OF THE CHIEF FIRE OFFICER**
- 51.1 Community Integrated Risk Management Plan (CIRMP) 2014/18: OD3 Organisational Review**
The DoCS provided an update with regard to OD3: Organisational Review from the CIRMP 2014/18.
- 51.2 Community Integrated Risk Management Plan (CIRMP) 2014/18 – Progress Report**
The CFO provided the current position with regard to the CIRMP 2014/18.

COUNCILLOR BRIAN BRIGGS
CHAIRMAN

COUNCIL REPORT

5 February 2015



Report of: Finance and Policy Committee

Subject: MEDIUM TERM FINANCIAL STRATEGY 2015/2016
TO 2018/2019 - UPDATE

1. PURPOSE OF REPORT

- 1.1 To update the Medium Term Financial Strategy (MTFS) 2015/16 to 2018/19 to reflect the provisional Local Government Finance Settlement announcement on 18th December 2014 and changes in local factors arising since approval of the MTFS by Council in December 2014.

2. BACKGROUND

- 2.1 In accordance with the Constitution the Finance and Policy Committee's detailed budget proposals, including a 2015/16 Council Tax freeze, were considered and approved by Council on 18th December 2014. The previous report to Council also advised Members that further reports would be submitted to Council on 5th and 26th February 2015 to finalise the 2015/16 budget process. These arrangements were followed in previous years and reflect the timing of the final 2015/16 Local Government Finance Settlement announcement and the statutory timetable for the Police and Crime Commissioner and the Fire Authority determining their Council Tax levels.
- 2.2 Section 3 of this report provides an update of issues impacting on the 2015/16 budget.
- 2.3 The report to Council on 26th February 2015 will provide details of the statutory Council Tax calculations, including the Council Tax levels approved by the Police and Crime Commissioner, Cleveland Fire Authority and Parish Councils.

3. MTFS UPDATE

- 3.1 Owing to the timing of meetings the Finance and Policy Committee had not met to consider the final 2015/16 budget proposals before the agenda papers for Council had to be issued. To enable all Members to familiarise themselves with these issues a copy of the detailed 'MTFS 2015/2016 to 2018/2019 – Update' report submitted to the Finance and Policy Committee on 30th January 2015 is attached as Appendix A to this report and covers the following issues:

- Local Government Finance Settlement 2015/16;
 - Update on Terms and Conditions Financial Issues;
 - Local Welfare Support;
 - National Museum of the Royal Navy;
 - Grants for New Responsibilities;
 - Specific Government Capital Allocations.
- 3.2 As detailed in Appendix A the provisional Local Government Finance Settlement for 2015/16 was not issued until 18th December 2014, which makes financial planning more difficult as there was uncertainty regarding the level of Government funding for 2015/16 and also the Council Tax freeze/referendum arrangements for 2015/16 until this information is provided by the Government. The final Local Government Finance Settlement for 2015/16 will be issued in late January/early February 2015, although it is not expected there will be any significant changes from the provisional settlement.
- 3.3 In addition, and in line with the arrangements adopted in previous years details of the overall General Fund budget, which includes detailed Departmental budgets, are included in a separate booklet with the agenda papers for this meeting. These detailed figures reflect the budget decisions approved by Council in December and will be updated to reflect any necessary changes arising from the final budget decisions to be taken by Council on 5th February 2015. The final approved figures will then provide the detailed basis for managing the 2015/16 budget.
- 4. PROPOSALS**
- 4.1 Details of the additional budget proposals to be referred to Council by the Finance and Policy Committee following their meeting on 30th January 2015 are provided in section 10 of Appendix A. If there are any changes to these proposals following consideration of these issues by the Finance and Policy Committee an update report will be provided before the Council meeting.
- 4.2 For Members convenience these issues are detailed below and for ease of reference the paragraph numbers detailed are the same as the MTFS Report attached at Appendix A.

Extract from Finance and Policy Committee Report

5. FINANCE AND POLICY COMMITTEE PROPOSALS

- 5.1 It is recommended that Members:
- i) Note the continuation of LWS funding in 2015/16 and confirm the Council maintains the base budget for this area at £260,000 for 2015/16;

- ii) Note that if recommendation (i) is adopted the budget pressure for continuing the LWS scheme in 2017/18 when the existing one-off funds runs out can be removed.
- iii) Note the actual core grant and specific grant allocations provide uncommitted resources of £93,000;
- iv) Determine which of the Living Wage options will be implemented for the Living Wage, noting that either option can be funded as summarised in the following table:

Funding of full year costs

	Option 1 £'000	Option 2 £'000
Terms and Conditions savings achieved in excess to MTFS requirement of £200,000	73	73
Uncommitted Grant as detailed in recommendation (iii)	93	93
Cost of Living Wage	(150)	(80)
Net Uncommitted Resources available to reduce 2016/17 budget deficit	16	86

Part Year costs 2015/16 - to note that if option 1 is approved that in 2015/16 funding of £15,000 will need to be allocated from the uncommitted 2014/15 outturn to offset the phased implementation of these changes.

Living Wage Options

- Option 1 - Implement the planned Living Wage of £7.88
 - Option 2 - Implement a lower increase in the Living Wage of £7.67.
- v) Approve the use of the Protection Costs Reserve of £750,000 to fund:
 - One-off Protection Costs of £550,000 in relation to the achievement of recurring annual Terms and Conditions savings of £273,000;
 - Funding of £90,000 per year for 2015/16 and 2016/17 for holiday pay costs arising from a recent ECJ decision, which avoids having to identify additional budget cuts of £90,000 for 2015/16 to address the impact of the ECJ decision and provides a longer lead time to potentially reduce the ongoing costs to a lower level;
 - £20,000 uncommitted resources which will be carried forward and a strategy for using these resources developed as part of the 2016/17 budget process. To note that if the actual Protection costs and ECJ holiday pay costs are less than forecast the uncommitted resources will be added to the £20,000.
 - vi) Approve the release of one-off funding of £0.52m previously earmarked to maintain LWS spending in 2015/16 and 2016/17 to fund 98% of the potential additional one-off contributions to the NMRN over the period

2015/16 to 2019/20. To note this proposal will avoid budget pressures in future years;

- vii) To note that the one-off funding re-allocated to fund the additional one-off contributions to the NMRN is a worst case forecast. The amount held at the end of each financial year will be reviewed to determine if any funding can be released in light of income received (or forecast to be received in future years) under the 50/50 profit share.
- viii) Note that the first call on any resources which can be released (under recommendation vi) may be required to fund capital works to the Hartlepool Maritime Experience. To note that further work is needed to identify these potential works and to assign responsibility between the Council and the NMRM and will be subject to a further report;
- ix) Note the statutory budget calculations to be referred to Council will be prepared to reflect the decisions the Committee make in relation to the above recommendations;
- x) Approve the proposal to carry forward the 2015/16 Local Council Tax Support Scheme New Burdens funding of £38,000 to 2016/17 to retain Council Tax recovery capacity and to maintain a longer lead time if this funding is removed after 2015/16.

6. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

30 January 2015



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2015/16 TO 2018/19 - UPDATE

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2. PURPOSE OF THE REPORT

2.1 The purposes of the report are to:-

- i) Update the MTFS to reflect the provisional 2015/16 Local Government Settlement announcement on 18th December 2014; and
- ii) To inform Members of the arrangements to finalise the statutory 2015/16 Budget and Council Tax calculations (excluding Police and Fire precepts) to be referred to Council on 5th February 2015.

3. BACKGROUND

3.1 At the meeting on 24th November 2014 the Committee determined the Budget and Council Tax proposals to be referred to Council. These issues were considered and approved by Council on the 18th December 2014. As these reports were prepared before the Local Government Finance Settlement was issued the following recommendation was included in the previous MTFS report:

- Approve the proposal that any final variation to the actual 2015/16 Core Grant allocation and / or final Collection Fund balance is managed by a corresponding increase/decrease in the use of the Budget Support Fund in 2015/16 and to note details of any necessary change will be reported within the final Council Tax setting report.

3.2 The Local Government Finance Settlement was issued on the afternoon of 18th December 2014 and Council was advised that officers were assessing the detailed information, although no major changes were anticipated.

3.3 This report provides details of the Local Government Finance Settlement and the impact on the MTFS.

4. LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

4.1 The following paragraphs provide details of the key issues confirmed in the Local Government Finance Settlement and also details of changes from the indicative information provided by the Government in January 2014.

4.2 Council Tax Freeze and Council Tax Referendum arrangements

4.3 The Government has confirmed that a 1% grant will be paid to Authorities which freeze Council Tax. The referendum trigger point has been confirmed as 2%. These are the planning assumptions detailed in the previous MTFS report.

4.4 Core Revenue Grant

4.5 The Government transferred responsibility for Local Welfare Support from the DWP to Councils in 2013/14, with a reduction of funding in 2014/15 and stated that no further funding would be provided after 2014/15.

4.6 In response to this situation a local solution was developed to sustain funding on this service at £0.26m from 2014/15 onwards. This strategy was resourced by allocating available funding from the 2013/14 and 2014/15 LWS allocations to support expenditure in 2015/16 and 2016/17. The MTFS then included a potential pressure in 2017/18 which would need to be re-considered as part of the 2017/18 budget process in view of the financial challenges facing the Council.

4.7 Following legal challenge the Government has determined not to implement the proposal to remove the Local Welfare Support (LWS) funding. Nationally £172m has been identified within the 2015/16 settlement. As this is not a ring-fenced grant it is anticipated this funding will not be separately identified in future years. Therefore, the amount to be spent on LWS in 2015/16 and future years is a local decision for individual Councils.

4.8 It is apparent from the settlement that this is not all new money and part is simply an allocation of the total available funding, as highlighted in the following table. The table also shows the LWS budget allocation and after reflecting this commitment there is a net increase in the forecast core grant of £67,000.

	MTFS Forecast £'000	Provisional Grant Allocation £'000	Increase/ (Decrease) in funding £'000
Core Grant	48,010	47,859	(151)
LWS (notional allocation)	0	478	478
Total Grant	48,010	48,337	327
LWS budget allocation	-	-	(260)
Net Uncommitted Grant	-	-	67

4.9 Specific Grants

- 4.10 Details of a range of specific grants have also been provided, as summarised below. It is recommended that the minor shortfalls are funded from the increase in the 'New Home Bonus Returned Funding' allocation to avoid the need for further cuts at this late stage in the budget process. The NHB Returned Funding was previously top sliced from the national grant allocation by the Government to pay for the estimated cost of NHB payments. As actual NHB payments have been lower than forecast this income is returned to Councils.

	Grant shortfall/ (increase) £'000
Flooding grant	6
NHB 15/16 allocation	27
NHB 'Returned Funding' (i.e. DCLG top sliced too much from core grant in previous year for NHB)	(84)
Department of Health Revenue Grant	25
Uncommitted Resources	(26)

4.11 Summary Position - Core and Specific grants

- 4.12 After reflecting the issues detailed in the previous paragraphs there is a net gain from the settlement of £93,000 as summarised below:

	£'000
Core Grant – Based on LWS Option 3	67
Specific Grants	26
Uncommitted resources	93

5. Update on Terms and Conditions Financial Issues

- 5.1 The approved 2015/16 MTFS proposals include a saving from implementing changes to Terms and Conditions changes. The achievement of this saving is designed to fund the implementation of the Living Wage and provide a net General Fund saving of £0.2m.
- 5.2 As detailed in the previous report negotiations are still ongoing with the Trade Unions and will not be complete until after the Committee meets and the final statutory budget calculations have been approved by full Council on 26th February 2015.
- 5.3 At this stage it is anticipated that a gross full year saving from the Terms and Conditions changes of £0.273m will be achieved, compared to an initial forecast of £0.35m.

- 5.4 Previous MTFS reports have recommended that the Living Wage can only be implemented if this can be funded from savings achieved from changes to Terms and Conditions. Part of the gross Terms and Conditions savings need to be earmarked to achieve the General Funding saving target of £0.2m. Therefore, after reflecting this commitment the Terms and Conditions changes provide net funding of £73,000 towards the cost of implementing the Living Wage of £150,000. Two options for funding the shortfall of £77,000 have been identified, as detailed below:

- **Option 1 - Implement the planned Living Wage of £7.88 per hour**

This option will require full year funding of £77,000 to be allocated from the uncommitted grant settlement of £93,000 detailed in paragraph 4.12. In 2015/16 there will be a one-off shortfall of £15,000 owing to the part year impact of these changes. It is recommended that this amount is funded from the 2014/15 forecast outturn.

- **Option 2 - Implement a lower increase in the Living Wage of £7.67 per hour**

This option would provide an increase in the existing Living Wage of £7.43 and in a full year would leave £86,000 of the uncommitted grant settlement of £93,000 available to reduce the budget deficit in 2016/17. In 2014/15 there will an unused balance on the uncommitted grant which could be allocated to reduce the use of the Budget Support Fund in 2015/16 in accordance with the recommendation included in the previous MTFS report, as detailed in paragraph 3.1.

- 5.5 Either of the above options can be implemented within the resources available and without increasing the budget cuts which need to be implemented over the period of the MTFS, as summarised in the following table. The table shows that if Option 1 for the Living Wage is adopted that the overall deficit reduces by £0.170m, which is owing to the removal of the forecast 2017/18 Local Welfare Support pressure as detailed in section 6 less the holiday pay commitments detailed in paragraph 5.8.
- 5.6 If Option 2 for the Living Wage is adopted there is a further reduction in the overall deficit of £70,000, which is owing to the removal of the 2015/16 Living Wage pressure.

Summary or Revised Budget Deficits

	Reported 24.11.14 £'000	Revised Deficits based on Option 1 for Living Wage £'000	Revised Deficits based on Option 2 for Living Wage £'000
2016/17	5,100	5,051	4,981
2017/18	5,190	5,084	4,994
2018/19	4,518	4,503	4,593
Total	14,808	14,638	14,568

- 5.7 To enable the Terms and Conditions savings to be implemented as part of the 2015/16 savings plan one-off resources of £750,000 have been set aside within the 2014/15 outturn strategy to fund protection costs. This amount was based on an initial assessment of forecast protection costs.
- 5.8 A detailed assessment of protection costs has now been completed to reflect the proposed Terms and Conditions changes recommended for implementation. On this basis one off protection costs are estimated to be £550,000. This estimate is based on all existing employees receiving protection remaining in the same posts with the Council for two years. The one-off cost compares to the recurring annual saving from the Terms and Conditions changes of £0.273m, which provides a pay-back period of 2.015 years.
- 5.9 A funding strategy has also been developed to address the financial impact of a recent European Court of Justice (ECJ) decision on holiday pay. It is anticipated that from 2015/16 this will result in an additional ongoing cost above the existing budget provision of £90,000. To avoid having to make additional budget cuts before the start of the new financial year it is recommended that for 2015/16 and 2016/17 that this additional cost is funded from the uncommitted Terms and Conditions Protection Costs Reserve. From 2017/18 the ECJ decision will result in a permanent budget pressure of £90,000, which is reflected in the updated budget forecast detailed in paragraph 5.5.
- 5.10 Officers will examine options to reduce the ongoing costs arising from the ECJ decision and report the outcome of this work to a future meeting. Until this work is completed the recommended funding strategy reflects the current worst case forecast and ensures this issue is reflected in the MTFS.
- 5.11 After reflecting the recommended funding strategy for protection costs and holiday pay costs it is anticipated that there will be a net uncommitted balance on the Terms and Conditions Protection Costs Reserve of £20,000. It is recommended that this is held as an uncommitted resource and a strategy for using the £20,000 developed as part of the 2016/17 budget process.

Summary of Commitments against the Terms and Conditions Reserve

	£'000
Terms and Conditions Reserve	750
Less - Forecast Terms and Conditions Protection costs 2015/16 and 2016/17	(550)
Less - Forecast Holiday Pay costs 2015/16 and 2017/18 arising from ECJ decision	(180)
Uncommitted Resources	20

6. Local Welfare Support

- 6.1 The Government decision not to withdraw funding for LWS provides funding within the base budget to continue this support in 2015/16 and future years. From 2016/17 the level of LWS can then be prioritised alongside all other services.
- 6.2 The Government's decision also enables the Council to reallocate the one-off funding of £0.52m previously earmarked for LWS in 2015/16 and 2016/17.

7. National Museum of the Royal Navy

- 7.1 As detailed in a separate report on the agenda there are significant regeneration benefits arising from the Council securing the National Museum of the Royal Navy's northern hub, both in terms of securing and enhancing the existing visitor attractions and the medium term regeneration of the Marina. Detailed work on the operational and financial arrangements with the National Museum of the Royal Navy (NMRN) is nearing completion. This information could not have been reported earlier as negotiations were ongoing and related to commercially sensitive information.
- 7.2 The existing base budget (inclusive of a Business Rates saving) is £424,000. The detailed NMRN report indicates that on a worst case basis the Council will need to commit to make additional revenue contributions over the period 2015/16 to 2019/20 as follows:

	£'000
2015/16	126
2016/17	176
2017/18	126
2018/19	76
2019/20	26
Total	530

- 7.3 It is hoped that as visitor numbers increase and the Council benefits from the 50/50 profit sharing agreement that the actual additional contributions will be less than the worst case forecast. However, for planning purposes it is recommended that resources are earmarked on the worst case basis. This will ensure funding is available for this development and avoid budget

pressures in future years, which would increase the level of budget cuts required.

7.4 It is therefore recommended that the one-off resources which can be released following changes to the LWS regime of £0.52m are re-allocated to fund the worst case additional contributions to the NMRN. This proposal covers 98% of the forecast cost of £0.53m. It is also recommended that the resources allocated for the NMRN is reviewed on an annual basis to determine if any of these one-off resources can be released.

7.5 In the first instance the first call on any resources which can be released will be the Council's potential capital commitments in relation to the HME. Further work is needed to determine the value and phasing of these potential commitments.

7.6 **Grants for New Responsibilities**

7.7 The previous MTFS report provided details of new Local Authority responsibilities and indicative funding allocation. Actual funding allocations have now been provided covering the following issues:

- **Adult Social Care New Burdens Funding – 2015/16 allocation £488,000**

This funding has been provided to cover the costs associated with the implementation of the Care Act. The actual allocation is slightly higher than the revised indicative allocation provided in the summer by the Government of between £458,000 and £470,000. However, the actual allocation is lower than the initial indicative allocation provided in February 2014 of £595,000.

As reported in the previous MTFS report this is a complex area and detailed proposals for complying with the Care Act and using this funding will be reported to the Adult Services Committee as soon as practical. At this stage it is anticipated that for 2015/16 the changes will be budget neutral. The position in 2016/17 and future years will need to be assessed when detailed funding allocations are known and the impact of these changes has been fully assessed.

- **Better Care Fund – 2015/16 revenue allocation £6.651m and capital allocation of £0.825m.**

These allocations are in line with the indicative allocations previously provided by the Government.

- **Local Council Tax Support New Burdens 2015/16 allocation**

The Government has confirmed a New Burdens allocation of £38,000 for 2015/16 (£105,000 in 2014/15) to address the increase in collection

workloads associated with the LCTS support scheme (i.e. collecting from an additional 8,600 households).

Part of the 2014/15 allocation i.e. £55,000 was allocated to support the overall budget in 2015/16 and the remaining £50,000 allocated to increased Council Tax recovery capacity for 18 months covering 2014/15 and 2015/16.

As it is unclear if this funding will continue after 2015/16 it is recommended that the £38,000 grant is carried forward to retain Council Tax recovery capacity in 2016/17. This will help maximise Council Tax collection in 2016/17 and provide a longer lead time to manage the withdrawal of this funding.

8. Statutory Budget Calculations

- 8.1 Details of the statutory budget calculations will be completed once the Committee has considered the recommendations in this report and the final settlement announcement has been made by the Government. These details will then be referred to Council on 26th February 2015.

9. Specific Government Capital Allocations

- 9.1 At the time the previous MTFS report was considered by the Committee the Government had not provided this information. The following allocations have now been provided and the 2014/15 allocations are also shown for information:

- **Highways Maintenance Formula Allocations**

- 2014/15 £1.011m (includes pot hole allocations)
- 2015/16 £1.185m
- 2016/17 £1.086m
- 2017/18 £1.053m
- 2018/19 to 2020/21 indicative allocation £0.953m

- **Integrated Transport Block**

- 2014/15 £0.790m
- 2015/16 £0.719m
- 2016/17 to 2018/19 £0.719m

- **Adult Personal Social Services Allocation**

- 2014/15 £0.275m
- 2015/16 £0.279m

- 9.2 Details of the Schools Capital Programme allocation for 2015/16 had not been provided at the time this report was prepared.

- 9.3 As reported in the November MTFS report and in line with procedures adopted in previous years' detailed proposals for using ring fenced capital allocations will be reported to the relevant Policy Committee for approval.

10. Recommendations

10.1 It is recommended that Members:

- i) Note the continuation of LWS funding in 2015/16 and confirm the Council maintains the base budget for this area at £260,000 for 2015/16;
- ii) Note that if recommendation (i) is adopted the budget pressure for continuing the LWS scheme in 2017/18 when the existing one-off funds runs out can be removed.
- iii) Note the actual core grant and specific grant allocations provide uncommitted resources of £93,000;
- iv) Determine which of the Living Wage options will be implemented for the Living Wage, noting that either option can be funded as summarised in the following table:

Funding of full year costs

	Option 1 £'000	Option 2 £'000
Terms and Conditions savings achieved in excess to MTFS requirement of £200,000	73	73
Uncommitted Grant as detailed in recommendation (iii)	93	93
Cost of Living Wage	(150)	(80)
Net Uncommitted Resources available to reduce 2016/17 budget deficit	16	86

Part Year costs 2015/16 - to note that if option 1 is approved that in 2015/16 funding of £15,000 will need to be allocated from the uncommitted 2014/15 outturn to offset the phased implementation of these changes.

Living Wage Options

- Option 1 - Implement the planned Living Wage of £7.88
 - Option 2 - Implement a lower increase in the Living Wage of £7.67.
- v) Approve the use of the Protection Costs Reserves of £750,000 to fund:
- One-off Protection Costs of £550,000 in relation to the achievement of recurring annual Terms and Conditions savings of £273,000;
 - Funding of £90,000 per year for 2015/16 and 2016/17 for holiday pay costs arising from a recent ECJ decision, which avoids having to

identify additional budget cuts of £90,000 for 2015/16 to address the impact of the ECJ decision and provides a longer lead time to potentially reduce the ongoing costs to a lower level;

- £20,000 uncommitted resources which will be carried forward and a strategy for using these resources developed as part of the 2016/17 budget process. To note that if the actual Protection costs and ECJ holiday pay costs are less than forecast the uncommitted resources will be added to the £20,000.
- vi) Approve the release of one-off funding of £0.52m previously earmarked to maintain LWS spending in 2015/16 and 2016/17 to fund 98% of the potential additional one-off contributions to the NMRN over the period 2015/16 to 2019/20. To note this proposal will avoid budget pressures in future years;
- vii) To note that the one-off funding re-allocated to fund the additional one-off contributions to the NMRN is a worst case forecast. The amount held at the end of each financial year will be reviewed to determine if any funding can be released in light of income received (or forecast to be received in future years) under the 50/50 profit share.
- viii) Note that the first call on any resources which can be released (under recommendation vi) may be required to fund capital works to the Hartlepool Maritime Experience. To note that further work is needed to identify these potential works and to assign responsibility between the Council and the NMRM and will be subject to a further report;
- ix) Note the statutory budget calculations to be referred to Council will be prepared to reflect the decisions the Committee make in relation to the above recommendations;
- x) Approve the proposal to carry forward the 2015/16 Local Council Tax Support Scheme New Burdens funding of £38,000 to 2016/17 to retain Council Tax recovery capacity and to maintain a longer lead time if this funding is removed after 2015/16.

11. REASON FOR RECOMMENDATIONS

- 11.1 To enable the Finance and Policy Committee to approve the final 2015/16 budget proposals and statutory Budget and Council Tax calculations to be referred to Council for approval.

12. BACKGROUND PAPERS

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 6th February 2014.

Medium Term Financial Strategy Review of Reserves as at 31st March 2014 report to Finance and Policy Committee 15th September 2014.

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 30th June 2014.

13. CONTACT OFFICER

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MEDIUM TERM FINANCIAL STRATEGY
SUPPORTING DOCUMENTATION BOOKLET

February 2015

OVERVIEW

This document provides details of a summary of the overall General Fund budget and detailed departmental budgets for 2015/16, which reflect the budget decisions approved by Council on 18th December 2014 and proposals to be referred to Council on 5th February 2015.

STATEMENT OF GENERAL FUND REQUIREMENTS FOR 2015/16

	2015/2016 BUDGET
	£m.
<u>DEPARTMENTAL REQUIREMENTS</u>	
Child & Adult Services Department	47.886
Chief Executives Department	4.179
Rent Allowances/C.Tax benefit not subsidised	1.583
Rent Allowances Grant	(1.342)
Public Health Department	1.083
Regen & Neighbourhoods	20.563
TOTAL DEPARTMENTAL REQUIREMENTS	73.952
Property Budgets	2.790
<u>EXTERNAL REQUIREMENTS</u>	
Magistrates, Probation and Coroners Court	0.187
North Eastern Sea Fisheries Levy	0.026
Flood Defence Levy	0.071
Discretionary NNDR Relief	0.000
<u>CORPORATE COMMITMENTS</u>	
I.T.	2.919
ICT Contract 2016/17	0.000
Free Swims	0.030
Audit Fees	0.166
Centralised Estimates	5.311
Insurances	0.260
Designated Authority Costs	0.047
Pensions	0.464
Members Allowances	0.281
Living Wage	0.150
Emergency Planning	0.069
Provision for Ni Increase April 2016	0.000
Parish Precepts	0.027
Pressure from loss of funding for academies programme	0.050
Shopping Centre	(0.335)
Income from Lease BHH	0.000
Modern Apprentices funded from Chief Executive - Pension and Increments	0.000
Increase in CTB costs arising from planned Council Tax increase/demand and lower grant	0.312
LCTS 2016/17 Cost Pressure to maintain a 20% scheme	0.000
Pensions Employers Saving	(0.250)
Terms & Conditions	(0.273)
Holiday Pay	0.190
Discretionary Transport Saving & Contribution from School	0.000
Contribution to Reserve - Reduction in Baseline from Appeals	0.486
Reduction in April 2015 pay award	(0.100)
Uncommitted Resources	0.016
GROSS BASE BUDGET REQUIREMENT	86.846
Council Tax Percentage Increase	0%
Formula Grant	29.926
Retained Business Rates	19.229
Council Tax	31.635
Council Tax - Precept Income	0.022
Collection Fund Surplus/(deficit)	0.191
Specific Grants	3.770
Use of Budget Support Fund / Risk Reserves	2.073
BUDGET LIMIT	86.846
DEFICIT/(SURPLUS)	0.000
Less Cumulative cuts in previous years	0.000
New Annual Savings	0.000

CHILD & ADULT SERVICES

DETAILED REVENUE BUDGETS 2015/2016

2015/2016 BUDGET - CHILD AND ADULT SERVICES SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2015/2016 (2+3+4+5+6 +7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	Child							
164	Access to Education	170	(20)	0	0	102	(102)	150
761	Central Support Services	108	0	0	0	0	0	108
11,953	Children & Families	12,139	(713)	42	(28)	500	(500)	11,440
5,262	Early Intervention Grant	5,494	(881)	7	(21)	0	0	4,599
10	Information, Sharing and Assessment	10	(10)	0	0	0	0	0
533	Other School Related Expenditure	545	(8)	0	0	0	0	537
(4)	Play & Care	4	0	0	0	0	0	4
193	Raising Educational Achievement	195	(8)	0	0	111	(111)	187
221	Special Educational Needs	267	(42)	80	(80)	0	0	225
171	Strategic Management	302	(107)	0	0	0	0	195
355	Youth Offending	372	0	0	0	0	0	372
0	Dedicated Schools Grant - Early Years Block	0	0	0	0	0	0	0
0	Dedicated Schools Grant - Schools Block	0	0	0	0	30	(30)	0
0	Dedicated Schools Grant - High Needs Block	0	0	0	0	0	0	0
19,619	Sub-Total Child	19,606	(1,789)	129	(129)	743	(743)	17,817
	Adult							
47	Carers & Assistive Technology	48	(48)	0	0	33	(33)	0
3,843	Commissioning - Adults	4,106	(544)	4	(24)	0	0	3,542
1,263	Commissioning - Mental Health	1,272	(76)	0	0	270	(270)	1,196
9,886	Commissioning - Older People	10,158	0	28	(8)	0	0	10,178
7,674	Commissioning - Working Age Adults	7,887	(41)	0	0	0	0	7,846
215	Complaints, Investigations & Public Information	189	(3)	0	0	30	(30)	186
1,144	Departmental Running Costs	1,154	0	0	0	0	0	1,154
1,167	Direct Care & Support Team	907	(63)	0	0	0	0	844
376	Learning Disability & Transition Social Work Teams	380	0	0	0	0	0	380
2,595	Locality & Safeguarding Social Work Teams	2,678	(139)	0	0	0	0	2,539
634	Mental Health Services	643	0	0	0	0	0	643
363	Occupational Therapy Services & Disability Equipment	370	(160)	0	0	0	0	210
148	Workforce Planning & Development	181	0	0	0	0	0	181
1,204	Working Age Adults Day Services	1,170	0	0	0	0	0	1,170
30,559	Sub-Total Adult	31,143	(1,074)	32	(32)	333	(333)	30,069
50,178	Net Budget Requirement	50,749	(2,863)	161	(161)	1,076	(1,076)	47,886

2015/2016 BUDGET - SERVICE UNIT: ACCESS TO EDUCATION

Approved Budget 2014/2015 (1) £'000	Service Unit	Budget Projection 2015/2016 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2015/2016 (2+3+4+5 +6+7) (7) £'000
	<u>Buildings and School Places</u>						
79	Direct costs - Employees	80	0	0	0	0	80
14	- Other	18	(5)	0	0	102	115
93	Total Direct Cost	98	(5)	0	0	102	195
32	Support Recharges	30	(15)	0	0	0	15
0	Income	0	0	0	0	0	0
125	Gross Budget Requirement	128	(20)	0	0	102	210
	<u>Attendance and Behaviour</u>						
290	Direct costs - Employees	293	0	0	0	0	293
27	- Other	27	0	0	0	0	27
317	Total Direct Cost	320	0	0	0	0	320
0	Support Recharges	31	0	0	0	0	31
(278)	Income	(309)	0	0	0	0	(309)
39	Gross Budget Requirement	42	0	0	0	0	42
164	Total Gross Budget Requirement	170	(20)	0	0	102	252
0	Use Of Departmental Reserves	0				(102)	(102)
164	Net Budget Requirement	170	(20)	0	0	0	150

Corporate Budget Reductions

This relates to the reduced feasibility costs for capital schemes

2015/2016 BUDGET - SERVICE UNIT: CENTRAL SUPPORT SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Central Support Services</u>						
0	Direct costs - Employees						0
0	- Other						0
0	Total Direct Cost	0	0	0	0	0	0
1,114	Support Recharges	461					461
(353)	Income	(353)					(353)
761	Gross Budget Requirement	108	0	0	0	0	108
	Use Of Departmental Reserves					0	0
761	Net Budget Requirement	108	0	0	0	0	108

2015/2016 BUDGET - SERVICE UNIT: CHILDREN & FAMILIES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Children & Families</u>						
5,362	Direct costs - Employees	5,532	(113)	42	(28)	243	5,676
7,123	- Other	7,306	(450)	0	0	257	7,113
12,485	Total Direct Cost	12,838	(563)	42	(28)	500	12,789
111	Support Recharges	114	0	0	0	0	114
(643)	Income	(813)	(150)	0	0	0	(963)
11,953	Gross Budget Requirement	12,139	(713)	42	(28)	500	11,940
0	Use Of Departmental Reserves	0				(500)	(500)
11,953	Net Budget Requirement	12,139	(713)	42	(28)	0	11,440

Corporate Budget Reductions

These relate to a planned reduction in the number of looked after children through the remodelling of early help and intervention services and children's social care with a focus on demand reduction leading to fewer children in care and greater integration with Public Health.

In addition, changes to service provision have resulted in a reduction in staffing arising from a combination of deletion of vacant posts, ER/VR's and some compulsory redundancies across early intervention services.

Departmental Budget Pressures

This relates to creation of a new Social Worker post funded from existing vacant hours and inflationary savings within early intervention services.

Departmental Budget Reductions to Fund Pressures

This relates to deletion of a vacant post.

One Off Costs Funded from Department Reserves

These relate to the Troubled Families Programme, Adoption Reform Grant and use of the Social Care and Early Intervention reserve to fund additional Social Work requirements.

2015/2016 BUDGET - SERVICE UNIT: EARLY INTERVENTION SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Early Intervention Services</u>						
3,527	Direct costs - Employees	3,552	(337)	0	(5)	0	3,210
1,863	- Other	2,082	(50)	2	(11)	0	2,023
5,390	Total Direct Cost	5,634	(387)	2	(16)	0	5,233
1	Support Recharges	1	0	0	0	0	1
(129)	Income	(141)	(494)	5	(5)	0	(635)
5,262	Gross Budget Requirement	5,494	(881)	7	(21)	0	4,599
0	Use Of Departmental Reserves						0
5,262	Net Budget Requirement	5,494	(881)	7	(21)	0	4,599

Corporate Budget Reductions

These relate to a combination of greater integration of Early Help and intervention services across social care, education and public health incorporating those children with complex needs, changes to service provision resulting in a reduction in staffing arising from a combination of deletion of vacant posts, ER/VR's and some compulsory redundancies across early intervention services and some contract savings within the Activities and Mentoring contracts.

2015/2016 BUDGET - SERVICE UNIT: INFORMATION SHARING & ASSESSMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Information Sharing & Assessment</u>						
0	Direct costs - Employees	0	0	0	0	0	0
10	- Other	10	(10)	0	0	0	0
10	Total Direct Cost	10	(10)	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
10	Gross Budget Requirement	10	(10)	0	0	0	0
0	Use Of Departmental Reserves						0
10	Net Budget Requirement	10	(10)	0	0	0	0

Corporate Budget Reductions

Deletion of a residual budget currently held to support the development of the Children's Trust plan and in relation to the former Children's Services grant.

2015/2016 BUDGET - SERVICE UNIT: OTHER SCHOOL RELATED EXPENDITURE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other School Related Expenditure</u>						
206	Direct costs - Employees	209	(8)	0	0	0	201
937	- Other	1,492	0	0	0	0	1,492
1,143	Total Direct Cost	1,701	(8)	0	0	0	1,693
0	Support Recharges	0	0	0	0	0	0
(610)	Income	(1,156)	0	0	0	0	(1,156)
533	Gross Budget Requirement	545	(8)	0	0	0	537
0	Use Of Departmental Reserves						0
533	Net Budget Requirement	545	(8)	0	0	0	537

Corporate Budget Reductions

On going pension savings have been achieved

2015/2016 BUDGET - SERVICE UNIT: PLAY & CARE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Play & Care</u>						
102	Direct costs - Employees	109	0	0	(5)	0	104
26	- Other	27	0	0	0	0	27
128	Total Direct Cost	136	0	0	(5)	0	131
0	Support Recharges	0	0	0	0	0	0
(132)	Income	(132)	0	5	0	0	(127)
(4)	Gross Budget Requirement	4	0	5	(5)	0	4
0	Use Of Departmental Reserves						0
(4)	Net Budget Requirement	4	0	5	(5)	0	4

2015/2016 BUDGET - SERVICE UNIT: RAISING EDUCATIONAL ACHIEVEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Raising Educational Achievement</u>						
493	Direct costs - Employees	524		2		81	607
346	- Other	388		10			398
839	Total Direct Cost	912	0	12	0	81	1,005
11	Support Recharges	8	(8)				0
(657)	Income	(725)			(12)	30	(707)
193	Gross Budget Requirement	195	(8)	12	(12)	111	298
193	Total Gross Budget Requirement	195	(8)	12	(12)	111	298
0	Use Of Departmental Reserves	0				(111)	(111)
193	Net Budget Requirement	195	(8)	12	(12)	0	187

Corporate Budget Reductions

Permanent savings in respect of running costs

One off costs Funded from Department Reserves

Temporary costs to support School Improvement provision in Hartlepool, funded from reserves

2015/2016 BUDGET - SERVICE UNIT: SPECIAL EDUCATIONAL NEEDS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Special Educational Needs</u>						
727	Direct costs - Employees	779	(42)	54	0	0	791
32	- Other	39	0	26	0	0	65
759	Total Direct Cost	818	(42)	80	0	0	856
6	Support Recharges	15	0	0	0	0	15
(544)	Income	(566)	0	0	(80)	0	(646)
221	Gross Budget Requirement	267	(42)	80	(80)	0	225
0	Use Of Departmental Reserves						0
221	Net Budget Requirement	267	(42)	80	(80)	0	225

Corporate Budget Reductions

Savings achieved from the deletion of a long term vacant post

Department Budget Reductions to Fund Pressures

Additional budget required to support the delivery of increased demand for Educational Psychology services, which is off set by income generation

One Off Costs Funded from Department Reserves

2015/2016 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Management</u>						
329	Direct costs - Employees	483	0	0	0	0	483
58	- Other	50	0	0	0	0	50
387	Total Direct Cost	533	0	0	0	0	533
0	Support Recharges	0	0	0	0	0	0
(216)	Income	(231)	(107)	0	0	0	(338)
171	Gross Budget Requirement	302	(107)	0	0	0	195
0	Use Of Departmental Reserves						0
171	Net Budget Requirement	302	(107)	0	0	0	195

Corporate Budget Reductions

2015/2016 BUDGET - SERVICE UNIT: YOUTH OFFENDING

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Youth Offending</u>						
675	Direct costs - Employees	693	0	0	0	0	693
204	- Other	203	0	12	(12)	0	203
879	Total Direct Cost	896	0	12	(12)	0	896
0	Support Recharges	0	0	0	0	0	0
(524)	Income	(524)	0	0	0	0	(524)
355	Gross Budget Requirement	372	0	12	(12)	0	372
0	Use Of Departmental Reserves						0
355	Net Budget Requirement	372	0	12	(12)	0	372

2015/2016 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - EARLY YEARS BLOCK

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Dedicated Schools Grant - Early Years Block</u>						
2,395	ISB	2,202					2,202
85	Direct costs - Employees	86					86
2,323	- Other	2,096					2,096
4,803	Total Direct Cost	4,384	0	0	0	0	4,384
100	Support Recharges	0					0
(4,903)	Income	(4,384)					(4,384)
0	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves						0
0	Net Budget Requirement	0	0	0	0	0	0

The budgets shown are indicative at this stage until funding the early years census information is confirmed in June 2015

2015/2016 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - SCHOOLS BLOCK

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Dedicated Schools Grant - Schools Block</u>						
52,618	ISB	35,624					35,624
408	Direct costs - Employees	408			(65)		343
1,200	- Other	1,101		6	(27)	30	1,110
54,226	Total Direct Cost	37,133	0	6	(92)	30	37,077
571	Support Recharges	571					571
(54,794)	Income	(37,701)		86			(37,615)
3	Gross Budget Requirement	3	0	92	(92)	30	33
(3)	Use Of Departmental Reserves	(3)				(30)	(33)
0	Net Budget Requirement	0	0	92	(92)	0	0

The funding received in respect of the schools block is net of funding for Academies. The adjustments reflect the change in operation of the Space to Learn Facility

2015/2016 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - HIGH NEEDS BLOCK

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Dedicated Schools Grant - High Needs Block</u>						
1,292	ISB	1,192	0	0	0	0	1,192
435	Direct costs - Employees	590	0	0	0	0	590
6,242	- Other	6,594	0	0	0	0	6,594
7,969	Total Direct Cost	8,376	0	0	0	0	8,376
490	Support Recharges	555	0	0	0	0	555
(8,459)	Income	(8,931)	0	0	0	0	(8,931)
0	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves						0
0	Net Budget Requirement	0	0	0	0	0	0

2015/2016 BUDGET - SERVICE UNIT: CARERS AND ASSISTIVE TECHNOLOGY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Carers and Assistive Technology</u>						
47	Direct costs - Employees	48	(48)	0	0	0	0
35	- Other	35	0	5	0	33	73
82	Total Direct Cost	83	(48)	5	0	33	73
0	Support Recharges	0	0	0	0	0	0
(35)	Income	(35)	0	0	(5)	0	(40)
47	Gross Budget Requirement	48	(48)	5	(5)	33	33
	Use Of Departmental Reserves					(33)	(33)
47	Net Budget Requirement	48	(48)	5	(5)	0	0

Corporate Budget Reductions

This relates to an ER/VR post deletion.

One off costs funded from dept reserves

This relates to continued support of carers services.

2015/2016 BUDGET - SERVICE UNIT: COMMISSIONING - ADULTS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Adults</u>						
1,818	Direct costs - Employees	1,838	(61)	4	0	0	1,781
2,970	- Other	3,500	(104)	0	(20)	0	3,376
4,788	Total Direct Cost	5,338	(165)	4	(20)	0	5,157
230	Support Recharges	225	(25)	0	(4)	0	196
(1,175)	Income	(1,457)	(354)	0	0	0	(1,811)
3,843	Gross Budget Requirement	4,106	(544)	4	(24)	0	3,542
0	Use Of Departmental Reserves						0
3,843	Net Budget Requirement	4,106	(544)	4	(24)	0	3,542

Corporate Budget Reductions

These mainly relate to an ER/VR, not applying an inflationary increase to various contracts and greater integration between health and social care.

Departmental Budget Reductions to Fund Pressures

These relate to reductions across various supplies and services budgets.

2015/2016 BUDGET - SERVICE UNIT: COMMISSIONING - MENTAL HEALTH

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Mental Health</u>						
24	Direct costs - Employees	24	0	0	0	85	109
2,027	- Other	2,025	(1)	0	0	185	2,209
2,051	Total Direct Cost	2,049	(1)	0	0	270	2,318
0	Support Recharges	0	0	0	0	0	0
(788)	Income	(777)	(75)	0	0	0	(852)
1,263	Gross Budget Requirement	1,272	(76)	0	0	270	1,466
	Use Of Departmental Reserves					(270)	(270)
1,263	Net Budget Requirement	1,272	(76)	0	0	0	1,196

Corporate Budget Reductions

These relate to services being provided through greater integration between health and social care.

One off costs funded from dept reserves

This relates to the Deprivation of Liberty Safeguards budget pressure to be funded from reserves in 2015/16.

2015/2016 BUDGET - SERVICE UNIT: COMMISSIONING - OLDER PEOPLE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Older People</u>						
0	Direct costs - Employees	0	0	0	0	0	0
20,033	- Other	20,535	0	28	(8)	0	20,555
20,033	Total Direct Cost	20,535	0	28	(8)	0	20,555
0	Support Recharges	0	0	0	0	0	0
(10,147)	Income	(10,377)	0	0	0	0	(10,377)
9,886	Gross Budget Requirement	10,158	0	28	(8)	0	10,178
	Use Of Departmental Reserves						0
9,886	Net Budget Requirement	10,158	0	28	(8)	0	10,178

2015/2016 BUDGET - SERVICE UNIT: COMMISSIONING - WORKING AGE ADULTS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Working Age Adults</u>						
0	Direct costs - Employees	0	0	0	0	0	0
10,990	- Other	11,286	(41)	9	0	0	11,254
10,990	Total Direct Cost	11,286	(41)	9	0	0	11,254
0	Support Recharges	0	0	0	0	0	0
(3,316)	Income	(3,399)	0	0	(9)	0	(3,408)
7,674	Gross Budget Requirement	7,887	(41)	9	(9)	0	7,846
0	Use Of Departmental Reserves						0
7,674	Net Budget Requirement	7,887	(41)	9	(9)	0	7,846

Corporate Budget Reductions

These relate to services being provided through greater integration between health and social care.

2015/2016 BUDGET - SERVICE UNIT: COMPLAINTS, INVESTIGATIONS & PUBLIC INFORMATION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Complaints, Investigations & Public Information</u>						
110	Direct costs - Employees	111	0	0	0	30	141
164	- Other	168	(3)	0	0	0	165
274	Total Direct Cost	279	(3)	0	0	30	306
0	Support Recharges	0	0	0	0	0	0
(59)	Income	(90)	0	0	0	0	(90)
215	Gross Budget Requirement	189	(3)	0	0	30	216
	Use Of Departmental Reserves					(30)	(30)
215	Net Budget Requirement	189	(3)	0	0	0	186

One off costs funded from dept reserves

This relates to a temporary post funded from the Better Care Fund reserve.

2015/2016 BUDGET - SERVICE UNIT: DEPARTMENTAL RUNNING COSTS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Departmental Running Costs</u>						
974	Direct costs - Employees	984	0	1	(3)	0	982
164	- Other	164	0	2	0	0	166
1,138	Total Direct Cost	1,148	0	3	(3)	0	1,148
6	Support Recharges	6	0	0	0	0	6
0	Income	0	0	0	0	0	0
1,144	Gross Budget Requirement	1,154	0	3	(3)	0	1,154
	Use Of Departmental Reserves						0
1,144	Net Budget Requirement	1,154	0	3	(3)	0	1,154

2015/2016 BUDGET - SERVICE UNIT: DIRECT CARE & SUPPORT TEAM

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Direct Care & Support Team</u>						
1,083	Direct costs - Employees	1,094	0	0	0	0	1,094
154	- Other	156	0	0	0	0	156
1,237	Total Direct Cost	1,250	0	0	0	0	1,250
0	Support Recharges	0	0	0	0	0	0
(70)	Income	(343)	(63)	0	0	0	(406)
1,167	Gross Budget Requirement	907	(63)	0	0	0	844
	Use Of Departmental Reserves						0
1,167	Net Budget Requirement	907	(63)	0	0	0	844

Corporate Budget Reductions

These relate to services being provided through greater integration between health and social care.

2015/2016 BUDGET - SERVICE UNIT: LEARNING DISABILITY & TRANSITIONS SOCIAL WORK TEAMS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Learning Disability & Transitions Social Work Teams</u>						
368	Direct costs - Employees	372	0	0	0	0	372
8	- Other	8	0	0	0	0	8
376	Total Direct Cost	380	0	0	0	0	380
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
376	Gross Budget Requirement	380	0	0	0	0	380
	Use Of Departmental Reserves						0
376	Net Budget Requirement	380	0	0	0	0	380

2015/2016 BUDGET - SERVICE UNIT: LOCALITY & SAFEGUARDING SOCIAL WORK TEAMS

Approved Budget 2014/2015 (1) £'000	Service Unit	Budget Projection 2015/2016 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2015/2016 (2+3+4+5+6+7) (7) £'000
	<u>Locality & Safeguarding Social Work Teams</u>						
2,794	Direct costs - Employees	2,868	0	2	(2)	0	2,868
89	- Other	119	0	1	(1)	0	119
2,883	Total Direct Cost	2,987	0	3	(3)	0	2,987
0	Support Recharges	0	0	0	0	0	0
(288)	Income	(309)	(139)	0	0	0	(448)
2,595	Gross Budget Requirement	2,678	(139)	3	(3)	0	2,539
	Use Of Departmental Reserves						0
2,595	Net Budget Requirement	2,678	(139)	3	(3)	0	2,539

Corporate Budget Reductions

These relate to services being provided through greater integration between health and social care.

2015/2016 BUDGET - SERVICE UNIT: MENTAL HEALTH SERVICES

Approved Budget 2014/2015 (1) £'000	Service Unit	Budget Projection 2015/2016 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2015/2016 (2+3+4+5+6+7) (7) £'000
	<u>Mental Health Services</u>						
525	Direct costs - Employees	531	0	0	0	0	531
109	- Other	112	0	0	0	0	112
634	Total Direct Cost	643	0	0	0	0	643
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
634	Gross Budget Requirement	643	0	0	0	0	643
	Use Of Departmental Reserves						0
634	Net Budget Requirement	643	0	0	0	0	643

2015/2016 BUDGET - SERVICE UNIT: OCCUPATIONAL THERAPY SERVICES & DISABILITY EQUIPMENT

Approved Budget 2014/2015 (1) £'000	Service Unit	Budget Projection 2015/2016 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2015/2016 (2+3+4+5+6+7) (7) £'000
	<u>Occupational Therapy Services & Disability Equipment</u>						
0	Direct costs - Employees	0	0	0	0	0	0
485	- Other	492	0	0	0	0	492
485	Total Direct Cost	492	0	0	0	0	492
0	Support Recharges	0	0	0	0	0	0
(122)	Income	(122)	(160)	0	0	0	(282)
363	Gross Budget Requirement	370	(160)	0	0	0	210
	Use Of Departmental Reserves						0
363	Net Budget Requirement	370	(160)	0	0	0	210

Corporate Budget Reductions

These relate to services being provided through greater integration between health and social care.

2015/2016 BUDGET - SERVICE UNIT: WORKFORCE PLANNING & DEVELOPMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Workforce Planning & Development</u>						
139	Direct costs - Employees	142	0	0	0	0	142
50	- Other	51	0	0	0	0	51
189	Total Direct Cost	193	0	0	0	0	193
0	Support Recharges	0	0	0	0	0	0
(41)	Income	(12)	0	0	0	0	(12)
148	Gross Budget Requirement	181	0	0	0	0	181
0	Use Of Departmental Reserves						0
148	Net Budget Requirement	181	0	0	0	0	181

2015/2016 BUDGET - SERVICE UNIT: WORKING AGE ADULTS DAY SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Working Age Adults Day Services</u>						
884	Direct costs - Employees	818	0	0	0	0	818
410	- Other	412	0	0	0	0	412
1,294	Total Direct Cost	1,230	0	0	0	0	1,230
0	Support Recharges	7	0	0	0	0	7
(90)	Income	(67)	0	0	0	0	(67)
1,204	Gross Budget Requirement	1,170	0	0	0	0	1,170
	Use Of Departmental Reserves						0
1,204	Net Budget Requirement	1,170	0	0	0	0	1,170

**CHIEF EXECUTIVE'S
DETAILED REVENUE BUDGETS 2015/2016**

2015/2016 BUDGET - CHIEF EXECUTIVES SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2015/2016 (2+3+4+5+6 +7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
(546)	Benefits	(529)	0	52	(52)	0	0	(505)
(1,499)	Central Administration Recharges	(859)	0	0	0	0	0	(859)
1,059	Corporate Finance	1,062	(110)	0	0	0	0	952
725	Corporate Strategy & Public Consultation	734	(75)	0	0	43	(43)	659
182	Council Tax & Housing Benefits	182	0	0	0	0	0	182
967	Customer and Support Services	965	(93)	0	0	0	0	872
189	Democratic	193	(7)	0	0	0	0	186
98	Fraud	99	0	0	0	0	0	99
526	Human Resources & Health and Safety	529	(75)	0	0	0	0	454
227	Internal Audit	230	0	0	0	0	0	230
466	Legal Services	467	(43)	0	0	0	0	424
189	Municipal Elections and Registration of Electors	192	0	0	0	0	0	192
(77)	Other Office Services	(79)	0	0	0	0	0	(79)
81	Public Relations	80	0	0	0	0	0	80
(102)	Registration Services	(104)	0	0	0	0	0	(104)
910	Revenues	918	(60)	0	0	0	0	858
(383)	Revenue & Benefits Central	(398)	0	24	(24)	0	0	(422)
657	Shared Services	658	(30)	0	0	19	(19)	628
89	Scrutiny Function	89	(22)	0	0	0	0	67
115	Support to Members	119	0	0	0	0	0	119
17	Training & Equality	18	0	0	0	0	0	18
338	Corporate Management Running Expenses	369	0	0	0	0	0	369
4,228	Net Budget Requirement	4,935	(515)	76	(76)	62	(62)	4,420

2015/2016 BUDGET - SERVICE UNIT: BENEFITS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Benefits						
739	Direct costs - Employees	747	0	0	(52)	0	695
38	- Other	38	0	0	0	0	38
777	Total Direct Cost	785	0	0	(52)	0	733
0	Support Recharges	0	0	0	0	0	0
(1,323)	Income	(1,314)	0	76	0	0	(1,238)
(546)	Gross Budget Requirement	(529)	0	76	(52)	0	(505)
0	Use Of Departmental Reserves						0
(546)	Net Budget Requirement	(529)	0	76	(52)	0	(505)

Departmental Budget Pressures

The pressure relates to the reduction in the Housing Benefit Subsidy Administration Grant.

Departmental Budget Reductions to Fund Pressures

Deletion of vacant posts within the Benefits Section.

2015/2016 BUDGET - SERVICE UNIT: CENTRAL ADMINISTRATION RECHARGES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Central Administration Recharges						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(1,499)	Income	(859)	0	0	0	0	(859)
(1,499)	Gross Budget Requirement	(859)	0	0	0	0	(859)
0	Use Of Departmental Reserves						0
(1,499)	Net Budget Requirement	(859)	0	0	0	0	(859)

2015/2016 BUDGET - SERVICE UNIT: CORPORATE FINANCE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Corporate Finance						
1,472	Direct costs - Employees	1,488	(61)	0	0	0	1,427
97	- Other	96	0	0	0	0	96
1,569	Total Direct Cost	1,584	(61)	0	0	0	1,523
0	Support Recharges	0	0	0	0	0	0
(510)	Income	(522)	(49)	0	0	0	(571)
1,059	Gross Budget Requirement	1,062	(110)	0	0	0	952
0	Use Of Departmental Reserves						0
1,059	Net Budget Requirement	1,062	(110)	0	0	0	952

Corporate Budget Reductions

Deletion of vacant posts within the Corporate Finance Section and increased income generation.

2015/2016 BUDGET - SERVICE UNIT: CORPORATE STRATEGY & PUBLIC CONSULTATION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Corporate Strategy & Public Consultation</u>						
708	Direct costs - Employees	719	(75)	0	0	0	644
26	- Other	25	0	0	0	43	68
734	Total Direct Cost	744	(75)	0	0	43	712
0	Support Recharges	0	0	0	0	0	0
(9)	Income	(10)	0	0	0	0	(10)
725	Gross Budget Requirement	734	(75)	0	0	43	702
0	Use Of Departmental Reserves					(43)	(43)
725	Net Budget Requirement	734	(75)	0	0	0	659

Budget Reductions

The reduction relates to savings from a restructure within the Corporate ICT and Public Consultation Sections.

One off costs Funded from Department Reserves

To fund enhancements of current ICT systems and the rationalisation of systems to achieve savings.

2015/2016 BUDGET - SERVICE UNIT: COUNCIL TAX & HOUSING BENEFITS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Council Tax & Housing Benefits</u>						
0	Direct costs - Employees	0	0	0	0	0	0
48,539	- Other	48,539	0	0	0	0	48,539
48,539	Total Direct Cost	48,539	0	0	0	0	48,539
0	Support Recharges	0	0	0	0	0	0
(48,357)	Income	(48,357)	0	0	0	0	(48,357)
182	Gross Budget Requirement	182	0	0	0	0	182
0	Use Of Departmental Reserves						0
182	Net Budget Requirement	182	0	0	0	0	182

2015/2016 BUDGET - SERVICE UNIT: CUSTOMER/SUPPORT SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Customer/Support Services</u>						
859	Direct costs - Employees	858	(70)	0	0	0	788
110	- Other	109	0	0	0	0	109
969	Total Direct Cost	967	(70)	0	0	0	897
0	Support Recharges	0	0	0	0	0	0
(2)	Income	(2)	(23)	0	0	0	(25)
967	Gross Budget Requirement	965	(93)	0	0	0	872
0	Use Of Departmental Reserves						0
967	Net Budget Requirement	965	(93)	0	0	0	872

Budget Reductions

Savings resulting from a restructure within the Customer and Support Services Sections and additional income generation.

2015/2016 BUDGET - SERVICE UNIT: DEMOCRATIC SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Democratic Services</u>						
170	Direct costs - Employees	174	(7)	0	0	0	167
20	- Other	20	0	0	0	0	20
190	Total Direct Cost	194	(7)	0	0	0	187
0	Support Recharges	0	0	0	0	0	0
(1)	Income	(1)	0	0	0	0	(1)
189	Gross Budget Requirement	193	(7)	0	0	0	186
0	Use Of Departmental Reserves					0	0
189	Net Budget Requirement	193	(7)	0	0	0	186

Budget Reductions

The reduction relates to reduced working hours within the Democratic Service Section.

2015/2016 BUDGET - SERVICE UNIT: FRAUD

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Fraud</u>						
89	Direct costs - Employees	90	0	0	0	0	90
9	- Other	9	0	0	0	0	9
98	Total Direct Cost	99	0	0	0	0	99
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
98	Gross Budget Requirement	99	0	0	0	0	99
0	Use Of Departmental Reserves						0
98	Net Budget Requirement	99	0	0	0	0	99

2015/2016 BUDGET - SERVICE UNIT: HUMAN RESOURCES & HEALTH AND SAFETY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Human Resources & Health and Safety</u>						
780	Direct costs - Employees	790	(75)	0	0	0	715
12	- Other	11	0	0	0	0	11
792	Total Direct Cost	801	(75)	0	0	0	726
0	Support Recharges	0	0	0	0	0	0
(266)	Income	(272)	0	0	0	0	(272)
526	Gross Budget Requirement	529	(75)	0	0	0	454
0	Use Of Departmental Reserves						0
526	Net Budget Requirement	529	(75)	0	0	0	454

Budget Reductions

Savings resulting from a restructure within the Human Resources and Health and Safety Sections.

2015/2016 BUDGET - SERVICE UNIT: INTERNAL AUDIT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Internal Audit</u>						
242	Direct costs - Employees	245	0	0	0	0	245
15	- Other	15	0	0	0	0	15
257	Total Direct Cost	260	0	0	0	0	260
0	Support Recharges	0	0	0	0	0	0
(30)	Income	(30)	0	0	0	0	(30)
227	Gross Budget Requirement	230	0	0	0	0	230
0	Use Of Departmental Reserves						0
227	Net Budget Requirement	230	0	0	0	0	230

2015/2016 BUDGET - SERVICE UNIT: LEGAL SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Legal Services</u>						
556	Direct costs - Employees	561	(36)	0	0	0	525
37	- Other	37	0	0	0	0	37
593	Total Direct Cost	598	(36)	0	0	0	562
0	Support Recharges	0	0	0	0	0	0
(127)	Income	(131)	(7)	0	0	0	(138)
466	Gross Budget Requirement	467	(43)	0	0	0	424
0	Use Of Departmental Reserves						0
466	Net Budget Requirement	467	(43)	0	0	0	424

Budget Reductions

The reduction relates to staffing changes within the Legal Section.

2015/2016 BUDGET - SERVICE UNIT: MUNICIPAL ELECTIONS AND REGISTRATION OF ELECTORS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Municipal Elections and Registration of Electors</u>						
128	Direct costs - Employees	131	0	0	0	0	131
62	- Other	63	0	0	0	0	63
190	Total Direct Cost	194	0	0	0	0	194
0	Support Recharges	0	0	0	0	0	0
(1)	Income	(2)	0	0	0	0	(2)
189	Gross Budget Requirement	192	0	0	0	0	192
0	Use Of Departmental Reserves						0
189	Net Budget Requirement	192	0	0	0	0	192

2015/2016 BUDGET - SERVICE UNIT: OTHER OFFICE SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other Office Services</u>						
54	Direct costs - Employees	55	0	0	0	0	55
0	- Other	0	0	0	0	0	0
54	Total Direct Cost	55	0	0	0	0	55
7	Support Recharges	7	0	0	0	0	7
(138)	Income	(141)	0	0	0	0	(141)
(77)	Gross Budget Requirement	(79)	0	0	0	0	(79)
0	Use Of Departmental Reserves						0
(77)	Net Budget Requirement	(79)	0	0	0	0	(79)

2015/2016 BUDGET - SERVICE UNIT: PUBLIC RELATIONS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Relations</u>						
148	Direct costs - Employees	149	0	0	0	0	149
67	- Other	68	0	0	0	0	68
215	Total Direct Cost	217	0	0	0	0	217
0	Support Recharges	0	0	0	0	0	0
(134)	Income	(137)	0	0	0	0	(137)
81	Gross Budget Requirement	80	0	0	0	0	80
0	Use Of Departmental Reserves						0
81	Net Budget Requirement	80	0	0	0	0	80

2015/2016 BUDGET - SERVICE UNIT: REGISTRATION SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Registration Services</u>						
15	Direct costs - Employees	16	0	0	0	0	16
9	- Other	9	0	0	0	0	9
24	Total Direct Cost	25	0	0	0	0	25
0	Support Recharges	0	0	0	0	0	0
(126)	Income	(129)	0	0	0	0	(129)
(102)	Gross Budget Requirement	(104)	0	0	0	0	(104)
	Use Of Departmental Reserves						0
(102)	Net Budget Requirement	(104)	0	0	0	0	(104)

2015/2016 BUDGET - SERVICE UNIT: REVENUES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Revenues</u>						
747	Direct costs - Employees	755	(60)	0	0	0	695
181	- Other	181	0	0	0	0	181
928	Total Direct Cost	936	(60)	0	0	0	876
14	Support Recharges	14	0	0	0	0	14
(32)	Income	(32)	0	0	0	0	(32)
910	Gross Budget Requirement	918	(60)	0	0	0	858
0	Use Of Departmental Reserves						0
910	Net Budget Requirement	918	(60)	0	0	0	858

Budget Reductions

The reduction relates to savings from a restructure within the Revenues Section.

2015/2016 BUDGET - SERVICE UNIT: REVENUE & BENEFITS CENTRAL

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Revenue & Benefits Central</u>						
228	Direct costs - Employees	229	0	0	0	0	229
131	- Other	131	0	0	0	0	131
359	Total Direct Cost	360	0	0	0	0	360
0	Support Recharges	0	0	0	0	0	0
(742)	Income	(758)	0	0	(24)	0	(782)
(383)	Gross Budget Requirement	(398)	0	0	(24)	0	(422)
0	Use Of Departmental Reserves						0
(383)	Net Budget Requirement	(398)	0	0	(24)	0	(422)

Departmental Budget Reductions to Fund Pressures

Increased income from Court Costs. This has been used to partly fund the reduction in the Housing Benefit Subsidy Administration Grant.

2015/2016 BUDGET - SERVICE UNIT: SHARED SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Shared Services</u>						
888	Direct costs - Employees	899	(15)	0	0	0	884
179	- Other	180	0	0	0	19	199
1,067	Total Direct Cost	1,079	(15)	0	0	19	1,083
0	Support Recharges	0	0	0	0	0	0
(410)	Income	(421)	(15)	0	0	0	(436)
657	Gross Budget Requirement	658	(30)	0	0	19	647
0	Use Of Departmental Reserves					(19)	(19)
657	Net Budget Requirement	658	(30)	0	0	0	628

Budget Reductions

Deletion of a vacant post in the Shared Services Section and additional income generation.

One off costs Funded from Department Reserves

To fund IT projects integral to Corporate IT changes.

2015/2016 BUDGET - SERVICE UNIT: SCRUTINY FUNCTION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Scrutiny Function</u>						
87	Direct costs - Employees	88	0	0	0	0	88
2	- Other	1	0	0	0	0	1
89	Total Direct Cost	89	0	0	0	0	89
0	Support Recharges	0	0	0	0	0	0
0	Income	0	(22)	0	0	0	(22)
89	Gross Budget Requirement	89	(22)	0	0	0	67
0	Use Of Departmental Reserves					0	0
89	Net Budget Requirement	89	(22)	0	0	0	67

Budget Reductions

Increased income generated from Public Health.

2015/2016 BUDGET - SERVICE UNIT: SUPPORT TO MEMBERS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Support to Members</u>						
65	Direct costs - Employees	68	0	0	0	0	68
50	- Other	51	0	0	0	0	51
115	Total Direct Cost	119	0	0	0	0	119
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
115	Gross Budget Requirement	119	0	0	0	0	119
0	Use Of Departmental Reserves					0	0
115	Net Budget Requirement	119	0	0	0	0	119

2015/2016 BUDGET - SERVICE UNIT: TRAINING & EQUALITY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Training & Equality</u>						
3	Direct costs - Employees	3	0	0	0	0	3
14	- Other	15	0	0	0	0	15
17	Total Direct Cost	18	0	0	0	0	18
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
17	Gross Budget Requirement	18	0	0	0	0	18
0	Use Of Departmental Reserves					0	0
17	Net Budget Requirement	18	0	0	0	0	18

2015/2016 BUDGET - SERVICE UNIT: CORPORATE MANAGEMENT RUNNING EXPENSES

These are 5 budgets, lettered from (A) to (E), which either do not fall within a specific Service unit, or are recharged to service units as a support charge.

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Victoria Park</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(19)	Income	(19)	0	0	0	0	(19)
(19)	Gross Budget Requirement A	(19)	0	0	0	0	(19)
	<u>Corporate Management Running Expenses</u>						
234	Direct costs - Employees	262	0	0	0	0	262
11	- Other	11	0	0	0	0	11
245	Total Direct Cost	273	0	0	0	0	273
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
245	Gross Budget Requirement B	273	0	0	0	0	273
	<u>Trade Union Representative</u>						
0	Direct costs - Employees	0	0	0	0	0	0
44	- Other	45	0	0	0	0	45
44	Total Direct Cost	45	0	0	0	0	45
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
44	Gross Budget Requirement C	45	0	0	0	0	45
	<u>Central Council Expenses</u>						
0	Direct costs - Employees	0	0	0	0	0	0
73	- Other	75	0	0	0	0	75
73	Total Direct Cost	75	0	0	0	0	75
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
73	Gross Budget Requirement D	75	0	0	0	0	75
	<u>Smallholdings</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(5)	Income	(5)	0	0	0	0	(5)
(5)	Gross Budget Requirement E	(5)	0	0	0	0	(5)
338	Gross Budget Requirement of (A) to (E)	369	0	0	0	0	369
0	Use Of Departmental Reserves						
338	Net Budget Requirement	369	0	0	0	0	369

PUBLIC HEALTH

DETAILED REVENUE BUDGETS 2015/2016

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2015/2016 (2+3+4+5+6 +7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
Public Health (funded from ringfenced grant)								
806	Children's Public Health	1,021	0	0	0	0	0	1,021
50	Health Protection	50	0	0	0	0	0	50
1,338	Misc Public Health Services	1,282	0	0	0	0	0	1,282
128	NHS Health Programme	71	0	0	0	0	0	71
266	Obesity	180	0	0	0	0	0	180
170	Physical Activity	290	0	0	0	0	0	290
815	Prescribing	815	0	0	0	0	0	815
(7,744)	Public Health Advice	(7,726)	0	0	0	0	0	(7,726)
722	Sexual Health	800	0	0	0	0	0	800
496	Smoking & Tobacco	459	0	0	0	0	0	459
2,953	Substance Misuse	2,758	0	0	0	0	0	2,758
0	Public Health Ringfenced Grant Subtotal	0	0	0	0	0	0	0
Public Health (funded from General Fund)								
614	Consumer Services	686	(17)	0	0	0	0	669
2	Environmental Protection	2	0	0	0	0	0	2
(87)	Environmental Standards	(86)	0	0	0	0	0	(86)
660	Sport & Recreation	648	(150)	0	0	0	0	498
1,189	Public Health General Fund Subtotal	1,250	(167)	0	0	0	0	1,083
1,189	Net Budget Requirement	1,250	(167)	0	0	0	0	1,083

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Children's Public Health</u>						
0	Direct costs - Employees	0	0	0	0	0	0
828	- Other	1,782	0	0	0	0	1,782
828	Total Direct Cost	1,782	0	0	0	0	1,782
0	Support Recharges	0	0	0	0	0	0
(22)	Income	(761)	0	0	0	0	(761)
806	Gross Budget Requirement	1,021	0	0	0	0	1,021
0	Use Of Departmental Reserves	0	0	0	0	0	0
806	Net Budget Requirement	1,021	0	0	0	0	1,021

2015/2016 BUDGET - SERVICE UNIT: HEALTH PROTECTION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Health Protection</u>						
0	Direct costs - Employees	0	0	0	0	0	0
50	- Other	50	0	0	0	0	50
50	Total Direct Cost	50	0	0	0	0	50
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
50	Gross Budget Requirement	50	0	0	0	0	50
0	Use Of Departmental Reserves	0	0	0	0	0	0
50	Net Budget Requirement	50	0	0	0	0	50

2015/2016 BUDGET - SERVICE UNIT: GENERAL PUBLIC HEALTH SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>General Public Health Services</u>						
44	Direct costs - Employees	48	0	0	0	0	48
1,294	- Other	1,234	0	0	0	0	1,234
1,338	Total Direct Cost	1,282	0	0	0	0	1,282
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
1,338	Gross Budget Requirement	1,282	0	0	0	0	1,282
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,338	Net Budget Requirement	1,282	0	0	0	0	1,282

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>NHS Health Check Programme</u>						
0	Direct costs - Employees	0	0	0	0	0	0
128	- Other	71	0	0	0	0	71
128	Total Direct Cost	71	0	0	0	0	71
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
128	Gross Budget Requirement	71	0	0	0	0	71
0	Use Of Departmental Reserves	0	0	0	0	0	0
128	Net Budget Requirement	71	0	0	0	0	71

2015/2016 BUDGET - SERVICE UNIT: OBESITY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Obesity</u>						
0	Direct costs - Employees	0	0	0	0	0	0
266	- Other	180	0	0	0	0	180
266	Total Direct Cost	180	0	0	0	0	180
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
266	Gross Budget Requirement	180	0	0	0	0	180
0	Use Of Departmental Reserves	0	0	0	0	0	0
266	Net Budget Requirement	180	0	0	0	0	180

2015/2016 BUDGET - SERVICE UNIT: PHYSICAL ACTIVITY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Physical Activity</u>						
0	Direct costs - Employees	0	0	0	0	0	0
170	- Other	290	0	0	0	0	290
170	Total Direct Cost	290	0	0	0	0	290
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
170	Gross Budget Requirement	290	0	0	0	0	290
0	Use Of Departmental Reserves	0	0	0	0	0	0
170	Net Budget Requirement	290	0	0	0	0	290

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Prescribing</u>						
0	Direct costs - Employees	0	0	0	0	0	0
815	- Other	815	0	0	0	0	815
815	Total Direct Cost	815	0	0	0	0	815
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
815	Gross Budget Requirement	815	0	0	0	0	815
0	Use Of Departmental Reserves	0	0	0	0	0	0
815	Net Budget Requirement	815	0	0	0	0	815

2015/2016 BUDGET - SERVICE UNIT: PUBLIC HEALTH ADVICE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health Advice</u>						
448	Direct costs - Employees	411	0	0	0	0	411
336	- Other	348	0	0	0	0	348
784	Total Direct Cost	759	0	0	0	0	759
0	Support Recharges	0	0	0	0	0	0
(8,528)	Income	(8,485)	0	0	0	0	(8,485)
(7,744)	Gross Budget Requirement	(7,726)	0	0	0	0	(7,726)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(7,744)	Net Budget Requirement	(7,726)	0	0	0	0	(7,726)

2015/2016 BUDGET - SERVICE UNIT: SEXUAL HEALTH

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sexual Health</u>						
0	Direct costs - Employees	0	0	0	0	0	0
722	- Other	800	0	0	0	0	800
722	Total Direct Cost	800	0	0	0	0	800
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
722	Gross Budget Requirement	800	0	0	0	0	800
0	Use Of Departmental Reserves	0	0	0	0	0	0
722	Net Budget Requirement	800	0	0	0	0	800

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2013/2014 2014/2015	Service Unit	Budget Projection 2014/2015 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Smoking & Tobacco</u>						
0	Direct costs - Employees	0	0	0	0	0	0
496	- Other	459	0	0	0	0	459
496	Total Direct Cost	459	0	0	0	0	459
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
496	Gross Budget Requirement	459	0	0	0	0	459
0	Use Of Departmental Reserves	0	0	0	0	0	0
496	Net Budget Requirement	459	0	0	0	0	459

2015/2016 BUDGET - SERVICE UNIT: SUBSTANCE MISUSE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Substance Misuse</u>						
288	Direct costs - Employees	303	0	0	0	0	303
2,665	- Other	2,455	0	0	0	0	2,455
2,953	Total Direct Cost	2,758	0	0	0	0	2,758
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
2,953	Gross Budget Requirement	2,758	0	0	0	0	2,758
0	Use Of Departmental Reserves	0	0	0	0	0	0
2,953	Net Budget Requirement	2,758	0	0	0	0	2,758

2015/2016 BUDGET - PUBLIC HEALTH SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Consumer Services</u>						
805	Direct costs - Employees	932	0	0	0	0	932
119	- Other	89	(17)	0	0	0	72
924	Total Direct Cost	1,021	(17)	0	0	0	1,004
48	Support Recharges	47	0	0	0	0	47
(358)	Income	(382)	0	0	0	0	(382)
614	Gross Budget Requirement	686	(17)	0	0	0	669
0	Use Of Departmental Reserves	0	0	0	0	0	0
614	Net Budget Requirement	686	(17)	0	0	0	669

Budget Reductions

Savings relate to a reduction in services provided externally.

2015/2016 BUDGET - SERVICE UNIT: ENVIRONMENTAL PROTECTION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Environmental Protection</u>						
0	Direct costs - Employees	0	0	0	0	0	0
26	- Other	26	0	0	0	0	26
26	Total Direct Cost	26	0	0	0	0	26
9	Support Recharges	10	0	0	0	0	10
(33)	Income	(34)	0	0	0	0	(34)
2	Gross Budget Requirement	2	0	0	0	0	2
0	Use Of Departmental Reserves	0	0	0	0	0	0
2	Net Budget Requirement	2	0	0	0	0	2

2015/2016 BUDGET - SERVICE UNIT: ENVIRONMENTAL STANDARDS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Environmental Standards</u>						
0	Direct costs - Employees	0	0	0	0	0	0
23	- Other	7	0	0	0	0	7
23	Total Direct Cost	7	0	0	0	0	7
0	Support Recharges	0	0	0	0	0	0
(110)	Income	(93)	0	0	0	0	(93)
(87)	Gross Budget Requirement	(86)	0	0	0	0	(86)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(87)	Net Budget Requirement	(86)	0	0	0	0	(86)

2015/2016 BUDGET - SERVICE UNIT: SPORT & RECREATION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sport & Recreation</u>						
1,727	Direct costs - Employees	1,733	(1)	0	0	0	1,732
548	- Other	491	(20)	0	0	0	471
2,275	Total Direct Cost	2,224	(21)	0	0	0	2,203
8	Support Recharges	8	0	0	0	0	8
(1,623)	Income	(1,584)	(129)	0	0	0	(1,713)
660	Gross Budget Requirement	648	(150)	0	0	0	498
0	Use Of Departmental Reserves	0	0	0	0	0	0
660	Net Budget Requirement	648	(150)	0	0	0	498

Budget Reductions

Savings relate to additional income generation and a small reduction in non employee running costs.

2015/2016 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2015/2016 (2+3+4+5+6 +7+8)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
22	Archaeology	20	0	0	0	0	0	20
461	Asset Management	469	(50)	0	0	0	0	419
(730)	BDM - Building Design & Management	(763)	(50)	0	0	0	0	(813)
(25)	Building Control	(25)	0	0	0	0	0	(25)
(105)	Building Maintenance	(104)	0	0	0	0	0	(104)
84	CADCAM	87	(87)	0	0	0	0	0
(628)	Car Parking	(648)	0	115	(70)	0	0	(603)
89	Community Centres	90	(43)	0	0	0	0	47
1,280	Community Safety & Engagement	1,305	(210)	0	0	115	(115)	1,095
0	Council Housing	0	0	0	0	0	0	0
402	Cultural Services	401	(3)	0	0	0	0	398
843	Economic Regeneration	909	(51)	0	0	104	(104)	858
35	Economic Regeneration - External Funded	0	0	0	0	61	(61)	0
445	Engineering & Design	450	(50)	0	0	0	0	400
1,087	Facilities Management	1,127	(160)	0	0	0	0	967
32	General Allotments	33	0	0	0	0	0	33
1,837	Grounds Maintenance	1,883	(117)	50	(48)	0	0	1,768
1,379	Highway Maintenance	1,413	0	0	0	0	0	1,413
560	Highways Liability	560	0	0	0	0	0	560
(238)	Highways Trading	(238)	0	0	0	0	0	(238)
510	Highways Traffic & Transport Management	515	0	0	0	0	0	515
664	Housing Services	671	(85)	0	0	18	(18)	586
1,417	ITU Passenger Transport	1,417	0	0	0	0	0	1,417
213	ITU Road Safety	215	(90)	0	0	0	0	125
(50)	ITU Strategic Management	(52)	0	0	0	0	0	(52)
(34)	ITU Vehicle Fleet	(33)	(100)	0	0	0	0	(133)
1,187	Libraries	1,201	(149)	0	0	0	0	1,052
(98)	Logistics	(97)	0	0	0	0	0	(97)
(2)	NDORS	(1)	0	0	0	0	0	(1)
1,215	Network Infrastructure	1,245	0	0	0	0	0	1,245
337	Parks & Countryside	340	(141)	0	0	0	0	199
380	Planning Services	359	(50)	0	0	125	(125)	309
88	Procurement	88	0	0	0	0	0	88
(40)	Reprographics	(42)	0	0	0	0	0	(42)
(1)	Renaissance In The Regions	0	0	0	0	0	0	0

2015/2016 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2015/2016 (2+3+4+5+6 +7+8)
£'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
756	Strategic Management, Admin & Service Development	713	(115)	0	0	0	0	598
1,769	Street Cleansing	1,800	(121)	0	0	0	0	1,679
2,310	Sustainable Transport	2,370	0	0	0	0	0	2,370
0	Traffic Management	0	0	0	0	0	0	0
4,519	Waste & Environmental Services	4,615	(58)	0	(47)	0	0	4,510
21,970	Net Budget Requirement	22,293	(1,730)	165	(165)	423	(423)	20,563

2015/2016 BUDGET - SERVICE UNIT: ARCHAEOLOGY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Archaeology</u>						
90	Direct costs - Employees	92	0	0	0	0	92
22	- Other	10	0	0	0	0	10
112	Total Direct Cost	102	0	0	0	0	102
12	Support Recharges	12	0	0	0	0	12
(95)	Income	(94)	0	0	0	0	(94)
29	Gross Budget Requirement	20	0	0	0	0	20
(7)	Use Of Departmental Reserves	0	0	0	0	0	0
22	Net Budget Requirement	20	0	0	0	0	20

2015/2016 BUDGET - SERVICE UNIT: ASSET MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Asset Management</u>						
211	Direct costs - Employees	252	0	0	0	0	252
40	- Other	40	0	0	0	0	40
251	Total Direct Cost	292	0	0	0	0	292
483	Support Recharges	495	(50)	0	0	0	445
(273)	Income	(318)	0	0	0	0	(318)
461	Gross Budget Requirement	469	(50)	0	0	0	419
0	Use Of Departmental Reserves	0	0	0	0	0	0
461	Net Budget Requirement	469	(50)	0	0	0	419

Budget Reductions

Additional income from external fees (Asset Management).

2015/2016 BUDGET - SERVICE UNIT: BDM - BUILDING DESIGN & MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>BDM - Building Design & Management</u>						
1,027	Direct costs - Employees	1,019	0	0	0	0	1,019
81	- Other	81	0	0	0	0	81
1,108	Total Direct Cost	1,100	0	0	0	0	1,100
	Support Recharges	0	0	0	0	0	0
(1,838)	Income	(1,863)	(50)	0	0	0	(1,913)
(730)	Gross Budget Requirement	(763)	(50)	0	0	0	(813)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(730)	Net Budget Requirement	(763)	(50)	0	0	0	(813)

Budget Reductions

Additional income from external fees (Building Design and Management).

2015/2016 BUDGET - SERVICE UNIT: BUILDING CONTROL

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Building Control</u>						
164	Direct costs - Employees	170	0	0	0	0	170
26	- Other	26	0	0	0	0	26
190	Total Direct Cost	196	0	0	0	0	196
12	Support Recharges	12	0	0	0	0	12
(227)	Income	(233)	0	0	0	0	(233)
(25)	Gross Budget Requirement	(25)	0	0	0	0	(25)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(25)	Net Budget Requirement	(25)	0	0	0	0	(25)

2015/2016 BUDGET - SERVICE UNIT: BUILDING MAINTENANCE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Building Maintenance</u>						
1,129	Direct costs - Employees	1,129	0	0	0	0	1,129
3,015	- Other	3,014	0	0	0	0	3,014
4,144	Total Direct Cost	4,143	0	0	0	0	4,143
470	Support Recharges	470	0	0	0	0	470
(4,719)	Income	(4,717)	0	0	0	0	(4,717)
(105)	Gross Budget Requirement	(104)	0	0	0	0	(104)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(105)	Net Budget Requirement	(104)	0	0	0	0	(104)

2014/2015 BUDGET - SERVICE UNIT: CADCAM

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	CADCAM						
0	Direct costs - Employees	0	0	0	0	0	0
123	- Other	87	(87)	0	0	0	0
123	Total Direct Cost	87	(87)	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
123	Gross Budget Requirement	87	(87)	0	0	0	0
(39)	Use Of Departmental Reserves	0	0	0	0	0	0
84	Net Budget Requirement	87	(87)	0	0	0	0

Budget Reductions

Reduction in property management costs associated with Aurora Court.

2015/2016 BUDGET - SERVICE UNIT: CAR PARKING

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Car Parking						
333	Direct costs - Employees	335	0	0	(70)	0	265
487	- Other	501	0	80	0	0	581
820	Total Direct Cost	836	0	80	(70)	0	846
14	Support Recharges	14	0	0	0	0	14
(1,462)	Income	(1,498)	0	35	0	0	(1,463)
(628)	Gross Budget Requirement	(648)	0	115	(70)	0	(603)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(628)	Net Budget Requirement	(648)	0	115	(70)	0	(603)

Departmental Pressures/Reductions

Pressures include the increase applied to the car parking income budget to allow for inflation, whilst charges have not increased in 15/16, and an increase in running costs associated with rates and the Shopping Centre service charge. Savings have been identified to offset these additional costs which includes reducing the cost of enforcement.

2015/2016 BUDGET - SERVICE UNIT: COMMUNITY CENTRES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Community Centres						
111	Direct costs - Employees	113	(30)	0	0	0	83
13	- Other	13	(8)	0	0	0	5
124	Total Direct Cost	126	(38)	0	0	0	88
0	Support Recharges	0	0	0	0	0	0
(35)	Income	(36)	(5)	0	0	0	(41)
89	Gross Budget Requirement	90	(43)	0	0	0	47
0	Use Of Departmental Reserves	0	0	0	0	0	0
89	Net Budget Requirement	90	(43)	0	0	0	47

Budget Reductions

Savings resulting from the restructure within Culture and Information and additional income generation.

2015/2016 BUDGET - SERVICE UNIT: COMMUNITY SAFETY & ENGAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Safety & Engagement</u>						
628	Direct costs - Employees	636	(20)	0	0	0	616
1,078	- Other	801	(190)	0	0	115	726
1,706	Total Direct Cost	1,437	(210)	0	0	115	1,342
0	Support Recharges	0	0	0	0	0	0
(171)	Income	(132)	0	0	0	0	(132)
1,535	Gross Budget Requirement	1,305	(210)	0	0	115	1,210
(255)	Use Of Departmental Reserves	0	0	0	0	(115)	(115)
1,280	Net Budget Requirement	1,305	(210)	0	0	0	1,095

Budget Reductions

Review of Community Pool criteria and priorities (£110k).

Review of CCTV Service delivery including additional income generation (£50k).

Review of Neighbourhood Management support and Community Safety and Engagement commitments (£50k).

One Off Costs Funded from Department Reserves

Ward Member Budgets and Grants awarded from the Civic Lottery Reserve.

2015/2016 BUDGET - SERVICE UNIT: COUNCIL HOUSING

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Council Housing</u>						
0	Direct costs - Employees	0	0	0	0	0	0
373	- Other	373	0	0	0	0	373
373	Total Direct Cost	373	0	0	0	0	373
15	Support Recharges	25	0	0	0	0	25
(388)	Income	(398)	0	0	0	0	(398)
0	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves	0	0	0	0	0	0
0	Net Budget Requirement	0	0	0	0	0	0

2015/2016 BUDGET - SERVICE UNIT: CULTURAL SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Cultural Services</u>						
677	Direct costs - Employees	665	0	0	0	0	665
303	- Other	274	(3)	0	0	0	271
980	Total Direct Cost	939	(3)	0	0	0	936
0	Support Recharges	0	0	0	0	0	0
(531)	Income	(538)	0	0	0	0	(538)
449	Gross Budget Requirement	401	(3)	0	0	0	398
(47)	Use Of Departmental Reserves	0	0	0	0	0	0
402	Net Budget Requirement	401	(3)	0	0	0	398

Budget Reductions

Reductions to various supplies and service budgets across the service area.

2015/2016 BUDGET - SERVICE UNIT: ECONOMIC REGENERATION

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Economic Regeneration</u>						
546	Direct costs - Employees	598	(21)	0	0	39	616
739	- Other	624	(30)	0	0	65	659
1,285	Total Direct Cost	1,222	(51)	0	0	104	1,275
1	Support Recharges	1	0	0	0	0	1
(307)	Income	(314)	0	0	0	0	(314)
979	Gross Budget Requirement	909	(51)	0	0	104	962
(136)	Use Of Departmental Reserves	0	0	0	0	(104)	(104)
843	Net Budget Requirement	909	(51)	0	0	0	858

Budget Reductions

Removal of vacant post and reconfiguration of services related to marketing.

One Off Costs Funded from Department Reserves

Use of a reserve created from a surplus on the Future Jobs Fund project used to support Business Grants in 15/16.

External Funding carried forward to fund staffing costs associated with Employment Schemes in 15/16.

2015/2016 BUDGET - SERVICE UNIT: ECONOMIC REGENERATION - EXTERNALLY FUNDED

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Economic Regeneration - Externally Funded</u>						
98	Direct costs - Employees	38	0	0	0	61	99
611	- Other	8	0	0	0	0	8
709	Total Direct Cost	46	0	0	0	61	107
2	Support Recharges	0	0	0	0	0	0
(442)	Income	(46)	0	0	0	0	(46)
269	Gross Budget Requirement	0	0	0	0	61	61
(234)	Use Of Departmental Reserves	0	0	0	0	(61)	(61)
35	Net Budget Requirement	0	0	0	0	0	0

One Off Costs Funded from Department Reserves

External Funding carried forward to contribute towards Employment Schemes in 15/16.

2015/2016 BUDGET - SERVICE UNIT: ENGINEERING & DESIGN

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Engineering & Design</u>						
290	Direct costs - Employees	314	0	0	0	0	314
663	- Other	561	0	0	0	0	561
953	Total Direct Cost	875	0	0	0	0	875
18	Support Recharges	19	0	0	0	0	19
(426)	Income	(444)	(50)	0	0	0	(494)
545	Gross Budget Requirement	450	(50)	0	0	0	400
(100)	Use Of Departmental Reserves	0	0	0	0	0	0
445	Net Budget Requirement	450	(50)	0	0	0	400

Budget Reductions

Additional income from external fees (Engineering Design and Management).

2015/2016 BUDGET - SERVICE UNIT: FACILITIES MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Facilities Management</u>						
3,787	Direct costs - Employees	3,949	0	0	0	0	3,949
3,082	- Other	3,124	(70)	0	0	0	3,054
6,869	Total Direct Cost	7,073	(70)	0	0	0	7,003
348	Support Recharges	354	0	0	0	0	354
(6,130)	Income	(6,300)	(90)	0	0	0	(6,390)
1,087	Gross Budget Requirement	1,127	(160)	0	0	0	967
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,087	Net Budget Requirement	1,127	(160)	0	0	0	967

Budget Reductions

Additional income relating to School Catering which reflects the increase in take up of School Meals.

Savings in Building Cleaning relate to additional income generation and savings on supplies and services spend across the division.

2015/2016 BUDGET - SERVICE UNIT: GENERAL ALLOTMENTS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>General Allotments</u>						
1	Direct costs - Employees	1	0	0	0	0	1
96	- Other	99	0	0	0	0	99
97	Total Direct Cost	100	0	0	0	0	100
0	Support Recharges	0	0	0	0	0	0
(65)	Income	(67)	0	0	0	0	(67)
32	Gross Budget Requirement	33	0	0	0	0	33
0	Use Of Departmental Reserves	0	0	0	0	0	0
32	Net Budget Requirement	33	0	0	0	0	33

2015/2016 BUDGET - SERVICE UNIT: GROUNDS MAINTENANCE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Grounds Maintenance</u>						
1,241	Direct costs - Employees	1,271	(117)	50	(48)	0	1,156
469	- Other	488	0	0	0	0	488
1,710	Total Direct Cost	1,759	(117)	50	(48)	0	1,644
560	Support Recharges	560	0	0	0	0	560
(433)	Income	(436)	0	0	0	0	(436)
1,837	Gross Budget Requirement	1,883	(117)	50	(48)	0	1,768
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,837	Net Budget Requirement	1,883	(117)	50	(48)	0	1,768

Budget Reductions

Reduced staffing costs resulting from the reconfiguration of Street Care Operations. These include a reduction in Agency Staff and unscheduled overtime.

Departmental Pressures/Reductions

Pressures relate to additional maintenance requirements resulting from developments across the town. These have been funded by reducing costs elsewhere as part of the reconfiguration of Street Care Operations.

2015/2016 BUDGET - SERVICE UNIT: HIGHWAYS MAINTENANCE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Maintenance</u>						
0	Direct costs - Employees	0	0	0	0	0	0
1,393	- Other	1,428	0	0	0	0	1,428
1,393	Total Direct Cost	1,428	0	0	0	0	1,428
0	Support Recharges	0	0	0	0	0	0
(14)	Income	(15)	0	0	0	0	(15)
1,379	Gross Budget Requirement	1,413	0	0	0	0	1,413
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,379	Net Budget Requirement	1,413	0	0	0	0	1,413

2015/2016 BUDGET - SERVICE UNIT: HIGHWAYS LIABILITY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Liability</u>						
0	Direct costs - Employees	0	0	0	0	0	0
560	- Other	560	0	0	0	0	560
560	Total Direct Cost	560	0	0	0	0	560
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
560	Gross Budget Requirement	560	0	0	0	0	560
0	Use Of Departmental Reserves	0	0	0	0	0	0
560	Net Budget Requirement	560	0	0	0	0	560

2015/2016 BUDGET - SERVICE UNIT: HIGHWAYS TRADING

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Trading</u>						
745	Direct costs - Employees	775	0	0	0	0	775
701	- Other	701	0	0	0	0	701
1,446	Total Direct Cost	1,476	0	0	0	0	1,476
717	Support Recharges	717	0	0	0	0	717
(2,401)	Income	(2,431)	0	0	0	0	(2,431)
(238)	Gross Budget Requirement	(238)	0	0	0	0	(238)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(238)	Net Budget Requirement	(238)	0	0	0	0	(238)

2015/2016 BUDGET - SERVICE UNIT: HIGHWAYS TRAFFIC & TRANSPORT MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Traffic & Transport Management</u>						
512	Direct costs - Employees	501	0	0	0	0	501
21	- Other	30	0	0	0	0	30
533	Total Direct Cost	531	0	0	0	0	531
27	Support Recharges	27	0	0	0	0	27
(50)	Income	(43)	0	0	0	0	(43)
510	Gross Budget Requirement	515	0	0	0	0	515
0	Use Of Departmental Reserves	0	0	0	0	0	0
510	Net Budget Requirement	515	0	0	0	0	515

2015/2016 BUDGET - SERVICE UNIT: HOUSING SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Housing Services</u>						
900	Direct costs - Employees	916	0	0	0	0	916
300	- Other	243	(85)	0	0	18	176
1,200	Total Direct Cost	1,159	(85)	0	0	18	1,092
31	Support Recharges	54	0	0	0	0	54
(443)	Income	(542)	0	0	0	0	(542)
788	Gross Budget Requirement	671	(85)	0	0	18	604
(124)	Use Of Departmental Reserves	0	0	0	0	(18)	(18)
664	Net Budget Requirement	671	(85)	0	0	0	586

Budget Reductions

Savings relate to contracts delivered externally which have now been brought in house.

One Off Costs Funded from Department Reserves

The reserve relates to income generated in previous years which have been earmarked to fund staffing costs for schemes delivered over more than one year.

2015/2016 BUDGET - SERVICE UNIT: ITU PASSENGER TRANSPORT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>ITU Passenger Transport</u>						
814	Direct costs - Employees	824	0	0	0	0	824
1,230	- Other	1,229	0	0	0	0	1,229
2,044	Total Direct Cost	2,053	0	0	0	0	2,053
400	Support Recharges	401	0	0	0	0	401
(1,027)	Income	(1,037)	0	0	0	0	(1,037)
1,417	Gross Budget Requirement	1,417	0	0	0	0	1,417
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,417	Net Budget Requirement	1,417	0	0	0	0	1,417

2015/2016 BUDGET - SERVICE UNIT: ITU ROAD SAFETY

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>ITU Road Safety</u>						
228	Direct costs - Employees	223	(20)	0	0	0	203
174	- Other	2	0	0	0	0	2
402	Total Direct Cost	225	(20)	0	0	0	205
15	Support Recharges	0	0	0	0	0	0
(79)	Income	(10)	(70)	0	0	0	(80)
338	Gross Budget Requirement	215	(90)	0	0	0	125
(125)	Use Of Departmental Reserves	0	0	0	0	0	0
213	Net Budget Requirement	215	(90)	0	0	0	125

Budget Reductions

Additional income has been secured to fund Road Safety initiatives in 15/16.

2015/2016 BUDGET - SERVICE UNIT: ITU STRATEGIC MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>ITU Strategic Management</u>						
0	Direct costs - Employees	0	0	0	0	0	0
67	- Other	68	0	0	0	0	68
67	Total Direct Cost	68	0	0	0	0	68
0	Support Recharges	0	0	0	0	0	0
(117)	Income	(120)	0	0	0	0	(120)
(50)	Gross Budget Requirement	(52)	0	0	0	0	(52)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(50)	Net Budget Requirement	(52)	0	0	0	0	(52)

2015/2016 BUDGET - SERVICE UNIT: ITU VEHICLE FLEET

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	ITU Vehicle Fleet						
411	Direct costs - Employees	427	0	0	0	0	427
3,147	- Other	3,092	(100)	0	0	0	2,992
3,558	Total Direct Cost	3,519	(100)	0	0	0	3,419
363	Support Recharges	363	0	0	0	0	363
(3,915)	Income	(3,915)	0	0	0	0	(3,915)
6	Gross Budget Requirement	(33)	(100)	0	0	0	(133)
(40)	Use Of Departmental Reserves	0	0	0	0	0	0
(34)	Net Budget Requirement	(33)	(100)	0	0	0	(133)

Budget Reductions

Relates to savings on vehicle running costs, including borrowing costs and repairs and maintenance.

2015/2016 BUDGET - SERVICE UNIT: LIBRARIES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Libraries						
875	Direct costs - Employees	889	(80)	0	0	0	809
330	- Other	325	(61)	0	0	0	264
1,205	Total Direct Cost	1,214	(141)	0	0	0	1,073
21	Support Recharges	29	(6)	0	0	0	23
(39)	Income	(42)	(2)	0	0	0	(44)
1,187	Gross Budget Requirement	1,201	(149)	0	0	0	1,052
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,187	Net Budget Requirement	1,201	(149)	0	0	0	1,052

Budget Reductions

Savings relate to a management and operational restructure. Non staff savings relate to various operational budgets which have also been reduced across the service area.

2015/2016 BUDGET - SERVICE UNIT: LOGISTICS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Logistics						
207	Direct costs - Employees	207	0	0	0	0	207
626	- Other	633	0	0	0	0	633
833	Total Direct Cost	840	0	0	0	0	840
132	Support Recharges	132	0	0	0	0	132
(1,063)	Income	(1,069)	0	0	0	0	(1,069)
(98)	Gross Budget Requirement	(97)	0	0	0	0	(97)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(98)	Net Budget Requirement	(97)	0	0	0	0	(97)

2015/2016 BUDGET - SERVICE UNIT: NDORS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>NDORS</u>						
34	Direct costs - Employees	34	0	0	0	0	34
1,214	- Other	1,215	0	0	0	0	1,215
1,248	Total Direct Cost	1,249	0	0	0	0	1,249
103	Support Recharges	103	0	0	0	0	103
(1,353)	Income	(1,353)	0	0	0	0	(1,353)
(2)	Gross Budget Requirement	(1)	0	0	0	0	(1)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(2)	Net Budget Requirement	(1)	0	0	0	0	(1)

2015/2016 BUDGET - SERVICE UNIT: NETWORK INFRASTRUCTURE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Network Infrastructure</u>						
0	Direct costs - Employees	0	0	0	0	0	0
1,215	- Other	1,245	0	0	0	0	1,245
1,215	Total Direct Cost	1,245	0	0	0	0	1,245
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
1,215	Gross Budget Requirement	1,245	0	0	0	0	1,245
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,215	Net Budget Requirement	1,245	0	0	0	0	1,245

2015/2016 BUDGET - SERVICE UNIT: PARKS & COUNTRYSIDE

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Parks & Countryside</u>						
505	Direct costs - Employees	434	(88)	0	0	0	346
750	- Other	726	(23)	0	0	0	703
1,255	Total Direct Cost	1,160	(111)	0	0	0	1,049
9	Support Recharges	10	0	0	0	0	10
(927)	Income	(830)	(30)	0	0	0	(860)
337	Gross Budget Requirement	340	(141)	0	0	0	199
0	Use Of Departmental Reserves	0	0	0	0	0	0
337	Net Budget Requirement	340	(141)	0	0	0	199

Budget Reductions

Reduced staffing costs resulting from the reconfiguration of Street Care Operations, including the removal of vacant posts, a reduction in the use of Agency staff and unscheduled overtime

2015/2016 BUDGET - SERVICE UNIT: PLANNING SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Planning Services</u>						
749	Direct costs - Employees	808	(10)	0	0	0	798
230	- Other	80	(40)	0	0	125	165
979	Total Direct Cost	888	(50)	0	0	125	963
0	Support Recharges	0	0	0	0	0	0
(474)	Income	(529)	0	0	0	0	(529)
505	Gross Budget Requirement	359	(50)	0	0	125	434
(125)	Use Of Departmental Reserves	0	0	0	0	(125)	(125)
380	Net Budget Requirement	359	(50)	0	0	0	309

Budget Reductions

Savings relate to efficiencies that have been achieved as a result of merging the Building Control and Planning Services.

One Off Costs Funded from Department Reserves

One off funding relates to the Local Plan Review.

2015/2016 BUDGET - SERVICE UNIT: PROCUREMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Procurement</u>						
168	Direct costs - Employees	171	0	0	0	0	171
1	- Other	1	0	0	0	0	1
169	Total Direct Cost	172	0	0	0	0	172
0	Support Recharges	0	0	0	0	0	0
(81)	Income	(84)	0	0	0	0	(84)
88	Gross Budget Requirement	88	0	0	0	0	88
0	Use Of Departmental Reserves	0	0	0	0	0	0
88	Net Budget Requirement	88	0	0	0	0	88

2015/2016 BUDGET - SERVICE UNIT: REPROGRAPHICS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Reprographics</u>						
78	Direct costs - Employees	79	0	0	0	0	79
231	- Other	237	0	0	0	0	237
309	Total Direct Cost	316	0	0	0	0	316
0	Support Recharges	0	0	0	0	0	0
(349)	Income	(358)	0	0	0	0	(358)
(40)	Gross Budget Requirement	(42)	0	0	0	0	(42)
0	Use Of Departmental Reserves	0	0	0	0	0	0
(40)	Net Budget Requirement	(42)	0	0	0	0	(42)

2015/2016 BUDGET - SERVICE UNIT: RENAISSANCE IN THE REGIONS

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Renaissance In The Regions</u>						
60	Direct costs - Employees	0	0	0	0	0	0
238	- Other	0	0	0	0	0	0
298	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(299)	Income	0	0	0	0	0	0
(1)	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves	0	0	0	0	0	0
(1)	Net Budget Requirement	0	0	0	0	0	0

2015/2016 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT, ADMIN & SERVICE DEVELOPMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Management, Admin & Service Development</u>						
1,381	Direct costs - Employees	1,406	(75)	0	0	0	1,331
167	- Other	131	(18)	0	0	0	113
1,548	Total Direct Cost	1,537	(93)	0	0	0	1,444
513	Support Recharges	525	0	0	0	0	525
(1,305)	Income	(1,349)	(22)	0	0	0	(1,371)
756	Gross Budget Requirement	713	(115)	0	0	0	598
0	Use Of Departmental Reserves	0	0	0	0	0	0
756	Net Budget Requirement	713	(115)	0	0	0	598

Budget Reductions

Savings relate to a review of service provision across the reconfigured Department. Savings include the removal of vacant posts along with reductions to general supplies and services budgets e.g. postage and general office consumables.

2015/2016 BUDGET - SERVICE UNIT: STREET CLEANSING

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Street Cleansing</u>						
942	Direct costs - Employees	951	(121)	0	0	0	830
223	- Other	228	0	0	0	0	228
1,165	Total Direct Cost	1,179	(121)	0	0	0	1,058
699	Support Recharges	719	0	0	0	0	719
(95)	Income	(98)	0	0	0	0	(98)
1,769	Gross Budget Requirement	1,800	(121)	0	0	0	1,679
0	Use Of Departmental Reserves	0	0	0	0	0	0
1,769	Net Budget Requirement	1,800	(121)	0	0	0	1,679

Budget Reductions

Reduced staffing costs resulting from the reconfiguration of Street Care Operations. These include a reduction in Agency Staff and unscheduled overtime.

2015/2016 BUDGET - SERVICE UNIT: SUSTAINABLE TRANSPORT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Sustainable Transport</u>						
0	Direct costs - Employees	0	0	0	0	0	0
2,310	- Other	2,370	0	0	0	0	2,370
2,310	Total Direct Cost	2,370	0	0	0	0	2,370
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
2,310	Gross Budget Requirement	2,370	0	0	0	0	2,370
0	Use Of Departmental Reserves	0	0	0	0	0	0
2,310	Net Budget Requirement	2,370	0	0	0	0	2,370

2015/2016 BUDGET - SERVICE UNIT: TRAFFIC MANAGEMENT

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Traffic Management</u>						
0	Direct costs - Employees	0	0	0	0	0	0
11	- Other	11	0	0	0	0	11
11	Total Direct Cost	11	0	0	0	0	11
0	Support Recharges	0	0	0	0	0	0
(11)	Income	(11)	0	0	0	0	(11)
0	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves	0	0	0	0	0	0
0	Net Budget Requirement	0	0	0	0	0	0

2015/2016 BUDGET - SERVICE UNIT: WASTE & ENVIRONMENTAL SERVICES

Approved Budget 2014/2015	Service Unit	Budget Projection 2015/2016	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2015/2016 (2+3+4+5 +6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Waste & Environmental Services</u>						
1,366	Direct costs - Employees	1,426	(8)	0	(47)	0	1,371
2,805	- Other	2,863	(50)	0	0	0	2,813
4,171	Total Direct Cost	4,289	(58)	0	(47)	0	4,184
766	Support Recharges	788	0	0	0	0	788
(418)	Income	(462)	0	0	0	0	(462)
4,519	Gross Budget Requirement	4,615	(58)	0	(47)	0	4,510
0	Use Of Departmental Reserves	0	0	0	0	0	0
4,519	Net Budget Requirement	4,615	(58)	0	(47)	0	4,510

Budget Reductions

The Corporate Budget Reduction relates to the suspension of the garden waste collection service for a prescribed Winter period.

Departmental Budget Reduction relates to a review of the enforcement service to fund pressures in the Car Parking Service Area.



Report of: Chief Executive

Subject: BUSINESS REPORT

1. REGIONAL HEALTH SCRUTINY COMMITTEE

The Regional Health Scrutiny Committee comprises the 12 North East Local Authorities and is responsible for the scrutiny of issues around the planning, provision and operation of health services across the North-East region.

The membership of the Committee is made up of 1 Elected Member from each Local Authority with the Chair appointed on an annual basis. South Tyneside Council currently Chair the Committee and have done so since September 2013, with an extension of their term of office to the end of January 2015 to enable the identification of a new Chair for 2015/16. On this basis, expressions of interest are now being sought from all 12 North East Local Authorities to Chair the Regional Health Scrutiny Committee, with effect from the 1st February 2015. The appointment of the Chair will then be confirmed at the first meeting of the Committee for 2015/16, on the 24th February 2015.

To assist Members in considering this request, please note that:

- The Committee holds two diaried meetings per year;
- The composition of the Committee is not politically balanced; and
- The first meeting on the Committee for 2015/16 will be held on the 24 February 2015 at 2pm, in a location consistent with the wishes of the new Chair.

A nomination is sought from Council to Chair the Regional Health Scrutiny Committee.

2. HEALTH MINUTES

To assist the Audit and Governance Committee in undertaking its statutory health scrutiny responsibilities, previous practice has been for the Committee to receive minutes of the Health and Wellbeing Board, Finance and Policy Committee (relating to Public Health), Tees Valley Joint Health Scrutiny Committee and Regional Health Scrutiny Committee. This process has proven to be beneficial in ensuring that the Committee is aware of health discussions at other committees / bodies and assists in

the identification of issues on which further information may be required. As Health Scrutiny is now within the remit of Full Council, the minutes of the following meetings are attached for Members information:-

Appendix A - Health and Wellbeing Board – 1 December 2014
Appendix B- Regional Health Scrutiny Committee – 29 September 2014
Appendix C – Tees Valley Joint Health Scrutiny Committee – 3 March 2014,
17 July 2014, 11 September 2014 and 27 November 2014

It is recommended that the attached minutes be noted and consideration be given as to whether any further information is required.

3. EXPENDITURE RELEVANT TO MEMBERS' INTERESTS

Further to requests by Members this information has been compiled to provide the following:

- a) details of any contracts for works or services which were subject to the Council's tender process and awarded to a body/entity listed on the Member's Register of Interests during the last 3 months (Appendix D) and;
- b) details of any payments made to a body/entity listed on the Member's Register of Interests during the last 3 months Appendix E).

It should be noted that the information presented in Appendix E has been vetted to comply with the following requirements:

The report includes the following categories of Member interest:

Employment, Office Trade, Profession or Vocation
Sponsorship
Contracts with the Authority
Land in the area of the Authority
Securities
Other interests
Interested parties

The following categories are excluded:

Licence to occupy land
Corporate tenancies

All payments relating to benefits are excluded.

Caveats:

The report does not include information on those bodies listed on Members interests forms which either do not have a supplier number on Integra or which cannot be identified on Integra given the information provided.

Members are asked to note the contents of the report.

4. TREASURY MANAGEMENT STRATEGY

The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA Prudential Code and to set prudential indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to determine a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments. The Secretary of State has issued Guidance on Local Government Investments which came into force on 1st April, 2004. This guidance recommends that all Local Authorities produce an Annual Investment Strategy that is approved by full Council, which is also included in this report.

The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to Council. This responsibility has been allocated to the Audit and Governance Committee.

The recommended Treasury Management Strategy was considered by the Audit and Governance Committee on the 11th December 2014 and this report is attached as Appendix F.

The Audit and Governance Committee carefully scrutinised the proposed Treasury Management strategy and approved that the recommended strategy be referred to full Council.

At the time of the Audit and Governance Committee it was not possible to calculate supporting Prudential Indicators as this is reliant on Government Capital Allocations which had not been issued. However, as the Treasury Management Strategy outlines the key principles covering the operation of the Authority's borrowing and investment strategy the unavailability of this information did not prevent the Audit and Governance Committee from considering and scrutinising the proposed strategy.

Prudential indicators and other regulatory information have now been completed and are attached as Appendix G and cover the following:

- Prudential Indicators;
- Capital Expenditure and Financing Requirement
- Affordability Prudential Indicators
- Borrowing Prudential Indicators;
- Investment Prudential Indicators and Other Limits on Treasury Activity;

RECOMMENDATIONS

It is recommended that Members note the report and the recommendation from the Audit and Governance Committee to approve the following detailed recommendations for the 2015/16 Treasury Management Strategy and related issues;

Borrowing Strategy 2015/16

- i) **Core borrowing requirement** - Approve the adoption of Option 1 to delay long term borrowing until there is a significant increase in the base rate;
- ii) To note that in the event of a change in forecast interest rates the Chief Finance Officer may implement Option 2 to fund the borrowing requirement at fixed long term interest rates at an affordable level to protect the Authorities long term financial position;
- iii) **Borrowing required for business cases** – Approve the adoption of Option 2 to fixed interest rates for individual business cases.

Investment Strategy 2015/16

- iv) Approve the addition of Svenska Handelsbanken to the counterparty list with a counterparty limit of £1m and time limit of 3 months.
- v) Approve the addition of three Money Market Funds to the counterparty list, with a counterparty limit of £1m per fund, noting that funds will be liquid (i.e. instant access) therefore a time limit is not applicable.
- vi) For existing counterparties, extend the time limits for investments to a maximum of 1 year.

Minimum Revenue Provision (MRP) Statement

- vii) Approve the MRP statement outlined in paragraph 9.2 of Appendix F.

Prudential Indicators 2015/16

- viii) Approve the prudential indicators outlined in Appendix G.

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

1 December 2014

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

Present:

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

Prescribed Members:

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

Other Members:

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

Also in attendance:-

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

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

27. Apologies for Absence

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

28. Declarations of interest by Members

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

29. Minutes

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

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

Dr Schock In the Chair

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

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

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

Decision

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

Councillor Christopher Akers-Belcher In the Chair

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

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

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

Decision

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

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

The report updated the Board on the results of the eighth annual learning disability performance and self assessment framework (SAF). The issues

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

Decision

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

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

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

recommendations, as follows:

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

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

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

Decision

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

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

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

15. APPENDIX A

contributed to the delivery of the agreed outcomes. An action plan had been drafted and information had been gathered and submitted to the Area Team by the deadline of 28 November 2014.

Work had continued in parallel to the assurance process to ensure that the plan could be implemented from April 2015. A number of the developments in relation to low level support and improved dementia pathways had already been progressed. Further work has been undertaken in relation to the intermediate care element of the plan, including a range of clinical audits and a review of community nursing and the outcomes of this work would be considered in detail at a planned event on 27 November 2014 to further develop the model for an integrated intermediate care service. It was noted that there would be a further progress update provided to the Health & Wellbeing Board in January.

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

Decision

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

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

The representative of NHS England, Ben Clark introduced the document summarising the key issues in the NHS Five Year Forward View (5YFV) which had been published on 23rd October 2014. The document described the collective view of NHS England, Public Health England, Monitor, the NHS Trust Development Authority, the Care Quality Commission and Health Education England on why change in the NHS was needed, what that change might look like and how it could be achieved. The paper outlined the potential implications for the Durham, Darlington and Tees Area Team and the NHS organisations within that geographical footprint. The report covered issues

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APPENDIX A

relating to public health and prevention, greater patient control, new models of care, enabling work, the financial perspective and local implications.

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

Decision

The Board noted the content of the report.

Meeting concluded at 11.30 a.m.

CHAIR

North East Joint Health Scrutiny Committee



North East Joint Health Scrutiny Committee

Minutes of meeting held on 29 September 2014 at Haven Point, South Shields

Present:

Councillors: McCabe (Chair, South Tyneside), Mendelson (Vice Chair, Newcastle), Richards (Vice Chair, Northumberland), Nisbet (Northumberland), Sirs (Hartlepool), Wright (Sunderland), Waggott-Fairley (North Tyneside), Javed (Stockton) (Green (Gateshead), Chaplow (Durham), Javed (Stockton)

Also in attendance:

Paul Baldasera (South Tyneside Council), Karen Christon (Newcastle City Council), Paul Allen (Northumberland County Council), Angela Frisby (Gateshead Council), Stephen Gwilym (Durham County Council), Peter Menear (Stockton Borough Council), Karen Brown (Sunderland Council), Sharon Ranade (North Tyneside Council), Elise Pout (Middlesbrough), Laura Stones (Hartlepool)

Roy McLachlan (NHSE), Prof Andrew Cant (Northern Clinical Senate), Gary Collier (NECS), Sam Harrison (NECS), Mark Cotton (NEAS), John Holden (NHSE), Mike Prentice (NHSE), Lynda Dearden (NHSE), Lynn Bradford (NHSE)

1. Apologies

Cllr Robin Todd (Durham), Cllrs Newall and Taylor (Darlington) Cllrs Jeffrey and Wall (Redcar and Cleveland), Cllr Taylor (Newcastle)

2. Minutes of the last meeting

The Committee approved the minutes of the last meeting held on 17 April 2014 as a correct record.

3. Congenital Heart Disease Review

John Holden from NHS England delivered a presentation on the CHD review following the Court ruling which quashed the initial review.

During his presentation he made the following points

- This review was focussing on standards to deliver improved outcomes, not where services should be provided from.
- Configuration would be the next issue when it comes to commissioning the service
- The Review had six objectives

- Develop best practice standards
- Analyse current and future demand for services
- Make recommendations on function, form and capacity of services needed
- Make recommendations on the commissioning and change management approach
- Establish a system for the provision of information about the performance of CHD services
- Improve antenatal and neonatal detection rates.
- The consultation was being run over a period of 12 weeks (finishing on 8 December) and they were trying to maximise the response by making the documents as accessible as possible. A consultation event was being held in Newcastle on 16 October.
- NHSE would be talking to providers in 15/16 to assess whether they can meet the required standards in the short to medium term
- Contracts would run from 16/17

Members were invited to ask questions

Cllr Mendelson (Newcastle) asked whether the standards on the minimum numbers of procedures for a unit to be safe were flexible. ie 500 in a unit with 4 consultants

Mr Holden said that the standard was that each consultant saw 125 cases per year. However, some units may operate with 2 or 3 consultants. The review was not focusing on whether one unit should be chosen as opposed to another but more on the fact that individual units were safe and could meet the standards – whatever size they may be. It was possible this could result in fewer centres further on in the process, but this was not the starting point.

Mike Prentice added that this was about looking at the workforce in a more creative way, for instance individual consultants working across 2 centres.

Cllr Mendelson asked whether geographic location was a factor.

Mike Prentice said it was but is was a balance between this and ensuring the right expertise was available.

Cllr Wright (Sunderland) said that getting information out in the appropriate format was essential. Whilst it was laudable that the information for the review was being collected online, she pointed out that there were significant numbers of people could not access computers.

John Holden said that everyone did need to “up their game” with respect to circulating information in the right ways. The consultation was published in print and easy to read versions which were being distributed via charity organisations.

Cllr Javed (Stockton) commented that the consultation document was very long and it was unrealistic to expect everyone to read it. He asked how could people answer the questions when they hadn't read it.

JH said that he acknowledged the point that it was difficult to respond to the document as a whole unless you had read it all. However, in practice different groups would only be really interested in particular aspects eg young people would be interested in the availability of WIFI on wards and transition arrangements from children's to adult

services. The consultation would be tailored to hone in on different groups' particular needs and interests.

Cllr Javed asked what steps were being taken to ensure that this consultation did not fail like the last one did.

JH said that it was appropriate to challenge on this point but that everything was being done to avoid the pitfalls of the previous review and that it was being seen to be fair and transparent.

Cllr Green (Gateshead) asked how much the review would cost and would it deliver.

JH said this was a £100m, high profile service that had been endlessly reviewed in the past. Everything was being done to ensure that it was robust. In terms of cost, the previous review cost £6m whereas the budget for the present review was £1m.

Cllr McCabe (South Tyneside) asked whether there were any views amongst professionals about what the likely outcome would be in terms of the shape of the resulting service provision.

JH said that there were genuinely no preconceived ideas about the resulting service configuration and there were a number of possibilities.

MP said it was up to providers to meet the service standards and it was possible that some may decide not to continue to provide services on this basis. Therefore it was very much "in the providers' court".

Cllr Mendelson asked how long the commissioners would give providers to meet the standards.

MP said there would have to be a degree of pragmatism. It would take some units longer than others to meet some of the standards given the time some of the training needs to take. However, there would be an expectation that there would be some "core" standards that would have to be met very quickly with other standards perhaps taking a little longer in some cases.

Recommendation

That the report is noted and that the chairman prepares a response to the consultation on behalf of the committee.

4. Eating Disorders Service

Mike Prentice and Lynn Bradford presented the previously circulated briefing with regard to the new service.

Since the service was reviewed NHS England commissioned 20 in-patient beds within the region; this included the existing 15 beds in Darlington provided by TEWV and 5 in Newcastle provided by NTW at the Richardson Unit. This represented a net increase in beds.

There was a problem identified in the north of the area in that there was no intensive day provision meaning that more people needed to be admitted to hospital. NHS England was working with NTW to establish a service by January 15.

There was good collaborative work taking place between the trusts.

With the increase in intensive day care and in-patient beds, work was being undertaken to bring people back home who were receiving treatment out of the area.

The contract would be up for renewal in 2 years with an increased emphasis on community support rather than inpatient beds.

Cllr Mendelson asked would you have looked increasing the beds had people not started to express concerns about the numbers being placed out of area?

MP said that the strength of concern was a factor. Lynn Bradford went on to say that the contract has been very closely monitored with visits to meet patients and staff. She did go on to say that there wasn't a total lack of intensive day service in the north; it just did not meet the required standards.

Cllr Waggott-Fairley (North Tyneside) asked how many people had to be treated out of area.

LB said that last year the number was 8. At the time of the meeting the number was 4 (all 20 local beds were full). In terms of children there were 8 (7 in Edinburgh and 1 in the Midlands)

Cllr Mendelson asked whether there was an increased demand for the service.

LB replied that there was increasing demand but they were learning how best to treat people and the emphasis now was on prevention and early treatment in the community.

Cllr Chaplow (Durham) asked whether it was more of a problem in females or males.

MP said the ratio was around 3 females to 1 male.

Recommendation

That the report be noted.

5. Northumbria Ambulance Service Update

Mark Cotton gave an update on the present performance of NEAS.

He went through the overall progress NEAS five priority areas which were

- **Priority 1** - Where appropriate, drive up the use of treatment other than conveyance to an Emergency Department.
- **Priority 2** - To improve the average hospital turnaround time at target hospitals.
- **Priority 3** - To reduce the frequency of extended shifts across all of NEAS to optimise patient care and staff welfare.
- **Priority 4** - Set up systems in NEAS that demonstrate all mandatory requirements are being met that could impact on the safety of patients and staff.

- **Priority 5** - Lead the work with those with long term conditions to make sure they get the most appropriate response in the most appropriate place to meet their needs.

Key points

Priority 1

- The development of the paramedic role who could treat people at home or refer on to another service was a key development in attempting to reduce journeys to A&E.
- A range of other services needs to be looked at in order to create more alternatives to A&E.

Priority 2

- NEAS were working with the Trust to understand the different elements of the service and what could be done to speed up turnaround times.
- The Service was the second fastest responding ambulance service in the country for red light calls with 75% of calls being responded to within 8 mins.
- Performance was dipping because of the availability of staff.
- Response times for less serious calls incidents had lengthened due to ambulances being busy with “red light” calls.

Priority 3

- The aim was to reduce late finishes. The effect on staff morale would not be known until the next staff survey.

Priority 4

- All DBS checks were now up to date and they were now recorded on an e-ledger

Cllr Wright said it was disappointing that responses times were deteriorating and that 25% of calls fail to meet the 8 minute standard. She asked how 111 calls impacted on workload

MC reiterated that performance had dipped due to the availability of staff. He reported that 97% of red light calls were responded to within 19 mins and that if any calls goes beyond 20 minutes, a clinician will call to give advice and stay on the phone until the ambulance arrives.

He said that 111 had resulted in a slight increase in overall calls although it has had the effect on a slight reduction in calls coming in on 999.

Cllr Wright asked MC whether he thought that the service was adequately resourced.

MC said that the NEAS board did not think that the service was sufficiently resourced. The Service was one of the most efficiently run in the country being 15% cheaper than the national average.

The approach was to develop other alternative services to transporting people to hospital which are cheaper and more effective.

Cllr Mendelson asked whether there had been an increase in complaints.

MC said that there had. The main area for complaints was staff attitude although there had been an increase in calls about “green light” responses in recent weeks.

Cllr Waggott-Fairley asked whether the Trust had made representations to government for increased funding for non emergency services.

MC said the Chief Executives wrote to sire Bruce Keogh requesting extra resources for “green light” services. He didn’t expect anything would happen in this direction until after the General Election in 2015.

Cllr Green asked whether MC thought NEAS were trying to “spin too many plates” without the resources to do it properly. He also asked about the state of staff morale and expressed some surprise at staff attitudes being a common cause for complaint.

MC said the three big issues for the Trust were

- Keeping performance within target
- Managing within financial constraints
- Staff Morale

Board had agreed a deficit but that the final outturn figure for 14/15 would be greater than anticipated largely due to having to commission extra services eg from St John’s Ambulance.

Cllr Chaplow asked about what arrangements were in place to improve the services for rural areas.

MC said that Northumberland and Durham operated different models. Northumberland had community paramedics which people took time to get used to but were now very well used and working really well.

The chair closed the item by complementing MC on his grasp of the many issues facing the service.

Recommendation

That the report be noted and that a further update be provided to the committee at a future meeting.

6. Patient Transport Criteria in the North East

Sam Harrison and Gary Collier from the North East Commissioning Support Agency talked to the previously circulated briefing note about the review of transporting people to NHS facilities where they would normally be expected to make their own travel arrangements but there is a medical need for this service.

They reported that the service was being widely misused leading to delays and, in some cases, transport being unavailable. It was estimated that £1.8m in 13/14 was spent on inappropriate use of this service.

In order to ensure that national criteria were more robustly applied, bookings for South Tyneside and Gateshead would now not be booked by individual practices but through a new booking service, ERS Medical, from October 2014.

Guidance for public and staff was available on the correct use of the national criteria. The PALS service would also offer advice when needed.

Cllr Mendelson asked what constituted a medical need.

GC responded that there were a number of questions that are asked to assess whether there is a medical need. He also pointed out that there were arrangements for people on low incomes to apply for a transport refund rather than inappropriately use the service.

Cllr Javed asked whether existing users would be re-assessed

SH said that when transport is block booked, the assessment is only done once. However, when the block booking is complete, they would be assessed again.

Cllr Chaplow asked how widespread the misuse was.

GC the estimate was around 10% of all journeys

Recommendation

That the report be noted.

7. Northern Clinical Senate

Professor Andrew Cant, Chair of the Northern Clinical Senate, introduced this item.

He outlined how Medicine was changing rapidly and advances in areas like Trauma Care, Stroke Services and Obstetrics meant that mortality was reducing rapidly in these areas and outcomes were getting better.

However, with an aging population putting more demand on services, there was a constant demand to develop more effective services for less money.

He explained that Clinical Senates were part of the new NHS architecture. They were non-statutory bodies which provide expertise and advice to help commissioners develop services.

There were 12 Senates throughout the country. The Northern Senate covered North Cumbria, The North East and North Yorkshire.

The Senate consisted of 25 people ranging from doctors and nurses through to patient involvement specialists. In addition there was a further 150 people to call upon depending on the area being looked at.

The Senate would be asked to look at particular areas either from CCGs or from NHSE. This would take the form of an enquiry. An example was the senate had been asked to look at the situation with respect to acute services in North Cumbria. A team of 8 had met with staff and patients with a view to making a number of recommendations about the future provision of services. Similar work had been carried out in Teesside which had resulted in a number of recommendations about how services can meet clinical standards.

Cllr Javed asked whether the Senate would be advising on the CHD review

Prof Cant said that the Senate would provide informal feedback on the review. He said that the key issue would be ensuring that clinicians were able to do undertake a minimum number of procedures to ensure expertise in maintained

Cllr McCabe asked how the “big picture” was being developed with respect to how the NHS is configured within the region.

Prof Cant said that all commissioning organisations are involved there was a number of checks and balances in the system to ensure that all views are considered.

Cllr Mendelson asked whether the Senate would be considering the review of Mental Health Services in Newcastle.

Prof Cant said if picture becomes complex then they may very well be asked to undertake some work on this.

Cllr Sirs (Hartlepool) said that in Hartlepool, GP practices were being closed without taking into account the local factors such as new housing developments. She asked could the Senate get involved in such issues. **Cllr Green** added that the same thing was happening in Gateshead and there needed to be a more joined up approach.

Prof Cant said the Senate could only take referrals from CCGs or NHS England. Although the Senate was under the auspices of NHSE, it had a certain degree of independence to allow them to do their work effectively.

PB asked whether the Senate could offer independent expert advice to scrutiny committees. R McL said that this would be the function of the wider Clinical Networks rather than the Senate. These networks could offer expert advice on a wide range of clinical areas.

Cllr Waggott-Fairley asked how the Senate followed up whether recommendations to CCGs were acted upon.

Prof Cant said that there were checks and balances in the system to ensure that this happened.

Cllr Waggott-Fairley said that there should be some synergy between what the Senate was looking at and what scrutiny committees were considering.

Prof Cant said it was important that people were aware of the Senate’s work and that there was on openness and transparency about the way it operated. He said he was more than willing to be open with OSCs in this respect.

Cllr McCabe said that there seemed to be some secrecy about the “Big picture” with respect to the future shape of NHS services within the Region and would welcome some open and honest dialogue about what is being considered. PB added that it had already been suggested to have a session of the Regional Health Scrutiny Committee dedicated to looking at the broader plan for NHS configuration in the Northern Region.

Prof Cant said there were changing roles for Hospitals with more emphasis on fewer, larger specialist units; for instance there were plans for a reduced of Trauma Centres

throughout the country to concentrate expertise. Two were planned for the Northern Region.

Also there was a greater emphasis on health and social care integration within the hospital environment.

Recommendation

It was agreed that there needed to be a single item meeting of the Committee as soon as possible to bring together the Regional picture of what is being looked at by NHSE and the Senate and the implications on the future configuration of services.

8. Date and time next meeting.

Members would be informed of the date of the next meeting which would be a single item agenda covering the regional picture for the future of health care provision.

TEES VALLEY HEALTH SCRUTINY JOINT COMMITTEE
3RD MARCH 2014

PRESENT:-

Representing Hartlepool Borough Council:

Councillor Fisher and Shields

Representing Redcar & Cleveland Borough Council:

Councillor Mrs Wall

Representing Stockton-On-Tees Borough Council:

Councillors Javed(Chair), Mrs Womphrey and Cunningham(Vice Councillor Wilburn)

APOLOGIES – Councillors Newall, Mrs H Scott, J. Taylor (Darlington Borough Council), Carling (Redcar & Cleveland Borough Council), Wilburn (Stockton-On-Tees Borough Council)

OFFICERS – E Pout(Middlesbrough Borough Council), S Anwar (Redcar & Cleveland Borough Council) P Menear and K Wannop (Stockton Borough Council) Laura Stones (Hartlepool Borough Council)

EXTERNAL REPRESENTATIVES – S. Pickering, A. Kennedy, S Scorer (Tees Esk & Wear Valley NHS Foundation Trust)

DECLARATIONS OF INTEREST –

Cllr Mohammed Javed declared a disclosable pecuniary interest as he was employed by Tees, Esk and Wear Valley NHS Foundation Trust. Cllr Javed had been granted a dispensation in this regard.

MINUTES – 20th January 2014

AGREED – That the Minutes be approved.

Tees Esk & Wear Valley NHS Foundation Trust – Quality Account 2013-14

The Committee considered the outline performance against the Trust's quality priorities for 2013-14. The Quality Account consisted of three domains: patient safety, effectiveness of care and patient experience. It looked back over 2013-14 and forward to 2014-15. It identified the priorities for 2014-15 and how they would be delivered.

The information provided included the following:

- Details around each Quality priority from 2013/14, the aim of the priority and what they had achieved and what they still needed to do in 2014/15.
- Performance figure against quality metric and the projected outturn figures for 2013/14 compared to previous years.
- 'Implementing the recommendations from the Care Programme Approach (CPA) review' would be retained as a priority for 2014-15. This reflected the need for further work on this multi-year improvement plan.

Members discussed improvements in the Crisis Service, and noted that there were now more intensive home treatment options, including preventative and step-down services.

Members sought assurance around the role of the triage of crisis services and were assured that the new night shift co-ordinator had access to clinical support where necessary.

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The Trust had undertaken work to streamline communications with GPs and this had been a challenge due to the number of GPs that the Trust works with, and the varying information requirements. Work to introduce a standard process would continue into 2014-15.

Members queried whether the CCGs had improved relationships with GPs, and it was noted that this could be helpful in the longer term but CCGs themselves were still new. Some GPs had a special interest in either learning disability or mental health care, as they may with other conditions such as diabetes, or elderly care. Some GP practice lists may have very few if any people with learning disabilities on them.

The Committee discussed the performance metrics. In terms of the unexpected deaths classed as a serious incident indicator whilst the projection for the year based on Q3 position was over the expected numbers the figures had been low for January and February and therefore the final year end position may be within the expected number. It was noted that these were mainly suicides, which had increased nationally but the North East had seen the fastest increase.

The Trust was forecasting being above target for beds in adult wards used by under 18s. It was reported that none of these cases were under 16 and all had been deemed clinically appropriate, for example a mature 17 years old projected to stay greater than the number of months left until their 18th birthday.

Next year's priorities would include suicide prevention including training. Due to the nature of their work, this would be initially focussed on the Crisis Team.

Embedding the recovery approach would also be a priority for 14-15 including a focus on inclusion in the community. It was noted that some developing countries achieved better results from this approach than was achieved in countries where pharmacological treatments were more common.

The Trust would also focus on managing pressure on acute inpatient beds, including a better management of demand within the Trust.

The Trust would be sending the draft QA to all OSCs around the 19th April 2014. A statement from the Committee would be circulated in April 2014.

AGREED that:

1. A draft statement of assurance from the Committee be circulated in April 2014 with final approval delegated to the Chair and Vice Chair;
2. The information be noted.

Tees, Esk and Wear Valleys NHS Foundation Trust – Update on Services.

The Committee considered information regarding an update on services at Tees, Esk and Wear Valley (TEWV). The main information included:

- The rehabilitation service was previously bed orientated and was not always truly focused on rehabilitation with slow throughput and slow assessment of referrals from acute wards. The Rehabilitation Strategy that has been implemented within the Trust has made a huge improvement in people accessing rehabilitation services and moving into more independent or non hospital accommodation in the community. It was hoped that more rehabilitation activities would take place in home or residencies in the localities rather than TEWV buildings.
- The Any Qualified Provider (AQP) service for Psychological Therapies provided by TEWV was being scaled down as the income being received does not match the current cost of the service. National data would suggest that more of the population

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should be taking up the talking therapies service than actually were and anti-depressant prescribing is also high in the Tees area. The Trusts has also experienced a higher level of more complex referrals than forecast. The Committee queried how the service was promoted and whether this could be improved.

- The Young Onset Dementia Service was moving back into the four localities.
- The intensive home Liaison was very successful along with the liaison into acute hospitals. The Memory Assessment Treatment Service referrals were rising, this followed an increase in the percentage identified cases of dementia by GPs and was welcomed.
- Plans for Winterbourne Patients were progressing but there was no specific discharge arrangement in place yet for all patients. This would result in reduced beds provided by TEWV. CCGs had agreed to enhance community teams to recognise the increasing work that will need to take place in the community as people are moved from beds into community provision. It was still to be seen whether there would be additional demands through the movement of forensic patients and new providers bringing patients in from other areas that were not currently managed by TEWV.
- Second year of investment into Children & Young people services was recently agreed and services were expected to meet NICE guidance by 2015. Further funding had been receiving to deliver Children & Young Peoples Improving Access to Psychological Therapies providing training for staff in advanced skills and parenting.

AGREED the information be noted.

Any urgent items which in the opinion of the Chair can be considered.

There were no further items to be considered.

TEES VALLEY JOINT HEALTH SCRUTINY COMMITTEE

MINUTES

17 JULY 2014

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

Present:

Hartlepool Borough Council:

Councillor: Ray Martin-Wells

Stockton-on-Tees Borough Council:

Councillors: M Javed, N Wilburn and M Womphrey.

Also Present: Ben Clark, Assistant Director of Clinical Strategy, NHS England

Officers:

Joan Stevens, Scrutiny Manager, Hartlepool BC

Laura Stones, Scrutiny Support Officer, Hartlepool BC

Mark Adams, Redcar and Cleveland BC

Judith Trainer, Stockton on Tees BC

David Cosgrove, Democratic Services Team, Hartlepool BC

1. Appointment of Chair

Councillor R Martin-Wells was appointed Chair for the ensuing Municipal Year.

In taking the Chair, Councillor Martin-Wells proposed a vote of thanks to the outgoing Chair, Councillor Javed. This was supported by the Members present.

2. Appointment of Vice-Chair

The appointment of a Vice-Chair was deferred to the next meeting of the Committee.

3. Apologies for Absence

Darlington Borough Council: Councillors H Scott, Taylor and Newall

Hartlepool Borough Council: Councillors J Robinson and K Sirs.

Redcar and Cleveland Borough Council: Councillors M Carling, T Learoyd and W Wall.

4. Declarations of Interest

Councillor Javed (Stockton-on-Tees BC) declared a personal interest as an employee of TEWV NHS Foundation Trust.

5. Inquorate Meeting

The Chair noted that the meeting was inquorate as the constitution required at least one elected representative from each of the five local authorities.

6. Minutes of the meeting held on 3 March, 2014

Consideration of the minutes was deferred to the next meeting as the meeting was inquorate.

7. Protocol for the Tees Valley Joint Health Scrutiny Committee

In line with the requirements of the adopted protocol for the Joint Committee, the protocol was considered by the Committee. The Chair proposed that in light of this meeting and past meetings, the requirement for a representative from each local authority should be removed from the quorum requirement but that the number of members for a quorum should remain at six. The Chair also suggested that, in line with the minimum requirements of the agreed terms of reference, meetings should be held on a quarterly basis in future. The intention of this being to make the most effective use of officer and Member time, increasing attendance.

In light of the lack of a quorum at this meeting, both proposals would be referred to the next meeting of the Joint Committee.

Decision

That the proposed amendments to the Protocol for the Tees Valley Health Scrutiny Joint Committee – removing the requirement for a member from each partner authority and reducing meetings to quarterly - be deferred to the next meeting as the meeting was inquorate.

8. Programme of meetings for Municipal Year 2014-15

A programme of proposed meetings for 2014/15 was submitted for the Joint Committee's consideration. The Scrutiny Manager (HBC) referred to the discussion at the previous item on the potential move to quarterly meetings.

The Chair suggested that the meeting in September be held on Thursday 11 September commencing at 10.00 am at the Civic Centre in Hartlepool to allow a decision in relation to outstanding issues from today's meeting, including the proposed reduction in meeting frequency and meeting schedule.

Decision

1. That a decision on the programme of meetings be deferred to the next meeting of the Joint Committee.
2. That the next meeting of the Joint Committee be held on Thursday 11 September 2014 commencing at 10.00 am.

9. Work Programme 2014-15

In light of the previous discussion, consideration of the work programme was deferred to the meeting of the Joint Committee on 11 September, 2014.

Decision

That the matter be deferred to the next meeting of the Committee.

10. NHS England, Area Team Commissioning Review Urgent and Emergency Dental Care Pathway

The Scrutiny Support Officer (HBC) introduced a matter that had been referred to the Joint Committee. A Stakeholder Engagement Plan was submitted with the papers for a Commissioning Review of Emergency and Urgent Dental Pathways across the Durham, Darlington and Tees Valley, Newcastle Tyne and Wear and Cumbria Local Dental Network areas.

The Assistant Director of Clinical Strategy, NHS England indicated that a number of CCGs and the dental professional bodies had expressed concern in relation to the pathways for emergency and urgent dental care. The aim of the review was to respond to these concerns and seek to introduce an improved patient experience. The review would run through to October 2014 and some high level work had already been undertaken by Public Health England in terms of mapping pathways and reviewing the appropriate national regulations and guidance.

A survey of around one hundred patients had also been undertaken and it was intended that some wider public surveys would be undertaken supported by HealthWatch. The support of Members within each of the boroughs was also being sought to progress the issue within local authorities.

Members suggested that as well as assessing the emergency or urgent care provided to people, the need for that intervention should also be assessed to find out why people were not engaging with NHS dentistry. The Assistant Director commented that this was not the aim of this piece of work as that was of a much wider scope more linked to health promotion through the public health functions of local authorities. The Chair indicated that the key issue was at the end of this work, the public had to have greater knowledge of how and where to access emergency or urgent dental care.

Decision

That the report be noted.

**11. Tees, Esk and Wear Valleys NHS Foundation Trust
Quality Account 2013/14 – Response to the
Committee**

The Scrutiny Support Officer (HBC) outlined the contents of a letter received from Tees Esk and Wear Valleys NHS Foundation Trust in response to the Joint Committee's comments on the Trust's Quality Account for 2013/14.

Decision

That the letter be noted.

**12. Any Other Items which the Chairman Considers are
Urgent**

No items.

The meeting concluded at 10.20 am.

CHAIR

TEES VALLEY JOINT HEALTH SCRUTINY COMMITTEE

MINUTES

11 SEPTEMBER 2014

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

Present:

Councillor Ray Martin-Wells (In the Chair) (Hartlepool Borough Council)

Darlington Borough Council:

Councillors: W Newall and J Taylor.

Redcar and Cleveland Borough Council:

Councillors: M Carling and W Wall.

Stockton-on-Tees Borough Council:

Councillors: M Javed, N Wilburn and M Womphrey.

Also Present: Dr Deepak Dwarakanath, Associate Medical Director, and Peter Tindall, Associate Director of Strategic Planning and Development, North Tees and Hartlepool NHS Foundation Trust

Officers: Alison Pearson and Mark Adams, Redcar and Cleveland BC
Peter Mennear, Stockton-on-Tees BC
Laura Stones, Scrutiny Support Officer, Hartlepool BC
David Cosgrove, Democratic Services Team, Hartlepool BC

13. Apologies for Absence

Councillor H Scott – Darlington Borough Council;
Councillors J Robinson and K Sirs - Hartlepool Borough Council;
Councillors G Cole and H Pearson - Middlesbrough Borough Council;
Councillor T Learoyd - Redcar and Cleveland Borough Council.

14. Declarations of Interest

Councillor Javed (Stockton-on-Tees BC) declared a personal interest as an employee of TEWV NHS Foundation Trust.
Councillor Wall (Redcar and Cleveland BC) declared an personal interest in Minute no. 19.

15. Inquorate Meeting

The Chair noted that the meeting was inquorate as the constitution required at least one elected representative from each of the five local authorities. With the agreement of the Members present, the Chair proceeded with the meeting and agreed that a number of business items would be “agreed in principle” at this meeting subject to final ratification when a quorate meeting was held.

16. Minutes of the meeting held on 3 March and 17 July, 2014

Deferred.

17. Update on the Haematology Service at North Tees and Hartlepool NHS Foundation Trust

Dr Dwarakanath, Associate Medical Director and Peter Tindall, Associate Director of Strategic Planning and Development at North Tees and Hartlepool NHS Foundation Trust were present at the meeting and updated Members on the changes to haematology services and North Tees and Hartlepool hospitals. The Associate Medical Director indicated that haematology services in the Trust had been considered a high quality service in the Trust for a number of years. Due to difficulties in recruiting a haematology consultant and one consultant moving to another Trust changes were being made to the service, scaling it back to what was more appropriate to the size of the Trust. The majority of services would be retained and most patients would be unaffected. The main service that was changing was in-patient services which would transfer to South Tees at James Cook University Hospital. This would affect around 40 to 50 patients a year or 4 or 5 patients at any one time.

Councillors expressed their concern at how the changes were being communicated to patients. Some Members had received calls from constituents expressing their concern. The Associate Medical Director indicated that for most patients services would not change. Only those patients that required in-patient services would transfer to James Cook Hospital or Sunderland. The split of patients would be geographical.

The Associate Director of Strategic Planning and Development indicated that the changes in services would be communicated to General Practitioners. There were also already a number of patients that were cared for at James Cook Hospital.

Members considered that communication with all patients of the service should be undertaken and assistance with transport should be considered. The Chair commented that communication with patients was key. Patients hearing of changes to services through rumour rather than formal

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communication was an issue that led to confusion. All patients needed to be informed of the changes at the earliest opportunity. The Trust needed to understand that if any changes to services were being implemented, then the patients in receipt of those services should be informed at the earliest stage possible. The Chair also considered that as this was a relatively small group of patients, assistance with transport for those now having to access services at either Sunderland or James Cook Hospitals should be possible.

Decision

That the update be noted.

18. Protocol for the Tees Valley Joint Health Scrutiny Committee

As the meeting was inquorate, the report was deferred to the next meeting.

19. Programme of meetings for Municipal Year 2014-15

The Scrutiny Support Officer (HBC) reported that at the meeting of the Committee held on 17 July 2014 it was suggested that, in line with the minimum meetings requirements outlined in the protocol, meetings should be held on a quarterly basis in the future. In consultation with the chair the following programme of meetings was put forward for 2014/15:

27 November, 2014
22 January, 2015
26 March, 2015

It was proposed that the 9 October, 2014 and 26 February, 2015 meetings were removed from the schedule. All the meetings will start at 10.00 am with the venue being Committee Room B at Hartlepool Civic Centre, Victoria Road, Hartlepool.

Decision

That the programme of meetings be noted and approved in principle.

20. Work Programme 2014/15

The Scrutiny Support Officer reported on potential topics for inclusion into the Committee's Work Programme for the 2014/15 Municipal Year and to share the work programmes of the constituent Local Authorities. A referral from Stockton Borough Council's Adult Services and Health Select Committee had been received in relation to Any Qualified Provider for NHS Services. Therefore, it was proposed that this issue be considered by the Committee.

Stockton Borough Council's Adult Services and Health Select Committee carried out a Review into Access to GP, Urgent and Emergency Care and

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produced their Final Report in April 2014. One of the recommendations made by the Select Committee is for the Tees Valley Joint Health Scrutiny Committee / Regional Committee to undertake more regular monitoring of the North East Ambulance Service (NEAS). Hartlepool Borough Council's Audit and Governance Committee had also made a similar referral and it was, therefore, proposed that this issue be considered by the Committee as it affected all partner authorities.

It was highlighted that the referral made by Darlington Borough Council in relation to Digital Health Care Services also affected all areas. The Chair commented that the Joint Committee had to be realistic in terms of the workload it gave itself. The Chair proposed that the more regular monitoring of NEAS should be considered. A watching brief should be maintained on the issues of National Review of PMS contracts and the Baysdale Short Break for children with complex needs Review. A report setting out the impact of the Digital Health Care Services should be brought to the Joint Committee so all partner authorities were updated on these services.

Decision

That the following issues be considered, in principle, as the Joint Committee's workload for the ensuing municipal year as set out in Appendix B to the report –

- Increased Monitoring of the North East Ambulance Service.
- That update reports on the National Review of PMS contracts and the Baysdale Short Break for children with complex needs Review be submitted as appropriate.
- That a report be submitted to a future meeting updating the Joint Committee on Digital Health Care Services.

21. North East Ambulance Service – Monitoring

The Scrutiny Support Officer (HBC) reported that Stockton Borough Council and Hartlepool Borough Council had referred the monitoring of the North East Ambulance Service (NEAS) to the Tees Valley Joint Health Scrutiny Committee. It was proposed that the Committee receive regular reports based around ambulance response times, which would include 'red' life threatening incidents and 'green', non –life threatening but still serious incidents. The response times would be broken down across the Tees valley area and compared to the rest of North East Region. It was proposed that this report would be presented to Members on a 6 monthly basis, with the first report presented to the Committee in November 2014.

Members expressed their concerns at the performance of NEAS. There were many incidents reported in the local press on patients waiting several hours for an ambulance, people involved in an accident having been transported to hospital in a bus due to the length of delay in an ambulance attending and the increasing use of the St. John's Ambulance service in responding to 'red' life threatening incidents.

The Chair indicated that it would be appropriate to invite the new Chief Executive of NEAS to the next meeting of the Joint Committee to update Members and to respond to some the issues being raised. The Chair considered that the new Chief Executive should be informed of the concerns raised by Members in advance of their attendance so they could respond appropriately.

Members suggested that the Police should also be invited to comment on their experience of the ambulance service. There were also concerns expressed by the representatives from Redcar and Cleveland Borough Council at the removal of ambulances from their area. The Chair requested that officers seek details from NEAS as to the location and numbers of ambulances around the partner authority areas. Members suggested that updates on NEAS performance should be provided quarterly rather than every six months.

The Chair asked that Members inform the Scrutiny Support Officer at Hartlepool BC of any other specific issues that they wished to be raised with NEAS in the next two weeks so that they could be conveyed to the new Chief Executive before their attendance at the Joint Committee.

Decision

That the new Chief Executive of the North East Ambulance Service be invited to attend the meeting of the Joint Committee on 27 November 2014 to respond to Member's concerns and to provide a quarterly update on performance.

22. Any urgent items which in the opinion of the Chair can be considered

No items.

The meeting concluded at 10.40 am.

CHAIR

TEES VALLEY JOINT HEALTH SCRUTINY COMMITTEE

MINUTES

27 NOVEMBER 2014

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

Present:

Councillor Ray Martin-Wells (In the Chair) (Hartlepool Borough Council)

Darlington Borough Council: Councillor W Newall.

Middlesbrough Borough Council: Councillors G Cole and E Dryden.

Stockton-on-Tees Borough Council: Councillors M Javed and M Womphrey.

Also Present: Councillor E Cunningham (Stockton-on-Tees BC) as substitute for Councillor N Wilburn.

Sandra Ansah, Kate Birkenhead and Shaun Jones, Durham, Darlington and Tees Area Team

Rosemary Granger, Securing Quality in Health Services

Emma Thomas, North of England Commissioning Support (NECS)

Martin Phillips – Darlington Clinical Commissioning Group

Dr Posmyk, Hartlepool and Stockton-on-Tees Clinical Commissioning Group

Sally Thompson, North Tees and Hartlepool NHS Foundation Trust

Officers: Laura Stones, Scrutiny Support Officer
David Cosgrove, Democratic Services Team

23. Apologies for Absence

Councillors J Robinson and K Sirs (Hartlepool Borough Council).

Councillor H Pearson (Middlesbrough Borough Council)

Councillor W Wall (Redcar and Cleveland Borough Council).

Councillor N Wilburn (Stockton-on-Tees Borough Council)

24. Declarations of Interest

Councillor Javed (Stockton-on-Tees BC) declared a personal interest as an employee of TEWV NHS Foundation Trust.

25. Inquorate Meeting

The Chair noted that the meeting was inquorate as the constitution required at least one elected representative from each of the five local authorities. With the agreement of the Members present, the Chair proceeded with the meeting and agreed that a number of business items would be “agreed in principle” at this meeting subject to final ratification when a quorate meeting was held.

26. Minutes of the meetings held on 3 March, 17 July, and 11 September, 2014

Deferred as the meeting was inquorate.

27. Protocol for the Tees Valley Joint Health Scrutiny Committee

Deferred as the meeting was inquorate.

28. Monitoring of the North East Ambulance Service

The Scrutiny Support Officer reported that, as had been requested by Members, representatives from the North East Ambulance Service (NEAS) had been invited to attend this meeting of the Joint Committee. The Head of Emergency Care at NEAS had agreed to attend this meeting but was unable to due to Industrial Action. Members had also agreed to invite the new Chief Executive of NEAS to attend this meeting, unfortunately, the Chief Executive and/or Directors could not attend, as there was a NEAS Board meeting scheduled for today. An invite would be extended to the Chief Executive to attend the Committee meeting scheduled for 22 January 2015.

Members had raised questions in relation to the use of St John’s Ambulance and British Red Cross services at the last meeting and the Chair had written to NEAS. The response received from NEAS to the letter was circulated at the meeting. NEAS had indicated that they were recruiting and training paramedics but were unlikely to be up to a full complement of these staff until September 2016 primarily due to changes in the accreditation of paramedic training. The Trust would continue to use St John’s Ambulance and British Red Cross services for “lower acuity cases”, though there would be instances where they may be deployed as the nearest available resource while a NEAS paramedic was on route.

The Chair and Members expressed concerns that the Trust would not be up to a full complement of trained paramedics until late 2016. Members commented that they had previously been told that NEAS would have sufficient paramedic staff by 2014, so a further two year delay was concerning. The Chair indicated that he would write again to NEAS expressing the concerns of the Joint Committee in relation to the recruitment of paramedics and also on the use of third party service

providers as the costs would surely be higher than their own.

Recommended

1. That the report and the letter received from NEAS be noted.
2. That a further letter be sent to NEAS on behalf of the Joint Committee raising additional concerns in relation to the recruitment of paramedics by NEAS and also on the cost effectiveness of using third party service providers.

29. Winter Planning and Management across the Tees Valley

Shaun Jones, the Head of Assurance and Delivery at the Durham, Darlington and Tees Area Team gave a presentation to the Joint Committee on the winter preparedness of NHS services across the region. The presentation highlighted the following key issues: -

- High demands, or 'Surges' for health care could vary throughout the year, not just winter.
- Preparing for the next winter, or surge, started as soon as the previous one finished.
- Planning included all health organisations and local authorities.
- Learning from past winter's included asking key questions –
 - Evaluating key projects and their impact;
 - How effectively were resources deployed;
 - Were key targets met and if not, why not;
 - How did organisations work together and what could have been done better.
- Each health economy had a System Resilience Group (SRG) in place to have collective oversight all the various partners and their plans.
- Additional resources were made available by NHS England to SRGs to coordinate and manage winter pressures.
- All organisations had a winter plan and were signed up to NEEP – the North East Escalation Policy – that described the status of each organisation on a scale of 1 to 6. 1 was normal, 6 was catastrophic major incident level. There had been no level 6 incident in this region. There was daily reporting of NEEP status across all partners (a copy of a daily report was circulated for information) which ultimately was reported to the Secretary of State.
- Actions in response to NEEP varied from opening additional beds and cancelling operations to bringing in on-call staff or using 4x4 vehicles to get staff into work during inclement weather.
- Some of the key challenges identified were –
 - Ambulance Handover delays at hospitals
 - Delayed Transfers of Care (DTC)
 - Internal and External Diverts
 - Volume and Acuity of patients
 - Increasing number of elderly and frail people
 - Use and referrals from NHS 111

- Public behaviour and cultural norms
 - Flu Vaccination take up
 - Norovirus
 - Staffing
- Each Commissioner makes provision in their respective contracts with each provider for 'Winter' and other surges
- Additional Monies made available for 2014/15 in three Tranches -
 - Tranche 1 – to SRGs for whole system resources
 - Tranche 2 – to Acute Trusts to help deliver A&E standards
 - Tranche 3 – for mental health providers for early prevention and crisis support
- Awareness campaigns were focused on encouraging self-care, use of community facilities, and prevention of use of A&E for minor ailments.

Members queried of the delayed transfers of care (DTOC) and issues around ambulance handovers were the same; beds being blocked by patients. The Head of Assurance and Delivery indicated that they were not. DTOC transfers happened at the end of a patients hospital stay and often involved the transfer of the patient to other care such as nursing homes. There were some issues with patients ending up in A&E following NHS 111 calls. The northern regional service did call ambulances out more often than other regional NHS 111 centres.

Members queried the additional funding amounts. The Head of Assurance and Delivery indicated that £700m had been made available nationally, with around £2m coming to this region. Allocation was based on population. This was not the first year such an allocation had been made. Some of the money was used to extend GP surgery provision and build additional capacity. A Member questioned if additional beds had been purchased, were these in the independent sector. The North Tees and Hartlepool NHS Foundation Trust representative indicated that they were looking to open eight additional beds with the potential for a further eight if needed. None of these were in the independent sector but within the Trust.

Sandra Ansah, Immunisation and Screening Manager, and Kate Birkenhead, Public Health Commissioning Manager, from the Durham, Darlington and Tees Area Team gave a presentation on the Seasonal Flu Immunisation Programme. The presentation highlighted the following key points –

- Flu immunisation is one of the most effective interventions to reduce harm from flu and pressures on health and social care services during winter. Increasing vaccine uptake in the risk groups is important because of the increased risk of death and serious illness if these groups catch flu.
- Flu is a viral infection that is highly infectious and spreads rapidly in closed communities. Even those with mild or no symptoms could spread the infection and most cases in the UK occurred during a 8 to 10 week period during the winter. Possible complications included bronchitis and pneumonia.

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- Those eligible for the flu vaccine included -
 - Those aged 65 years and over
 - Those aged 6 months to under 65 years in clinical risk groups
 - All pregnant women
 - All children aged 2, 3, and 4 years on 01/09/14
 - School aged children in pilot areas
 - Those in long stay residential care homes
 - Carers
 - Health and social care workers
- The presentation set out the take-up statistics of the vaccine among the eligible groups. This year children aged 2, 3 and 4 years were being targeted for improved take-up as young children tended to be high transmitters of infections.
- Take up among pregnant women was also relatively low as it went against the standard message of them not taking any medications while pregnant. Midwives were leading on the campaign to increase uptake among pregnant women.
- The numbers of people receiving vaccines through pharmacies was also included. These numbers were relatively low but were a more cost effective solution. Detailed statistics were included in the presentation on the numbers of pharmacies delivering and the numbers of people receiving the flu jab.
- Pharmacies had been commissioned for a further two years as venues for delivering the inoculations.

Members questioned the take up of the flu vaccine among health professionals. It was reported that last year the take up was as follows –
Durham, Darlington and Tees – 76%
North Tees – 53%
South Tees – 74.5%

Members asked if GPs surgeries sent practice nurses out into the community to deliver the flu vaccines. The Immunisation and Screening Manager indicated that practice nurses often went out to housebound patients and elderly care homes to deliver the flu jab. GPs also took them on their home visits as well.

Members asked what level of uptake there was in local authority staff. The Immunisation and Screening Manager indicated that those figures weren't available but they did work with Directors of Public Health to ensure appropriate front line staff were identified for the vaccine. Members suggested that perhaps this Joint Committee should promote the uptake of the flu vaccine among local authority staff. The Chair undertook to write on behalf of the Joint Committee to Tees Valley Chief Executives / Directors of Public Health to ask for figures in relation to take up levels and whether the vaccine was offered to all local authority staff. The Chair did question the costs of the vaccines for local authority staff. The Immunisation and Screening Manager commented that the voucher scheme would be the cheapest option, with vouchers costing around £3.50 each.

15. APPENDIX C

In reference to the pilot scheme of offering the vaccine through pharmacies, a Member questioned the small numbers using pharmacies and whether this was cost effective. The Public Health Commissioning Manager commented that the numbers through the pharmacies last year had exceeded the numbers from the year before. Some pharmacies couldn't join the programme as they were required to have a separate room to deliver the injection. They provided a useful additional venue for people to get the injection and were cost effective at around £12 per delivered vaccine as they covered their own costs in terms of training for example. The fact that they simply advertised the vaccines may encourage some to go to their GP. Other Members supported the inclusion of pharmacies and the commissioning extension of two years.

Recommended

That the presentations and comments be noted.

There was a short adjournment at this point in the meeting at which time Councillors Cole, Dryden and Newall left the meeting.

30. **Securing Quality in Health Services (SeQHIS)**

Rosemary Granger, Project Director, Securing Quality in Health Services and Dr Posmyk, Chair of Hartlepool and Stockton-on-Tees Clinical Commissioning Group gave a presentation to the Committee on the Securing Quality in Health Services (SeQHIS) project. The project examined routine and specialist hospital care services at County Durham and Darlington NHS FT, North Tees and Hartlepool NHS FT and South Tees Hospitals NHS FT, in five clinical areas: Acute Paediatrics, Maternity and Neonatology (Children, Maternity, very young Baby); Acute medicine; Acute surgery; Intensive care; and End of Life.

The presentation highlighted that the quality targets for key clinical standards were ahead of the national targets which showed that the planning being undertaken on the services was moving in the right direction. There were still a number of standards not being met which was believed to be due to the lack of 24 hour availability of senior clinicians in certain areas. However, if these standards were met, as many as 1600 additional lives could be saved each year.

The key areas failing to meet the quality standards were –

- Full access to diagnostic services (7/7 Hospitals);
- Full access to support services (e.g. Physio, Pharmacy, Social Services);
- Access to special X-ray based treatment (Interventional Radiology) 24/7;
- Workforce to provide full 24/7 cover (10 WTE) for all middle grade doctor rotas (affecting Children's, Maternity, very young Baby, Surgical

and Medicine services);

- Workforce to provide 24/7 (168hrs) consultant cover at Maternity units;
- The majority of End of Life care standards are not met by all Trusts;
- Very young Baby services fail to see enough cases / patients to keep skilled and do not meet staffing standards

Addressing these issues was going to require some system wide changes and these would be consulted upon through Health and Wellbeing Boards and HealthWatch. These would be issues that the public would have interest in but the intention was to raise them now rather than have to make emergency changes on clinical safety grounds.

It was highlighted that this was not just an issue for this area, many of these issues were national problems that other areas were having to deal with as well. The Neonatal Network in the north east was looking at the provision of their services as the numbers of babies units were caring for was becoming a concern.

Members questioned the issues around the provision of neonatal services and the specific concerns raised. The Chair of Hartlepool and Stockton-on-Tees CCG indicated that babies were getting the specialist care they needed. The concern was that in some instances units were having to bring in specialist consultants from other areas for certain cases. This was preferred to transferring babies to other units but centralising the services in a fewer number of units may be the only way forward to ensure the best outcomes for these babies.

Recommended

That the presentations and comments be noted.

31. Baysdale Short Break for Children with Complex Needs Review

Emma Thomas, Joint Commissioning Manager (Children), North of England Commissioning Support (NECS), presented a report updating the Joint Committee on the CCGs review of Baysdale Short Break Service completed January 2014. The conclusion was that the service, based at Roseberry Park, Middlesbrough, would be retained at the present time but with some improvements, some of which had been suggested by parents of the young people that used the unit.

Recommended

That the report be noted.

32. Any Other Items which the Chairman Considers are Urgent

The Scrutiny Support Officer reported that as part of the NHS England, Area Team Commissioning Review of Urgent and Emergency Dental Care

**15.
APPENDIX C**

Pathways reported to the meeting in July, an event was to be held on 27 January and an invitation would be circulated to Joint Committee Members.

The meeting concluded at 12.07 pm.

CHAIR

Contracts awarded to a body/entity listed on the Member's Register of Interests.

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Contract Value
NIL RETURN			

15. APPENDIX E

Details of payments made to a body/entity listed on the Member's Register of Interests.

Supplier Ref	Supplier Name	2014/2015	
		Current Quarter Payments Oct - Dec 2014) £	Cumulative Payments (April to Dec 2014) £
700025200	Belle Vue Community Sports	10,159.16	77,996.05
750080500	Caparo Forging	0.00	2,500.00
701780500	Changing Futures North East	25,031.68	74,430.55
700395100	Hartlepool Access Group	5,000.00	7,705.00
702162500	Hartlepool Business Leaders Forum	0.00	700.00
701780000	Hartlepool Carers	74,327.20	173,508.31
700121300	Hartlepool Citizens Advice Bureau	0.00	900.00
705354500	Hartlepool Credit Union Limited	14,400.00	51,725.92
701981200	Hartlepool Families First	24,793.86	93,140.22
700122200	Hartlepool Voluntary Development Agency	40,701.70	300,465.47
705208300	Heugh Gun Battery Trust Ltd	0.00	75.00
705441700	Incontrol-able CIC	5,300.00	5,800.00
701117200	Owton Rossmere Community Enterprise Limited	3,066.00	5,900.00

Member	Type of Interest (as at 1st January 2015)
Kevin Cranney	Other Interests
Alan Clark	Other Interests
Mary Fleet	Other Interests
Alan Clark	Other Interests / Employment, Office Trade, Profession or Vocation
Gerard Hall	Other Interests
Kevin Cranney	Other Interests
Pamela Hargreaves	Other Interests
Mary Fleet	Other Interests
Allan Barclay	Other Interests
Gerard Hall	Other Interests
Paul Thompson	Employment, Office Trade, Profession or Vocation / Contracts with the Authority
Jonathan Brash	Other Interests
Pamela Hargreaves	Other Interests
Peter Jackson	Other Interests
Christopher Akers-Belcher	Employment, Office Trade, Profession or Vocation / Contracts with the Authority
Stephen Thomas	Employment, Office Trade, Profession or Vocation
James Ainslie	Other Interests
Stephen Thomas	Other Interests
Allan Barclay	Other Interests

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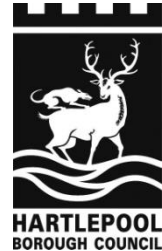
Supplier Ref	Supplier Name	Current Quarter Payments Oct - Dec 2014) £	Cumulative Payments (April to Dec 2014) £
701891900	Oxford Road Baptist Church	600.00	600.00
705144300	Rift House East Residents Association	0.00	1,865.00
705237500	St Matthew's Hall Committee	200.00	990.00
750157400	The Rifty Youth Project	0.00	600.00
700966600	The Wharton Trust	2,645.00	8,695.00
700300500	West View Advice & Resource Centre Ltd	33,874.00	101,814.00
700300600	West View Project	94,235.75	278,197.25
750054000	Xivvi Limited	0.00	4,250.00

334,334.35	1,191,857.77
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Member	Type of Interest (as at 1st January 2015)
John Lauderdale	Licence to Occupy Land
Christopher Akers-Belcher	Other Interests
Stephen Akers-Belcher	Other Interests
Gerard Hall	Other Interests
Allan Barclay	Other Interests
Stephen Akers-Belcher	Other Interests
Paul Beck	Other Interests
Stephen Thomas	Other Interests
Robin Cook	Other Interests
Sheila Griffin	Other Interests
Christopher Simmons	Other Interests / Employment, Office Trade, Profession or Vocation / Corporate Tenancies
Rob Cook	Other Interests
Sheila Griffin	Other Interests
Christopher Simmons	Other Interests
Pamela Hargreaves	Securities / Employment, Office Trade, Profession or Vocation / Contracts with the Authority
Paul Thompson	Securities / Employment, Office Trade, Profession or Vocation / Contracts with the Authority/ Interested Parties
Jonathan Brash	Interest Parties

AUDIT AND GOVERNANCE COMMITTEE

11th December 2014



Report of: Chief Finance Officer

Subject: TREASURY MANAGEMENT STRATEGY

1. PURPOSE OF REPORT

1.1 The purposes of the report are to:

- i. Provide a review of Treasury Management activity for 2013/14 including the 2013/14 outturn Prudential Indicators.
- ii. Provide a mid-year update of the 2014/15 Treasury Management activity.
- iii. Enable the Audit and Governance Committee to scrutinise the recommended 2015/16 Treasury Management Strategy before it is referred to the full Council for approval.

2. BACKGROUND

2.1 The Treasury Management Strategy covers the:

- the borrowing strategy relating to the Council's core borrowing requirement arising from historic capital expenditure funded from Prudential Borrowing;
- the borrowing strategy for the use of Prudential Borrowing for approved capital investment business cases, for example LED streetlight replacement, housing schemes and the development of a new 'Centre for Independent Living' where loan repayment costs are funded from budget savings and / or increased income; and
- the annual Investment strategy relating to the Council's cash flow.

2.2 The Treasury Management Strategy needs to ensure the loan repayment costs of historic capital expenditure do not exceed the available General Fund revenue budget, which has been reduced as part of the Medium Term Financial Strategy. Similarly, for specific business cases the Treasury Management Strategy needs to ensure loan repayment costs do not exceed the costs built into the business cases.

2.3 The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential

APPENDIX F

Code and to set prudential indicators for the next three years to ensure capital investment plans are affordable, prudent and sustainable.

- 2.4 The Act therefore requires the Council to set out a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the policies for managing investments and for giving priority to the security and liquidity of those investments. The Secretary of State has issued Guidance on Local Government Investments which came into force on 1st April, 2004.
- 2.5 The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to full Council. This responsibility has been allocated to the Audit and Governance Committee. Key elements of this report have also been referred to the Finance and Policy Committee for information owing to the linkages with the Medium Term Financial Strategy.
- 2.6 This report covers the following areas:
- Economic background and outlook for interest rates
 - Treasury management outturn position for 2013/14
 - Treasury Management Strategy 2014/15 mid-year review
 - Treasury Management Strategy 2015/16
 - Minimum Revenue Provision and Interest Cost and Other Regulatory Information 2015/16

3. ECONOMIC ENVIRONMENT AND OUTLOOK FOR INTEREST RATES

3.1 The Global Economy

- 3.2 **U.S.A. economy** – The Federal Reserve has continued monthly reductions in Quantitative Easing (QE) throughout 2014 and it was announced that QE had ended in October. The U.S.A faces similar debt problems to those of the UK, although the annual Government deficit has been halved from its peak without appearing to do too much damage to growth. However, weak labour force participation remains a key concern for the Federal Reserve as this will continue to depress sustainable consumer lead growth. Therefore, the Federal Reserve faces a similar dilemma to the Bank of England regarding the timing and scale of future interest rate increases.

- 3.3 **Eurozone economy** – continues to face the most challenging economic position owing to the increasing threat from weak or negative growth and deflation. Therefore, whilst concerns in financial markets for the Eurozone subsided during 2013, the sovereign debt difficulties (i.e. Government debt levels) have not gone away. Consequently, major issues could return for countries which have not addressed the fundamental issues of low growth, international uncompetitiveness and the need for economic reform. These factors mean that sovereign debt concerns have not disappeared, but have only been postponed. This situation is likely to lead to continuing weak or negative growth over the next few years within the Eurozone.

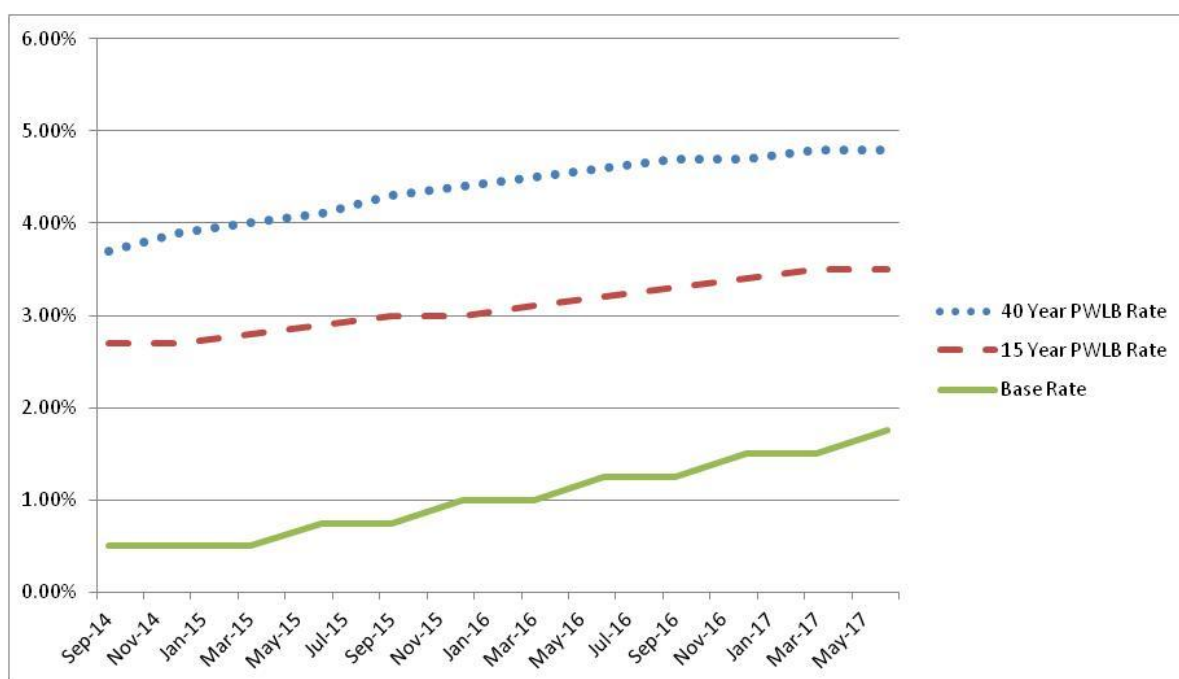
- 3.4 **China** – Government action in 2014 to stimulate the economy is not working as well as anticipated and the growth target of 7.5% is increasingly unlikely to be met. There are also concerns regarding the creditworthiness of bank lending to the corporate sector and Chinese local government during the post 2008 credit expansion period and the potential impact of a significant reduction in houses prices drawing nearer. These factors could reduce future Chinese growth, which would have a negative impact on other economies.
- 3.5 **The UK Economy**
- 3.6 The UK economy grew in 2013 and is forecast to continue growing in 2014 and 2015. However, for the recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, particularly manufactured goods. This will be challenging owing to the outlook for the global economy, particularly in relation to the Eurozone.
- 3.7 One of the key issues for the UK economy and the Council's Treasury Management Strategy is the outlook for interest rates. In August 2013 the Governor of the Bank of England initiated "forward guidance", with the intention of making the banks policies more effective and to provide businesses and households with greater clarity on future interest rates.
- 3.8 Forward Guidance has been updated on a regular basis by the Governor of the Bank of England to reflect changes in the economic outlook. In response to the frequency of changes in the outlook for interest rates announced by the Governor some economic commentators have suggested the Governor has changed from being the 'unreliable boyfriend', blowing hot one day and cold the next (i.e. will interest rates increase soon, or won't they), to being the 'fearful fiancée' who has popped the question but can't bring himself to name the day (i.e. interest rates will increase, but the size and timing of the increase(s) is uncertain).
- 3.9 The position facing the Governor is extremely complicated owing to the unprecedented challenges of managing interest increases from the current historically low level and of managing the unwinding of 'Quantitative Easing'. The frequency of updated forward guidance reflects the Governors consistent approach that interest rate decisions will be driven by data and regular updates are designed to enable business and households to prepare for future changes in interest rates.
- 3.10 At this stage the outlook is for steady and small increase in the Base Rate commencing in 2015, with a peak rate below the pre 2008 Base Rate of 5%, reflecting the negative impact increased interest rates will have on the economy. What remains uncertain is the timing of the first interest increase and the frequency/value of subsequent increases. The Governor has indicated these decisions will be subject to regular review to assess the impact of changes in the economy.

3.11 In terms of the impact on longer term borrowing rates it is currently anticipated that there will much smaller increases as longer terms rates have changed less and forecast rates already anticipate increases in the Base Rate.

3.12 Interest Rate Forecasts

3.13 As indicated above forecasting future interest rates remains extremely challenging as the base rate has remained unchanged for longer than most economists initially forecast. Capita Asset Services (the Council's Treasury Management advisors) continue to update their forecasts to reflect statements by the Governor and changes in the economy. The latest forecasts up to June 2017 are provided in the following graph.

4. Interest Rate Forecast up to June 2017



TREASURY MANAGEMENT OUTTURN POSITION 2013/14

4.1 Capital Expenditure and Financing 2013/14

4.2 The Council's approved capital programme is funded from a combination of capital receipts, capital grants, revenue contributions and prudential borrowing.

4.3 Part of the Council's treasury management activities is to address the prudential borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activity also includes managing the Council's day to day cash flows, its previous borrowing activities and the investment of surplus funds. These

activities are structured to manage risk foremost, and then optimise performance.

- 4.4 Actual capital expenditure forms one of the required prudential indicators. As shown at Appendix A, the total amount of capital expenditure for the year was £23.590m, of which £6.269m was funded by Prudential Borrowing.
- 4.5 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is the accumulated value of capital expenditure which has been financed from Prudential Borrowing. Each year the Council is required to apply revenue resources to reduce this outstanding balance.
- 4.6 Whilst the Council's CFR sets a limit on underlying need to borrow, the Council can manage the actual borrowing position by either;
- borrowing externally to the level of the CFR; or
 - choosing to use temporary internal cash flow funds instead of borrowing; or
 - a combination of the two.
- 4.7 The Council's CFR for the year was £92.236m as shown at Appendix A comprising £80.378m relating to the core CFR and £11.858 relating to business cases. This is lower than the approved estimate of £98.411m owing to the rephasing of capital expenditure in relation business cases over a number of years.
- 4.8 The Council's total long term external borrowing as at 31st March, 2014 was £54.525m. This is currently less than the CFR as a result of being able to use the Council's balances to internalise the funding of capital expenditure, the position is summarised in the table below. This strategy was approved in February 2013 and enabled the council to significantly reduce counterparty risk by reducing the level of external investments. This strategy was also the most cost effective strategy in 2013/14 and contributed to the overall favourable 2013/14 outturn. In line with the approved strategy, specific borrowing was taken out in relation to specific business cases:
- Waste recycling scheme - £0.680m
 - Installation of new cremators - £1.385m

Split of Borrowing between Core and Departmental Capital Financing Requirement (CFR)	2013/14 CFR £'000	2013/14 Borrowing £'000	2013/14 Under Borrowing £'000
Borrowing Relating to Core CFR	80,378	48,279	(32,099)
Borrowing Relating to Business Case CFR	11,858	6,228	(5,630)
Total	92,236	54,507	(37,729)

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- 4.9 The Council can also borrow for future planned increases in the CFR up to 3 years in advance, when this is deemed to be appropriate. No borrowing in relation to advanced funding of the CFR was taken out in 2013/14.
- 4.10 **Prudential Indicators and Compliance Issues 2013/14**
- 4.11 Details of each Prudential Indicator are shown at Appendix A. Some of the prudential indicators provide either an overview or specific limits on treasury activity. The key Prudential Indicators to report at outturn are described below.
- 4.12 The **Authorised Limit** is the “Affordable Borrowing Limit” required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. Appendix A demonstrates that during 2013/14 the Council has maintained gross borrowing within its Authorised Limit.
- 4.13 **Net Borrowing and the CFR** - In order to ensure that borrowing levels are prudent, over the medium term the Council’s external borrowing, net of investments, must only be for a capital purpose. Net borrowing should not exceed the CFR for 2013/14 plus the expected changes to the CFR over 2013/14 and 2014/15. The Council has complied with this Prudential Indicator.
- 4.14 **The treasury position 31st March 2014**
- 4.15 The table below shows the treasury position for the Council as at the 31st March, 2014 compared with the previous year:

Treasury position	31st March 2013		31st March 2014	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt				
- Tees Valley Unlimited Loan	£0.0m	0.00%	£1.6m	0.00%
- PWLB	£6.0m	4.87%	£7.9m	4.54%
- Market Loans	£45.0m	4.00%	£45.0m	4.00%
Total Long Term Debt	£51.0m	4.10%	£54.5m	3.97%
Total Investments	£34.2m	0.44%	£40.1m	0.32%
Net borrowing Position	£16.8m		£14.4m	

- 4.16 A key performance indicator shown in the above table is the very low average rate of external debt of 3.97% (4.08% if the Tees Valley Unlimited loan is excluded) for debt held as at 31st March, 2014. This is a historically low rate for long term debt.
- 4.17 The Council’s investment policy is governed by Department of Communities and Local Government (DCLG) guidance, which has been implemented in the annual investment strategy approved by Council on 14th February, 2013.

- 4.18 The Council also continued to exclude all foreign banks, including Irish banks from the list following the downgrading of the country's sovereign rating.
- 4.19 By not relying solely on credit ratings the Council sought to take a more pragmatic and broad based view of the factors that impact on counterparty risk. As part of the approach to maximising investment security the Council has also kept investment periods short (i.e. in most cases up to 3 months but a maximum of 6 months). The downside of this prudent approach is that the Council achieved slightly lower investment returns than would have been possible if investments were placed with organisations with a lesser financial standing and for longer investment periods. However, during 2013/14 the risk associated with these higher returns would not have been prudent.
- 4.20 A prudent approach will continue to be adopted in order to safeguard the Council's resources, although some changes are recommended later in the report.
- 4.21 **Regulatory Framework, Risk and Performance 2013/14**
- 4.22 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
 - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions have been made since this power was introduced);
 - Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act, and requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
 - The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
 - Under the Act the DCLG has issued Investment Guidance to structure and regulate the Council's investment activities;
 - Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November, 2007.
- 4.23 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its Treasury Management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent,

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affordable and sustainable and its treasury practices demonstrate a low risk approach.

5. TREASURY MANAGEMENT STRATEGY 2014/15 MID YEAR REVIEW

- 5.1 The Treasury Management Strategy for 2014/15 was approved by Council on 6th February 2014. The Council's borrowing and investment position as at 31st September 2014 is summarised as follows:

	£m	Average Rate
Market Loans	45.0	4.00%
PWLB Loans	11.8	3.96%
Tees Valley Unlimited Loan	1.6	0.00%
Gross Debt	58.4	3.96%
Investments	52.9	0.30%
Net Debt	5.5	

- 5.2 The Council's 2014/15 Treasury Management Strategy remains unchanged from the Strategy approved on the 6th February 2014 and continues the strategy of netting down investments against borrowing and remains under-borrowed against the CFR. However, in line with the strategy, specific borrowing has been taken out to secure the business case for the Centre for Independent Living Scheme - £3.900m (included in the above figures).
- 5.3 Net Debt has increased since 31st March 2014 owing to the additional borrowing taken out as outlined above. It is anticipated that the net debt will increase towards the end of the year in line with previous years as a result of reducing cash flows.
- 5.4 As part of the Treasury Strategy for 2014/15 the Council set a number of prudential indicators. Compliance against these indicators is monitored on a regular basis and there are no breaches to report.
- 5.6 The CFR and Capital Expenditure Financed by borrowing will vary from the original estimate approved by full Council in February 2014 owing to the rephasing of expenditure between years. There will be no net impact on the total borrowing forecast for the period of the MTFS although there may be timing differences around individual financial years when borrowing is incurred.

6. TREASURY MANAGEMENT STRATEGY 2015/16

- 6.1 Owing to the timing of the Audit and Governance Committee meeting it is not possible to provide detailed prudential indicators as part of the Treasury Management Strategy for 2015/16 prior to this being reported to Council as part of the Annual Budget and Policy Framework process as detailed Capital Allocations have not yet been released by the Government. However this does not prevent the Committee from scrutinising the proposed Treasury Management Strategy which is presented below.

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- 6.2 The key elements of the Treasury Management Strategy which Members need to consider are the Borrowing and Investment Strategies, detailed in section 7 and 8.

7. BORROWING STRATEGY 2015/16

- 7.1 As indicated earlier in the report borrowing strategies are needed for the Core Borrowing Requirement and the Borrowing Requirement related to specific business cases, as outlined in the following paragraphs.

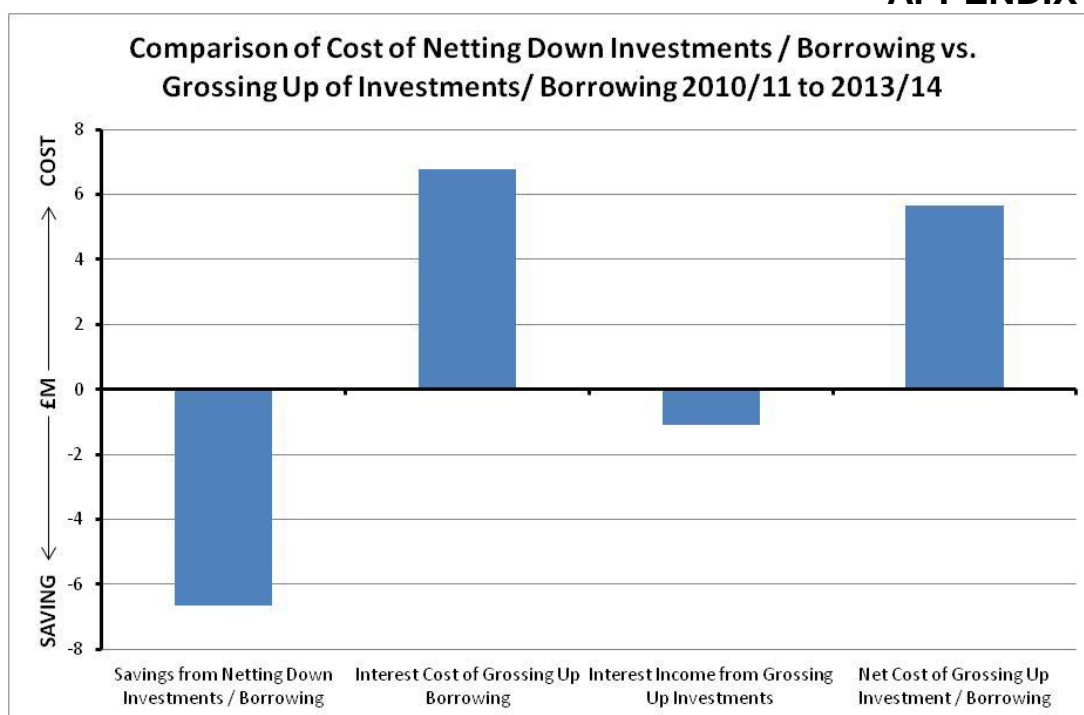
7.2 Core Borrowing Requirement

- 7.3 The continuing objective of the Council's Treasury Management Strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate.

- 7.4 Since the unprecedented reduction in the Base Rate to 0.5% in March 2009 (the lowest level in more than 300 years) the Treasury Management Strategy has been to net down investments and borrowings. This approach has been adopted by many other Authorities. In simplistic terms this approach is the equivalent of a household having an offset mortgage, although the regulations for the Council's Treasury Management arrangements are significantly more complex and the Council is managing public money.

- 7.5 This approach also enabled the Council to reduce investment counterparty risk and to provide the lowest cost to the Council for the last 4 years (2010/11 to 2013/14). Reducing investment counterparty risk continued to be particularly important during the banking crisis as it reduced the value of external investments at a time of significant financial uncertainty. This approach continued the Council's cautious investment approach, which also avoided investing in foreign banks, including Icelandic banks.

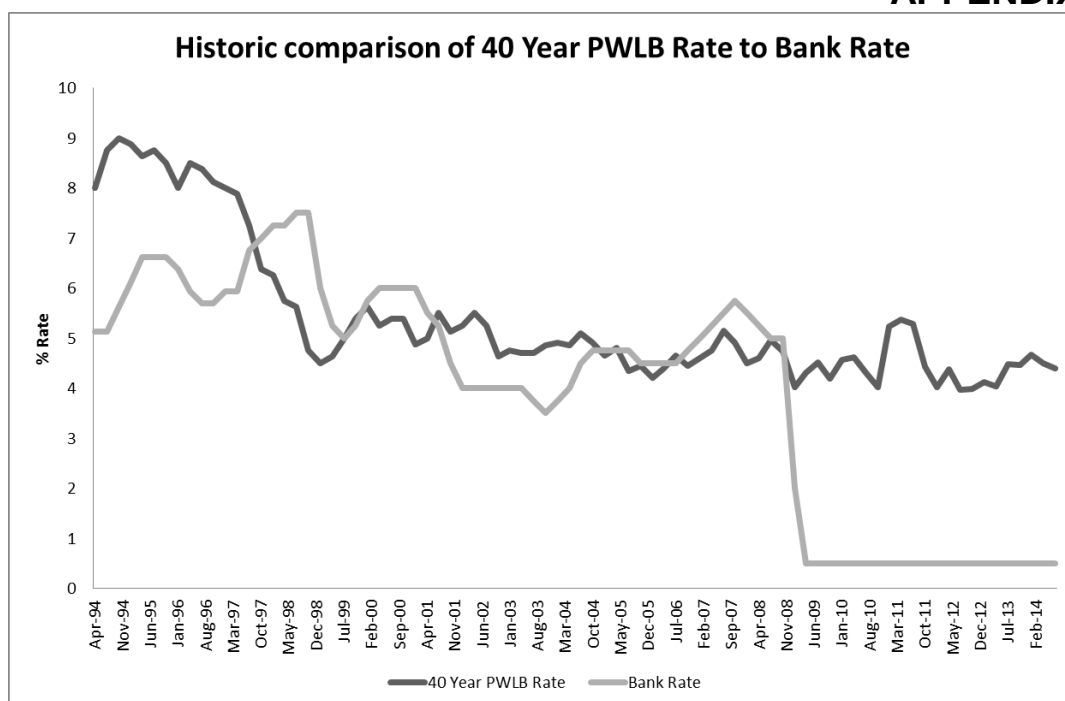
- 7.6 The approach avoided committing to longer term interest rates for loans, which have typically remained at about 4.2% for 40-year debt, as opposed to generating only around 0.6% on investments (the average for 2010/11 to 2013/14). This approach has provided temporary revenue saving on the cost of 'carrying' debt of around 3.6% per annum (i.e. the difference between long term interest rates for borrowing and short term rates for investments). Over the period 2010/11 to 2013/14 this has resulted in cumulative savings of £6.7m compared to a potential cumulative net cost of carrying the debt of £5.7m as summarised in the graph below. The resulting savings have been reflected in the annual outturn strategy which has earmarked resources to support the revenue budget in future years, support the Local Council Tax Support scheme and manage financial risks (for example Business Rates Risks).



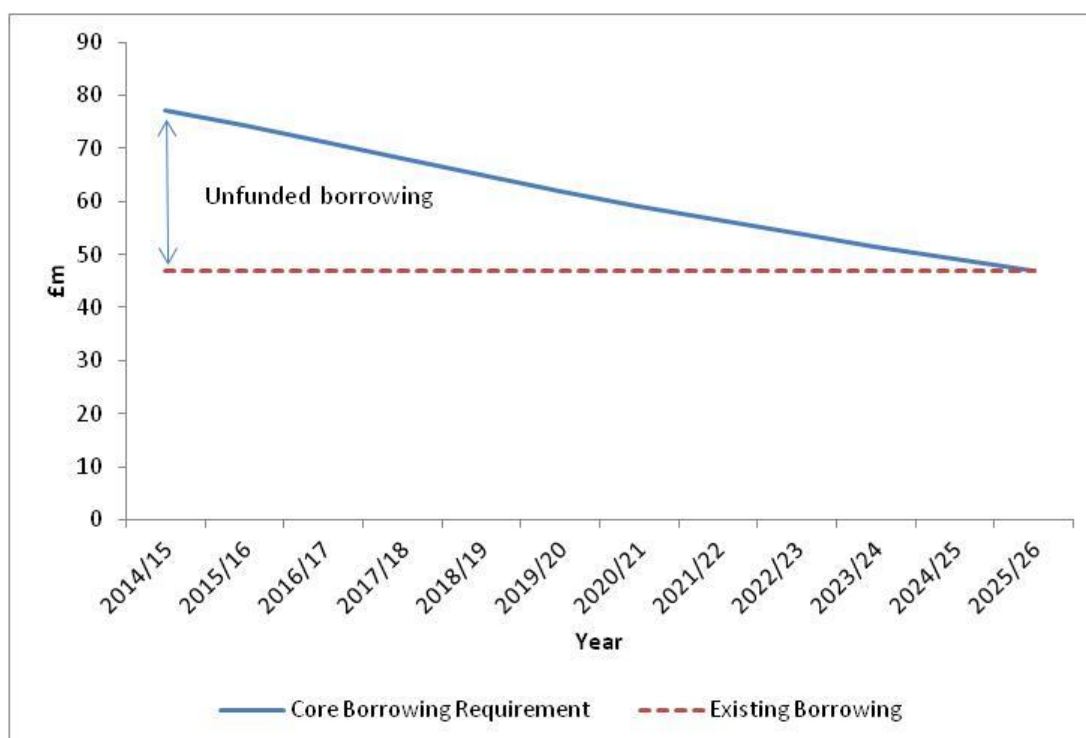
7.7 The existing Treasury Management Strategy always recognised that this approach was not sustainable in the longer term as the one-off resources which have been used to temporarily avoid long term borrowing will be used up. Therefore, at some point the Council will need to fund the borrowing requirement from longer term loans and secure affordable long term interest rates to achieve the Treasury Management savings already built into the 2015/16 base budget of £1.270m:

- Sustainable saving built into base budget from 2014/15 £1m;
- Additional sustainable saving built into base budget from 2015/16 £0.270m

7.8 The timing of borrowing decisions will need to reflect the outlook for the Base Rate and the impact this will have on longer term interest rates. Whilst, current long term interest rates are significantly higher than the current Base Rate they are still historically low, as highlighted in the following graph:



- 7.9 Recent announcements by the Governor of the Bank of England indicate that increases in the current Base Rate of 0.5% are now getting closer, although the timing and scale of increases is still uncertain. Whilst, most economists and financial commentators are not expecting the Base Rate to return to 5%, they had not forecast the unprecedented cut to 0.5%. This underlines the financial challenge facing the Council in making future borrowing decisions.
- 7.10 As reported previously the Core Borrowing requirement is forecast to reduce over a number of years as the Council is not adding to this debt. This position reflects the Government's decision to replace supported Prudential Borrowing with capital grants for capital projects/programmes it wishes to support. This change was necessary owing to the impact of re-localising Business Rates and the system for supporting revenue budgets. On this basis the level of the Core Borrowing requirement will reduce from £80.378m at 31st March 2014 to £47.058m at 31st March 2026, as summarised in the following graph.

Forecast Core Borrowing requirement 2014/15 to 2025/26

- 7.11 The “triangle” on the graph shows the annual reductions in the difference between the Core Borrowing requirement and the existing fixed long terms loans. This difference shows the value of unfunded borrowing and as time progresses the financial risk to the Council reduces as a result of the cumulative impact of annual repayments of the borrowing requirement.
- 7.12 The decisions which need to be made over the next 12 to 24 months will be key to ensuring interest costs are contained within the reduced revenue budget provision. In due course these decisions will be subject to scrutiny with the benefit of hindsight. However, these decisions need to be made on current information to secure the lowest long term cost for the Council. The following options are available:
- **Option 1 – Delay long term borrowing** - under this option long term borrowing will be delayed until there is a significant increase in the base rate;
 - **Option 2 – Fully fund the borrowing requirement up to 2025/26** - under this option long term borrowing will be taken to secure a loan fixed at current long term interest rates;
 - **Option 3 – Partly fund the borrowing requirements** – under this option long term loans could be taken out for either part of the unfunded

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borrowing requirement, or for the whole requirement up to 2018/19 (i.e. to cover the existing MTFS period). .

- 7.13 The advantages and disadvantages of these alternatives are summarised below:

Option	Advantages	Disadvantages
1	<ul style="list-style-type: none"> • Maximises potential short-term interest cost savings (i.e. the next 3 years); • Potential to maximise medium term savings (i.e. 3 to 5 years) if Base rate remains below current long term interest rate. 	<ul style="list-style-type: none"> • Greater risk than other options that when long term borrowing is undertaken interest rates are higher than current long term interest rates, resulting in higher overall cost and unbudgeted revenue pressure.
2	<ul style="list-style-type: none"> • Provides greatest certainty of long term interest costs and ensures costs within budget. 	<ul style="list-style-type: none"> • Significant cost of 'carry' over the next 3 years as interest rates on borrowings will significantly exceed interest rates earned on investments. This will result in annual budget pressures.
3	<ul style="list-style-type: none"> • Provides certainty of medium term interest costs; • Provides a balance between certainty of future interest costs and benefits of potential short-term savings. 	<ul style="list-style-type: none"> • Lower benefit from short-term interest savings (i.e. within the next 3 years).

- 7.14 In recommending one of the above options the key requirement is to ensure the borrowing costs associated with the Core Borrowing Requirement are minimised in the long term and can be sustained within the existing revenue budget over:

- the period of the current Medium Term Financial Strategy; and
- the period beyond 2018/19 to ensure the longer term financial sustainability of the Council.

- 7.15 Borrowing costs will need to be secured by locking into long term interest rates at the appropriate time and before there is any significant increase in current long term interest rates.

- 7.16 At the same time the Council will need to avoid incurring costs of 'carrying' long terms loans by unwinding the current netting down of borrowing and investments which would arise as a result of the significant difference

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between long term interest rates and the interest earned on investments. In normal financial circumstances this is not an issue as long term rates and short-term interest rates are typically much closer. Historically there have been significant periods when short-term interest rates exceeded long-term interest rates which meant there were no costs of 'carrying' long term loans in advance of need. However, owing to forecast interest rates for short and long term loans to June 2017 there are significant potential costs of 'carrying' investments. The graph in paragraph 3.13 highlights the difference in forecast interest rates.

- 7.17 On this basis of the issues detailed in the previous paragraphs it is recommended that **Option 1 – delay long term borrowing** is implemented, which continues the existing strategy. This recommendation is based on the planning assumption of continuing to maintain the 'Treasury Management Reserves' (balance at 31st March 2014 of £0.87m) to manage the potential risk that interest rates increase sooner and / or to a higher level than currently forecast. This reserve will avoid an in-year budget pressure in 2015/16 from higher and / or earlier increases in interest rates if this situation arises. As the position on the future timing and scale of interest rate becomes clearer the value of the Treasury Management Reserve will be reviewed to reflect an updated assessment of risk.
- 7.18 However, owing to the unprecedented financial environment and the uncertainty over the timing and scale of future interest rate increases this strategy will be kept under constant review. If circumstances change and it is anticipated interest rates will increase sooner and to a higher level than currently anticipated it may then be appropriate to implement **Option 2 – Fully fund the borrowing requirement** to fix long term interest costs at an affordable level to protect the Council's long term financial position.
- 7.19 **Borrowing Requirement Business Cases**
- 7.20 The options detailed in paragraph 7.12 are also applicable to the borrowing requirement for business cases where the loan repayment costs will be funded from savings and / or increased income.
- 7.21 However, the financial viability of each business case is assessed on an individual basis reflecting the specific risk factors for individual business cases. This includes the repayment period for loans and fixed interest rates for the duration of the loan. This assessment is designed to ensure the business case can be delivered without resulting in a General Fund budget pressures and corresponding increase in the overall budget deficit.
- 7.22 Therefore, in order to ensure the above objectives are achieved it is recommended that **option 2** is adopted for individual Business Cases to secure fixed interest rates.
- 7.23 **Municipal Bonds Agency**

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- 7.24 The Local Government Association are looking to establish a Municipal Bonds Agency predominantly for the purpose of potentially offering lower interest rates to councils. As the Council's borrowing and investment Strategies hinge around netting down, involvement in the Municipal Bonds Agency is not something that will be progressed at present. This approach avoids incurring a share of the initial set-up costs for the Municipal Bonds Agency. This position will be reviewed if the Council's position changes in the future.

8. INVESTMENT STRATEGY 2015/16

- 8.1 The Department for Communities and Local Government (CLG) issued investment guidance in 2010 and this forms the structure of the Council's policy. The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently and that priority is given to security and liquidity before interest return. This Council has adopted the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and applies its principles to all investment activity. In accordance with the Code, the Chief Finance Officer has produced Treasury Management Practices covering investment counterparty policy which requires approval each year.
- 8.2 The primary objectives of the Council's investment strategy in order of importance are:
- safeguarding the re-payment of the principal and interest of its investments on time;
 - ensuring adequate liquidity;
 - investment return.
- 8.3 In the current economic climate the investment strategy has one over-riding risk consideration which is safeguarding the principal invested. As a result of this underlying concern the existing investment strategy nets down investments and borrowing. This strategy restricts both the institutions the Council will invest in and the period of Investment.
- 8.4 **Counterparty Selection Criteria**
- 8.5 The Council's criteria for providing a pool of high quality investment counterparties uses the credit rating information produced by the three major ratings agencies (Fitch, Moody's and Standard & Poor's) and is supplied by our treasury consultants. All active counterparties are checked against criteria outlined below to ensure that they comply with the criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered on a daily basis before investments are made. For instance a negative rating watch applying to a counterparty at the minimum criteria will

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be suspended from use, with all others being reviewed in light of market conditions.

- 8.6 The **lowest common denominator** method of selecting counterparties and applying limits is used. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria
- 8.7 Owing to the continued level of risk and uncertainty the Chief Finance Officer will continue to adopt a vigilant approach resulting in what is effectively a 'named' list. This consists of a select number of counterparties that are considered to be the lowest risk.
- 8.8 As the market is beginning to return to more "normal" conditions a review of the current counterparty list has been completed. The current counterparty list is very limited especially as the Co-operative Bank has been removed as a counterparty and the Council has temporary cash to invest on a daily basis. This often means that Council investments are being increasingly made with the Government's Debt Management Office which offers extremely low investment rates. Recommended changes to the list are outlined below:
- The review has identified that the Swedish Bank, Svenska Handelsbanken's ratings have remained strong throughout the financial crisis never falling below the category A ratings in the table of investment criteria outlined below (Sweden has retained its AAA sovereign rating throughout the crisis). In order to spread counterparty risk the Chief Finance Officer recommends placing investments with Svenska Handelsbanken. Investments made with this bank will be limited to £1m and for a maximum duration of 3 months or instant access.
 - The use of three AAA Money Market Funds (MMFs) to further spread counterparty risk. AAA MMFs are highly liquid pooled investment 'vehicles' that only invest in other highly rated institutions and products (at least 50% of which must meet category A and none of which can be lower than category B outlined in the table of investment criteria below). Investment risk is further reduced as AAA MMFs invest in a large number of institutions never having more than 5% exposure for more than 7 days with any single institution i.e. their investments are highly diverse and highly liquid. Investments with individual MMFs will initially be limited to £1m per fund (a total of £3m). Investments with money market funds are highly liquid (i.e. instant access), therefore a time limit for investment is not necessary. There are currently over 20 MMFs used by local authorities.
 - For existing institutions on the list it is recommended that the time limit for investments be extended from three months (six in the case of Local

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Authorities) to a maximum of one year. This reflects a reduction in risk in the financial market.

- 8.9 The table below shows the current and proposed limits in 2015/16 for the Council:

Category	Fitch	Moody's	Standard & Poor's	Current Counterparty Limit	Current Time Limit	Proposed Counterparty Limit	Proposed Time Limit
A	F1+/AA-	P-1/Aa3	A-1+/AA-	£7.0m	3 months	£7.0m	1 Year
B	F1/A-	P-1/A3	A-1/A-	£2.0m	3 months	£3.0m	1 Year
C	Debt Management Office			£28m	3 months	£25m	1 Year
D	Part Nationalised Banks and Banks covered by UK Government Guarantee			£10m	3 months	£10m	1 Year
E	Other Local Authorities Individual Limits per Authority: - £4m County, Metropolitan or Unitary Councils - £1m District Councils, Police or Fire Authorities			£20m	6 months	£20m	1 Year
F	Three Money Market Funds (AAA) with maximum investment of £1m per fund			0	0	£3m	Liquid (instant access)
G	Svenska Handelsbanken			0	0	£1.0m	3 Months

- 8.10 The credit rating of counterparties is monitored regularly. The Council receives credit rating advice from its advisers, Capita Asset Services, on a daily basis, and as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Chief Finance Officer and if required new counterparties which meet the criteria will be added to the list.
- 8.11 **Specified and Non-Specified Investments**
- 8.12 CLG regulations classify investments as either Specified or Non-Specified. Specified Investment is any investment not meeting the Specified definition.
- 8.13 The investment criteria outlined above is different to that used to define Specified and Non-Specified investments. This is because it is intended to create a pool of high quality counterparties for the Council to use rather than defining what its investments are.
- 8.14 Specified Investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within twelve months if it wishes. These are low

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risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
- Other Councils
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society. This covers bodies with a minimum rating of A- (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies.

8.15 Non-specified Investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any investments with:

- Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.
- Any bank or building society that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

8.16 In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

8.17 **Benchmarking**

8.18 A requirement in the revised Codes is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Security and liquidity benchmarks are new requirements and benchmarks in these areas are significantly less developed. The application of these is also more subjective in nature.

8.19 These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is to assist monitoring and illuminate any changes to the strategy. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report

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8.20 The benchmark for monitoring security is based on the historical risk of default associated with the credit rating of an organisation. The higher rated counterparties have a lower rate of historic default.

8.21 The table below sets out the historic default percentages for each type of credit rated institution and the period of deposit.

	Maturity Period				
Years	1	2	3	4	5
AAA	0.00%	0.02%	0.06%	0.09%	0.13%
AA	0.02%	0.04%	0.14%	0.28%	0.36%
A	0.09%	0.25%	0.43%	0.60%	0.79%
BBB	0.23%	0.65%	1.13%	1.70%	2.22%
BB	0.93%	2.47%	4.21%	5.81%	7.05%
B	3.31%	7.89%	12.14%	15.50%	17.73%
CCC	23.15%	32.88%	39.50%	42.58%	45.48%

8.22 The Council has an extremely cautious investment strategy and this has avoided investment default. As a result the Council has never suffered investment loss. It is expected that the recommended changes to the investment strategy will avoid investment default. However the Council still needs to set a formal limit. It is therefore suggested that the Council will aim to ensure that the historic default probability of its investment portfolio will not exceed 0.2%.

8.23 An additional proposed benchmark is the average risk of default. This is based on the historic risk of default multiplied by the value of each investment. It does not constitute the actual expectation of loss. Rather it is intended to give a guide as to the relative security of investments. For the forthcoming year this is expected not to exceed £100,000.

8.24 To ensure adequate Liquidity the Council maintains a bank overdraft facility of £1.5m. In addition the Council will make use of call accounts to enable cash to be obtained with immediate notice. The proposed benchmark for monitoring liquidity is 'Weighted Average Life'. This reflects the average number of days to maturity for investments and therefore gives an indication of the liquidity profile of investments held. For the forthcoming year because of the lack of value obtainable for deposits exceeding 12 months and the need to ensure maximum security this benchmark is expected to be 0.5 years, with a maximum of 3 years.

9. MINIMUM REVENUE PROVISION AND INTEREST COSTS AND OTHER REGULATORY INFORMATION 2015/16

9.1 There are two elements to the Councils annual loan repayment costs – the statutory Minimum Revenue Provision (MRP) and interest costs. The Council is required to pay off an element of the CFR each year through a revenue charge called the Minimum Revenue Provision (MRP).

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- 9.2 CLG Regulations require the Council to approve an **MRP Statement** in advance of each year. This will determine the annual loan repayment charge to the revenue account. The budget strategy is based on the following MRP statement and Council is recommended to formally approve this statement:
- For capital expenditure incurred before 1st April, 2008 the Council's MRP policy is to calculate MRP in accordance with former CLG Regulations. This is 4% of the Capital Financing Requirement except where the Council makes Voluntary Revenue Payments for Departmental Prudential Borrowing, which is in excess of the amount required by these regulations, based on asset life;
 - From 1st April, 2008 the Council calculates MRP based on asset life for all assets or where prudential borrowing is financed by a specific annuity loan, MRP will be calculated according to the actual annuity loan repayments.
- 9.3 **CIPFA Treasury Management Code of Practice**
- 9.4 The Council has adopted CIPFA Treasury Management Code of Practice. Confirmation of this is the first prudential indicator.
- 9.5 **Treasury Management Advisors**
- 9.6 The Council uses Capita Asset Services – Treasury Solutions (formerly known as Sector) as its external treasury management advisors.
- 9.7 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 9.8 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 10. BANKING CONTRACT UPDATE**
- 10.1 Owing to concerns surrounding the Co-operative Bank (the Council's bank) a proactive strategy was implemented in 2013/14 of clearing the Council's bank account on a daily basis and placing deposits with more highly rated institutions.
- 10.2 Later in the year the Co-operative Bank announced that after current local authority contracts expire, it will no longer be providing banking services to Local Authorities. The bank's stated aim is to simplify and rebuild the bank by focusing on individuals and small/medium sized businesses whilst ending

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relationships that require more complex banking requirements, such as with Local Authorities.

- 10.3 The Council was already planning a tendering process for the banking contract when the Co-op made the announcement and in August 2014 a new contract was awarded to Lloyds Bank. Schools were transferred to the new bank on 1 November 2014 and a phased implementation for the rest of the Council is planned to begin on 1 December 2014.

11. CONCLUSION

- 11.1 The borrowing decisions to be taken over the next 12 to 24 months will be particularly challenging owing to the expectation of increases in the current historically low Base Rate. The actions to be taken by the Bank of England to increase the Base Rate and to reduce the economy's dependency on 'Quantitative Easing' are unprecedented. Whilst, most economists and financial commentators are expecting a gradual increase in the Base Rate and a peak below the pre-crisis Base Rate of 5%, this position cannot be guaranteed.
- 11.2 It is anticipated that increases in the Base Rate are already largely factored in to longer terms interest rates, although this position cannot be guaranteed.
- 11.3 Against this uncertain national background and the requirement to make significant budget reductions to balance the 2015/16 to 2017/18 budget the Council will need to make significant borrowing decisions over the next 12 to 24 months to secure the Treasury Management savings already built into the base budget. Similar decisions will be made by many other authorities as they also seek to fund long term borrowing requirements.
- 11.4 The Council's core borrowing requirement is forecast to reduce from £80.4m at 31st March 2014, to £47.1m at 31st March 2026, which reduces the impact of higher interest rates over this period owing to annual reductions in the borrowing requirement.
- 11.5 The report outlines a strategy for managing interest rate risks with the aim of ensuring the borrowing requirement can be funded from the available revenue budget and use of the Treasury Management Reserve if necessary.
- 11.6 In relation to the investment strategy the Council has adopted an extremely prudent approach over the last few years. An updated assessment of potential risk has been completed and it is recommended that the Council increases the duration of investments and also adds additional investment counterparties to the approved lending list. These recommendations are based on an updated assessment of potential risk and reflect improvements in the banking sector and banking regulations. In the short-term changes to the investment criteria will have a limited impact as the Councils overall approach will be to continue to net down investments and borrowings, as this is the lowest costs and lowest risk option.

12. RECOMMENDATIONS

12.1 It is recommended that Members approve the following interdependent proposals:

12.2 Treasury Management Outturn Position 2013/14

- i) Note the 2013/14 Treasury Management Outturn detailed in section 4 and Appendix A.

12.3 Treasury Management Strategy 2014/15 Mid-Year Review

- ii) Note the 2014/15 Treasury Management Mid-year Position detailed in section 5.

12.4 Treasury Management Strategy 2015/16 (Prudential Indicators)

- iii) Note that detailed prudential indicators will be reported to full Council in February 2015.

12.5 Borrowing Strategy 2015/16

- iv) **Core borrowing requirement** - Approve the adoption of Option 1 to delay long term borrowing until there is a significant increase in the base rate;
- v) To note that in the event of a change in forecast interest rates the Chief Finance Officer may implement Option 2 to fund the borrowing requirement at fixed long term interest rates at an affordable level to protect the Authorities long term financial position;
- vi) **Borrowing required for business cases** – Approve the adoption of Option 2 to fixed interest rates for individual business cases.

12.6 Investment Strategy 2015/16

- vii) Approve the addition of Svenska Handelsbanken to the counterparty list with a counterparty limit of £1m and time limit of 3 months.
- viii) Approve the addition of three Money Market Funds to the counterparty list, with a counterparty limit of £1m per fund, noting that funds will be liquid (i.e. instant access) therefore a time limit is not applicable.
- ix) For existing counterparties, extend the time limits for investments to a maximum of 1 year.

12.7 Minimum Revenue Provision (MRP) Statement

- x) Approve the MRP statement outlined in paragraph 9.2 above.

13. REASON FOR RECOMMENDATIONS

- 13.1 To allow Members to fulfil their responsibility for scrutinising the Treasury Management Strategy

14. CONTACT OFFICER

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Prudential Indicators 2013/14 Outturn

1. Ratio of Financing Costs to Net Revenue Stream

This indicator shows the proportion of the total annual revenue budget that is funded by the local tax payer and Central Government, which is spent on servicing debt. The outturn is lower than the estimate, mainly as a result of savings achieved from long term borrowing repayment and the very low rates of interest on short term loans.

2013/14 Estimate		2013/14 Outturn
6.62%	Ratio of Financing costs to net revenue stream	5.44%

2. Capital Expenditure

This indicator shows the total capital expenditure for the year.

2013/14 Estimate £'000		2013/14 Outturn £'000
28,539	Capital Expenditure	23,590

The actual is lower than estimated owing to the phasing of overall expenditure between years.

3. Capital Expenditure Financed from Borrowing

This shows the borrowing required to finance the capital expenditure programme, split between core expenditure and expenditure in relation to business cases.

2013/14 Estimate £'000		2013/14 Outturn £'000
600	Core Capital Expenditure Financed by Borrowing	3,681
5,059	Business Case Capital Expenditure Financed by Borrowing	2,588
5,659	Total Capital Expenditure Financed by Borrowing	6,269

The actual is higher than the estimate owing to expenditure funded by prudential borrowing rephased from previous years.

4. Capital Financing Requirement

CFR is used to determine the minimum annual revenue charge for capital expenditure repayments (net of interest). It is calculated from the Council's Balance Sheet and is shown below. Forecasts for future years are directly influenced by the capital expenditure decisions taken and the actual amount of revenue that is set aside to repay debt.

2013/14 Estimate £'000		2013/14 Outturn £'000
78,948	Core Capital Financing Requirement	80,378
19,463	Business Case Capital Financing Requirement	11,858
98,411	Total Capital Financing Requirement	92,236

The core capital financing requirement is higher than estimate owing to the timing of capital expenditure differing from that forecast i.e. the phasing of capital expenditure. The business case CFR is lower than the estimate as a result of capital expenditure included within the estimate which has been rephased between years and Minimum Revenue Provision (MRP), the revenue charge to pay off debt, was slightly higher than initially forecast.

5. Authorised Limit for External Debt

The authorised limit determines the maximum amount the Council may borrow at any one time. The authorised limit covers both long term borrowing for capital purposes and borrowing for short term cash flow requirements. The authorised limit is set above the operational boundary to provide sufficient headroom for operational management and unusual cash movements. In line with the Prudential Code, the level has been set to give the Council flexibility to borrow up to three years in advance of need if more favourable interest rates can be obtained.

2013/14 Limit £'000		2013/14 Peak £'000
118,000	Authorised limit for external debt	54,525

The above Authorised Limit was not exceeded during the year. The level of debt as per the Balance Sheet at the year end, excluding accrued interest was £54.507m. The peak level during the year was £54.525m.

6. Operational Boundary for External Debt

The operational boundary is the most likely prudent, but not worst case scenario, level of borrowing without the additional headroom included within the authorised limit. The level is set so that any sustained breaches serve as an early warning that the Council is in danger of overspending or failing to achieve income targets and gives sufficient time to take appropriate corrective action.

2013/14 Limit £'000		2013/14 Peak £'000
108,000	Operational boundary for external debt	54,525

The operational limit was not exceeded in the year. The peak level of debt was £54.525m.

7. Interest Rate Exposures

This indicator is designed to reflect the risk associated with both fixed and variable rates of interest, but must be flexible enough to allow the Council to make best use of any borrowing opportunities.

2013/14 Limit £'000	Upper limits on fixed and variable interest rate exposure	2013/14 Peak £'000
108,000 78,000	Fixed Rates Variable Rates	54,525 -

The figures represent the peak values during the period.

8. Maturity Structure of Borrowing

This indicator is designed to reflect and minimise the situation whereby the Council has a large repayment of debt needing to be replaced at a time of uncertainty over interest rates, but as with the indicator above, it must also be flexible enough to allow the Council to take advantage of any borrowing opportunities.

APPENDIX F

	Upper Limit £000	Lower Limit £000	Actual by Maturity Date £000	Actual by soonest call date £000
Less than one year	98,000	0	164	15,164
Between one and five years	108,000	0	2,113	32,113
Between five and ten years	108,000	0	742	742
Between ten and fifteen years	108,000	0	875	875
Between fifteen and twenty years	108,000	0	635	635
Between twenty and twenty-five years	108,000	0	459	459
Between twenty-five and thirty years	108,000	0	483	483
Between thirty and thirty-five years	108,000	0	592	592
Between thirty-five and forty years	108,000	0	725	725
Between forty and forty-five years	108,000	0	2,270	2,270
More than forty-five years	108,000	0	45,505	505

The Council's current outstanding borrowing takes the form of LOBO (Lender Option Buyer Option) loans which provide fixed interest rates for defined periods and also defined dates for reviewing interest rates, known as 'call dates'. A recent change to the Prudential Code requires that the call date is reflected in the Maturity Structure indicator above rather than maturity date. However the likelihood of a LOBO being 'called' at present is very low and both methods are presented above for completeness.

9. Investments over Maturing over One Year

This sets an upper limit for amounts invested for periods longer than 364 days. The limit was not exceeded as a prudent approach to investment has been taken owing to uncertainties in the economy this is in line with the Treasury Management Strategy. Consequently all investments made during the year were limited to less than one year.

	1 year £000	2 year £000	3 year £000
Maximum Limit	0	0	0
Actual	0	0	0

**TREASURY MANAGEMENT STRATEGY 2015/16 REGULATORY INFORMATION
AND PRUDENTIAL INDICATORS****1. INTRODUCTION**

- 1.1 The Audit and Governance Committee considered the Treasury Management Strategy for 2015/16 on 11th December 2014. The Audit and Governance Committee approved the recommended Borrowing and Investment Strategy. However, owing to the timing of the Audit and Governance Committee meeting and of capital funding announcements from the Government, it was not possible to present detailed prudential indicators. The Audit Governance Committee noted that these would be reported to full Council and are presented in this Appendix. The late announcement of this information does not impact on the recommended strategy as the capital funding announcements relate to capital grant allocations which fully fund defined Government capital spending priorities.

2. PRUDENTIAL INDICATORS

- 2.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and set prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity.
- 2.2 The first prudential indicator is confirmation that the Council has adopted the CIPFA Treasury Management Code of Practice, which the Treasury Management Strategy report confirms.
- 2.3 Details of the proposed prudential limits are set out in the following sections.

3. CAPITAL EXPENDITURE AND FINANCING REQUIREMENT

- 3.1 The Council's Borrowing Strategy is driven by the Capital Financing Requirement (CFR) and the Council's view of interest rates. The CFR is the amount the Council needs to borrow to fund capital expenditure incurred in previous financial years and forecast capital expenditure in the next three years which is not funded from capital grants, capital receipts or directly from revenue budgets. Historically the majority of the Council's CFR related to capital expenditure supported by Government borrowing approvals.
- 3.2 Government borrowing approvals are authority to fund capital expenditure from loans. The Government then pay revenue grant to Councils to partly fund the annual loan repayment and interest costs. The balance of these costs is then funded from the Council's General Fund budget. Prior to the introduction of the prudential borrowing system Councils could only borrow for capital expenditure authorised by a Government borrowing approval.
- 3.3 Following the introduction of the prudential borrowing systems Councils can determine their own borrowing levels, subject to revenue affordability. The Council has managed the new flexibility carefully owing to the ongoing revenue commitment of taking on new additional borrowing. The Council has

only approved specific self funding business cases, for example affordable housing schemes and a limited amount of General Fund capital expenditure where the resulting loan repayment and interest costs have been funded as a revenue budget pressure.

- 3.4 Councils ultimately need to fund the CFR by borrowing money from the Public Works Loan Board (PWLB) or banks. The CFR is then repaid over a number of years reflecting the long term benefits of capital expenditure. In simple terms the CFR represents the Council's outstanding mortgage, although the legislation and accounting requirements are significantly more complex.
- 3.5 As part of the Medium Term Financial Strategy the Council is required to approve the 2014/15 capital programme as summarised below:

Capital Expenditure	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
New Approved Capital Expenditure	20,327	9,138	4,488	4,202
Capital Expenditure Approved in 2014/15 profiled for future years	0	11,783	1,892	1,487
Approved Capital Expenditure Rephased from 2013/14	19,967	0	0	0
2014/15 Capital Expenditure to be Rephased	(17,788)	17,788	0	0
Capital Expenditure for the Year	22,506	38,709	6,380	5,689
Financed by:				
Capital grants and contributions	3,924	11,139	3,084	2,836
Other Capital Funding	3,597	3,535	628	628
Capital Expenditure to be funded from New Prudential Borrowing	12,806	6,247	2,668	2,225
Capital Resources Rephased from 2013/14	19,967	0	0	0
Capital Resources to be Rephased from 2014/15	(17,788)	17,788	0	0
Total Funding	22,506	38,709	6,380	5,689

- 3.6 The estimated Capital Finance & Borrowing Requirement is shown in the table below:

Capital Financing & Borrowing Requirement	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
CFR at 1st April	92,236	98,242	110,172	107,826
Capital Expenditure Financed by New Borrowing	12,806	6,247	2,668	2,225
Capital Expenditure Financed by Borrowing Rephased from 2013/14	7,731	0	0	0
Less Capital Expenditure Financed by Borrowing to be rephased from 2014/15	(10,218)	10,218	0	0
Less Repayment of CFR	(4,313)	(4,535)	(5,014)	(4,901)
CFR at 31st March	98,242	110,172	107,826	105,150
Less assets held under Finance Lease	(56)	(54)	(52)	(50)
Borrowing Requirement	98,186	110,118	107,774	105,100

4. AFFORDABILITY PRUDENTIAL INDICATORS

- 4.1 The affordability of the approved Capital Investment Programme was assessed when the investment programme was approved and revenue costs are built into the Medium Term Financial Strategy. The 'Affordability Prudential Indicators' are detailed below and are intended to give an indication of the affordability of the planned capital expenditure financed by borrowing in terms of the impact on Council Tax and the Net Revenue Stream.

4.2 Incremental Impact of Capital Expenditure on Council Tax

- 4.3 This indicator identifies the revenue costs associated with new schemes included in the three year Capital Programme recommended in the budget strategy report compared to the Council's existing approved commitments and current plans. The incremental impact of capital expenditure on Council Tax is expected to decrease in line with the anticipated decrease in prudential borrowing.

	Forward Projection 2014/15 £'000	Forward Projection 2015/16 £'000	Forward Projection 2016/17 £'000	Forward Projection 2017/18 £'000
Council Tax - Band D	£10.53	£8.75	£3.74	£3.12

4.4 Ratio of Financing Costs to Net Revenue Stream

- 4.5 This shows the net cost of capital borrowing as a percentage of the net budget.

%	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Ratio	6.62%	6.56%	6.72%	6.86%

5. BORROWING PRUDENTIAL INDICATORS**5.1 Debt Projections 2014/15 – 2017/18**

5.2 The table below sets out the Council's projected Capital Financing Requirement (CFR) and level of debt:

Debt and Investment Projections	2014/15 Revised £'000	2015/16 Estimated £'000	2016/17 Estimated £'000	2017/18 Estimated £'000
Long Term Borrowing 1 April	52,944	67,417	71,275	79,815
Expected change in Long Term Debt	14,473	3,858	8,540	1,892
Debt at 31 March	67,417	71,275	79,815	81,707
Borrowing Requirement	98,186	110,118	107,774	105,100
Under Borrowing	(30,769)	(38,843)	(27,959)	(23,393)

5.3 The table shows that the Council can temporarily defer long term borrowing by continuing to use its balance sheet resources. In 2015/16, this Strategy continues to reduce investment counterparty risk and also shelter against the low investment returns.

5.4 Limits to Borrowing Activity

5.5 Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits.

5.6 The Council needs to ensure that its total borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/2016 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The table below demonstrates that net borrowing will not exceed the CFR.

External Debt	2014/15 Revised £'000	2015/16 Estimated £'000	2016/17 Estimated £'000	2017/18 Estimated £'000
Gross Borrowing	67,417	71,275	79,815	81,707
Other Long Term Liabilities	56	54	52	50
Total Gross Borrowing	67,473	71,329	79,867	81,757
Borrowing Requirement	98,186	110,118	107,774	105,100

5.7 The table below shows two key limits for the monitoring of debt. The Operational Limit is the likely limit the Council will require and is aligned closely with the actual CFR on the assumption that cash flow is broadly neutral. The Authorised Limit for External Debt is a further key prudential indicator to control the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Council. In practice it needs to take account of the range of cash flows that might occur for the Council in addition to the CFR. This also includes the flexibility to enable advance refinancing of existing loans.

Borrowing Limits	2014/15 £'000	2015/16 Estimated £'000	2016/17 Estimated £'000	2017/18 Estimated £'000
Operational Limit	115,000*	115,000*	110,000	110,000
Authorised limit	125,000*	125,000*	120,000	120,000

*These Limits include provision for temporary borrowing related to the phasing of capital receipts over the period of the MTFS.

6. INVESTMENT PRUDENTIAL INDICATORS AND OTHER LIMITS ON TREASURY ACTIVITY

6.1 Investment Projections 2014/15 – 2017/18

6.2 The table below sets out the estimates for the expected level of resource for investment or use to defer long term borrowing.

2013/14 Outturn £'000	Year End Resources	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
55,037	Balances and Reserves	50,000	38,000	29,500	24,500
3,904	Provisions	3,500	3,500	3,500	3,500
58,941	Total Core Funds	53,500	41,500	33,000	28,000
18,523	Working Capital*	20,300	20,300	20,300	20,300
77,464	Resources Available for Investment	73,800	61,800	53,300	48,300
(37,224)	(Under)/over borrowing	(30,769)	(38,843)	(27,959)	(23,393)
40,240	Expected Investments	43,031	22,957	25,341	24,907

* The working capital balance is based on an estimate of debtors and creditors at year end.

6.3 Sensitivity to Interest Rate Movements

6.4 Sensitivity to Interest Rate Movements is a prudential indicator that the Authority is required to disclose. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. These forecasts are based on a prudent view of a +/- 1% change in interest rates for the full CFR. Equally for investments they are based on a prudent view of the total amount invested. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by short interest rate changes. The "Treasury Management Risk Reserve" of £0.870m was established to manage this risk.

Impact on Revenue Budgets	2015/16 Estimated 1% £'000	2015/16 Estimated -1% £'000
Interest on Borrowing	1,096	(1,096)
Investment income	(229)	229
Net General Fund Borrowing Cost	868	(868)

6.5 There are four further treasury activity limits and the purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates.

6.6 The limits are:

- i) Upper limits on variable interest rate exposure – This identifies a maximum limit for the percentage of the Council's borrowing and investments that are held with variable interest rates. The proposed limits are detailed in the table below.

Limits on Variable Interest Rates	2015/16 Upper £'000	2016/17 Upper £'000	2017/18 Upper £'000
Borrowing	85,000	80,000	80,000
Investments	35,000	30,000	25,000

- ii) Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit for the percentage of the Council's borrowing and investments that are held with fixed interest rates.

Limits on Fixed Interest Rates	2015/16 Upper £'000	2016/17 Upper £'000	2017/18 Upper £'000
Borrowing	115,000	110,000	110,000
Investments	70,000	60,000	50,000

- iii) Maturity structure of borrowing – Limits for the 'Maturity Structure of Borrowing' are intended to reduce exposure to large fixed rate sums falling due for refinancing. In the opinion of the Chief Finance Officer limits on fixed and variable rates for **borrowing** are unhelpful and could lead to higher costs of borrowing. Previous experience has shown that it is possible to move from a position of predominantly fixed rate borrowing to variable rate borrowing and then back to fixed rate borrowing over a period of two years. In the Chief Finance Officer's professional opinion this proactive management of investments and borrowing continues to provide the most cost effective strategy for the Council, whilst not exposing the Council to unnecessary risk. The Council should ensure maximum flexibility to minimise costs to the revenue budget in the medium term. These limits are detailed in the table below:

Maturity Structure of fixed interest rate borrowing 2015/16				
	2014/15 £000 Lower Limit	2014/15 £000 Upper Limit	2015/16 £000 Lower Limit	2015/16 £000 Upper Limit
Under 12 months	0	105,000	0	105,000
12 months to 2 years	0	115,000	0	115,000
2 years to 5 years	0	115,000	0	115,000
5 years to 10 years	0	115,000	0	115,000
10 years to 20 years	0	115,000	0	115,000
20 years to 30 years	0	115,000	0	115,000
30 years to 40 years	0	115,000	0	115,000
40 years to 50 years	0	115,000	0	115,000
50 years to 60 years	0	115,000	0	115,000
60 years to 70 years	0	115,000	0	115,000

The limits allow for borrowing up to the Capital Financing Requirement at either variable or fixed rates. The intention is to move to fixed rate borrowing when rates are at an appropriate level and may require the temporary use of variable rate borrowing in the interim.

- iv) Maximum principal sums invested – Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and reflect the current recommended advice that investments are limited to short term investments i.e. up to one year.

Limit for Maximum Principal Sums Invested > 364 days			
	1 year £000	2 years £000	3 years £000
Maximum	20,000	0	0

6.7 Performance Indicators

- 6.8 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. The Council will produce the following performance indicators for information and explanation of previous treasury activity:

- Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – returns compared to the 7 day LIBID rate